



Building Community

AGENDA ITEM SUMMARY

November 15, 2016

SUBJECT:	JEA CALENDAR YEARS 2017 AND 2018 FIXED RATE REFUNDING DEBT PARAMETER RESOLUTIONS FOR ELECTRIC, WATER AND SEWER AND ST. JOHNS RIVER POWER PARK SYSTEMS
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Staff is requesting Board approval of all bond legal documents (listed in Attachment A) relating to delegated fixed rate debt refunding parameters and authorizations for the Electric System, Water and Sewer System and St. Johns River Power Park System.

Significance: High. Potential refunding transactions currently being evaluated require Board authorization.

Effect: Using the bond issuance delegation process makes better use of the Board's time and provides greater flexibility in meeting the fluctuating demands of the financial market.

Cost or Benefit: Potential debt service savings from lower interest rates if refundings can be executed in a timely manner based on favorable market conditions.

Recommended Board action: JEA staff is recommending that the Board approve and adopt Resolutions No. 2016-21, 2016-22, 2016-23, 2016-24 and 2016-25 and the related forms of Bond Purchase Agreement, Preliminary Official Statement, Escrow Deposit Agreement and Bond that will provide the Managing Director/CEO the authorization to price and execute Electric System, Subordinated Electric System, Water and Sewer System, Subordinated Water and Sewer System and St. Johns River Power Park System Issue Three, respectively, fixed rate refunding bonds within the stated parameters.

For additional information, contact: Joe Orfano, 665-4541

Submitted by: PEM/ MHD/ JEO/ rlh

MISSION		VISION		VALUES	
Energizing our community through high-value energy and water solutions.		JEA is a premier service provider, valued asset and vital partner in advancing our community.		<ul style="list-style-type: none"> • Safety • Service • Growth² • Accountability • Integrity 	

Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



Building Community

INTER-OFFICE MEMORANDUM

November 15, 2016

SUBJECT: JEA CALENDAR YEARS 2017 AND 2018 FIXED RATE REFUNDING DEBT PARAMETER RESOLUTIONS FOR ELECTRIC, WATER AND SEWER AND ST. JOHNS RIVER POWER PARK SYSTEMS

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flannigan, Chair
Tom Petway
Ed Burr
Husein Cumber

BACKGROUND:

Since FY2010, JEA staff has utilized a debt financing approval process in which the Board delegated parameters, consistent with the current year budget, within which the Managing Director/CEO is authorized to price and execute future fixed rate bond issues. The process includes both fixed rate new money and refunding transactions. However, certain bond transactions, including but not limited to variable rate and synthetic fixed rate financings, continue to be brought to the Board on a deal-by-deal basis for approval. This provides staff with additional flexibility to move quickly and take advantage of market-related opportunities in the post financial crisis marketplace.

Staff, operating under subsequent Board approvals utilized this process for FY2011 and FY2012. For FY2013, the Managing Director/CEO utilized a variation of this delegation process whereby staff requested Board authorizations for fixed rate refunding transactions under delegated parameters on a deal-by-deal basis. In FY2014, and for CY2015 and 2016, the Board then returned to a delegation authorization process similar to that used in FY2010, 2011 and 2012, but limited the delegation authorizations to fixed rate refundings.

DISCUSSION:

To provide for efficiency in the Board's review time and provide staff with flexibility in taking advantage of market opportunities to lower debt service, staff is recommending the Board continue the delegation process most recently authorized in December 2014 for CY2015 and 2016. Under this process, the Board has authorized the Managing Director/CEO to price and execute future fixed rate bond refunding transactions (which may include full or partial terminations of interest rate swaps associated with the refunded variable rate bonds) within delegated parameters. The current action delegates such authorization for a period through the end of calendar year 2018 to refund existing variable rate and/or fixed rate bonds.

Board members will continue to have the opportunity to review and provide comments to staff, which is appropriate practice under federal securities laws, regarding all preliminary and final Official Statements prior to posting. These documents will be distributed to members electronically throughout the term of this delegated authorization, outside of regularly scheduled Board meetings, as specific bond issues are sold. The results of all bond issues sold will be reported back to the Board through quarterly reports to the Finance and Audit Committee.

These authorizations pertain only to refunding transactions. For the Electric, Water and Sewer and St. Johns River Power Park System (SJRPP) Issue Three refunding transactions, only the use of tax-exempt debt is authorized. All other types of bond transactions not specifically described in the attached resolutions, including but not limited to new money, taxable, or new synthetic fixed rate financings and variable-to-variable rate refundings, would continue to be brought to the Board on a deal-by-deal basis for approval.

Bond counsel has prepared Resolutions No. 2016-21, 2016-22, 2016-23, 2016-24 and 2016-25 for the Electric System (Senior and Subordinated), Water and Sewer System (Senior and Subordinated) and SJRPP Issue Three, respectively, to authorize the Managing Director/CEO to price and execute certain refundings and pay the cost of issuance within the following amounts and issuance parameters:

	Fixed-to-Fixed Rate Refunding Authorization Level	Variable-to-Fixed Rate Refunding Authorization Level
Electric System – Senior	\$105 million	\$466 million
Electric System – Subordinated	\$200 million	\$133 million
Water and Sewer System – Senior	\$115 million	\$138 million
Water and Sewer System – Subordinated	\$55 million	\$110 million
St. Johns River Power Park – Issue Three	\$80 million	Not applicable

For St. Johns River Power Park Bonds only:

- Final maturity for the SJRPP refunding bonds no later than October 1, 2037 for bonds that are refunding SJRPP Issue Three refunded bonds (final maturity of existing bonds)

For Electric System (Senior and Subordinated), Water and Sewer System (Senior and Subordinated) and SJRPP Issue Three bonds:

- Weighted average life no greater than the weighted average life of the refunded bonds plus one year.
- For fixed-to-fixed refunding bonds, bonds maturing on the October 1 next following the delivery date must have net present value savings, on an October 1 occurring at least one year and less than three years after the delivery date at least 3% present value savings, on an October 1 occurring at least three years and less than nine years after the delivery date at least 4% present value savings, and at least 5% present value savings thereafter. In lieu of this, present value savings for fixed-to-fixed rate current refundings shall not be less than 5%, measured on an aggregate basis.
- Present value savings for any fixed-to-fixed rate advance refundings shall not be less than 7.5%, measured on an aggregate basis.
- For variable rate bonds being refunded by fixed bonds, true interest cost for the fixed rate bonds shall not exceed 5%.
- If subject to optional redemption, optional redemption price shall not exceed 101% of the principal amount and the optional redemption date shall not be less than four years nor more than ten years from the date of issuance.
- Semiannual interest payments commencing on either the April 1 or October 1 next following the delivery date, as determined by the Managing Director/CEO.

Resolutions No. 2016-21, 2016-22, 2016-23, 2016-24 and 2016-25 authorize the sale of the bonds to JEA's Underwriters pursuant to negotiated sales. Resolutions No. 2016-21, 2016-22, 2016-23, 2016-24

and 2016-25 also supersede and repeal unutilized authorizations previously approved in Resolutions No. 2014-07, 2014-08, 2014-09, 2014-10 and 2014-12, respectively.

Staff will select senior underwriters from the group of investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA's debt. The resolutions state that the bonds must be sold no later than December 31, 2018, as determined by the signing date of the bond purchase agreement.

The resolutions also approve the forms of and authorize the execution of various legal documents that have been prepared by counsel in connection with the issuance of any fixed rate refunding bonds issued authorized under these resolutions including:

- Bond Purchase Agreement
- Preliminary Official Statement
- Escrow Deposit Agreement
- Bond Form

Staff will report back to the Finance and Audit Committee the results of any transaction(s) pursuant to authorizations at the next regularly scheduled meeting following the closing date of the refunding bonds.

RECOMMENDATION:

JEA staff is recommending that the Board approve and adopt Resolutions No. 2016-21, 2016-22, 2016-23, 2016-24 and 2016-25 and the related forms of Bond Purchase Agreement, Preliminary Official Statement, Escrow Deposit Agreement and Bond that will provide the Managing Director/CEO the authorization to price and execute Electric System, Subordinated Electric System, Water and Sewer System, Subordinated Water and Sewer System and St. Johns River Power Park System Issue Three, respectively, fixed rate refunding transactions within the stated parameters.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/rjh

DELEGATION RESOLUTIONS

- **Electric System: Series Three 2017/8X Supplemental Resolution** (Resolution No. 2016-21)
Exhibit A – Form of Bond Purchase Agreement
Exhibit B – Form of Preliminary Official Statement
Exhibit C – Form of Escrow Deposit Agreement

- **Electric System: Fifty-Fifth Supplemental Subordinated Resolution** (Resolution No. 2016-22)
Exhibit A – Form of Escrow Deposit Agreement

- **Water and Sewer System: Forty-Third Supplemental Resolution** (Resolution No. 2016-23)
Exhibit A – Form of Bond Purchase Agreement
Exhibit B – Form of Preliminary Official Statement
Exhibit C – Form of Escrow Deposit Agreement

- **Water and Sewer System: Eighteenth Supplemental Subordinated Resolution**
(Resolution No. 2016-24)
Exhibit A – Form of Escrow Deposit Agreement

- **St. Johns River Power Park System: Issue Three, Series X Supplemental Resolution**
(Resolution No. 2016-25)
Exhibit A – Form of Bonds
Exhibit B – Form of Bond Purchase Agreement
Exhibit C – Form of Preliminary Official Statement
Exhibit D – Form of Escrow Deposit Agreement

RESOLUTION NO. 2016-21

A RESOLUTION OF JEA SUPPLEMENTING A RESOLUTION OF JEA ADOPTED ON AUGUST 16, 1988 ENTITLED “A RESOLUTION OF THE JACKSONVILLE ELECTRIC AUTHORITY FURTHER AMENDING AND SUPPLEMENTING THE RESOLUTION OF THE AUTHORITY ADOPTED MARCH 30, 1982 ENTITLED: ‘A RESOLUTION AUTHORIZING THE REFUNDING OF PRESENTLY OUTSTANDING REVENUE OBLIGATIONS OF THE JACKSONVILLE ELECTRIC AUTHORITY AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE ELECTRIC GENERATION, TRANSMISSION AND DISTRIBUTION SYSTEM OWNED AND OPERATED BY THE AUTHORITY; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$487,000,000 ELECTRIC SYSTEM REVENUE BONDS, SERIES ONE, OF THE JACKSONVILLE ELECTRIC AUTHORITY TO PAY THE COST OF SUCH REFUNDING AND THE COST OF SUCH ADDITIONS, EXTENSIONS AND IMPROVEMENTS; PROVIDING FOR THE PAYMENT OF THE BONDS FROM THE NET REVENUES OF THE ELECTRIC SYSTEM AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE’, AS HERETOFORE AMENDED AND SUPPLEMENTED, FOR THE PURPOSES OF FINANCING THE CONSTRUCTION OR ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE ELECTRIC SYSTEM OF THE AUTHORITY AND PROVIDING FOR THE REFUNDING OF CERTAIN INDEBTEDNESS OF THE AUTHORITY; SPECIFYING DEFINITIONS AND THE STATUTORY AUTHORITY THEREFOR; AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE, TO FINANCE A PART OF THE COST OF SUCH CONSTRUCTION OR ACQUISITION AND SUCH REFUNDING; SPECIFYING GENERAL TERMS AND PROVISIONS OF SUCH SERIES THREE BONDS; PLEDGING THE NET REVENUES OF THE SYSTEM TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH SERIES THREE BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH SERIES THREE BONDS AND ENTERING INTO CERTAIN COVENANTS AND AGREEMENTS WITH SUCH HOLDERS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH SUCH SERIES THREE BONDS; AND PROVIDING AN EFFECTIVE DATE”; AUTHORIZING THE ISSUANCE IN ONE OR MORE INSTALLMENTS OF NOT TO EXCEED \$571,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE 2017/8X OF JEA FOR THE PURPOSE OF FINANCING THE REFUNDING OF OUTSTANDING JEA ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE, FINANCING THE TERMINATION OR PARTIAL TERMINATION OF INTEREST RATE SWAP TRANSACTIONS ASSOCIATED WITH OUTSTANDING

VARIABLE RATE ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE TO BE REFUNDED AND PAYING THE COSTS OF ISSUANCE OF SUCH SERIES THREE 2017/8X BONDS; FIXING THE DATE(S), PAYING AGENT AND REGISTRAR, FORM, APPLICATION OF PROCEEDS AND CERTAIN OTHER DETAILS OF EACH INSTALLMENT OF SUCH SERIES THREE 2017/8X BONDS; DELEGATING THE AUTHORITY TO DETERMINE MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, MANDATORY AMORTIZATION INSTALLMENTS, REDEMPTION PROVISIONS AND CERTAIN OTHER DETAILS FOR EACH INSTALLMENT OF SUCH SERIES THREE 2017/8X BONDS; PROVIDING FOR THE REFUNDING OF CERTAIN OUTSTANDING BONDS OF JEA; AUTHORIZING THE TERMINATION OR PARTIAL TERMINATION OF FLOATING-TO-FIXED RATE INTEREST RATE SWAP TRANSACTIONS ASSOCIATED WITH OUTSTANDING VARIABLE RATE ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE TO BE REFUNDED; PROVIDING FOR THE QUALIFICATION OF SUCH SERIES THREE 2017/8X BONDS AS BOOK-ENTRY-ONLY BONDS; DESIGNATING SUCH SERIES THREE 2017/8X BONDS AS “ADDITIONALLY SECURED BONDS”; ESTABLISHING CRITERIA FOR AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; AUTHORIZING THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER TO AWARD THE SALE OF EACH INSTALLMENT OF SAID SERIES THREE 2017/8X BONDS TO THE UNDERWRITERS DESCRIBED HEREIN PURSUANT TO A NEGOTIATED SALE AND APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; PROVIDING FOR THE APPOINTMENT OF AN ESCROW AGENT FOR THE REFUNDED BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; APPROVING THE FORM OF A DRAFT PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO EACH INSTALLMENT OF THE SERIES THREE 2017/8X BONDS AND AUTHORIZING THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER OR THE TREASURER TO DEEM THE PRELIMINARY OFFICIAL STATEMENT FINAL FOR PURPOSES OF SEC RULE 15C2-12; AUTHORIZING THE APPROVAL AND EXECUTION OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO EACH INSTALLMENT OF SAID SERIES THREE 2017/8X BONDS; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF EACH INSTALLMENT OF SAID SERIES THREE 2017/8X BONDS UNDER THE BLUE SKY LAWS OF THE VARIOUS STATES; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; PROVIDING FEDERAL

INCOME TAX COVENANTS; AUTHORIZING CERTAIN OFFICIALS OF JEA TO TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID SERIES THREE 2017/8X BONDS, THE REFUNDING AND REDEMPTION OF SAID REFUNDED BONDS AND THE TERMINATION OR PARTIAL TERMINATION OF THE INTEREST RATE SWAP TRANSACTIONS; PROVIDING FOR SEVERABILITY AND CERTAIN OTHER DETAILS WITH RESPECT THERETO; SUPERSEDING AND REPEALING THE AUTHORIZATION TO ISSUE ANY ADDITIONAL DEBT UNDER RESOLUTION NO. 2014-07 OF JEA; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by JEA as follows:

SECTION 1. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Reference is made to the Electric System Resolution hereinafter referred to for definitions of terms used in this resolution which are not defined in this section. Words importing a singular number shall include the plural number in each case and vice versa, and words importing persons shall include business entities.

(A) “Advance Refunding Bonds” shall mean the Series Three 2017/8X Bonds of a particular installment, or portion thereof, that are issued to refund Refunded Bonds that will be paid or redeemed more than 90 days after the Delivery Date.

(B) “Authorized Officer of JEA” shall mean (1) the Chair, the Vice Chair, the Secretary and any Assistant Secretary of JEA, (2) the Managing Director/CEO, the Vice President and General Manager, Electric Systems, the Chief Financial Officer and the Treasurer of JEA (or any officer of JEA hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (3) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by JEA.

(C) “Bond Purchase Agreement” shall mean the Bond Purchase Agreement to be entered into between JEA and the Underwriters named therein relating to a particular installment of the Series Three 2017/8X Bonds, the form of which is attached hereto as Exhibit A.

(D) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(E) “Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement to be delivered by JEA in connection with the issuance of a particular installment of the Series Three 2017/8X Bonds, a form of which is attached as Appendix D to the Draft Preliminary Official Statement.

(F) “Debt Service Account” shall mean the Debt Service Account in the Sinking Fund established pursuant to the Electric System Resolution.

(G) “Delivery Date” shall mean the date of the initial issuance and delivery of a particular installment of the Series Three 2017/8X Bonds.

(H) “Draft Preliminary Official Statement” shall mean the draft of the Preliminary Official Statement of JEA relating to, among others, JEA’s Electric System Revenue Bonds, Series Three 2017/8X, the form of which is attached hereto as Exhibit B.

(I) “DTC” shall mean The Depository Trust Company.

(J) “Electric System Resolution” shall mean the Original Resolution, as amended, restated and supplemented.

(K) “Escrow Agent” shall mean the bank or trust company appointed as escrow agent under an Escrow Deposit Agreement, if any, and its duly appointed successors, such appointment, with respect to the Refunded Bonds, to be made in the certificate referred to in Section 5 hereof relating to the Series Three 2017/8X Bonds of such installment.

(L) “Escrow Deposit Agreement” shall mean each escrow deposit agreement between JEA and an Escrow Agent, if any, that may be entered into concurrently with the authentication and delivery of any installment of the Series Three 2017/8X Bonds, the form of which is attached hereto as Exhibit C.

(M) “Initial Subaccount” shall mean the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund established pursuant to the Electric System Resolution.

(N) “Interest Rate Swap Transactions” means the floating-to-fixed rate interest rate swap transactions entered into by JEA associated with variable rate Refunded Bonds which interest rate swap transactions are to be terminated, in whole or in part, contemporaneously with the issuance of an installment of the Series Three 2017/8X Bonds.

(O) “Letter of Representations” shall mean the Blanket Issuer Letter of Representations, dated May 6, 2004, from JEA to DTC, providing for the issuance of certain obligations of JEA (including the Series Three 2017/8X Bonds) in book-entry form through the facilities of DTC.

(P) “Managing Director/CEO” shall mean the Managing Director and Chief Executive Officer of JEA.

(Q) “Original Resolution” shall mean a resolution of JEA adopted on March 30, 1982 authorizing the issuance of not exceeding \$487,000,000 Electric System Revenue Bonds, Series One.

(R) “Refunded Bonds” shall mean, for any particular installment of the Series Three 2017/8X Bonds, the Series Three Bonds of the installments and maturities (and, if applicable, interest rates within maturities) and in the respective principal amounts to be refunded thereby, as identified by the Managing Director/CEO in the certificate described in Section 5 hereof relating to the Series Three 2017/8X Bonds of such installment.

(S) “Rule 15c2-12” shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

(T) “Sale Date” with respect to a particular installment of the Series Three 2017/8X Bonds, shall mean the date on which JEA enters into a Bond Purchase Agreement with respect to such installment of Series Three 2017/8X Bonds.

(U) “Series Three Bonds” shall mean JEA’s Electric System Revenue Bonds, Series Three, issued pursuant to the Electric System Resolution.

(V) “Series Three Resolution” shall mean a resolution of JEA adopted on August 16, 1988, the title of which is quoted in the title of this resolution.

(W) “Series Three 2017/8X Bonds” shall mean JEA’s Electric System Revenue Bonds, Series Three 2017/8X, authorized by Section 4 of this resolution.

(X) “Underwriters” shall mean any or all of the investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA’s debt named in the Bond Purchase Agreement.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of the Act and the Electric System Resolution, and is supplemental to the Series Three Resolution and the Electric System Resolution.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Electric System Resolution, JEA has heretofore authorized the issuance of not to exceed \$487,000,000 aggregate principal amount of Series One Bonds, and, subject to the satisfaction of the conditions contained in subsection L of Section 13 of the Electric System Resolution, has authorized the issuance of Additional Parity Obligations.

(B) Pursuant to the Series Three Resolution, JEA has heretofore authorized the issuance of Additional Parity Obligations to be known as “Electric System Revenue Bonds, Series Three.”

(C) Pursuant to its Ordinances 88-1108-554, 92-1411-902, 95-736-450, 1999-797-E, 2001-664-E, 2003-844-E, 2005-460-E, 2008-581-E and 2013-490-E, the Council of the City has authorized, among other things, the issuance and sale by JEA of Series Three Bonds for the purposes, among others, of financing the refunding of any Series Three Bonds.

(D) It is in the best interests of JEA to provide for the refunding of the Refunded Bonds to permit JEA to (i) refund fixed rate bonds at favorable fixed interest rates; (ii) refund variable rate debt with fixed rate bonds at favorable fixed interest rates; and (iii) to terminate or partially terminate Interest Rate Swap Transactions in an aggregate notional amount not to exceed the principal amount of the associated variable rate Refunded Bonds on favorable terms and thereby reduce the put, liquidity, renewal, counterparty, basis and other risks associated with bonds structured as variable rate demand obligations with associated variable-to-fixed rate interest rate swaps. Anything provided herein to the contrary notwithstanding, in no event shall interest rate swap transactions remain outstanding in a notional amount in excess of the outstanding principal amount of debt hedged thereby.

(E) It is in the best interests and serves a valid public purpose of JEA to issue and sell the Series Three 2017/8X Bonds as authorized herein for the purpose of providing all or a portion of funds required to refund the Refunded Bonds, to pay the costs of terminating or partially terminating the Interest Rate Swap Transactions in an aggregate notional amount not to exceed the aggregate principal amount of the associated variable rate Refunded Bonds and to pay the costs of issuance of the Series Three 2017/8X Bonds.

(F) Because of the characteristics of the Series Three 2017/8X Bonds, prevailing and anticipated market conditions, the need for flexibility in timing the issuance of each installment of the Series Three 2017/8X Bonds and the coordination of the termination or partial termination of the Interest Rate Swap Transactions, it is necessary and in the best interests of JEA to sell the Series Three 2017/8X Bonds of each installment at a negotiated sale or sales to the Underwriters, upon satisfaction of the terms and conditions set forth herein and in the Bond Purchase Agreement.

(G) Upon issuance in accordance with the terms hereof, the Series Three 2017/8X Bonds will constitute Additional Parity Obligations under the Electric System Resolution and Series Three Bonds under the Series Three Resolution, entitled to all the security and benefits thereof.

(H) The Series Three 2017/8X Bonds shall be limited obligations of JEA payable solely from and secured by a lien upon and pledge of (i) the Net Revenues derived by JEA from the operation of the Electric System and (ii) the amounts on deposit in the Revenue Fund and the Debt Service Account in the Sinking Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. The Series Three 2017/8X Bonds shall also be secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund. The Series Three 2017/8X Bonds shall not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and pledge of the amounts provided in the Electric System Resolution. In no event shall any owner of Series Three 2017/8X Bonds ever have the right to compel the ad valorem taxing power of the City or JEA, if any, or taxation of any form to pay the Series Three 2017/8X Bonds or be entitled to payment thereof from any other funds of the City or JEA.

(I) Prior to the sale of an installment of the Series Three 2017/8X Bonds, the Underwriters will provide JEA with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes. The Bond Purchase Agreement shall include a Truth-In-Bonding Statement pursuant to Section 218.385, Florida Statutes.

SECTION 4. SERIES DESIGNATION; PURPOSE. Not to exceed \$571,000,000 aggregate principal amount of the Series Three Bonds are hereby authorized to be issued in one or more installments; *provided*, that not to exceed \$105,000,000 principal amount of the Series Three 2017/8X Bonds may be issued for the purpose of refunding fixed rate Refunded Bonds and not to exceed \$466,000,000 principal amount of Series Three 2017/8X Bonds may be issued

for the purpose of refunding variable rate Refunded Bonds. Such Series Three Bonds shall be designated as the “Electric System Revenue Bonds, Series Three 2017/8X”; provided, that the Managing Director/CEO may alter the year and letter designation, all as he deems appropriate to reflect the year of issue or sale of the Series Three 2017/8X Bonds of an installment, the designation of Series Three Bonds previously issued and JEA’s custom in identifying Series Three Bonds or as he otherwise deems desirable, such determination to be set forth in the certificate referred to in Section 5 hereof. Notwithstanding any such alteration of the designation for installments of the Series Three 2017/8X Bonds, references in this resolution to “Series Three 2017/8X Bonds” shall include all Series Three Bonds issued pursuant to the authority contained in this Section 4.

The Series Three 2017/8X Bonds shall be issued for the following purposes: (a) providing all or a portion of the funds required to refund the Refunded Bonds, (b) providing all or a portion of the funds necessary to pay the cost of terminating or partially terminating the Interest Rate Swap Transactions in an aggregate notional amount not to exceed the principal amount of the associated variable rate Refunded Bonds, (c) making a deposit, if any, to the Initial Subaccount, as determined by the Managing Director/CEO as set forth in the certificate referred to in Section 5 hereof, and (d) paying the costs of issuance of the Series Three 2017/8X Bonds.

The actual aggregate principal amount of the Series Three 2017/8X Bonds of each installment to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purposes for which the Series Three 2017/8X Bonds of such installment are being issued, such determination to be set forth in the certificate referred to in Section 5 hereof to be executed with respect to such installment of the Series Three 2017/8X Bonds.

The Series Three 2017/8X Bonds of each installment authorized to be issued hereunder may be sold pursuant to a Bond Purchase Agreement entered into not later than December 31, 2018.

SECTION 5. DATE(S), MATURITIES AND INTEREST RATES; CERTAIN DETERMINATIONS WITH RESPECT TO THE SERIES THREE 2017/8X BONDS. The Series Three 2017/8X Bonds of each installment shall be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof, shall be numbered from 1 upward, shall bear interest from their respective dates (payable semiannually thereafter on April 1 and October 1 in each year, commencing on either of the October 1 or April 1 next following the Delivery Date of such installment of Series Three 2017/8X Bonds, as determined by the Managing Director/CEO) at such rates per annum and shall mature on October 1 in such years and amounts, all as shall be determined by the Managing Director/CEO in the manner hereinafter set forth.

On or prior to the Sale Date for a particular installment of the Series Three 2017/8X Bonds, the Managing Director/CEO shall execute a certificate setting forth the following determinations and the Managing Director/CEO may rely on a certificate from JEA’s financial advisor in order to confirm the savings determinations made in clause (e) below:

(a) the aggregate principal amount of the Series Three 2017/8X Bonds of such installment; *provided*, that the aggregate principal amount of all Series Three 2017/8X Bonds shall not exceed \$571,000,000, the aggregate principal amount of Series Three 2017/8X Bonds issued to refund fixed rate Refunded Bonds shall not exceed \$105,000,000 and the aggregate principal amount of Series Three 2017/8X Bonds issued to refund variable rate Refunded Bonds shall not exceed \$466,000,000;

(b) the year and letter and any other designation and the Delivery Date for such installment of the Series Three 2017/8X Bonds;

(c) the Refunded Bonds to be refunded through the issuance of such installment of the Series Three 2017/8X Bonds and the date on which such Refunded Bonds are to be redeemed, which shall be such date as the Managing Director/CEO determines to be the earliest date on which such Refunded Bonds may be redeemed in light of the circumstances then existing; and the identity of the Escrow Agent, if any, for such Refunded Bonds and the Amortization Installments to which the principal amount of the Refunded Bonds shall be credited;

(d) the respective dates on which the Series Three 2017/8X Bonds of such installment shall mature and the principal amounts of each such maturity; *provided, however*, that the Series Three 2017/8X Bonds of each installment (i) that are issued for refunding purposes to achieve debt service savings shall have a weighted average life no greater than the remaining weighted average life of the Refunded Bonds being refunded thereby, plus one year, and (ii) that are being issued for refunding purposes to refund variable rate Series Three Bonds shall have a weighted average life no greater than the remaining weighted average life of the Refunded Bonds, plus one year;

(e) the respective rate or rates of interest to be borne by the Series Three 2017/8X Bonds of such installment maturing on each such date; *provided, however*, that (i) with respect to any Series Three 2017/8X Bonds of such installment that are issued for the purpose of refunding variable rate Series Three Bonds, the true interest cost of such Series Three 2017/8X Bonds shall not exceed 5.00%; (ii) with respect to any such Series Three 2017/8X Bonds of such installment, other than Advance Refunding Bonds, issued for the purpose of refunding fixed rate Refunded Bonds and to achieve debt service savings (1) if any such Series Three 2017/8X Bonds mature on the October 1 next following the Delivery Date of such Series Three 2017/8X Bonds, such refunding shall result in positive net present value savings; (2) the present value savings from (A) the issuance of such Series Three 2017/8X Bonds that are issued to refund any Refunded Bonds maturing on an October 1 occurring at least one year and less than three years after the Delivery Date of such installment of Series Three 2017/8X Bonds shall not be less than 3.00 percent of the aggregate principal amount of such Refunded Bonds; (B) the issuance of such Series Three 2017/8X Bonds that are issued to refund any Refunded Bonds maturing on an October 1 occurring at least three years and less than nine years after the Delivery Date of such installment of Series Three 2017/8X Bonds, shall not be less than 4.00 percent of the aggregate principal amount of such Refunded Bonds; and (C) the issuance of such Series Three 2017/8X Bonds that are issued to refund any Refunded Bonds maturing on or after the October 1 occurring at least nine years after the

Delivery Date of such installment of Series Three 2017/8X Bonds shall not be less than 5.00 percent of the aggregate principal amount of the Refunded Bonds; or (3) in lieu of complying with the requirements of clauses (1) and (2) above, the present value savings resulting from the issuance of such Series Three 2017/8X Bonds that are issued to refund any Refunded Bonds other than variable rate Series Three Bonds, shall not be less than 5.00 percent of the aggregate principal amount of such Refunded Bonds; and (iii) with respect to any Series Three 2017/8X Bonds of such installment issued for refunding purposes to achieve debt service savings that are Advance Refunding Bonds, the present value savings resulting from the issuance of such Series Three 2017/8X Bonds shall not be less than 7.50 percent of the aggregate principal amount of such Refunded Bonds; *provided, further*, that compliance with the foregoing requirements of this clause (e) shall be effected by dividing the installment into its constituent purposes (*i.e.*, refunding of variable rate Series Three Bonds, refunding fixed rate Series Three Bonds for debt service savings, refunding and issuance of Advance Refunding Bonds) and allocating on a ratable basis (based on the respective issue prices for federal income tax purposes) costs of issuance, underwriting discount, any deposit to the Initial Subaccount and any other items to the purpose that gave rise to such expenses; *provided, however*, that if the Managing Director/CEO determines that some other allocation method will result in a more accurate determination of the true interest cost or present value savings attributable to such constituent purpose (which determination shall be confirmed by JEA's financial advisor), then such other allocation method shall be used in lieu of the foregoing method;

(f) the commencement date of interest payments on the Series Three 2017/8X Bonds of such installment, which shall be either of the October 1 or April 1 next following the Delivery Date of such installment of Series Three 2017/8X Bonds;

(g) if the Series Three 2017/8X Bonds of such installment maturing on a particular date and bearing interest at a particular rate are to be subject to redemption prior to maturity as provided in Section 9 of the Electric System Resolution by operation of the Debt Service Account from mandatory Amortization Installments, the due dates and amounts of such Amortization Installments; *provided, however*, that each Amortization Installment due date shall fall upon an interest payment date for the Series Three 2017/8X Bonds;

(h) if the Series Three 2017/8X Bonds of such installment maturing on a particular date and bearing interest at a particular rate are to be subject to optional redemption, the terms upon which such Series Three 2017/8X Bonds shall be subject to redemption at the election of JEA; *provided, however*, that the highest redemption price at which such Series Three 2017/8X Bonds may be so redeemed shall be not greater than 101 percent of the principal amount thereof, plus accrued interest to the date of redemption and the first such optional redemption date shall not be less than four years nor more than ten years from the Delivery Date of such Series Three 2017/8X Bonds;

(i) the identity of the senior managing underwriter and co-senior managing underwriter, if applicable, for the Series Three 2017/8X Bonds of such installment from any of the Underwriters;

(j) the purchase price for the Series Three 2017/8X Bonds of such installment to be paid by the Underwriters pursuant to the applicable Bond Purchase Agreement; *provided, however,* that such purchase price shall result in compliance with the limitations set forth in this Section 5;

(k) the Interest Rate Swap Transactions and the notional amounts thereof to be terminated upon the issuance of such installment of the Series Three 2017/8X Bonds and the termination payment, if any, to be paid in connection therewith; *provided,* that the aggregate notional amount of Interest Rate Swap Transactions terminated in connection with the issuance of such installment of the Series Three 2017/8X Bonds shall not exceed the principal amount of the variable rate Refunded Bonds to which such Interest Rate Swap Transactions are associated to be refunded through the issuance of such installment of the Series Three 2017/8X Bonds; and

(l) the amount, if any, of the proceeds of the Series Three 2017/8X Bonds of such installment to be deposited in the Initial Subaccount.

In the event that one or more Series of Series Three 2017/8X Bonds are issued on the same day as part of a common plan of finance for the same Bond financing, JEA may demonstrate compliance with the savings requirements set forth in clause (e) above by calculating such savings either on an aggregate basis (e.g., each Series of the Series Three 2017/8X Bonds issued on the same day as part of the same Bond financing are combined into one Series and compliance with the savings criteria is measured using the combined Series) or on a Series by Series basis (e.g., each individual Series that is issued as part of the same Bond financing must satisfy the savings criteria independently of any other Series issued on the same day).

SECTION 6. REDEMPTION PROVISIONS. 1. If the Managing Director/CEO determines that the Series Three 2017/8X Bonds of an installment maturing on a particular date and bearing interest at a particular rate shall be subject to redemption prior to maturity as provided in Section 9 of the Electric System Resolution by operation of the Debt Service Account from mandatory Amortization Installments, such determination to be set forth in the certificate referred to in Section 5 hereof, then the Series Three 2017/8X Bonds of such installment maturing on such date and bearing interest at such rate shall be subject to redemption prior to maturity as provided in Section 9 of the Electric System Resolution, on the respective dates and in the respective amounts set forth in such certificate, in each such case, at a redemption price equal to 100 percent of the principal amount thereof, together with accrued interest to the redemption date.

2. If the Managing Director/CEO determines that the Series Three 2017/8X Bonds of an installment maturing on a particular date and bearing interest at a particular rate shall be subject to optional redemption, such Series Three 2017/8X Bonds shall be subject to redemption prior to maturity at the election of JEA, in the case of Series Three 2017/8X Bonds, as a whole or in part, at any time on and after the initial date on which such Series Three 2017/8X Bonds may be so redeemed set forth in the certificate referred to in Section 5 hereof, at the respective redemption prices set forth in such certificate, in each case, together with accrued interest to the redemption date.

SECTION 7. BOOK-ENTRY SYSTEM. 1. Except as provided in paragraphs (2) and (3) of this Section 7, the registered holder of all Series Three 2017/8X Bonds shall be, and the Series Three 2017/8X Bonds shall be registered in the name of, Cede & Co. (“Cede”), as nominee of DTC. Payment of interest on any Series Three 2017/8X Bond shall be made in accordance with the provisions of the Electric System Resolution to the account of Cede on the interest payment date for the Series Three 2017/8X Bonds at the address indicated for Cede in the registry books of JEA kept by the Registrar.

2. The Series Three 2017/8X Bonds of each installment shall be issued initially in the form of a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of the Series Three 2017/8X Bonds of such installment. The Registrar shall authenticate and deliver to or on behalf of DTC a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of the Series Three 2017/8X Bonds of such installment, registered in the name of Cede, as nominee of DTC. With respect to Series Three 2017/8X Bonds so registered in the name of Cede, JEA and the Paying Agent and Registrar shall have no responsibility or obligation to any DTC participant or to any beneficial owner of such Series Three 2017/8X Bonds. Without limiting the immediately preceding sentence, JEA and the Paying Agent and Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Series Three 2017/8X Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series Three 2017/8X Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, the Series Three 2017/8X Bonds. JEA and the Paying Agent and Registrar may treat DTC as, and deem DTC to be, the absolute owner of each Series Three 2017/8X Bond for all purposes whatsoever, including (but not limited to) (i) payment of the principal or redemption price of, and interest on, each such Series Three 2017/8X Bond, (ii) giving notices of redemption and other matters with respect to such Series Three 2017/8X Bonds, (iii) registering transfers with respect to such Series Three 2017/8X Bonds and (iv) giving to JEA any notice, consent, request or demand pursuant to the Electric System Resolution for any purpose whatsoever. The Paying Agent shall pay the principal or redemption price of, and interest on, all Series Three 2017/8X Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge JEA’s obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in this paragraph (2) and in paragraph (3) of this Section 7, no person other than DTC shall receive a Series Three 2017/8X Bond evidencing the obligation of JEA to make payments of principal or redemption price of, and interest on, such Bond pursuant to the Electric System Resolution. Upon delivery by DTC to JEA or the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Electric System Resolution, the word “Cede” in this resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Series Three 2017/8X Bonds of a particular installment at any time by giving reasonable notice thereof to JEA or to the Paying Agent and Registrar.

(b) JEA, in its sole discretion and without the consent of any other person, may, upon satisfaction of the applicable procedures of DTC with respect thereto, terminate the services of DTC with respect to the Series Three 2017/8X Bonds of a particular installment if JEA determines that (i) DTC is unable to discharge its responsibilities with respect to the Series Three 2017/8X Bonds of such installment or (ii) a continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of the Series Three 2017/8X Bonds of such installment or of JEA.

4. Upon the termination of the services of DTC with respect to the Series Three 2017/8X Bonds of a particular installment pursuant to paragraph (3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series Three 2017/8X Bonds of a particular installment pursuant to paragraph (3)(a) or paragraph (3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of JEA, is willing and able to undertake such functions upon reasonable and customary terms, such Series Three 2017/8X Bonds no longer shall be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. In such event, JEA shall issue and the Registrar shall authenticate Series Three 2017/8X Bond certificates as requested by DTC of like installment, aggregate principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interests in the Series Three 2017/8X Bonds; *provided, however*, that in the case of any discontinuance or termination provided for in paragraph 3(a) or 3(b)(ii) of this Section, JEA may within 90 days thereafter appoint a substitute securities depository which, in JEA's opinion, is willing and able to undertake the functions of DTC upon reasonable and customary terms. In such event, and subject to the transfer provisions of the Electric System Resolution, the word "DTC" in this resolution shall refer to such substitute securities depository and the word "Cede" in this resolution shall refer to the nominee, if any, of such substitute securities depository (or, if there shall be no such nominee, then the word "Cede" in this resolution shall refer to such substitute securities depository).

5. Notwithstanding any other provision of the Electric System Resolution or this resolution to the contrary, so long as any Series Three 2017/8X Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Series Three 2017/8X Bond and all notices with respect to such Series Three 2017/8X Bond shall be made and given, respectively, to DTC as provided in DTC's Operational Arrangements (as defined in the Letter of Representations); *provided, however*, that if a substitute securities depository shall be appointed, all payments with respect to the principal or redemption price of, and interest on, the Series Three 2017/8X Bonds and all notices with respect to the Series Three 2017/8X Bond shall be made and given, respectively, to such substitute securities depository (or any nominee thereof) as provided in the procedures of such substitute securities depository.

SECTION 8. PAYING AGENT AND REGISTRAR. The Series Three 2017/8X Bonds shall be payable as to principal and shall be redeemable at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (or such other city as may be designated by such bank), which bank is hereby appointed Paying Agent and Registrar.

SECTION 9. FORM OF SERIES THREE 2017/8X BONDS. The text of the Series Three 2017/8X Bonds, together with the Registrar's Certificate of Authentication to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this resolution or any subsequent resolution adopted prior to the issuance thereof, or as may be necessary to comply with applicable laws, rules and regulations of the United States Government and the State of Florida in effect upon the issuance thereof:

[FORM OF SERIES THREE 2017/8X BONDS]

At such times as the Series Three 2017/8X Bonds of a particular installment are restricted to being registered in the registration books kept by the Registrar in the name of DTC (or a successor securities depository), each Series Three 2017/8X Bond of such installment shall contain or have endorsed thereon the following legend:

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, (A) THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF AND (B) A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

In addition, so long as DTC shall serve as securities depository for the Series Three 2017/8X Bonds, each Series Three 2017/8X Bond shall contain or have endorsed thereon the following legend:

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC

OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

No. R-____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF JACKSONVILLE
JEA
ELECTRIC SYSTEM REVENUE BOND,
SERIES THREE 2017/8X

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
October 1, _____	_____ %	_____, 20____	_____

REGISTERED OWNER:

PRINCIPAL SUM: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that JEA, a body politic and corporate under the laws of the State of Florida, and an independent agency of the City of Jacksonville, Florida (hereinafter called the "City"), for value received, hereby promises to pay to the Registered Owner specified above on the Maturity Date specified above solely from the revenues and other amounts hereinafter mentioned the Principal Sum specified above and to pay solely from such revenues and other amounts interest thereon to the Registered Owner hereof at the rate per annum specified above, from the Original Issue Date specified above or from the most recent interest payment date to which interest has been paid, until payment of the Principal Sum, such interest to the payment hereof being payable in lawful money of the United States of America semiannually on April 1 and October 1 in each year commencing [April 1] [October 1], 20____, by check or draft mailed to the Registered Owner at his address as it appears on the registration books of the Registrar hereinafter mentioned on the Record Date (as defined in the Resolution hereinafter referred to). However, so long as this Bond and the issue of which it is one are held in book-entry form pursuant to the Resolution, the provisions of the Resolution governing such book-entry form shall govern repayment of the principal or redemption price of and interest on such bonds. The principal or redemption price of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida.

This Bond is one of an authorized issue of bonds (the "Series Three 2017/8X Bonds") in the aggregate principal amount of \$_____ of like date, tenor and effect, except as to number, interest rate and date of maturity, issued to refund certain bonds of JEA previously issued to finance or refinance a portion of the costs of the construction and acquisition of additions,

extensions and improvements to the electric system owned and operated by JEA, as defined in the Resolution (the "Electric System"), other than the generating facilities of the Electric System pursuant to the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof (collectively, the "Act"), and other applicable provisions of law, and a resolution duly adopted by JEA on March 30, 1982 (approved by ordinance of the Council of the City enacted on March 30, 1982), as amended, restated and supplemented, including as amended and supplemented by a resolution duly adopted by JEA on August 16, 1988 authorizing the Series Three Bonds (approved by ordinance of the Council of the City which became effective on September 30, 1988), as amended and supplemented (hereinafter collectively called the "Resolution"), and is subject to all the terms and conditions of the Resolution.

[Insert Redemption Provisions]

The payment of the principal of and interest on the Series Three 2017/8X Bonds is secured by a first lien upon and pledge of (a) the Net Revenues (as defined in the Resolution) derived by JEA from the operation of the Electric System and (b) the amounts on deposit in the Revenue Fund and the Debt Service Account in the Sinking Fund established pursuant to the Resolution as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. In addition, as provided in the Resolution, the payment of the principal of and interest on the Series Three 2017/8X Bonds is additionally secured by a pledge of the amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund established pursuant to the Resolution as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. As provided in the Resolution, bonds of JEA may be issued from time to time in one or more installments, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of bonds which may be issued under the Resolution is not limited except as provided in the Resolution and in the Act, and all bonds issued and to be issued under the Resolution (including the Series Three 2017/8X Bonds) are and will be equally and ratably secured by the pledge and covenants made therein, except as expressly provided or permitted in the Resolution.

This Bond and the issue of which it is one shall not be or constitute general obligations or indebtedness of the City or JEA as "bonds" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Net Revenues and other amounts as provided in the Resolution. No holder of this Bond shall ever have the right to compel the exercise of the ad valorem taxing power of the City or of JEA, if any, or taxation in any form of any real property in the City to pay this Bond or the interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Resolution.

JEA has entered into certain further covenants with the owners of the Series Three 2017/8X Bonds for the terms of which reference is made to the Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Series Three 2017/8X Bonds does not violate any constitutional or statutory limitations or provisions.

This Bond is and has all the qualities and incidents of negotiable instruments under the laws of the State of Florida.

The Series Three 2017/8X Bonds are issuable as fully registered Bonds which may be exchanged for like aggregate principal amount of fully registered Series Three 2017/8X Bonds of like installment, interest rate and maturity in denominations of \$5,000 and any integral multiple thereof. JEA and U.S. Bank National Association, or its successor, as Registrar, may charge the Registered Owner or the transferee or transferees, as the case may be, a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer of this Bond. The Registrar or JEA may also require payment from the Registered Owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Series Three 2017/8X Bond shall be delivered.

IN WITNESS WHEREOF, JEA has issued this Bond and has caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, imprinted or reproduced hereon.

JEA

(SEAL)

Chair or Vice-Chair

ATTESTED:

Secretary or Assistant Secretary

[FORM OF
CERTIFICATE OF AUTHENTICATION
ON ALL SERIES THREE 2017/8X BONDS]

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds delivered pursuant to the within mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By: _____
Authorized Signatory

Date of Authentication: _____, 20____

[Insert Statement of Insurance, if applicable.]

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIF MIN ACT _____ (Cust.)
TEN ENT -	as tenants by the entireties	Custodian for _____ (Minor)
JT TEN	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act of _____ (State)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

[PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

the within bond and does hereby irrevocably constitute and appoint the Registrar as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: This signature to this assignment must correspond with the name of the registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 10. APPLICATION OF BOND PROCEEDS. The proceeds from the sale of the Series Three 2017/8X Bonds of a particular installment, together with other available funds of the Electric System shall be applied simultaneously with the delivery as follows:

(a) if applicable, there shall be delivered to the Escrow Agent, simultaneously with the delivery of the Series Three 2017/8X Bonds of such installment, for deposit in the Escrow Account (the “Escrow Account”) to be created under the Escrow Deposit Agreement, an amount determined by an Authorized Officer of JEA as being equal to the amount necessary, when combined with the moneys, if any, transferred to the Escrow Account as provided in Section 11 hereof, to purchase such securities as are permitted by Section 17 of the Electric System Resolution, the principal of and interest to be received on which, together with any initial cash balance, will provide moneys which will be sufficient to pay when due the principal or redemption price, as applicable, of the Refunded Bonds being refunded thereby on the respective maturity dates of such Refunded Bonds or the date such Refunded Bonds are to be called for redemption, as applicable, and the interest to become due on such Refunded Bonds on and prior to such respective maturity or redemption dates, as the case may be;

(b) if applicable, an amount shall be deposited in the Initial Subaccount as determined by the Managing Director/CEO in the certificate referred to in Section 5 hereof relating to the Series Three 2017/8X Bonds;

(c) there shall be paid to the counterparties in the Interest Rate Swap Transactions to be terminated or partially terminated in connection with the issuance of the Series Three 2017/8X Bonds of such installment, the termination payments, if any, with respect to the termination or partial termination of such Interest Rate Swap Transactions as determined by the Managing Director/CEO pursuant to Section 5(k) hereof; and

(d) all proceeds remaining after application as provided in subsections (a), (b) and (c) hereof shall be deposited into the Construction Fund or a separate sub-account thereof and used for the purposes of paying the principal or redemption price, as applicable, of Refunded Bonds when due if the Refunded Bonds that are not being defeased within the meaning of Section 17 of the Electric System Resolution and paying costs of issuance of the Series Three 2017/8X Bonds of such installment.

SECTION 11. TRANSFER OF CERTAIN AMOUNTS. Subject to the provisions of the third paragraph of Section 13(B)(2) of the Electric System Resolution, simultaneously with the delivery of the Series Three 2017/8X Bonds of a particular installment, there shall be withdrawn from the Debt Service Account cash in an amount determined by an Authorized Officer of JEA as being not greater than the amount accumulated therein with respect to the Refunded Bonds to be refunded through the issuance of the Series Three 2017/8X Bonds of such installment. Such withdrawal shall, however, not be made if and to the extent that the effect thereof would cause the amounts on deposit in the Debt Service Account to be less than the amount required to be maintained therein after giving effect to the issuance of the Series Three 2017/8X Bonds of such installment and the refunding of the Refunded Bonds. There shall be transferred to the Escrow Agent, if any, for deposit in the Escrow Account the amount so withdrawn, otherwise, such amount shall be applied together with the funds described in Section 10(d) above to the payment of the Refunded Bonds.

Subject to the provisions of the fifth paragraph of Section 13(B)(3) of the Electric System Resolution, simultaneously with the delivery of the Series Three 2017/8X Bonds of a particular installment, there may be withdrawn from the Initial Subaccount of the Debt Service Reserve Account cash in an amount determined by an Authorized Officer of JEA as being not greater than the amount of the decrease in the Debt Service Reserve Requirement with respect to such Initial Subaccount due to the defeasance of the Refunded Bonds being refunded through the issuance of such installment of the Series Three 2017/8X Bonds. There shall be transferred to the Escrow Agent, if any, for deposit in the Escrow Account the amount so withdrawn, otherwise, such amount shall be applied together with the funds described in Section 10(d) above to the payment of the Refunded Bonds.

SECTION 12. SERIES THREE 2017/8X BONDS TO CONSTITUTE ADDITIONALLY SECURED BONDS. In accordance with the provisions of clause (3) of subsection B of Section 13 of the Electric System Resolution, the Series Three 2017/8X Bonds of each installment shall be Additionally Secured Bonds, and the payment of the principal or sinking fund redemption price, if any, thereof and interest thereon shall be secured, in addition to the pledge created pursuant to the first sentence of the second paragraph of Section 11 of the Electric System Resolution in favor of all of the Bonds, by amounts on deposit in the Initial Subaccount. In furtherance of the foregoing, simultaneously with the authentication and delivery of any particular installment of the Series Three 2017/8X Bonds, JEA shall cause to be deposited to the credit of the Initial Subaccount cash from the proceeds of the Series Three 2017/8X Bonds of such installment, in an amount equal to the difference (if any) between (a) the Debt Service Reserve Requirement for the Initial Subaccount calculated immediately after the authentication and delivery of such Series Three 2017/8X Bonds of such installment and (b) the sum of the amounts then on deposit in the Initial Subaccount and the eligible reserve fund credit instruments credited thereto, if any.

SECTION 13. TAX COVENANTS. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series Three 2017/8X Bonds under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of each installment of the Series Three 2017/8X Bonds concerning certain matters pertaining to the use of proceeds of the Series Three 2017/8X Bonds of such installment, including any and all exhibits attached thereto (the "Tax Certificate"). This covenant shall survive payment in full or defeasance of the Series Three 2017/8X Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the applicable installment of the Series Three 2017/8X Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Electric System Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the Series Three 2017/8X Bonds of a particular installment, the holders of the Series Three 2017/8X Bonds of such installment shall be entitled to the rights and remedies provided to Bondholders under the Electric System Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Series Three 2017/8X Bonds of such installment then outstanding, and the interest accrued thereon, to be due and payable and (b) the holders of any Bonds other than the Series Three 2017/8X Bonds of a particular installment shall not be entitled to exercise any right or remedy provided to Bondholders under the Electric System Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the Series Three 2017/8X Bonds of such installment.

SECTION 14. REDEMPTION OF REFUNDED BONDS. The Refunded Bonds to be refunded by the Series Three 2017/8X Bonds are hereby designated for redemption and the Escrow Agent (if any) or the respective paying agents for such Refunded Bonds, as applicable, are hereby directed to redeem such Refunded Bonds on the respective dates determined by the Managing Director/CEO pursuant to clause (c) of the second paragraph of Section 5 hereof and at a redemption price equal to the principal amount of the Refunded Bonds to be redeemed plus the redemption premium(s) for the applicable redemption date(s) (in each case, together with the interest accrued thereon to the date fixed for redemption).

Such designation for redemption, and such direction to the Escrow Agent (if any) or the respective paying agents for the Refunded Bonds, as applicable, shall be, and hereby are declared to be, irrevocable upon the delivery of the applicable installment of Series Three 2017/8X Bonds to or upon the order of the Underwriters; *provided*, that notice of such redemption as provided below shall be revocable and conditional upon the issuance of the Series Three 2017/8X Bonds of the applicable installment.

In order to effectuate this designation, on or prior to the applicable Delivery Date, an Authorized Officer of JEA shall give the Escrow Agent or the Registrar, as applicable, for any Refunded Bonds to be redeemed prior to maturity instructions to mail, postage prepaid, not less than 30 days (or such lesser period as permitted by the applicable supplemental resolution(s) for the Refunded Bonds) prior to the redemption date therefor, to (i) all registered owners of such Refunded Bonds at their addresses as they appear of record on the books of the Registrar as of 45 days (or such lesser number of days as is permitted pursuant to the applicable supplemental resolution(s) for the Refunded Bonds) prior to such redemption date and (ii) the paying agent for such Refunded Bonds (or its successor), a notice of redemption in substantially the following form:

REVOCABLE NOTICE OF [PARTIAL] REDEMPTION

JEA

**ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding JEA Electric System Revenue Bonds, Series Three described below (the "Bonds") that the Bonds have been called for redemption prior to maturity on _____, 20__ in accordance with their terms at a redemption price of 100 percent of the principal amount thereof [, together with accrued interest thereon to _____, 20__]. **[The source of funds to be used for such redemption is certain moneys heretofore deposited with _____, as Escrow Agent.]**

	Maturity Date			
<u>Series Three</u>	<u>(October 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>CUSIP</u>
		_____ %	\$ _____	_____

THIS CALL FOR REDEMPTION IS REVOCABLE AND IS CONDITIONED UPON THE ISSUANCE BY JEA OF ITS SERIES THREE 2017/8X BONDS TO REFUND SUCH BONDS ON OR PRIOR TO _____, 20__. In the event that JEA's refunding bonds are not issued on or prior to 20__, this notice shall be of no further force or effect and the Bonds shall continue to bear interest until paid at the same rates they would have borne had this notice not been given. If JEA's refunding bonds are not issued on or prior to 20__, the undersigned, on behalf of JEA, shall give notice forthwith of such fact to the holders of the Bonds, and this notice shall thereupon be revoked and shall be of no further force and effect.

Subject to the foregoing, the redemption price of and accrued interest on the Bonds shall become due and payable on _____, 20__ and from and after _____, 20__ interest on the Bonds shall cease to accrue and be payable.

Holders of the Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust offices of **[specify names of current Paying Agents]**.

Dated this ___ day of _____, 20__.

JEA

By: _____,
as [Escrow Agent/Registrar]

SECTION 15. AUTHORIZATION AND APPROVAL OF THE NEGOTIATED SALE OF THE SERIES THREE 2017/8X BONDS AND EXECUTION AND DELIVERY OF THE BOND PURCHASE AGREEMENT; DELEGATION OF AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH. The terms and conditions of the bond purchase agreement between JEA and the Underwriters, providing for the negotiated sale and purchase of the Series Three 2017/8X Bonds of each installment, in substantially the form attached hereto as Exhibit A (the “Bond Purchase Agreement”), are hereby approved. At such time or times as the Managing Director/CEO of JEA shall determine is advantageous to JEA, such officer shall execute and deliver the Bond Purchase Agreement (with such changes as are necessary to reflect, among other things, the terms of the Series Three 2017/8X Bonds of a particular installment, such determination to be evidenced by the execution and delivery thereof; provided, however, that at or prior to the time of the execution and delivery of the Bond Purchase Agreement, JEA shall have received from the senior managing underwriter the disclosure statement required pursuant to Section 218.385(6), Florida Statutes. The purchase price of the Series Three 2017/8X Bonds of a particular installment to be paid by the Underwriters pursuant to the Bond Purchase Agreement shall be determined as provided in Section 5 hereof, subject to the limitations set forth therein.

SECTION 16. APPOINTMENT OF BOND REGISTRAR AND PAYING AGENT. U.S. Bank National Association is hereby appointed as Bond Registrar and Paying Agent for the Series Three 2017/8X Bonds.

SECTION 17. AUTHORIZATION OF AUTHENTICATION. In the event that the Managing Director/CEO shall determine that it is desirable to sell and issue Series Three 2017/8X Bonds as provided herein, U.S. Bank National Association, as Bond Registrar for the Series Three 2017/8X Bonds, is hereby requested and authorized to authenticate and deliver such Series Three 2017/8X Bonds in the aggregate principal amount determined as provided in Section 5 hereof, to or upon the order of the Underwriters, upon payment to JEA of the sum to be specified in the Bond Purchase Agreement.

SECTION 18. APPOINTMENT OF ESCROW AGENT AND AUTHORIZATION AND APPROVAL OF ESCROW DEPOSIT AGREEMENT. The Managing Director/CEO is hereby authorized to appoint U.S. Bank National Association, The Bank of New York Mellon Trust Company, N.A. or any other bank or trust company selected pursuant to JEA’s purchasing code to act as Escrow Agent under the Escrow Deposit Agreement. The Escrow Deposit Agreement is hereby approved in substantially the form attached hereto as Exhibit C. The Escrow Deposit Agreement may be executed and delivered as provided in Section 23 hereof. Pursuant to the Escrow Deposit Agreement, the Escrow Agent may be directed to invest the funds held thereunder in the manner provided therein.

In connection with the refunding of the Refunded Bonds as provided herein, each Authorized Officer of JEA is hereby authorized, if deemed desirable, to cause proceeds of the Series Three 2017/8X Bonds and other available amounts, and earnings thereon, to be invested in United States Treasury Securities - State and Local Government Series (“SLGS”) or other obligations permitted to be used to accomplish the defeasance of such Refunded Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as any Authorized Officer of JEA shall determine is necessary or desirable; and each such Authorized

Officer of JEA and, upon receipt of instructions from an Authorized Officer of JEA, any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of JEA to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

SECTION 19. APPROVAL OF THE FORM AND USE OF PRELIMINARY OFFICIAL STATEMENT. The form and use of a preliminary official statement for each installment of the Series Three 2017/8X Bonds, in substantially the form attached hereto as Exhibit B (the “Draft Preliminary Official Statement”), is hereby authorized and approved in connection with the offering and sale of the Series Three 2017/8X Bonds of each installment.

In the event that the Managing Director/CEO shall determine that it is desirable to issue and sell the Series Three 2017/8X Bonds of one or more installments as provided herein, the Managing Director/CEO is hereby authorized and directed to cause to be prepared a Preliminary Official Statement with respect to such bonds in substantially the form of the Draft Preliminary Official Statement and with such changes thereto as are necessary so that such Preliminary Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and, in such case, to cause such Preliminary Official Statement to be used in connection with the offering and sale of the Series Three 2017/8X Bonds of such installment and, if applicable, the Managing Director/CEO, the Chief Financial Officer or the Treasurer of JEA are hereby authorized to deem said Preliminary Official Statement final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. In the event that the Managing Director/CEO shall cause to be prepared a Preliminary Official Statement for such Series Three 2017/8X Bonds as aforesaid, an Official Statement relating to the Series Three 2017/8X Bonds of such installment, in substantially the form of said Preliminary Official Statement, with such changes thereto as are necessary (a) to reflect the terms of such Series Three 2017/8X Bonds and (b) so that such Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of such Series Three 2017/8X Bonds. In such event, such Official Statement shall be executed as provided in Section 23 hereof.

SECTION 20. APPROVAL WITH RESPECT TO REGISTRATION OR QUALIFICATION OF THE AUTHORIZED BONDS UNDER THE BLUE SKY OR SECURITIES LAWS OF VARIOUS STATES. The Authorized Officers of JEA shall be, and hereby are, authorized in the name and on behalf of JEA, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the Series Three 2017/8X Bonds of each installment for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any

such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 21. CONTINUING DISCLOSURE. For the benefit of holders and beneficial owners from time to time of the Series Three 2017/8X Bonds of each installment, JEA agrees, as an obligated person with respect to the Series Three 2017/8X Bonds of such installment under Rule 15c2-12, to provide or cause to be provided such financial information and operating data, audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5) of Rule 15c2-12. In order to describe and specify certain terms of JEA's continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Authorized Officers of JEA are, and each of them hereby is, authorized and directed to sign and deliver, in the name and on behalf of JEA, a Continuing Disclosure Agreement with respect to the Series Three 2017/8X Bonds of a particular installment substantially in the form of Appendix D to the Draft Preliminary Official Statement, with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to JEA and that are approved by the Authorized Officer of JEA executing the same on behalf of JEA, all of which shall be conclusively evidenced by the signing of that agreement or amendments to it. The agreement formed, collectively, by this paragraph and that agreement, shall be JEA's continuing disclosure agreement with respect to the Series Three 2017/8X Bonds of the applicable installment for purposes of Rule 15c2-12, and its performance shall be subject to the annual appropriation of any funds that may be necessary to perform it.

The Authorized Officers of JEA are, and each of them hereby is, further authorized and directed to take such actions as shall be necessary to comply with each such continuing disclosure agreement, including timely provision of information and notices. Prior to making any filing in accordance with any such agreement or providing notice of the occurrence of any other events, any such officer of JEA shall consult with and obtain legal advice from, as appropriate, the Office of the General Counsel and bond or other qualified independent special counsel selected by JEA. Any such officer of JEA, acting in the name and on behalf of JEA, shall be entitled to rely upon any such legal advice in determining whether a filing should be made.

SECTION 22. REPRESENTATIONS AND COVENANTS REGARDING THE PLEDGE OF THE ELECTRIC SYSTEM RESOLUTION. JEA represents that, pursuant to the Act, the Electric System Resolution creates a valid, binding and irrevocable first lien on (a) the Net Revenues derived from the operation of the Electric System and (b) the amounts on deposit in the Revenue Fund and the Debt Service Account as may from time to time be available therefor (collectively, the "Pledged Assets"), in each such case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, for the benefit of the Holders of the Electric System Bonds, including the Series Three 2017/8X Bonds, as security for the payment of the Electric System Bonds, including the Series Three 2017/8X Bonds, to the extent set forth therein, enforceable in accordance with the terms thereof.

JEA has not heretofore made or granted a pledge or assignment of, lien on or security interest in the Pledged Assets that ranks on a parity with or prior to the lien and pledge made or granted in the Electric System Resolution. JEA shall not hereafter make or grant a pledge or assignment of, lien on or security interest in such Pledged Assets that ranks prior to or on a parity with the lien and pledge made or granted in the Electric System Resolution, except as expressly permitted thereby.

SECTION 23. AUTHORIZATION OF THE EXECUTION AND DELIVERY OF AUTHORIZED BONDS AND RELATED DOCUMENTS. The Authorized Officers of JEA are hereby authorized to execute the Series Three 2017/8X Bonds of each installment, the Bond Purchase Agreement, the Escrow Deposit Agreement, if any, the Continuing Disclosure Agreement and the Official Statement, each subject to completion thereof, and with such changes therein as they may approve as necessary and desirable and in the best interest of JEA, such approval to be evidenced by the execution and delivery thereof; *provided, however*, that the Series Three 2017/8X Bonds shall be executed and delivered pursuant to the Electric System Resolution and applicable law. The Secretary or an Assistant Secretary of JEA is hereby authorized (but not required) to cause the seal of JEA to be affixed to the Series Three 2017/8X Bonds and the foregoing documents and to attest the same. Such Authorized Officers of JEA are each hereby authorized to deliver such Series Three 2017/8X Bonds and documents on behalf of JEA.

SECTION 24. AUTHORIZATION OF EXECUTION AND DELIVERY OF DOCUMENTS RELATED TO TERMINATION OF INTEREST RATE SWAP TRANSACTIONS. The Authorized Officers of JEA are hereby authorized to execute and deliver such documents as the Managing Director/CEO shall determine to be necessary or appropriate and commercially reasonable (as confirmed by JEA's Financial Advisor) in connection with the termination, or partial termination, of the Interest Rate Swap Transactions, including, without limitation Termination Agreements, amended Confirmations, documents to enable the counterparties to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder. Such Authorized Officers of JEA are each hereby authorized to deliver such documents on behalf of JEA.

SECTION 25. FURTHER ACTIONS. Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all administrative acts and things as may be necessary or desirable in connection with: the approval, execution and delivery of the Bond Purchase Agreement, the Escrow Deposit Agreement, if any, and the Continuing Disclosure Agreement; and the carrying out of their terms and the terms of the Electric System Resolution and this Resolution; the issuance, sale, execution and delivery of the Series Three 2017/8X Bonds, the refunding and redemption of the Refunded Bonds and the termination or partial termination of the Interest Rate Swap Transactions; and the use of the Preliminary Official Statement and the Official Statement. Without limiting the generality of the foregoing, the Managing Director/CEO is hereby authorized to execute the certificates referred to in Section 5 hereof. In the absence of the Managing Director/CEO for any reason, the authority granted to him in this resolution is hereby delegated to the Vice President and General Manager, Electric System, the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

SECTION 26. REMAINING AUTHORIZATION UNDER RESOLUTION NO. 2014-07 SUPERSEDED. The remaining authorization to issue additional debt under Resolution No. 2014-07 adopted by JEA on December 16, 2014 is hereby superseded by this Resolution and repealed. The foregoing shall not affect in any manner the authorization of debt previously issued pursuant to Resolution No. 2014-07.

SECTION 27. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

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SECTION 28. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 20TH DAY OF DECEMBER, 2016.



JEA

By: _____
Name:
Title:

ATTEST:

By: _____
Secretary

Approved as to Form:

Office of General Counsel

EXHIBIT A

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

BOND PURCHASE AGREEMENT

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida 32202

Re: \$000,000,000 JEA Electric System Revenue Bonds, Series Three 2017/8X
\$000,000,000 JEA Electric System Subordinated Revenue Bonds, 2017/8 Series X

Ladies and Gentlemen:

The Underwriters (as defined below) jointly and severally hereby propose to purchase all (but not less than all) of the Bonds (as defined below) from JEA, a public body corporate and politic organized and existing under the laws of the State of Florida, and to make a public offering of the Bonds subject to the acceptance of this proposal by JEA on or before 5:00 p.m. local time then prevailing in Jacksonville, Florida, on _____, 20__, and subject to the following provisions:

Section 1. Definitions. The following terms shall have the following meanings in this Agreement unless another meaning is plainly intended:

“2017/8 Series X Subordinated Bonds” means JEA’s Electric System Subordinated Revenue Bonds, 2017/8 Series X in the aggregate principal amount of \$000,000,000 with maturities, amounts, interest rates and yields as described in Annex A hereto and as further described in the Final Official Statement.

“Accountants” means Ernst & Young LLP, independent certified public accountants.

“Agreed Upon Procedures Letter” means the letter from the Accountants to the governing body of JEA and the Representative in a form acceptable to JEA and the Representative and with the procedures described therein to be applied at least through _____, 20__, the date of the last meeting of the Board of JEA prior to the Closing.

“Agreement” means this Bond Purchase Agreement between the Representative, acting on behalf of the Underwriters and JEA.

“Annual Report” means the document entitled “Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2015” of JEA dated as of April 19, 2016 [or any later version] included by reference in the Official Statements to the extent described under the caption “INTRODUCTION – Inclusion of Information” therein.

“Bond Counsel” means _____, _____, _____.

“Bond Registrar” means U.S. Bank National Association or its corporate successor, in its capacity as Bond Registrar, Subordinated Bond Registrar and Paying Agent, as the case may be, for the Bonds under the Electric System Resolution and the Subordinated Electric System Resolution, respectively.

“Bonds” means, collectively, the Series Three 2017/8X Bonds and the 2017/8 Series X Subordinated Bonds.

“City” means the City of Jacksonville, Florida.

“Closing” refers to the transaction at which the Bonds are delivered by JEA to or on behalf of the Underwriters, and paid for by the Underwriters, pursuant to this Agreement.

“Closing Date” means the date specified in Section 7 hereof, or such other date as is mutually agreeable to the Representative and JEA pursuant to Section 7 hereto.

“Closing Documents” means the documents described in Section 8 hereof and required to be delivered to the Underwriters at the Closing.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Continuing Disclosure Agreement” means the agreement of JEA to be dated the Closing Date in substantially the form set forth in Appendix D to the Preliminary Official Statement.

“DTC” means The Depository Trust Company.

“Electric System Resolution” means the resolution of JEA adopted on March 30, 1982, as supplemented, amended and restated, particularly as supplemented by Resolution No. 2016-21 adopted on December 20, 2016.

“Escrow Agent” means _____.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement to be delivered in connection with the issuance of the Bonds between JEA and the Escrow Agent relating to the refunding of the Refunded Bonds.

“Final Official Statement” means the final Official Statement of JEA relating to the Bonds, substantially in the form of the Preliminary Official Statement, with such changes as may be approved by the Representative, to be delivered pursuant to Section 6 hereof.

“JEA’s Counsel” means the Office of General Counsel of the City.

“Letter of Representations” means the Blanket Issuer Letter of Representations dated May 6, 2004 from JEA to DTC.

“Official Statements” means the Preliminary Official Statement and the Final Official Statement.

“Preliminary Official Statement” means the Preliminary Official Statement of JEA relating to the Bonds, dated _____, 20__, including the cover page and appendices thereto and the information included by reference therein.

“Refunded Bonds” means JEA’s Electric System Revenue Bonds, Series Three and JEA’s Electric System Subordinated Revenue Bonds, all as described in Annex E hereto.

“Representative” means _____, as representative of the Underwriters.

“Resolution” means, collectively, the Electric System Resolution and the Subordinated Electric System Resolution.

“Series Three 2017/8X Bonds” means JEA’s Electric System Revenue Bonds, Series Three 2017/8X in the aggregate principal amount of \$000,000,000, with maturities, amounts, interest rates, prices or yields and redemption provisions set out in Annex A hereto.

“Subordinated Electric System Resolution” means the resolution of JEA adopted August 16, 1988, authorizing the issuance by JEA of certain subordinated bonds, as supplemented, amended and restated, particularly as supplemented by Resolution No. 2016-22 adopted on December 20, 2016.

“Underwriters” means _____, acting for and on behalf of themselves and such other securities dealers, if any, as may from time to time be designated by JEA or the Underwriters.

“Underwriters’ Counsel” means _____, _____, _____.

[“Verification Agent” means _____.]

[“Verification Report” means the report dated the date of Closing of the Verification Agent to the effect that such Verification Agent has verified the accuracy of (a) the adequacy of the maturing principal of and interest on certain federal securities to be held under the Escrow Deposit Agreement, together with other moneys held under the Escrow Deposit Agreement, to pay when due or upon earlier redemption, the principal or redemption price of and interest on the Refunded Bonds, and (b) certain mathematical computations supporting the conclusion that the Bonds are not “arbitrage bonds” under the Code.]

Section 2. Purchase Price. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriters shall purchase and JEA shall sell all, but not less than all, of the (i) Series Three 2017/8X Bonds at an aggregate purchase price of \$_____ (representing the aggregate principal amount of the Series Three 2017/8X Bonds of \$000,000,000, less Underwriters' discount of \$_____ [plus/minus net] original issue [premium/discount] of \$_____) and (ii) 2017/8 Series X Subordinated Bonds at an aggregate purchase price of \$_____ (representing the aggregate principal amount of the 2017/8 Series X Subordinated Bonds of \$000,000,000, less Underwriters' discount of \$_____ [plus/minus] net original issue [premium/discount] of \$_____).

Section 3. Public Offering. The Underwriters have made a bona fide public offering of the Bonds at prices not in excess of the initial offering price or prices (or at yields not lower than the yield or yields) set forth in Annex A hereto. The Underwriters represent that, based on prevailing market conditions, they have no reason to believe that any of the Bonds will be initially sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices (or yields lower than the yields) shown in Annex A hereto. The Underwriters reasonably expected to sell at least 10 percent of the Bonds of each maturity to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown in Annex A hereto or in the case of discount obligations sold on a yield basis, at yields not lower than the yields shown in Annex A hereto. The Underwriters reserve the right to change such public offering prices as the Underwriters deem necessary in connection with the marketing of the Bonds. In connection with the public offering of the Bonds, the Underwriters have delivered to JEA a letter containing the information required by Section 218.385, Florida Statutes in the form attached as Annex D.

JEA acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between JEA and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of JEA, (iii) the Underwriters have not assumed a fiduciary responsibility in favor of JEA with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising JEA on other matters) or any other obligation to JEA except the obligations expressly set forth in this Agreement, (iv) the Underwriters have financial interests that differ from those of JEA and are not acting as municipal advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended) and (v) JEA has consulted with its own legal and financial advisors to the extent it deemed it appropriate in connection with the offering of the Bonds.

Section 4. Good Faith Deposit. Delivered to JEA herewith is a check payable to the order of JEA in the amount of \$_____ (the "Good Faith Deposit") as security for the performance by the Underwriters of their obligation to accept and pay for the Bonds on the Closing Date in accordance with the provisions hereof. JEA shall hold such check uncashed until the Closing Date. In the event of the Underwriters' compliance with their obligations hereunder, the Good Faith Deposit shall be returned to the Representative on the Closing Date upon payment to JEA as provided in Section 7 hereof of the purchase price of the Bonds. In the event JEA does not accept this offer, or upon the failure of JEA to deliver the Bonds on the Closing Date, or if JEA shall be unable to satisfy the conditions to the obligations of the

Underwriters contained in this Agreement, or if such obligations shall be terminated for any reasons permitted by this Agreement except for the reasons set forth in Section 10 hereof, the Good Faith Deposit shall immediately be returned to the Representative. If the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by JEA on the Closing Date as herein provided, the Good Faith Deposit shall be retained by JEA as and for full and agreed upon liquidated damages, and not as a penalty, to JEA for such failure, and the retention of the Good Faith Deposit shall constitute a full release and discharge of all claims and damages for such failure and of any and all defaults hereunder on the part of the Underwriters.

Section 5. Representations of JEA. JEA represents to the Underwriters that: (a) the Preliminary Official Statement has been “deemed final” by JEA as of its date for the purpose of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”); (b) as of their respective dates and on the date hereof the statements and information contained in the Official Statements are, and on the Closing Date the statements and information contained in the Final Official Statement will be, true and complete in all material respects, and the Preliminary Official Statement, as of its date, did not and the Final Official Statement, as of its date, does not on the date hereof, and will not on the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; (c) the Preliminary Official Statement, as of its date, did not and does not on the date hereof, and the Final Official Statement, as of its date did not and does not on the date hereof, and will not on the Closing Date, omit any information with respect to JEA or its business, properties and affairs which might in a material respect adversely or unfavorably affect the transactions contemplated by the Preliminary Official Statement or the Final Official Statement; (d) JEA has full title to the Electric System (as defined in the Annual Report) and the power and authority to operate the same and to collect the Revenues (as defined in the Electric System Resolution) therefrom; (e) the resolution or resolutions of, or other appropriate actions taken by, JEA establishing the rates and charges for services of the Electric System described in the Annual Report have been duly adopted or taken and are in full and effect; (f) when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of JEA of the character referred to in the Final Official Statement, in conformity with, and entitled to the benefit and security of, the Resolution; (g) JEA is empowered and has been duly authorized to enter into this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Letter of Representations and to adopt the Resolution; (h) the execution and delivery of this Agreement, the Continuing Disclosure Agreement, the Letter of Representations[, the Escrow Deposit Agreement] and the Bonds and compliance with the provisions thereof, under the circumstances contemplated herein and therein, will not in any material respect conflict with or constitute on the part of JEA a breach of or default under any agreement or other instrument to which JEA is a party, or any existing law, administrative regulation, court order or consent decree to which JEA is subject; (i) no litigation or proceeding (to which JEA is a party) is pending or to the best of JEA’s knowledge is threatened against or affecting JEA to restrain or enjoin the issuance or delivery of the Bonds or other indebtedness of JEA relating to the Electric System or in any way contesting or affecting the authority for the issuance of the Bonds or other indebtedness of JEA relating to the Electric System or the validity of the Bonds or other indebtedness of JEA, the Resolution, this Agreement, the Continuing

Disclosure Agreement[, the Escrow Deposit Agreement] or the Letter of Representations or in any way contesting the corporate existence or the powers of JEA; (j) except as may be disclosed in the Official Statements, no litigation or proceeding (to which JEA is a party) is pending or, to the best of its knowledge, is threatened against or affecting JEA or involving any of the business, property or affairs of JEA which involves the possibility of any judgment or liability which may result in any material adverse change in the financial condition of JEA relating to its electric utility functions; (k) JEA has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon; (l) subsequent to the date of the last audited financial statements included in the Official Statements there have been no material adverse changes in the assets, liabilities or condition of JEA related to its electric utility functions, financial or otherwise, except as disclosed in or contemplated by the Official Statements, and neither the business, the properties, nor the affairs of JEA related to its electric utility functions have been adversely affected in any substantial way as the result of any fire, explosion, accident, strike, riot, flood, windstorm, earthquake, embargo, war or act of God or of the public enemy; (m) all permits or licenses which JEA is required to maintain in order to operate the Electric System, the Power Park and the Scherer 4 Project (as such terms are defined in the Annual Report) are in full force and effect; (n) the proceeds of the Bonds will be used by JEA to redeem all of the Refunded Bonds within 90 days of the Closing; (o) other than as disclosed in the Official Statements, JEA has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under the Rule; and (p) JEA has not been in default any time after December 31, 1975 as to principal or interest with respect to any of its debt obligations.

Section 6. Final Official Statement; Public Offering. JEA shall prepare, and shall deliver to the Underwriters as promptly as practicable but, in any event, not later than seven business days after the acceptance by JEA of this Agreement and in sufficient time to allow the Underwriters to deliver copies thereof to purchasers of the Bonds at least two business days prior to the Closing, copies of the Final Official Statement in sufficient quantity to comply with the Rule and the rules of the Municipal Securities Rulemaking Board and in form and substance satisfactory to the Representative and JEA, executed on behalf of JEA by its Managing Director and Chief Executive Officer. JEA agrees that the Preliminary Official Statement, the Final Official Statement and copies of the Resolution, prepared by or on behalf of JEA may be used by the Underwriters in the public offering of the Bonds and that it will cooperate with the Underwriters if the Underwriters decide to qualify the Bonds under the securities laws of any state; provided, however, JEA shall not be required to register as a dealer or broker in any such state or to qualify to do business in connection with any such qualification of the Bonds for sale in any state. To the extent required by MSRB Rules, JEA confirms that it does not object to the distribution of the Official Statements in electronic form. The Final Official Statement shall be provided in a “designated electronic format” (as defined in MSRB Rule G-32). The term “designated electronic format” is defined in MSRB Rule G-32 to mean portable document format, with files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. For files submitted to the Electronic Municipal Market Access system operated by the MSRB on or after January 1, 2010, documents in designated electronic format must be word searchable (without regard to diagrams, images and other non-textual elements).

JEA further agrees to provide the Representative with copies of the Escrow Deposit Agreement and any other advance refunding documents (as defined in MSRB Rule G-32) in a word-searchable pdf format as described in the MSRBs Rule G-32 and shall provide such electronic copy of the word-searchable pdf format of such advance refunding documents to the Underwriters no later than four business days after the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

Section 7. Closing, Delivery and Payment. The Bonds shall be printed or reproduced in definitive form as fully registered Bonds and shall be registered initially in the name of Cede & Co., as nominee of DTC, shall be in the denominations of the aggregate par amount of the Bonds of each series and maturity of each series (and, if applicable, each interest rate within a maturity) and shall be made available to, or on behalf of, DTC, 55 Water Street, New York, New York, which shall act as securities depository for the Bonds, not less than one business day prior to the Closing. The Representative may inspect the Bonds prior to the Closing.

The Closing shall be held beginning at 9:00 a.m. on _____, 20__ at the offices of JEA, 21 West Church Street, Jacksonville, Florida, or at such other time and other place as is mutually agreeable to the Representative and JEA. At the Closing and subject to the conditions contained herein, the Representative shall accept the delivery of the Bonds from JEA and shall make payment therefor as provided herein in federal funds or other immediately available funds upon (i) tender by JEA of the definitive Bonds to or on behalf of DTC on behalf of the Underwriters; and (ii) the delivery by JEA to the Underwriters of all the Closing Documents.

Section 8. Closing Documents. The Closing Documents shall consist of at least the following, each properly executed, certified or otherwise verified, dated as of the Closing Date except as otherwise provided below, and in such form as may be satisfactory to Bond Counsel, the Representative and Underwriters' Counsel, including, but not limited to, the matters hereinafter set forth:

(a) Certified copies of the Resolution and the ordinances of the City Council of the City approving the issuance of the Bonds;

(b) JEA's closing certificate confirming (i) the representations made by JEA herein; (ii) the application of the proceeds of the sale of the Bonds and certain other amounts as described in the Final Official Statement; (iii) the adoption and present effectiveness of all resolutions considered necessary, in the opinion of Bond Counsel, in connection with the transactions contemplated hereby, together with copies of said resolutions; (iv) that the Resolution has not been amended since the date of this Agreement, except as may have been consented to in writing by the Representative; and (v) that, except as described in the Official Statements, no material adverse change has occurred with respect to the Electric System, the Power Park and the Scherer 4 Project (all as defined therein), including, without limitation, the financial condition thereof, for the period from September 30, 20[___] through the Closing Date;

(c) The approving opinions of Bond Counsel, dated the Closing Date, in substantially the forms attached to the Preliminary Official Statement as Appendix E and Appendix F;

(d) The supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriters in substantially the form set forth as Annex B hereto;

(e) An opinion of JEA's Counsel to the effect that (i) JEA is a public body corporate and politic and an independent agency of the City, duly organized and validly existing under the laws of the State of Florida and has all the necessary power and authority to issue the Bonds and enter into this Agreement, the Letter of Representations[, the Escrow Deposit Agreement] and the Continuing Disclosure Agreement; (ii) the Resolution has been duly adopted by JEA and this Agreement, the Letter of Representations, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Bonds have been duly authorized, executed and delivered by JEA and such documents and the Resolution constitute legal, valid and binding obligations of JEA enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights generally, and no opinion need be expressed as to the availability of any discretionary equitable remedy; (iii) the ordinances of the City Council of the City approving the issuance of the Bonds were duly enacted by the City; (iv) JEA has approved the distribution of the Preliminary Official Statement and the Final Official Statement and the execution and delivery of the Final Official Statement to the purchasers of the Bonds; (v) the execution and delivery of the Bonds, this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Letter of Representations, the adoption of the Resolution and the issuance of the Bonds pursuant to the Resolution and compliance with the provisions of the Resolution under the circumstances contemplated thereby and hereby, do not and will not in any material respect conflict with or constitute on the part of JEA a breach of or default under any existing law, regulation, court order or consent decree to which JEA is subject; (vi) nothing has come to such counsel's attention which would lead such counsel to believe that the Final Official Statement (with the exception of the tax treatment of interest on the Bonds, Blue Sky or other securities registration matters, and financial and statistical information, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to be stated therein to make the statements therein, in light of the circumstances under which they were made, not misleading; (vii) no litigation or proceeding (to which JEA or the City is a party) is pending or to the best of such counsel's knowledge is threatened against or affecting JEA or the City to restrain or enjoin the issuance or delivery of the Bonds or the refunding of the Refunded Bonds or in any way contesting or affecting the authority for the issuance of the Bonds, or the validity of the Bonds or this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] or the Letter of Representations or in any way contesting the corporate existence or the powers of JEA; (viii) except as may be disclosed in the Preliminary Official Statement and the Final Official Statement, no litigation or proceeding (to which JEA or the City is a party) is pending or to the best of such counsel's knowledge is threatened against or affecting JEA or involving any of the business, property or affairs of JEA which involves the possibility of any judgment or

liability which may result in any material adverse change in the financial condition of JEA relating to its electric utility functions; and (ix) JEA has obtained the consents, approvals, authorizations or other orders of all municipal, state or regulatory authorities required for the consummation of the transaction contemplated hereby;

(f) The opinion of Underwriters' Counsel, dated the Closing Date, in substantially the form attached hereto as Annex C;

(g) An executed copy of the Agreed Upon Procedures Letter, dated the day prior to the Closing Date;

(h) A consent, manually signed by the Accountants, to the use of their report in the Annual Report and to the references to their firm therein and in the Official Statements, dated the day prior to the Closing Date;

(i) Appropriate arbitrage certifications and tax covenants with respect to the Bonds by JEA in form and substance satisfactory to Bond Counsel and Underwriters' Counsel;

(j) Appropriate evidence that the Series Three 2017/8X Bonds have been assigned ratings of “__” by Fitch, Inc. (“Fitch”), “__” by Moody's Investors Service, Inc. (“Moody's”) and “___” by Standard & Poor's (“S&P”) and the 2017/8 Series X Subordinated Bonds have been assigned ratings of “__” by Fitch, “___” by Moody's and “__” by S&P;

(k) A certificate of the Bond Registrar as to the incumbency of its officers and its power to serve as Bond Registrar in form and substance acceptable to Bond Counsel and Underwriters' Counsel;

(l) A certificate of the Escrow Agent, dated the Closing Date as to (i) the incumbency of its officers, (ii) that the Escrow Agent is a banking corporation, duly organized and validly existing under the laws of the United States of America or the state of its incorporation and authorized to do business in the State, (iii) that the Escrow Agent has duly accepted its duties under the Escrow Deposit Agreement, and (iv) that the Escrow Agent has taken all necessary corporate action required to act as escrow agent under the Escrow Deposit Agreement and to perform its duties thereunder;

(m) A certified copy of the Letter of Representations;

(n) An executed counterpart of the Continuing Disclosure Agreement;

(o) An executed counterpart of the Escrow Deposit Agreement;

(p) The Verification Report; and

(q) Such additional legal opinions, certificates, instruments and other documents and such multiple copies of the above listed documents as the Underwriters, Underwriters' Counsel or Bond Counsel may reasonably request to evidence compliance

by JEA with legal requirements; the truth and accuracy, as of the Closing Date, of the respective representations contained herein and in the Final Official Statement; and the due performance or satisfaction by JEA of all agreements to be performed by it and all conditions to be satisfied by it at or prior to the Closing.

Section 9. Termination by Underwriters. This Agreement may be terminated in writing prior to the Closing by the Representative acting on behalf of the Underwriters if any of the following shall occur subsequent to the execution hereof: (i) this Agreement shall not have been accepted by JEA within the time herein provided; (ii) the copies of the Final Official Statement shall not have been provided within the time required by this Agreement; (iii) the Bonds and all of the Closing Documents shall not have been delivered to the Underwriters as of 2:00 p.m. on the Closing Date; (iv)(a) legislation shall have been enacted by the Congress, or introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (b) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (c) an order, ruling, regulation or communication (including a press release) shall have been issued by the Treasury Department of the United States, the Internal Revenue Service or the Securities and Exchange Commission, or (d) any action shall be taken or statement made by or on behalf of the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, which indicates or implies that interest on the Bonds may not be excludable from gross income for federal income tax purposes or that legislation will be introduced in the next scheduled session of the United States Congress, in each case referred to in clauses (a), (b), (c) and (d), with the purpose or effect, directly or indirectly, of (y) imposing federal income taxation upon interest to be received by any holders of the Bonds or (z) requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933 or the Resolution to be qualified as an indenture under the Trust Indenture Act of 1939; (v) there shall exist any event or circumstance which, in the opinion of the Representative, either makes untrue or incorrect in a material respect any statement or information contained in the Final Official Statement, or any event or circumstance is not reflected in the Final Official Statement but should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in a material respect; (vi) there shall have occurred any outbreak of hostilities (or the escalation of any hostilities existing on the date hereof) or other national or international calamity or crisis, the effect of such outbreak or escalation, calamity or crisis on the financial markets of the United States of America being such as, in the opinion of the Representative, would make it impracticable for the Underwriters to sell the Bonds, including an effect generally on the market which affects the marketability of the Bonds; (vii) there shall be in force a general suspension of trading on the New York Stock Exchange, or any other major United States stock exchange, or minimum or maximum prices for trading shall have been fixed and be in force; (viii) in the judgment of the Representative, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be adversely affected because: (a) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (b) the New York Stock Exchange or other national securities exchange, or any

governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters; (ix) a general banking moratorium shall have been declared by either federal, New York or Florida authorities having jurisdiction, and shall be in force, or there shall occur any other material disruption in commercial banking or securities settlement or clearance services in the United States; or (x) (a) the rating on any of the Bonds shall have been suspended, withdrawn or downgraded by any of the three rating agencies referred to in paragraph (j) of Section 8 hereof or (b) any of such rating agencies shall have placed any of the Bonds on negative credit watch or the like.

Section 10. Termination by JEA. In the absence of a termination of this Agreement by the Representative as permitted by Section 9 hereof, this Agreement may be terminated in writing by JEA in the event that the Underwriters shall fail to accept delivery and pay the purchase price of the Bonds at the Closing upon (i) tender thereof to or on behalf of the Underwriters by JEA and (ii) delivery to the Underwriters of all of the Closing Documents, all as provided in Section 8 hereof, and in such event JEA shall retain the Good Faith Deposit as provided in Section 4 hereof.

Section 11. Changes Affecting the Final Official Statement After the Closing. If during the period from the date of this Agreement and a date 25 days after the End of the Underwriting Period (as defined herein), any event relating to or affecting JEA shall occur the result of which shall make it necessary, in the reasonable opinion of (i) JEA and (ii) the Representative or Underwriters' Counsel, to amend or supplement the Final Official Statement in order to make it not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made not misleading, JEA shall forthwith prepare and furnish to the Underwriters, at JEA's expense, a reasonable number of copies of an amendment of or supplement to the Final Official Statement in form and substance satisfactory to the Representative, so that it then will not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading; provided, however, JEA will not adopt any amendment or supplement to the Final Official Statement except with the written consent of the Representative, which consent shall not be unreasonably withheld. The "End of the Underwriting Period" shall mean the Closing Date unless the Representative shall in writing advise JEA that the Underwriting Period must be extended, in which case the End of the Underwriting Period shall be the date set forth in such writing, but in no event later than 90 days after the Closing Date.

Section 12. Expenses. The Underwriters shall pay their own out-of-pocket expenses, the fees and expenses of Underwriters' Counsel, and the fees and expenses in connection with the preparation of the Blue Sky Memorandum and the registration of the Bonds for "Blue Sky" purposes.

JEA acknowledges that it has had an opportunity to consult with its financial advisor in order to evaluate and consider the fees and expenses being incurred as a part of the issuance of the Bonds. JEA shall pay all of the other costs and expenses in connection with the financing

contemplated by this Agreement, including, but not limited to: (i) the fees and expenses of Bond Counsel and JEA's Counsel and the expenses of JEA, if any; (ii) any fees and expenses incurred for filing fees; (iii) the fees and expenses of any experts or consultants; (iv) the fees and expenses of the Bond Registrar, the Escrow Agent and any verification report; (v) the cost of preparation and printing of the Bonds; (vi) the cost of printing and duplication for the Official Statements and any amendments or supplements thereto; (vii) the fees and expenses of the Accountants; and (viii) bond rating agencies fees. JEA acknowledges that a portion of the Underwriters' expenses are intended to reimburse the Underwriters for incidental expenses (including, but not limited to, transportation, lodging and meals of JEA and Underwriters personnel) incurred by the Underwriters (on their own behalf or on behalf of JEA personnel), as applicable, in connection with the transaction contemplated by this Agreement.

Section 13. Notices. Any notice or other communication to be given to JEA under this Agreement may be given by delivering the same in writing to the address set forth above; and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Underwriters in care of _____, _____, _____, Attention: _____.

Section 14. Authority of Representative. The Representative has been duly authorized to execute this Agreement and, pursuant to an agreement among the Underwriters, has been duly authorized to act hereunder by and on behalf of the Underwriters.

Section 15. Parties and Interests; JEA's Undertaking; Survival of Representations. This Agreement is made solely for the benefit of JEA and the Underwriters, including the successors and assigns of the Underwriters, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof except as provided in Section 11 hereof. All representations and agreements by JEA in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriters, and shall survive the delivery of and payment for the Bonds.

Section 16. Truth-In-Bonding Statement. For purposes of subsections (2) and (3) of Section 218.385, Florida Statutes, as amended, the following Truth in Bonding Statement is made with respect to the Bonds:

JEA is proposing to issue \$_____ of the Bonds. The Bonds are to be issued for the purposes of refunding the Refunded Bonds and paying cost of issuance of the Bonds. The Bonds are expected to be repaid over a period of approximately ____ years. At the interest rates set out in Annex A hereto (being a true interest cost of _____%), total interest paid over the life of the Bonds will be \$_____.

The source of repayment or security for the Bonds is the revenues of the JEA's Electric System. Issuing the Bonds finances the items described in the preceding paragraph. Authorizing this debt will result in an average annual debt service payment of approximately \$_____ from Electric System revenues,

which will not otherwise be available to finance the other services or expenditures of JEA each year for approximately _____ years.

Section 17. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which taken together shall constitute one instrument.

Section 18. Entire Agreement Clause. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Bond Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

[Remainder of page intentionally left blank; signature page follows]

Very truly yours,

_____,
as Representative of the Underwriters

By: _____
Name:
Title:

Accepted by JEA on _____, 20__

By: _____
Name:
Title:

FORM APPROVED:

Office of General Counsel

ANNEX A

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

\$000,000,000 Electric System Revenue Bonds, Series Three 2017/8X

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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\$ _____ % Term Bond Due October 1, 20__ - Yield _____ %

\$000,000,000 Electric System Subordinated Revenue Bonds, 2017/8 Series X

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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\$ _____ % Term Bond Due October 1, 20__ - Yield _____ %

Redemption Provisions

[to come]

ANNEX B

[Form of Supplemental Opinion of Bond Counsel]

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida

[Underwriters]

c/o _____

Re: 000,000,000 JEA Electric System Revenue Bonds, Series Three 2017/8X
(the "Series Three 2017/8X Bonds")
\$000,000,000 JEA Electric System Subordinated Revenue Bonds, 2017/8 Series X
(the "2017/8 Series X Subordinated Bonds")

Ladies and Gentlemen:

We have served as Bond Counsel to JEA in connection with the issuance of the Series Three 2017/8X Bonds and the 2017/8 Series X Subordinated Bonds (collectively, the "Bonds"). This letter is addressed to the underwriters addressed above (the "Underwriters"), pursuant to Section 9(d) of the Bond Purchase Agreement, dated _____, 20__ (the "Bond Purchase Agreement"), between _____, as Representative of the Underwriters, and JEA, providing for the purchase of the Bonds. The Bonds are issued pursuant to the Constitution and laws of the State of Florida, including, in particular, Article 21 of the Charter of the City of Jacksonville, Florida (the "City"), as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof, and other applicable provisions of law and, in the case of the Series Three 2017/8X Bonds, under and pursuant to a resolution of JEA adopted on August 16, 1988, as supplemented and amended (the "Series Three Resolution"), including as supplemented by Resolution No. 2016-21 of JEA adopted on December 20, 2016, authorizing the Series Three 2017/8X Bonds, which Series Three Resolution amends and supplements a resolution of JEA adopted on March 30, 1982 (the "Electric System Resolution"), as supplemented, amended and restated (such Electric System Resolution, as so supplemented, amended and restated, being herein referred to as the "Resolution") and, in the case of the 2017/8 Series X Subordinated Bonds, under and pursuant to a resolution of JEA (the "Original Subordinated Resolution") adopted on August 16, 1988 authorizing the issuance of JEA's Subordinated Bonds (such resolution, as supplemented, amended and restated, being herein referred to as the "Subordinated Resolution"), including as supplemented by Resolution No. 2016-22 of JEA adopted on December 20, 2016, authorizing the 2017/8 Series X Subordinated Bonds. Capitalized terms not otherwise defined

herein shall have the meanings ascribed thereto in the Resolution or the Subordinated Resolution, or, if not defined therein, in the Bond Purchase Agreement.

On the date hereof, we have delivered our approving opinions (the “Bond Counsel Opinions”) concerning the validity of the Bonds and certain other matters to JEA. The opinions and conclusions expressed herein are subject to the same qualifications, limitations and reliances as stated in the Bond Counsel Opinions. The Underwriters may rely on the Bond Counsel Opinions as though such opinions were addressed to them.

In connection with our role as Bond Counsel, we have reviewed the Bond Purchase Agreement; a certified copy of the Resolution; a certified copy of the Subordinated Resolution; a certified copy of Ordinance 82-228-94, enacted by the Council of the City on March 30, 1982, approving, among other things, the Electric System Resolution and the issuance by JEA of Bonds (as defined in the Electric System Resolution); a certified copy of Ordinance 88-1108-554, enacted by the Council of the City on September 27, 1988, approving, among other things, the Series Three Resolution, the issuance by JEA of Series Three Bonds (as defined in the Series Three Resolution), the Original Subordinated Resolution and the issuance by JEA of Subordinated Bonds; a certified copy of Ordinance 92-1411-902, enacted by the Council of the City on September 8, 1992, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 95-736-450, enacted by the Council of the City on September 12, 1995, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 1999-797-E, enacted by the Council of the City on August 24, 1999, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2001-664-E, enacted by the Council of the City on August 28, 2001, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2003-844-E, enacted by the Council of the City on August 26, 2003, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2005-460-E, enacted by the Council of the City on May 10, 2005, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2007-797-E, enacted by the Council of the City on September 26, 2007, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2008-581-E, enacted by the Council of the City on September 23, 2008, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2013-490-E, enacted by the Council of the City on September 24, 2013, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; the Official Statement of JEA, dated _____, 20__, relating to the Bonds, including those portions of the Annual Disclosure Report (as defined therein) which are included by reference therein (the “Official Statement”); the Continuing Disclosure Agreement; the Tax Certificate executed and delivered by JEA on the date hereof in connection with the issuance of the Bonds (the “Tax Certificate”); an opinion of the Office of General Counsel of the City, attorney for JEA; certificates of JEA and others; and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based upon an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by

such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than JEA. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof (except that we have not relied on any such legal conclusions that are to the same effect as the opinions or conclusions set forth herein). We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolution, the Subordinated Resolution, the Tax Certificate, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against bodies politic and corporate of the State of Florida. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue or waiver or severability provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. JEA is a public body corporate and politic and an independent agency of the City, duly created and existing under the Constitution and laws of the State of Florida.
2. The Bonds have been duly authorized by JEA and all conditions precedent to the issuance of the Bonds have been fulfilled, including, without limitation, all necessary approvals of the City.
3. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution and the Subordinated Resolution are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.
4. The statements contained in the Official Statement under the captions "PURPOSE OF ISSUE AND PLAN OF FINANCE," "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS," "DESCRIPTION OF THE SERIES THREE 2017/8X BONDS," "SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X SUBORDINATED BONDS," "DESCRIPTION OF THE 2017/8 SERIES X SUBORDINATED BONDS," and "TAX MATTERS" and the statements contained in "Summary of Certain Provisions of the Electric System Resolution" in Appendix B to the Annual Disclosure Report, "Summary of Certain Provisions of the Subordinated Electric System Resolution" in Appendix C to the Annual Disclosure Report, "Summary of Certain Provisions of the First Power Park Resolution," in Appendix D to the Annual Disclosure Report, "Summary of Certain Provisions of the Second Power Park Resolution," in Appendix E to the Annual Disclosure Report, "Summary of Certain Provisions of the Restated and Amended Bulk Power Supply System

Resolution,” in Appendix F to the Annual Disclosure Report, “Summary of Certain Provisions of the Power Park Joint Ownership Agreement” in Appendix G to the Annual Disclosure Report and “Summary of Certain Provisions of Agreements Relating to Scherer Unit 4,” in Appendix H to the Annual Disclosure Report, insofar as such statements expressly summarize certain provisions of the Resolution, the Subordinated Resolution, the First Power Park Resolution (as defined in the Annual Disclosure Report), the Second Power Park Resolution (as defined in the Annual Disclosure Report), the Restated and Amended Bulk Power Supply System Resolution (as defined in the Annual Disclosure Report), the Power Park Joint Ownership Agreement (as defined in the Annual Disclosure Report), the Scherer Unit 4 Purchase Agreement (as defined in the Annual Disclosure Report), the Scherer Unit 4 Operating Agreement (as defined in the Annual Disclosure Report), the Scherer Unit 4 Agency Agreement (as defined in the Annual Disclosure Report), and the form and content of our Bond Counsel Opinions, are accurate in all material respects.

5. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 4 above), completeness or fairness of any of the statements contained in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. We do not assume any responsibility for any electronic version of the Official Statement, and assume that any such version is identical in all respects to the printed version. In our capacity as Bond Counsel in connection with the issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of JEA, representatives of Public Financial Management, Inc., JEA’s Financial Advisor, representatives of Ernst & Young LLP, independent certified public accountants, JEA’s auditors, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in the above-referenced conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates, opinions and matters herein mentioned (as set forth above), subject to the limitations on our role as Bond Counsel, we advise you as a matter of fact and not opinion that no facts came to the attention of the attorneys in our firm rendering legal services in connection with such issuance which caused us to believe that the Official Statement as of its date and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical, economic or engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion (other than our opinions relating to the Bonds), any information about book-entry or DTC and the information contained in Appendices A, B and C to the Official Statement and in Schedule 1 and Appendices A and I to the Annual Disclosure Report, included or referred to therein, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any 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. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity.

6. The Continuing Disclosure Agreement has been duly executed and delivered by JEA and is a valid and binding agreement of JEA, enforceable in accordance with its terms. No opinion regarding the adequacy of the Continuing Disclosure Agreement for purposes of SEC Rule 15c2-12 may be inferred from this opinion.

7. In reliance upon the certifications, directions and acknowledgements of JEA and the Paying Agent for the respective Refunded Series Three Bonds and Refunded Subordinated Bonds (as such terms are defined in the Official Statement), upon deposit of amounts sufficient to pay the redemption price of, and interest on, the respective Refunded Series Three Bonds and Refunded Subordinated Bonds on _____, 20__, the date such Refunded Series Three Bonds and Refunded Subordinated Bonds have been called for redemption, with the Paying Agent therefor, the Refunded Series Three Bonds will no longer be “Outstanding” within the meaning of the Resolution and the Refunded Subordinated Bonds will no longer be deemed “Outstanding” within the meaning of the Subordinated Resolution.

This letter is furnished by us as Bond Counsel to JEA. No attorney-client relationship has existed or exists between our firm and the Underwriters in connection with the Bonds or by virtue of this letter. Our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this letter. This letter is delivered to JEA, as the issuer of the Bonds and the Underwriters in their capacity as the Underwriters of the Bonds, is solely for your benefit in such capacities and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

ANNEX C

[Form of Underwriters' Counsel Opinion]

_____, 20__

[Underwriters]

c/o _____

Re: \$000,000,000 JEA Electric System Revenue Bonds, Series Three 2017/8X
\$000,000,000 JEA Electric System Subordinated Revenue Bonds, 2017/8 Series X

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriters") in connection with the purchase by the Underwriters from JEA of the captioned obligations designated Series Three 2017/8X (the "Series Three 2017/8X Bonds") and the captioned obligations designated 2017/8 Series X (the "2017/8 Series X Subordinated Bonds" and, together with the Series Three 2017/8X Bonds, the "Bonds"). As such counsel, we have examined the Official Statement, dated _____, 20__, relating to the Bonds (the "Official Statement"), the Bond Purchase Agreement, dated _____, 20__, by and between Goldman, Sachs & Co., as Representative of the Underwriters named therein and JEA, with respect to the Bonds (the "Bond Purchase Agreement"), the Resolution (as defined in the Bond Purchase Agreement), the Continuing Disclosure Agreement (as defined in the Bond Purchase Agreement), and such other matters as we have deemed necessary; and we have participated in discussions and conferences with members of JEA and its staff, bond counsel, JEA's financial advisor, and the independent certified public accountants with respect to matters contained and included by reference in the Official Statement.

From such examination, we are of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

We are not passing upon, do not assume responsibility for, and have not independently verified the accuracy, completeness, or fairness of the statements contained or included by reference in the Official Statement. In addition, we are not experts in evaluating the business, operations, or financial condition of public power authorities in general or JEA in particular. As your counsel we have participated in the preparation of the Official Statement and in the discussions referred to above with respect to the Official Statement. In the course of such preparation, discussions and review nothing has come to our attention which leads us to believe that the Official Statement (except for the appendices thereto and references to such appendices and the graphic, engineering, financial and statistical information, any information about book-

entry or DTC (as such term is defined in the Official Statement), as to which we express no view) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

We are further of the opinion that the Continuing Disclosure Agreement satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule.

We are furnishing this letter to you pursuant to Section 8(f) of the Bond Purchase Agreement solely for your benefit as Underwriters. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

ANNEX D

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida 32202

Re: \$000,000,000 JEA Electric System Revenue Bonds, Series Three 2017/8X
\$000,000,000 JEA Electric System Subordinated Revenue Bonds, 2017/8 Series X

Ladies and Gentlemen:

In connection with the proposed issuance by JEA (the “Issuer”) of \$000,000,000 in aggregate principal amount of Electric System Revenue Bonds, Series Three 2017/8X and \$000,000,000 in aggregate principal amount of Electric System Subordinated Revenue Bonds, 2017/8 Series X (collectively, the “Bonds”), [Underwriters] (collectively, the “Underwriters”) are preparing to underwrite a public offering of the Bonds. Arrangements for underwriting the Bonds will be pursuant to a Bond Purchase Agreement between the Issuer and the Underwriters.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, as amended, certain information in respect of the arrangements contemplated for the underwriting of the Bonds as follows:

(a) The nature and estimated amounts of expenses to be incurred by the Underwriters in connection with the purchase and reoffering of the Bonds are set forth in Schedule I attached hereto.

(b) Based upon representations of the Underwriters, there are no “finders,” as defined in Section 218.386, Florida Statutes, as amended, connected with the issuance of the Bonds.

(c) The underwriting spread (*i.e.*, the difference between the price at which the Bonds will be initially offered to the public by the Underwriters and the price to be paid to the Issuer for the Bonds) will be \$_____ per \$1,000 bond or \$_____.

(d) The Underwriters will charge no management fee.

(e) There is no other fee, bonus or other compensation to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters, except as specifically enumerated as expenses

referred to in paragraph (a) above to be incurred by the Underwriters as set forth in Schedule I attached hereto.

(f) The names and addresses of the Underwriters are:

We understand that you do not require any further disclosure from the Underwriters pursuant to Section 218.385(6), Florida Statutes, as amended.

Very truly yours,

[Underwriters]

By: _____
Name:
Title:

SCHEDULE I

ESTIMATED UNDERWRITERS' FEE AND EXPENSES

<u>Underwriters' Fee</u>	<u>Dollar Amount</u>	<u>Per \$1,000 Bond</u>
Average Takedown	\$ _____	\$ _____
Expenses:		
Underwriters' Counsel	_____	_____
Dalcomp	_____	_____
Dalnet	_____	_____
CUSIP	_____	_____
DTC	_____	_____
Total Fees and Expenses	<u> </u> \$ _____	<u> </u> \$ _____

ANNEX E

REFUNDED BONDS

[Insert name(s) of Series]

NEW ISSUE – BOOK-ENTRY ONLY

In the opinion of Bond Counsel, under existing law and assuming compliance by JEA with the tax covenants described herein, and the accuracy of certain representations and certifications made by JEA described herein, interest on the Series Three 2017/8X Bonds and the 2017/8 Series X Subordinated Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. See "TAX MATTERS" herein regarding certain other tax considerations.



(www.jea.com)

**\$000,000,000* ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE 2017/8X
\$000,000,000* ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, 2017/8 SERIES X**

Dated: Date of Delivery

Due: October 1, as shown on the inside cover page

The Electric System Revenue Bonds, Series Three 2017/8X (the "Series Three 2017/8X Bonds") and the Electric System Subordinated Revenue Bonds, 2017/8 Series X (the "2017/8 Series X Subordinated Bonds" and, together with the Series Three 2017/8X Bonds, the "2017/8 Bonds") will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the 2017/8 Bonds. Individual purchases of the 2017/8 Bonds will be made in book-entry form only, in principal amounts of \$5,000 or any integral multiple thereof. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto. Interest on the 2017/8 Bonds is payable commencing on [April/October] 1, 20__ and semiannually thereafter on April 1 and October 1 of each year.

The 2017/8 Bonds will be subject to redemption prior to maturity as set forth herein.

The Series Three 2017/8X Bonds are being issued to (a) refund certain of JEA's outstanding Electric System Bonds (as defined herein), (b) provide funds to make a deposit in the Initial Subaccount in the Debt Service Reserve Account, and (c) pay costs of issuance of the Series Three 2017/8X Bonds. The 2017/8 Series X Subordinated Bonds are being issued to (a) refund certain of JEA's outstanding Subordinated Electric System Bonds (as defined herein), and (b) pay costs of issuance of the 2017/8 Series X Subordinated Bonds.

The payment of the principal of and interest on the Series Three 2017/8X Bonds will be secured by a first lien on the Net Revenues derived by JEA from operation of the Electric System (as defined herein), equally and ratably with all of the Electric System Bonds which have been or may hereafter be issued and outstanding.

The 2017/8 Series X Subordinated Bonds and the interest thereon will be payable solely from, and secured by a lien on, amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution (as defined herein) as may from time to time be available therefor, including the investments, if any, thereof, and the funds established under the Subordinated Electric System Resolution (as defined herein), including the investments, if any, thereof. The 2017/8 Series X Subordinated Bonds will be on a parity with all of the Subordinated Electric System Bonds which have been or may hereafter be issued and outstanding but will be junior and subordinate in all respects to the Electric System Bonds.

None of the 2017/8 Bonds will be or constitute general obligations or indebtedness of the City of Jacksonville, Florida or JEA as "bonds" within the meaning of the Constitution of the State of Florida. No Holder of any 2017/8 Bonds will ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form of any real property in the City to pay the 2017/8 Bonds or the interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Electric System Resolution and the Subordinated Electric System Resolution, respectively. JEA has no power to levy taxes for any purpose.

MATURITY SCHEDULE – See Inside Cover Page

The 2017/8 Bonds are offered when, as and if issued [and accepted by the Underwriters, subject to the approval of legality by _____, _____, Bond Counsel to JEA. Certain legal matters in connection with the 2017/8 Bonds will be passed upon by the Office of General Counsel of the City of Jacksonville, Florida, as counsel to JEA, and by _____, _____, _____, counsel to the Underwriters. It is expected that the 2017/8 Bonds in definitive form will be available for delivery to DTC in New York, New York on or about _____, 20__.

[UNDERWRITERS]

_____, 20__

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The 2017/8X Bonds may not be sold, nor may any offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall 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 2017/8X Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

MATURITIES, AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS*†

\$000,000,000
Electric System Revenue Bonds, Series Three 2017/8X

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP</u>
	\$	%	%	

\$000,000,000 _____% Term Bonds due October 1, 20____ - Price _____ CUSIP No. _____
\$000,000,000 _____% Term Bonds due October 1, 20____ - Price _____ CUSIP No. _____

\$000,000,000
Electric System Subordinated Revenue Bonds, 2017/8 Series X

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or Yield</u>	<u>CUSIP</u>
	\$	%	%	

\$000,000,000 _____% Term Bonds due October 1, 20____ - Price _____ CUSIP No. _____
\$000,000,000 _____% Term Bonds due October 1, 20____ - Price _____ CUSIP No. _____

(The bonds offered hereby will be sold initially without accrued interest.)

* Preliminary, subject to change.

† The CUSIP numbers listed herein are provided for the convenience of bondholders. JEA is not responsible for the accuracy or completeness of such numbers.

JEA
21 W. CHURCH STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(www.jea.com)

JEA OFFICIALS

BOARD MEMBERSHIP¹

Chair

Vice Chair

Secretary

Tom F. Petway III
Edward E. Burr
Delores P. Kesler
Husein A. Cumber
Kelly Flanagan
G. Alan Howard

MANAGEMENT

Managing Director and Chief Executive Officer

Vice President and General Manager, Electric Systems

Vice President and General Manager, Water and Wastewater Systems

Chief Financial Officer

Chief Audit, Risk and Compliance Officer

Chief Customer Officer

Chief Human Resources Officer

Chief Information Officer

Chief Legal Officer

Chief Public Affairs Officer

Treasurer

Paul E. McElroy
Michael I. Brost
Brian J. Roche
Melissa H. Dykes
Ted E. Hobson
Monica Whiting
Angelia R. Hiers
Paul J. Cosgrave
Jody Brooks
Michael Hightower
Joseph E. Orfano

GENERAL COUNSEL

Jason R. Gabriel

General Counsel of the City of Jacksonville
Jacksonville, Florida

INDEPENDENT AUDITORS

Ernst & Young, LLP

Jacksonville, Florida

BOND COUNSEL

FINANCIAL ADVISOR

Public Financial Management, Inc.
Philadelphia, Pennsylvania

**REGISTRAR AND PAYING AGENT/
SUBORDINATED BOND REGISTRAR AND PAYING AGENT**

U.S. Bank National Association
Jacksonville, Florida

¹ There is currently one vacancy on the JEA Board due to the resignation of Warren A. Jones.

No dealer, broker, salesman or any other person has been authorized by JEA to give any information or to make any representations, other than as contained in this Official Statement or included herein by specific reference, and if given or made, such other information or representations must not be relied upon as having been authorized by JEA or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2017/8 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale in such jurisdiction.

THE 2017/8 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE ELECTRIC SYSTEM RESOLUTION OR THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

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 respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion set forth herein or included herein by specific reference 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 affairs of JEA since the date hereof.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intent," "believe" and similar expressions are intended to identify forward-looking statements. A number of factors affecting JEA's business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

IN CONNECTION WITH THIS OFFERING OF THE 2017/8 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Except as specifically provided herein, none of the information on JEA's website is included by reference herein.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY JEA FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

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OFFICIAL STATEMENT

Relating to



\$000,000,000* Electric System Revenue Bonds, Series Three 2017/8X
\$000,000,000* Electric System Subordinated Revenue Bonds, 2017/8 Series X

_____, 20____

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and inside cover page hereof, the appendices hereto, and the information included by reference herein, is to provide information concerning the proposed issuance by JEA of (a) \$000,000,000* aggregate principal amount of JEA's Electric System Revenue Bonds, Series Three 2017/8X (the "Series Three 2017/8X Bonds") and (b) \$000,000,000* aggregate principal amount of JEA's Electric System Subordinated Revenue Bonds, 2017/8 Series X (the "2017/8 Series X Subordinated Bonds" and, together with the Series Three 2017/8X Bonds, the "2017/8 Bonds").

The Series Three 2017/8X Bonds are being issued to (a) refund certain of JEA's outstanding Electric System Bonds (as defined herein), (b) provide funds to make a deposit in the Initial Subaccount in the Debt Service Reserve Account, and (c) pay costs of issuance of the Series Three 2017/8X Bonds.

The 2017/8 Series X Subordinated Bonds are being issued to (a) refund certain of JEA's outstanding Subordinated Electric System Bonds (as defined herein), and (b) pay costs of issuance of the 2017/8 Series X Subordinated Bonds.

The descriptions herein of the 2017/8 Bonds and the descriptions herein and in the Annual Disclosure Report referred to below of the documents authorizing and securing the same and of the other debt of JEA and of the documents authorizing, securing and relating to the same do not purport to be comprehensive or definitive. All references herein and in the Annual Disclosure Report to such documents are qualified in their entirety by reference to such documents.

* Preliminary, subject to change.

Unless otherwise defined herein, all capitalized terms in this Official Statement shall have the same meanings as given to them in the Electric System Resolution and the Subordinated Electric System Resolution referred to below or, if not defined therein, in the Annual Disclosure Report.

JEA

General. JEA is a body politic and corporate organized and existing under the laws of the State of Florida and is an independent agency of the City of Jacksonville, Florida (the "City"). JEA was established in 1968 to own and manage the electric utility which had been owned by the City since 1895 (as more particularly defined in the Annual Disclosure Report, included by reference herein, the "Electric System"). In 1997, the City transferred to JEA the City's combined water and wastewater (sewer) utilities system (the "Water and Sewer System"). In 2004, the City authorized JEA to create a local district energy system; and JEA established such a system (the "District Energy System") and transferred to it the chilled water production and distribution assets formerly held as part of the Electric System.

Electric System. In 2015, the latest year for which such information is available, JEA was the eighth largest municipally-owned electric utility in the United States in terms of number of customers. During its Fiscal Year ended September 30, 2016, the Electric System served an average of 451,788 customer accounts in a service area which covers virtually the entire City. JEA also sells electricity to retail customers and an electric system in neighboring counties. JEA's total energy sales in its Fiscal Year ended September 30, 2016, net of off-system sales and the energy sold by JEA to Florida Power & Light Company, a Florida corporation ("FPL"), pursuant to the FPL-Power Park Sale (see "ELECTRIC UTILITY SYSTEM – FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS – Debt Relating to Electric Utility Functions – Power Park Issue Two Bonds" and "ELECTRIC UTILITY SYSTEM – ELECTRIC UTILITY FUNCTIONS – St. Johns River Power Park – Ownership" in the Annual Disclosure Report), were approximately 12.6 billion kilowatt-hours ("kWh"). Total revenues, including investment income, for the Electric System for the Fiscal Year ended September 30, 2016, net of the revenues received by JEA from the FPL-Power Park Sale, were approximately \$1,243,966,000.

Bulk Power Supply System. Pursuant to Chapter 80-513, Laws of Florida, Special Acts of 1980 (as amended and supplemented, the "Bulk Power Act"), JEA is authorized to acquire, own and operate as a separate bulk power supply utility or system, electric generating plants and transmission lines within the City and within and outside of the State of Florida. In accordance with the Bulk Power Act, JEA has acquired a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant ("Scherer Unit 4"), a coal-fired steam electric generating unit currently rated at 846 megawatts ("MW"), net, located near Forsyth, Georgia, and proportionate ownership interests in associated common facilities and an associated coal stockpile (such ownership interests are referred to herein as the "Scherer 4 Project"). See "ELECTRIC UTILITY SYSTEM – ELECTRIC UTILITY FUNCTIONS – The Scherer 4 Project" in the Annual Disclosure Report.

St. Johns River Power Park System. Pursuant to the Bulk Power Act, JEA has also acquired and constructed, and operates, an 80 percent undivided ownership interest in the St. Johns River Power Park (the “Power Park”), a two-unit, coal- and pet coke-fired, steam electric generating station currently rated at 1,276 MW, net, located in the northeast section of the City that is jointly-owned by JEA and FPL. See “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – St. Johns River Power Park” in the Annual Disclosure Report.

Water and Sewer System. The Water and Sewer System is owned and operated by JEA as a combined utilities system, separate and apart from the Electric System. Accordingly, information relating to the Water and Sewer System is not relevant to the debt of JEA relating to the Electric System.

District Energy System. The District Energy System is owned and operated by JEA as a distinct utilities system, separate and apart from the Electric System and the Water and Sewer System. Accordingly, information relating to the District Energy System is not relevant to the debt of JEA relating to the Electric System.

Inclusion of Information. JEA previously has prepared a document entitled “Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 20[1_]” dated as of April [__], 20[1_] (the “Annual Disclosure Report”). The Annual Disclosure Report sets forth certain information concerning JEA, its outstanding debt, the Electric System, its interest in the Power Park and the Scherer 4 Project. *As more fully described under the caption “Inclusion of Information” below, certain information contained in the Annual Disclosure Report is included by reference in this Official Statement.* Copies of the Annual Disclosure Report may be obtained in the manner and from the sources described under the caption “Inclusion of Information” below.

The Series Three 2017/8X Bonds

The Series Three 2017/8X Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Article 21 of the Charter of the City, as amended (the “Charter”), and other applicable provisions of law (collectively, the “Act”), and under and pursuant to a resolution adopted by JEA on March 30, 1982 (as supplemented, amended and restated, the “Electric System Resolution”) authorizing the issuance of JEA’s Electric System Revenue Bonds, Series One (the “Electric System Series One Bonds”) and, subject to the satisfaction of the conditions set forth therein, Additional Parity Obligations (as defined therein). A summary of certain provisions of the Electric System Resolution is attached as APPENDIX B to the Annual Disclosure Report. The Electric System Resolution is available for viewing and downloading on JEA’s website (<http://www.jea.com>) by selecting “About,” at the top of the home page, then selecting “Investor Relations” under “Company Info,” then selecting “Bonds” and then selecting “Electric System Senior Lien Bond Resolution” under the heading “JEA Bond Resolutions.” *See, however, “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X*

BONDS – Proposed Amendments to Electric System Resolution” herein for a description of certain amendments to the Electric System Resolution that are not yet effective.

No Electric System Series One or Series Two Bonds remain outstanding under the Electric System Resolution. As of the date of this Official Statement, there are outstanding under the Electric System Resolution \$1,163,765,000 in aggregate principal amount of Electric System Revenue Bonds, Series Three (the “Prior Series Electric System Series Three Bonds”), consisting of (a) \$465,250,000 in aggregate principal amount of Variable Rate Electric System Revenue Bonds of various series (the “Prior Series Variable Rate Electric System Bonds”), which include the Refunded Series Three Bonds (as defined herein) to be refunded through the issuance of the Series Three 2017/8 Bonds, and (b) \$698,515,000 in aggregate principal amount of fixed rate Electric System Revenue Bonds of various series (the “Prior Series Fixed Rate Electric System Bonds”).

Principal of and interest on the Series Three 2017/8X Bonds will rank equally and be on a parity, as to security and source of payment, with the Prior Series Electric System Series Three Bonds that will remain Outstanding following the issuance of the Series Three 2017/8X Bonds and all Additional Parity Obligations hereafter issued pursuant to the Electric System Resolution. All Bonds issued under (and as defined in) the Electric System Resolution, including the Prior Series Electric System Series Three Bonds and all additional Bonds issued under the Electric System Resolution, are referred to herein collectively as the “Electric System Bonds.” Pursuant to the Electric System Resolution and the laws of Florida, the amount of Electric System Bonds that may be issued by JEA is not limited and is subject only to approval by the City Council of the City (the “Council”) and satisfaction of the conditions set forth in the Electric System Resolution. ***See “ELECTRIC UTILITY SYSTEM – FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS – Debt Relating to Electric Utility Functions – Electric System Bonds” in the Annual Disclosure Report and “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS – Additional Bonds – Additional Electric System Bonds” herein.***

JEA has entered into certain floating-to-fixed rate interest rate swap transactions in order to synthetically fix the rates of interest on certain of the Prior Series Variable Rate Electric System Bonds. See the table under the caption “OTHER FINANCIAL INFORMATION – Interest Rate Swap Transactions” in the Annual Disclosure Report for information regarding those interest rate swap transactions. For purposes of estimating its debt service requirements, as shown in APPENDIX B hereto, on the Prior Series Variable Rate Electric System Bonds, JEA has assumed that such bonds will bear interest at a rate of 2.00 percent per annum for 2017, 3.00 percent per annum for 2018 and 4.00 percent per annum thereafter.

Liquidity support in connection with tenders for purchase of JEA’s Variable Rate Electric System Revenue Bonds, Series Three 2008A, Series Three 2008B-2, Series Three 2008B-3, Series Three 2008C-1, Series Three 2008C-2 and Series Three 2008C-3 (collectively, the “Senior Liquidity Supported Electric System Prior Series Bonds”) currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Senior

Liquidity Supported Electric System Prior Series Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement between JEA and such bank and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Senior Liquidity Supported Electric System Prior Series Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Senior Liquidity Supported Electric System Prior Series Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreements giving rise to such an event of default, see “OTHER FINANCIAL INFORMATION – Effect of JEA Credit Rating Changes – Liquidity Support for JEA’s Variable Rate Bonds” in the Annual Disclosure Report. The standby bond purchase agreements are subject to periodic renewal (see Note 6 to the financial statements of JEA attached hereto as APPENDIX C).

On July 27, 2010, the bank previously providing liquidity support for JEA’s Variable Rate Electric System Revenue Bonds, Series Three 2008B-1 and Series Three 2008D-1 and on October 22, 2012, the bank previously providing credit and liquidity support for JEA’s Variable Rate Electric System Revenue Bonds, Series Three 2008B-4 (such Series Three 2008B-1, 2008D-1 and 2008B-4 Bonds are referred to herein collectively as, the “Bank Purchased Bonds”) purchased the applicable Bank Purchased Bonds pursuant to three substantially similar direct purchase agreements. The Bank Purchased Bonds are currently outstanding in the principal amounts of \$60,395,000, \$111,420,000 and \$49,810,000, respectively. Upon such purchases, the letter of credit and standby bond purchase agreement previously in effect for the respective Bank Purchased Bonds were terminated. Such bank has no option to tender the Bank Purchased Bonds for payment by JEA during the holding period except upon the occurrence of certain “events of default” on the part of JEA under the respective direct purchase agreements and the occurrence of certain other conditions. Upon such tender for payment, the Bank Purchased Bond so tendered would be due and payable immediately. The three direct purchase agreements were amended September 17, 2015, and the current expiration date of each is September 17, 2018. At the end of the period specified, which period is subject to extension under certain conditions, the Bank Purchased Bonds are subject to mandatory tender for purchase. Any Bank Purchased Bond that is not remarketed and purchased from such bank on the mandatory tender date that will occur upon the expiration of such period would be required to be repaid as to principal in equal semiannual installments over a period of approximately five years from such mandatory tender date.

The 2017/8 Series X Subordinated Bonds

The 2017/8 Series X Subordinated Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly the Act, and under and pursuant to a resolution adopted by JEA on August 16, 1988 (as supplemented, amended and restated, the “Subordinated Electric System Resolution”) authorizing the issuance

by JEA of Subordinated Bonds (as defined therein). The Subordinated Electric System Resolution was adopted in accordance with, and supplements, the Electric System Resolution. A summary of certain provisions of the Subordinated Electric System Resolution is attached as APPENDIX C to the Annual Disclosure Report. The Subordinated Electric System Resolution is available for viewing and downloading on JEA's website (<http://www.jea.com>) by selecting "About," at the top of the home page, then selecting "Investor Relations" under "Company Info," then selecting "Bonds" and then selecting "Electric System Subordinated Bond Resolution" under the heading "JEA Bond Resolutions."

As of the date of this Official Statement, there is outstanding under the Subordinated Electric System Resolution \$1,099,525,000 in aggregate principal amount of Subordinated Bonds, consisting of (a) \$132,420,000 in aggregate principal amount of Variable Rate Electric System Subordinated Revenue Bonds of various series (the "Prior Series Variable Rate Subordinated Bonds"), including the Refunded Subordinated Bonds to be refunded through the issuance of the 2017 Series A Subordinated Bonds and (b) \$967,105,000 in aggregate principal amount of fixed rate Electric System Subordinated Revenue Bonds of various series (the "Prior Series Fixed Rate Subordinated Bonds"). JEA has entered into a floating-to-fixed rate interest rate swap transaction in order to synthetically fix the rate of interest on certain of the Prior Series Variable Rate Subordinated Bonds. See the table under the caption "OTHER FINANCIAL INFORMATION – Interest Rate Swap Transactions" in the Annual Disclosure Report for information regarding that interest rate swap transaction. For purposes of estimating its debt service requirements, as shown in APPENDIX B hereto, on the Prior Series Variable Rate Subordinated Bonds, JEA has assumed that such bonds will bear interest at a rate of [2.00] percent per annum for 2017, [3.00] percent per annum for 2018 and [4.00] percent per annum thereafter.

Liquidity support in connection with tenders for purchase of JEA's Variable Rate Electric System Subordinated Revenue Bonds, 2000 Series A, 2000 Series F-1, 2000 Series F-2, and 2008 Series D (collectively, the "Subordinated Liquidity Supported Electric System Bonds") currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Subordinated Liquidity Supported Electric System Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement between JEA and such bank and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Subordinated Liquidity Supported Electric System Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement will constitute an "Option Subordinated Bond" within the meaning of the Subordinated Electric System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" on the part of JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Subordinated Liquidity Supported Electric System Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain "ratings triggers" contained in such standby bond purchase agreements or such reimbursement agreements, as applicable giving rise to such an event of default, see "OTHER FINANCIAL INFORMATION – Effect of JEA Credit Rating Changes" in the Annual Disclosure

Report. Such standby bond purchase agreements are subject to periodic renewal (see Note 6 to the financial statements of JEA attached hereto as APPENDIX C).

Principal of and interest on the 2017 Series A Subordinated Bonds will rank equally and be on a parity, as to security and source of payment, with the Prior Series Variable Rate Subordinated Bonds and the Prior Series Fixed Rate Subordinated Bonds (collectively, the "Prior Series Subordinated Bonds"), the Outstanding Special Subordinated Bonds and all additional Subordinated Bonds hereafter issued pursuant to the Subordinated Electric System Resolution. All Subordinated Bonds issued pursuant to the Subordinated Electric System Resolution, including the Prior Series Subordinated Bonds, the Outstanding Special Subordinated Bonds and the 2017/8 Series X Subordinated Bonds, are referred to herein collectively as the "Subordinated Electric System Bonds." All Subordinated Electric System Bonds are junior and subordinate in all respects to the Electric System Bonds. Pursuant to the Subordinated Electric System Resolution and the laws of Florida, the amount of Subordinated Electric System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Subordinated Electric System Resolution. *See "ELECTRIC UTILITY SYSTEM – FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS – Debt Relating to Electric Utility Functions – Subordinated Electric System Bonds" in the Annual Disclosure Report and "SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X SUBORDINATED BONDS – Additional Bonds – Additional Subordinated Electric System Bonds" herein.*

Inclusion of Information

In accordance with the provisions of Rule 15c2-12, as amended ("Rule 15c2-12"), promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended, on April [__] 20[1_], JEA caused the document entitled "Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 20[1_]" to be filed with Municipal Securities Rulemaking Board (the "MSRB"), through the MSRB's Electronic Municipal Market Access ("EMMA") website, currently located at <http://emma.msrb.org>. The Annual Disclosure Report sets forth certain information concerning JEA, its outstanding debt, the Electric System, its interest in the Power Park and the Scherer 4 Project.

There is hereby included in this Official Statement by this reference the information contained in the Annual Disclosure Report, which information should be read in its entirety in conjunction with this Official Statement. In addition, reference is made to the information in this Official Statement under the caption "RECENT DEVELOPMENTS," which information updates and supplements certain of the information contained in the Annual Disclosure Report.

Included in the Annual Disclosure Report are JEA's financial statements as of September 30, 20[1_] [and September 30, 20[1_]] and for the Fiscal Year[s] then ended and the report thereon of Ernst & Young LLP, independent auditors. [APPENDIX C hereto contains JEA's financial statements as of September 30, 20[1_] and 20[1_] and for the Fiscal Years then

ended, together with the report of Ernst & Young LLP, independent auditors, on such financial statements, providing more recent audited financial information than that included in the Annual Disclosure Report.] See “RECENT DEVELOPMENTS – Financial Information” herein.

Copies of the Annual Disclosure Report may be obtained from the MSRB’s EMMA website (<http://emma.msrb.org>). Copies of the Annual Disclosure Report also may be obtained via the Internet from JEA’s website as described below.

The Annual Disclosure Report is available for viewing and downloading from JEA’s website (<http://www.jea.com>) by selecting “About,” at the top of the home page, then selecting “Investor Relations” under “Company Info,” then selecting “Financial Reports,” and then selecting “20[1_] Annual Disclosure Report for Electric Utility System -as filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA)” under the heading “Annual Disclosure Reports.” (Please note that there also are available from JEA’s website separate documents entitled “20[1_] Annual Report” under the heading “Annual Reports” and under the heading “Annual Disclosure Reports” entitled “20[1_] Annual Disclosure Report for Water and Sewer and District Energy System- as filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA)”; these documents are not the Annual Disclosure Report included by reference herein, and are not included by reference herein.) *Furthermore, except for the Annual Disclosure Report (to the extent set forth herein), none of the other information contained on JEA’s website is included by reference in this Official Statement.*

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Except as specifically provided herein, such web sites and the information or links contained therein, including specifically (but not limited to) the information on JEA's website, are not included by reference herein, and are not part of this final official statement for purposes of, and as that term is defined in, Rule 15c2-12.

Continuing Disclosure Undertaking

Pursuant to a Continuing Disclosure Agreement to be executed by JEA simultaneously with the issuance of the 2017/8 Bonds (the “Continuing Disclosure Agreement”), JEA will covenant for the benefit of the holders and beneficial owners of the 2017/8 Bonds to provide certain financial information and operating data relating to JEA by not later than the June 1 following the end of each of JEA’s fiscal years, commencing with the report for the fiscal year ending September 30, 20[1_] (the “JEA Annual Information”), and to provide notices of the occurrence of certain enumerated events with respect to the 2017/8 Bonds, as required by Rule 15c2-12. The JEA Annual Information and the notices of such material events will be filed by or on behalf of JEA with the MSRB. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the MSRB’s EMMA website, currently located at <http://emma.msrb.org>. The specific nature of the information to be contained in the JEA Annual

Information or the notices of material events is set forth in the form of the Continuing Disclosure Agreement attached hereto as APPENDIX D.

The covenants described in the preceding paragraph have been made in order to assist the Underwriters in complying with paragraph (b)(5) of Rule 15c2-12.

The failure by JEA to observe or perform any of its obligations under the Continuing Disclosure Agreement will not be deemed an “event of default” under the Electric System Resolution or the Subordinated Electric System Resolution. As provided in the Continuing Disclosure Agreement, if JEA fails to make a filing required under the Continuing Disclosure Agreement, any holder or beneficial owner of the 2017/8 Bonds may institute and maintain, or cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by JEA of such obligation. In addition, as provided in the Continuing Disclosure Agreement, if JEA fails to perform any other obligation under the Continuing Disclosure Agreement, the holders or beneficial owners of not less than 10 percent in principal amount of the applicable installment or series, as applicable, of the 2017/8 Bonds then outstanding or a trustee appointed by the holders or beneficial owners of not less than 25 percent in principal amount of the applicable installment or series, as applicable, of the 2017/8 Bonds then outstanding may institute and maintain, or cause to be instituted and maintained, such proceedings (including any proceedings that contest the sufficiency of any pertinent filing) as may be authorized at law or in equity to obtain the specific performance by JEA of such obligation. IF ANY PERSON SEEKS TO CAUSE JEA TO COMPLY WITH ITS OBLIGATIONS UNDER THE CONTINUING DISCLOSURE AGREEMENT, IT IS THE RESPONSIBILITY OF SUCH PERSON TO DEMONSTRATE THAT IT IS A BENEFICIAL OWNER WITHIN THE MEANING OF THE CONTINUING DISCLOSURE AGREEMENT.

As of the date of this Official Statement, JEA has not failed to comply, in any material respect, with any previous continuing disclosure undertakings made by it pursuant to the provisions of Rule 15c2-12 in connection with the issuance of its bonds. Nonetheless, issues have been discovered with regard to certain of JEA’s filings as described below. JEA inadvertently failed to timely file a notice relating to generally available information about the upgrade by S&P of the ratings of Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.) (“AGM”) from “AA-” to “AA” in March of 2014 as it relates to certain Electric System bonds insured by AGM. Such notice was filed on May 23, 2014.

As described in “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto, the 2017/8 Bonds will be available only in book-entry form through the facilities of The Depository Trust Company (“DTC”), and the ownership of one or more fully registered bonds for each installment or series and each maturity (and, if applicable, each interest rate within a maturity), in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. For a description of DTC’s procedures with respect to the enforcement of bondholders’ rights, see “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

PURPOSE OF ISSUE AND PLAN OF FINANCE

Series Three 2017/8X Bonds

The Series Three 2017/8X Bonds are being issued to (a) provide a portion of the funds required to redeem on [_____, 20__]* certain of JEA's outstanding Electric System Bonds (collectively, the "Refunded Series Three Bonds"), (b) provide funds to make a deposit in the Initial Subaccount in the Debt Service Reserve Account and (c) pay costs of issuance of the Series Three 2017/8X Bonds.

JEA presently anticipates that the Refunded Series Three Bonds will consist of the Electric System Bonds listed in the following table.

Series Three	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)
Total		\$ _____ ⁽¹⁾		[100]%

⁽¹⁾ The Electric System Revenue Bonds, Series Three _____ Bonds maturing on October 1, 20__ currently are Outstanding in the aggregate principal amount of \$[_____].

JEA will select the particular Electric System Bonds to be refunded through the issuance of the Series Three 2017/8X Bonds at or about the time of the pricing of the Series Three 2017/8X Bonds and such selection will be based upon, among other things, market conditions existing at such time. No assurance can be given as to which Electric System Bonds will be finally selected for refunding, and the Electric System Bonds finally selected may not include all of the Electric System Bonds shown above and may include other Electric System Bonds.

Moneys sufficient to pay the redemption price of and interest on the Refunded Series Three Bonds on the redemption date therefor will be derived from a portion of the proceeds of the Series Three 2017/8X Bonds and certain amounts available under the Electric System Resolution.

Simultaneously with the issuance of the Series Three 2017/8X Bonds, JEA will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with [ESCROW AGENT], as escrow agent (the "Escrow Agent"). The moneys on deposit in the Escrow Account will be invested in certain direct obligations of the United States of America ("U.S. Treasury Securities") which will be scheduled to mature and bear interest at the times and in the amounts required to pay the principal or redemption price, as applicable of and interest on the Refunded Series Three Bonds when due.

* Preliminary, subject to change.

Upon deposit of [cash and] the U.S. Treasury Securities with the Escrow Agent pursuant to the Escrow Deposit Agreement and compliance with certain other provisions of the Electric System Resolution, the Refunded Series Three Bonds shall no longer be deemed “Outstanding” within the meaning of the Electric System Resolution.

2017/8 Series X Subordinated Bonds

The 2017/8 Series X Subordinated Bonds are being issued to (a) provide a portion of the funds required to redeem on [_____, 20__]* certain of JEA’s outstanding Subordinated Electric System Bonds (collectively, the “Refunded Subordinated Bonds”) and (b) pay costs of issuance of the 2017/8 Series X Subordinated Bonds.

JEA presently anticipates that the Refunded Subordinated Bonds will consist of the Subordinated Bonds listed in the following table.

Series Three	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)
		\$ _____ ⁽¹⁾		[100]%
Total		\$ _____		

⁽¹⁾ The Electric System Revenue Bonds, Series Three [_____] Bonds maturing on October 1, 20__ currently are Outstanding in the aggregate principal amount of \$[_____].

JEA will select the particular Subordinated Electric System Bonds to be refunded through the issuance of the 2017/8 Series X Subordinated Bonds at or about the time of the pricing of the 2017/8 Series X Subordinated Bonds and such selection will be based upon, among other things, market conditions existing at such time. No assurance can be given as to which Subordinated Electric System Bonds, or the principal amount thereof, will be finally selected for refunding, and the Subordinated Electric System Bonds finally selected may not be allocated to the Sinking Fund Installments indicated above and may include other Subordinated Electric System Bonds.

Moneys sufficient to pay the redemption price of and interest on the Refunded Subordinated Bonds on the redemption date therefor will be derived from a portion of the proceeds of the 2017/8 Series X Subordinated Bonds and certain amounts available under the Subordinated Electric System Resolution.

Simultaneously with the issuance of the 2017/8 Series X Subordinated Bonds, JEA will enter into an Escrow Deposit Agreement with the Escrow Agent. The moneys on deposit in the Escrow Account will be invested in U.S. Treasury Securities which will be scheduled to mature and bear interest at the times and in the amounts required to pay the principal or redemption price, as applicable of and interest on the Refunded Subordinated Bonds when due.

* Preliminary, subject to change.

Upon deposit of [cash and] the U.S. Treasury Securities with the Escrow Agent pursuant to the Escrow Deposit Agreement and compliance with certain other provisions of the Electric System Resolution, the Refunded Series Three Bonds shall no longer be deemed “Outstanding” within the meaning of the Electric System Resolution.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the 2017/8 Bonds are estimated to be as follows:

	<u>Series Three 2017/8 Bonds</u>	<u>2017/8 Series X Subordinated Bonds</u>	<u>Total</u>
Sources:			
Principal Amount	\$	\$	\$
Plus: Original Issue Premium (net of Discount)			
Plus: Amount available from Sinking Fund.....			
[Plus: Amount released from Initial Subaccount in Debt Service Reserve Account			
Plus: Amount available from Subordinated Bond Fund			
[Plus: Contribution of JEA Revenues.....			
TOTAL	\$	\$	\$
Uses:			
Deposit with Escrow Agent for Refunded Series Three Bonds	\$	\$	\$
Deposit with Escrow Agent for Refunded Subordinated Bonds			
Underwriters’ discount and costs of issuance			
TOTAL	\$	\$	\$

**SECURITY AND SOURCE OF PAYMENT FOR
THE SERIES THREE 2017/8X BONDS**

The information under this caption relates solely to the Series Three 2017/8X Bonds. For a description of the security and source of payment for the 2017/8 Series X Subordinated Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X SUBORDINATED BONDS” herein.

General

The Series Three 2017/8X Bonds will be issued pursuant to the Constitution and laws of the State of Florida, particularly Article 21 of the Charter, other applicable provisions of law and the Electric System Resolution. For a more extensive discussion of the terms and provisions of the Electric System Resolution, including the levels at which the funds and accounts established thereby are to be maintained, the flow of funds thereunder and the purposes to which moneys in such funds and accounts may be applied, see “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION” in APPENDIX B to the Annual Disclosure Report, as

supplemented herein under the caption “RECENT DEVELOPMENTS — March 2010 Amendments to Electric System Resolution.”

Source of Payment

The payment of the principal of and interest on all Electric System Bonds (including the Series Three 2017/8X Bonds) is secured equally and ratably by an irrevocable first lien on (a) the Net Revenues derived from the operation of the Electric System and (b) the amounts on deposit in the Revenue Fund and the Debt Service Account in the Sinking Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, and such Net Revenues and such amounts are irrevocably pledged to the payment of the principal of and interest on the Electric System Bonds.

In addition, the payment of the principal of and interest on the Additionally Secured Bonds (as defined in the Electric System Resolution; see “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION — Definitions” in APPENDIX B to the Annual Disclosure Report) of each series is additionally secured by the amounts on deposit in the separate subaccount in the Debt Service Reserve Account in the Sinking Fund designated therefor as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, and such amounts are irrevocably pledged to the payment of the principal of and interest on the Additionally Secured Bonds of such series. See “Debt Service Reserve Account” below.

The term “Net Revenues” is defined in the Electric System Resolution to mean the Revenues or Gross Revenues, as defined therein, after deduction of the Cost of Operation and Maintenance, as defined therein.

The term “Revenues” or “Gross Revenues” is defined in the Electric System Resolution to mean all income or earnings, including any income from the investment of funds which is deposited in the Revenue Fund as provided in the Electric System Resolution, derived by JEA from the ownership or operation of the Electric System. “Gross Revenues” or “Revenues” does not include customers’ deposits and any other deposits subject to refund unless such deposits have become property of JEA or any cash subsidy payments received by JEA from the U.S. Treasury in respect of the interest on any Build America Bonds. For any purpose of the Electric System Resolution that requires the computation of Gross Revenues or Revenues with respect to any period of time, “Gross Revenues” or “Revenues” includes such amounts derived by JEA from the ownership or operation of the Electric System during such period plus (x) the amounts, if any, paid from the Rate Stabilization Fund established pursuant to the Electric System Resolution into the Revenue Fund during such period (excluding from (x) amounts, if

any, included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the Electric System Resolution) and minus (y) the amounts, if any, paid from the Revenue Fund into the Rate Stabilization Fund during such period.

The term “Cost of Operation and Maintenance” is defined in the Electric System Resolution to mean the current expenses, paid or accrued, of operation, maintenance and repair of the Electric System, including administration costs, as calculated in accordance with generally accepted accounting principles, and includes all Contract Debts, but does not include any reserve for renewals and replacements or any allowance for depreciation or amortization and there is included in the Cost of Operation and Maintenance only that portion of the total administrative, general and other expenses of JEA which are properly allocable to the Electric System.

For the definition of the term “Contract Debts,” see “Contract Debts” below.

Debt Service Reserve Account

There is created within the Debt Service Reserve Account in the Sinking Fund established pursuant to the Electric System Resolution a subaccount designated as the “Initial Subaccount” for the benefit of (a) all Electric System Bonds Outstanding on February 29, 2000 and (b) all Additional Parity Obligations of any series issued after such date, but only to the extent that the resolution of JEA supplemental to the Electric System Resolution authorizing the Additional Parity Obligations of such series shall specify that such Additional Parity Obligations shall be additionally secured by amounts on deposit therein; *provided, however*, that no Capital Appreciation Bonds or Deferred Interest Bonds (as such terms are defined in the Electric System Resolution) may be additionally secured by amounts on deposit in the Initial Subaccount. Resolution No. 2016-21 adopted by JEA on December 20, 2016 supplemental to the Electric System Resolution authorizing the Series Three 2017/8X Bonds (“Resolution No. 2016-21”), specifies that the Series Three 2017/8X Bonds will be additionally secured by amounts on deposit in the Initial Subaccount.

If on any day on which the principal or sinking fund redemption price of or interest on the Electric System Bonds shall be due, the amount on deposit in the Debt Service Account in the Sinking Fund established pursuant to the Electric System Resolution shall be less than the amount required to pay such principal, redemption price or interest, then JEA shall apply amounts from each separate subaccount in the Debt Service Reserve Account to the extent necessary to cure the deficiency that exists with respect to the Additionally Secured Bonds secured thereby.

Pursuant to the Electric System Resolution, JEA is required to maintain on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund an amount equal to the Debt Service Reserve Requirement related thereto. The term “Debt Service Reserve Requirement” is defined in the Electric System Resolution to mean, with respect to the Initial

Subaccount in the Debt Service Reserve Account in the Sinking Fund, as of any date of calculation, an amount equal to the maximum amount of interest to accrue on the Additionally Secured Bonds secured thereby (including the Series Three 2017/8X Bonds) during the then current, or any future, Fiscal Year (assuming, for this purpose, that in the case of any Additionally Secured Bonds secured thereby that bear interest at a variable or floating rate (i) if the interest rate(s) on all or any portion of such Bonds shall have been converted synthetically to a fixed interest rate pursuant to an interest rate swap transaction that has a term equal to, and the notional amount of which amortizes at the same times and in the same amounts as, such Bonds, such Bonds (or such portion thereof) shall be deemed to bear interest during such period at the greater of (A) the fixed rate payable by JEA under such interest rate swap transaction and (B) the Certified Interest Rate applicable to such Bonds and (ii) if the interest rate(s) on such Bonds (or portion thereof) shall not have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction, such Bonds shall be deemed to bear interest during such period at the greater of (x) the actual rate of interest then borne by such Bonds or (y) the Certified Interest Rate applicable thereto). In the event that any Additionally Secured Bonds secured by the Initial Subaccount shall bear interest at a variable or floating rate, if the amount of the Debt Service Reserve Requirement for the Initial Subaccount shall increase as a result of either (x) any termination of any interest rate swap transaction described in clause (i) above prior to the final maturity date of such Bonds or (y) the actual rate of interest borne by such Bonds (or such portion thereof) that shall not have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction at any time being in excess of the Certified Interest Rate applicable thereto, the amount of such increase shall be required to be funded in equal semiannual installments over a three-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which the event resulting in such increase shall have occurred. For the purpose of the calculation of the Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund in the event that any Additionally Secured Bonds secured thereby shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), the interest on such Bonds shall be calculated net of the amount of such subsidy; provided, however, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of such Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that

remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five year period and provided, further, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury in respect of the interest payable on any such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be required to be funded in equal semiannual installments over a five year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which JEA does not receive the first such cash subsidy payment that it therefore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five year period. Notwithstanding any other provision of this Official Statement, any one or more installments of any increase in Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund provided for the preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment.

In lieu of maintaining moneys or investments in the Initial Subaccount, JEA at any time may cause to be deposited into the Initial Subaccount for the benefit of the Holders of the Additionally Secured Bonds secured thereby (including the Series Three 2017/8X Bonds) an irrevocable surety bond, an insurance policy or a letter of credit (referred to herein as a "reserve fund credit instrument") satisfying the requirements set forth in the Electric System Resolution in an amount equal to the difference between the Debt Service Reserve Requirement for the Initial Subaccount and the sum of moneys or value of Authorized Investments then on deposit in the Initial Subaccount, if any, and amounts available under all reserve fund credit instruments credited to the Initial Subaccount. See "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Establishment of Funds and Disposition of Revenues of the Electric System" in APPENDIX B to the Annual Disclosure Report.

As of the date of this Official Statement, the Debt Service Reserve Requirement for the Initial Subaccount in the Debt Service Reserve Account was \$[_____], and the amount credited to the Initial Subaccount was \$[_____]. As a result of the issuance of the Series Three 2017/8X Bonds and the refunding of the Refunded Series Three Bonds refunded thereby, the Debt Service Reserve Requirement for the Initial Subaccount in the Debt Service Reserve Account will decrease by \$[_____], to \$[_____].

As discussed in “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Establishment of Funds and Disposition of Revenues of the Electric System” in APPENDIX B to the Annual Disclosure Report, JEA has previously funded the Initial Subaccount with cash and reserve fund credit instruments (the “Surety Policies”) to satisfy the Debt Service Reserve Requirement therefor.

As a result of rating actions by Fitch Ratings, Moody’s Investors Service (“Moody’s”) and Standard & Poor’s, a business of Standard & Poor’s Financial Services LLC (“S&P”), pursuant to the Electric System Resolution, JEA has made deposits to the Initial Subaccount in an aggregate amount equal to the aggregate amount of the Surety Policies. See “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Establishment of Funds and Disposition of Revenues of the Electric System” in APPENDIX B to the Annual Disclosure Report.

JEA may, by resolution supplemental to the Electric System Resolution, create within the Debt Service Reserve Account one or more additional subaccounts, for the benefit of such series of Electric System Bonds as may be specified in, or determined pursuant to, such supplemental resolution. In lieu of maintaining moneys or investments in any such subaccount, JEA at any time may cause to be deposited into such subaccount for the benefit of the Holders of the Additionally Secured Bonds secured thereby an irrevocable surety bond, an insurance policy or a letter of credit satisfying the requirements set forth in such supplemental resolution in an amount equal to the difference between the Debt Service Reserve Requirement for such subaccount and the sum of moneys or value of Authorized Investments then on deposit therein, if any. Any such additional subaccount hereafter established will not additionally secure the Series Three 2017/8X Bonds.

No Pledge of Credit or Taxing Power

The Electric System Bonds will not be or constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but will be payable solely from and secured by a lien upon and a pledge of the Net Revenues and other amounts as provided in the Electric System Resolution. No Holder or Holders of any Electric System Bonds will ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the Electric System Bonds or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Electric System Resolution. JEA has no power to levy taxes for any purpose.

Contract Debts

Contract Debts, a component of the Electric System’s Cost of Operation and Maintenance, is defined in the Electric System Resolution to mean any obligations of JEA under a contract, lease, installment sale agreement, bulk electric power purchase agreement or otherwise to make payments out of Revenues for property, services or commodities whether or

not the same are made available, furnished or received, but shall not include (a) payments required to be made in respect of (i) debt service on any obligations incurred by JEA in connection with the financing of any separate bulk power supply utility or system undertaken by JEA and any additional amounts relating to “debt service coverage” with respect thereto and (ii) deposits into any renewal and replacement or other similar fund or account established with respect to any such separate bulk power supply utility or system (in each such case, other than (X) the Power Park and (Y) the Bulk Power Supply System Projects (as such term is defined in the Electric System Resolution)) and (b) payments required to be made in respect of any other arrangement(s) for the supply of power and/or energy to the Electric System for resale as may be determined by JEA to be payable on a parity with Subordinated Bonds that may be issued in accordance with the provisions of the Electric System Resolution. For a further discussion of Contract Debts, see “ELECTRIC UTILITY SYSTEM – FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS – Debt Relating to Electric Utility Functions – *Electric System Contract Debts*” in the Annual Disclosure Report.

For a description of certain proposed amendments to the foregoing provisions, see “Proposed Amendments to Electric System Resolution” below and “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Proposed Amendments to Electric System Resolution - May 1998 Amending Resolution” in APPENDIX B to the Annual Disclosure Report.

Rate Covenants

Electric System Rate Covenant. For a description of the rate covenant made by JEA in the Electric System Resolution, see “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Rate Covenant” in APPENDIX B to the Annual Disclosure Report. See also “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – *Rates*” in the Annual Disclosure Report,[as updated in “RECENT DEVELOPMENTS – Rates” herein.]

Power Park Rate Covenants. For a description of the rate covenant made by JEA in the First Power Park Resolution and the Second Power Park Resolution (as defined in the Annual Disclosure Report), see “SUMMARY OF CERTAIN PROVISIONS OF THE FIRST POWER PARK RESOLUTION – Particular Covenants of JEA – *Rate Covenant*” in APPENDIX D to the Annual Disclosure Report and “SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION – Covenants as to Rates, Fees and Charges” in APPENDIX E to the Annual Disclosure Report.

Bulk Power Supply System Rate Covenant. For a description of the rate covenant made by JEA in the Restated and Amended Bulk Power Supply System Resolution (as defined in the Annual Disclosure Report), see “SUMMARY OF CERTAIN PROVISIONS OF THE RESTATED AND AMENDED BULK POWER SUPPLY SYSTEM RESOLUTION – Covenant as to Rates, Fees and Charges” in APPENDIX F to the Annual Disclosure Report.

Additional Bonds

Additional Electric System Bonds. Except for Contract Debts, JEA has covenanted in the Electric System Resolution to issue no obligations payable from the Revenues of the Electric System, nor to create voluntarily or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Electric System Bonds except as provided in the Electric System Resolution. For a description of the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Issuance of Additional Electric System Bonds” in APPENDIX B to the Annual Disclosure Report.

Additional Power Park Issue Two Bonds. JEA may issue one or more series of additional Power Park Issue Two Bonds for the purpose of providing funds to pay all or a portion of the Cost of Acquisition and Construction of any Additional Facilities (as such terms are defined in the First Power Park Resolution). JEA may also issue refunding Power Park Issue Two Bonds to refund outstanding Power Park Issue Two Bonds from time to time as it deems economical or advantageous. Any additional Power Park Issue Two Bonds or refunding Power Park Issue Two Bonds will be entitled to a lien on the Revenues (as defined in the First Power Park Resolution) and other funds pledged pursuant to the First Power Park Resolution equal to the lien of the outstanding Power Park Issue Two Bonds. For a description of the provisions of the First Power Park Resolution relating to the issuance of additional Power Park Issue Two Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE FIRST POWER PARK RESOLUTION – Additional Power Park Bonds” in APPENDIX D to the Annual Disclosure Report.

Additional Power Park Issue Three Bonds. JEA may issue one or more series of additional Power Park Issue Three Bonds for any lawful purpose of JEA relating to the Power Park. JEA may also issue refunding Power Park Issue Three Bonds to refund outstanding Power Park Issue Two Bonds or outstanding Power Park Issue Three Bonds from time to time as it deems economical or advantageous. Any additional Power Park Issue Three Bonds or refunding Power Park Issue Three Bonds will be entitled to a lien on the Revenues (as defined in the Second Power Park Resolution) and other funds pledged pursuant to the Second Power Park Resolution equal to the lien of the outstanding Power Park Issue Three Bonds. For a description of the provisions of the Second Power Park Resolution relating to the issuance of additional Power Park Issue Three Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION – Additional Power Park Issue Three Bonds” in APPENDIX E to the Annual Disclosure Report.

Additional Bulk Power Supply System Bonds. JEA may issue one or more series of Additional Bulk Power Supply System Bonds (as defined in the Annual Disclosure Report) for any lawful purpose of JEA relating to any Project (as defined in the Restated and Amended Bulk Power Supply System Resolution). JEA may also issue refunding Additional Bulk Power Supply System Bonds to refund outstanding Additional Bulk Power Supply System Bonds from time to time as it deems economical or advantageous. Any Additional Bulk Power Supply System Bonds or refunding Additional Bulk Power Supply System Bonds will be entitled to a lien on the Revenues (as defined in the Restated and Amended Bulk Power Supply System Resolution) and other funds pledged pursuant to the Restated and Amended Bulk Power Supply System Resolution equal to the lien of the outstanding Additional Bulk Power Supply System Bonds. For a description of the provisions of the Restated and Amended Bulk Power Supply System Resolution relating to the issuance of Additional Bulk Power Supply System Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE RESTATED AND AMENDED BULK POWER SUPPLY SYSTEM RESOLUTION – Additional Bonds” in APPENDIX F to the Annual Disclosure Report.

Proposed Amendments to Electric System Resolution

In May 1998, JEA adopted a resolution (as amended, the “May 1998 Amending Resolution”) for the purpose of making certain material amendments to the Electric System Resolution. In addition to certain amendments to the Electric System Resolution that heretofore have become effective, the May 1998 Amending Resolution provides for the amendment of certain provisions of the Electric System Resolution relating to the priority of payments from the Electric System with respect to the Power Park, in a manner requiring (i) the consent of FPL, (ii) the consent of the holders of 60 percent or more in principal amount of the Power Park Issue Two Bonds outstanding and (iii) the consent of the holders of a majority in principal amount of the Power Park Issue Three Bonds outstanding.

If and when they become effective, these amendments will amend the provisions of the Electric System Resolution relating to the priority of payments with respect to the Power Park to provide that payments with respect to (i) debt service on obligations issued by JEA with respect to the Power Park (including the Power Park Issue Two Bonds and the Power Park Issue Three Bonds) and any additional amounts relating to “debt service coverage” with respect thereto and (ii) deposits into any renewal and replacement or similar fund with respect to the Power Park will no longer constitute a portion of the Cost of Operation and Maintenance, but will be payable on a parity with Subordinated Bonds (as defined in the Electric System Resolution) that may be issued in accordance with the provisions of the Electric System Resolution, including the Subordinated Electric System Bonds. The amendments to the Electric System Resolution described in this paragraph will become effective upon the satisfaction of the conditions to the effectiveness thereof described above. As of the date of this Official Statement, JEA has not solicited any consents to such amendments and has no intention of soliciting any such consents in the future.

The amendments to the Electric System Resolution contained in the May 1998 Amending Resolution also would have amended the provisions of the Electric System Resolution relating to the priority of payments with respect to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply System Resolution) in a manner similar to that described above with respect to the Power Park, but the amendments relating to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply System Resolution) were rescinded by JEA in conjunction with the adoption of the Restated and Amended Bulk Power Supply System Resolution.

Additional Provisions Relating to the Series Three 2017/8X Bonds

With respect to the requirements relating to the Internal Revenue Code of 1986, as amended, (the "Code"), JEA has covenanted in Resolution No. 2016-21 authorizing the Series Three 2017/8X Bonds as follows:

"Tax Covenants. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series Three 2017/8X Bonds under Section 103 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the Series Three 2017/8X Bonds concerning certain matters pertaining to the use of proceeds of the Series Three 2017/8X Bonds, including any and all exhibits attached thereto (the 'Tax Certificate'). This covenant shall survive payment in full or defeasance of the Series Three 2017/8X Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Series Three 2017/8X Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Electric System Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the Series Three 2017/8X Bonds, the Holders of the Series Three 2017/8X Bonds shall be entitled to the rights and remedies provided to Bondholders under the Electric System Resolution, other

than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Series Three 2017/8X Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the holders of any [Electric System] Bonds other than the Series Three 2017/8X Bonds shall not be entitled to exercise any right or remedy provided to Bondholders under the Electric System Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the Series Three 2017/8X Bonds."

DESCRIPTION OF THE SERIES THREE 2017/8X BONDS

General

The Series Three 2017/8X Bonds will be issued in the aggregate principal amount of \$000,000,000*. The Series Three 2017/8X Bonds will be dated the date of delivery thereof and bear interest at the rates and mature on the dates, as set forth on the inside cover page of this Official Statement. Interest on the Series Three 2017/8X Bonds will be payable commencing on [April/October] 1, 20__ and semiannually on each April 1 and October 1 thereafter. The Series Three 2017/8X Bonds will be issuable only in fully registered form in the principal amount of \$5,000 or any integral multiple thereof. The Series Three 2017/8X Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the Series Three 2017/8X Bonds, and the ownership of one or more fully registered Series Three 2017/8X Bonds for each maturity (and, if applicable, each interest rate and CUSIP number within a maturity) as set forth on the inside cover page of this Official Statement, in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto. U.S. Bank National Association, Jacksonville, Florida, is Registrar and Paying Agent for the Series Three 2017/8X Bonds.

Registration and Transfer

Payment of the semiannual interest on the Series Three 2017/8X Bonds shall be made by check or draft mailed to the persons in whose names the Series Three 2017/8X Bonds are registered at the persons' addresses as they appear on the registration books maintained by the Registrar on behalf of JEA at 5:00 p.m. (local time in the city in which the principal office of the Registrar is located) on the 15th day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Series Three 2017/8X Bonds subsequent to the Record Date and prior to such interest payment date, unless JEA shall default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the persons in whose names such Series Three 2017/8X Bonds are registered at 5:00 p.m. (local time in the city in which the principal office of the Registrar is located) on a special record date for

* Preliminary, subject to change.

the payment of such defaulted interest established by notice mailed by the Registrar on behalf of JEA to the registered owners of the Series Three 2017/8X Bonds not less than 15 calendar days preceding such special record date. For so long as a book-entry system is used for determining beneficial ownership of the Series Three 2017/8X Bonds, such interest shall be payable to DTC or its nominee. Disbursement of such payments to the Direct Participants (as defined in APPENDIX A hereto) is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (as defined in APPENDIX A hereto) of the Series Three 2017/8X Bonds is the responsibility of the Direct Participants or the Indirect Participants (as defined in APPENDIX A hereto).

JEA and the Registrar may charge the registered owner or the transferee or transferees, as the case may be, a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer of Series Three 2017/8X Bonds. The Registrar or JEA may also require payment from the registered owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Series Three 2017/8X Bond shall be delivered.

Redemption Provisions

Optional Redemption. The Series Three 2017/8X Bonds maturing on or before October 1, 20__ will not be subject to optional redemption prior to maturity. The Series Three 2017/8X Bonds maturing on October 1, 20__ and thereafter will be subject to redemption at the election of JEA on or after October 1, 20__, at any time, as a whole or in part, at a redemption price (plus accrued interest to the redemption date) equal to 100 percent of the principal amount thereof.

Mandatory Redemption. The Series Three 2017/8X Bonds maturing on October 1, 20__ will be subject to redemption from Amortization Installments on October 1 in the years and in the amounts shown below, at a redemption price of 100 percent of the principal amount thereof, together with accrued interest, if any, to the redemption date:

Series Three 2017/8X Bonds	
<u>Maturing October 1, 20__</u>	
<u>Year</u>	<u>Amount</u>
	\$
*	

* Final Maturity

Taking into consideration the Amortization Installments set forth above, the average life of the Series Three 2017/8X Bonds maturing on October 1, 20__, calculated from the date of delivery of such Bonds, is approximately [_____] years.

In determining the amount of the Series Three 2017/8X Bonds maturing on October 1, 20__ or 20__ to be redeemed with any Amortization Installments, there will be deducted the principal amount of any Series Three 2017/8X Bonds of such maturity which have

been purchased or redeemed, to the extent permitted by the Electric System Resolution, with amounts on deposit in the Debt Service Account (exclusive of amounts deposited from proceeds of Bonds). In addition, in the event that any Series Three 2017/8X Bonds are purchased or redeemed other than with moneys in the Debt Service Account, the Series Three 2017/8X Bonds so purchased or redeemed will be credited against the Amortization Installments for the Series 2017/8X Bonds thereafter to become due as follows: there will be credited toward each Amortization Installment thereafter to become due an amount bearing the same ratio to such Amortization Installment as the total principal amount of such Series Three 2017/8X Bonds so purchased or redeemed bears to the total amount of all such Amortization Installments to be credited, subject to authorized denominations for the Series Three 2017/8X Bonds.

Selection of Series Three 2017/8X Bonds to be Redeemed. For so long as the Series Three 2017/8X Bonds are subject to the book-entry only system of registration and transfer described in APPENDIX A hereto, in the event that less than all of the Series Three 2017/8X Bonds of a particular maturity (and, if applicable, each interest rate within a maturity) are to be redeemed, the particular Beneficial Owner(s) to receive payment of the redemption price with respect to beneficial ownership interests in such Bonds shall be selected by DTC and the Direct Participants and/or Indirect Participants. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

Notice of Redemption

The Registrar shall mail a copy of the notice of redemption, at least 30 days prior to the redemption date, to each registered owner of any Series Three 2017/8X Bond to be redeemed in whole or in part at the address as it appears on the registration books as of 45 days prior to the date fixed for redemption. Failure to give such notice by mailing to any registered owner of Series Three 2017/8X Bonds, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Series Three 2017/8X Bonds. Any notice mailed as provided in the Electric System Resolution shall be conclusively presumed to have been given, whether or not the registered owner of such Series Three 2017/8X Bonds receives the notice. Notice having been given in the manner provided in the Electric System Resolution, on the redemption date so designated, (a) unless such notice has been revoked or ceases to be in effect in accordance with the terms thereof and (b) if there are sufficient moneys available therefor, then the Series Three 2017/8X Bonds or portions thereof so called for redemption will become due and payable on such redemption date at the redemption price, plus interest accrued and unpaid to the redemption date. For so long as a book-entry only system of registration is in effect with respect to the Series Three 2017/8X Bonds, the Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants, any failure of Direct Participants to convey such notice to any Indirect Participants or any failure of Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency or the validity of the redemption of Series Three 2017/8X Bonds. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X SUBORDINATED BONDS

The information under this caption relates solely to the 2017/8 Series X Subordinated Bonds. For a description of the security and source of payment for the Series Three 2017/8X Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS" herein.

General

The 2017/8 Series X Subordinated Bonds will be issued pursuant to the Constitution and laws of the State of Florida, particularly Article 21 of the Charter, other applicable provisions of law and the Electric System Resolution and the Subordinated Electric System Resolution. For a more extensive discussion of the terms and provisions of the Subordinated Electric System Resolution, including the levels at which the funds and accounts established thereby are to be maintained, the flow of funds thereunder and the purposes to which moneys in such funds and accounts may be applied, see "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION" in APPENDIX C to the Annual Disclosure Report.

Source of Payment

The payment of the principal of, premium, if any, and interest on all Subordinated Electric System Bonds (including the 2017/8 Series X Subordinated Bonds) is secured equally and ratably by a lien upon and a pledge of (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, including the investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Electric System Resolution, including the investments, if any, thereof, subject only to the provisions of the Electric System Resolution and the Subordinated Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Electric System Resolution and the Subordinated Electric System Resolution; *provided, however*, that such pledge (other than with respect to amounts on deposit in the Subordinated Bond Construction Fund established pursuant to the Subordinated Electric System Resolution) shall be junior and subordinate in all respects to the Electric System Bonds as to lien on and source and security for payment from the Revenues (as defined in the Electric System Resolution).

The Subordinated Electric System Resolution establishes a Subordinated Bond Construction Fund, a Subordinated Bond Fund and a Subordinated Bond Rate Stabilization Fund.

In the Subordinated Electric System Resolution, JEA has covenanted (a) until such time, if any, as the Electric System Resolution shall be discharged and no longer shall be in effect, that JEA will comply with the provisions of the Electric System Resolution relating to the receipt, deposit and application of the Revenues (see "SUMMARY OF CERTAIN PROVISIONS OF THE

ELECTRIC SYSTEM RESOLUTION – Establishment of Funds and Disposition of Revenues of the Electric System” in APPENDIX B to the Annual Disclosure Report and (b) in the event that the Electric System Resolution shall be discharged and no longer in effect, that it will make the deposits into the Subordinated Bond Fund and the Subordinated Bond Rate Stabilization Fund required to be made pursuant to the Subordinated Electric System Resolution from Revenues.

Amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution are required to be applied (a) to the payment of the Electric System’s Cost of Operation and Maintenance, including the payment of Contract Debts (as such terms are defined in the Electric System Resolution), and (b) to make certain required deposits to the Sinking Fund established pursuant to the Electric System Resolution in respect of debt service on, and required reserves for, the Electric System Bonds, in each such case, prior to any payment from such amounts of amounts in respect of debt service on the Subordinated Electric System Bonds.

No Subordinated Debt Service Reserve Account

No debt service reserve or similar account has been established under the Subordinated Electric System Resolution with respect to any outstanding Subordinated Electric System Bonds and no such account will be established with respect to the 2017/8 Series X Subordinated Bonds.

No Pledge of Credit or Taxing Power

The Subordinated Electric System Bonds will not be or constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but will be payable solely from and secured by a lien upon and a pledge of the amounts as provided in the Subordinated Electric System Resolution. No Holder or Holders of any Subordinated Electric System Bonds will ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form of any real property in the City to pay the Subordinated Electric System Bonds or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds created by the Electric System Resolution and the Subordinated Electric System Resolution in the manner provided therein. JEA has no power to levy taxes for any purpose.

Contract Debts

For a discussion of Contract Debts, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS – Contract Debts” herein.

Rate Covenants

Rate Covenant Under the Subordinated Electric System Resolution. For a description of the rate covenant made by JEA in the Subordinated Electric System Resolution, see “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION – Rate Covenant” in APPENDIX C to the Annual Disclosure Report.

Electric System Rate Covenant. For a description of the rate covenant made by JEA in the Electric System Resolution, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS – Rate Covenants – *Electric System Rate Covenant*” herein.

Power Park Rate Covenants. For a description of the rate covenant made by JEA in the First Power Park Resolution and the Second Power Park Resolution, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS – Rate Covenants – *Power Park Rate Covenants*” herein.

Bulk Power Supply System Rate Covenant. For a description of the rate covenant made by JEA in the Restated and Amended Bulk Power Supply System Resolution, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS - Rate Covenants - *Bulk Power Supply System Rate Covenant*” herein.

Additional Bonds

Additional Subordinated Electric System Bonds. JEA may issue one or more Series of additional Subordinated Electric System Bonds for the purpose of (i) providing a portion of the funds necessary for the construction or acquisition of additions, extensions and improvements to the Electric System, and purposes incidental thereto, (ii) providing funds for the refunding of outstanding Electric System Bonds or Outstanding Subordinated Electric System Bonds and (iii) providing funds for any other lawful purpose of JEA relating to the Electric System. All additional Subordinated Electric System Bonds will rank equally and be on a parity, as to security and source of payment, with the 2017/8 Series X Subordinated Bonds and the Outstanding Subordinated Electric System Bonds. For a description of the provisions of the Subordinated Electric System Resolution relating to the issuance of additional Subordinated Electric System Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION – Additional Subordinated Bonds; Conditions to Issuance” in APPENDIX C to the Annual Disclosure Report.

Additional Electric System Bonds. For a description of the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS - Additional Bonds - *Additional Electric System Bonds*” herein.

Additional Power Park Issue Two Bonds. For a description of the provisions of the First Power Park Resolution relating to the issuance of additional Power Park Issue Two Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS - Additional Bonds - *Additional Power Park Issue Two Bonds*” herein.

Additional Power Park Issue Three Bonds. For a description of the provisions of the Second Power Park Resolution relating to the issuance of additional Power Park Issue Three Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS - Additional Bonds - *Additional Power Park Issue Three Bonds*” herein.

Additional Bulk Power Supply System Bonds. For a description of the provisions of the Restated and Amended Bulk Power Supply System Resolution relating to the issuance of Additional Bulk Power Supply System Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS - Additional Bonds - *Additional Bulk Power Supply System Bonds*” herein.

Proposed Amendments to Electric System Resolution

For a description of certain amendments to the Electric System Resolution that have not yet become effective, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017/8X BONDS – Proposed Amendments to Electric System Resolution” herein.

Additional Provisions Relating to the 2017/8 Series X Subordinated Bonds

With respect to the requirements relating to the Code, JEA has covenanted in Resolution No. 2016-22 adopted by JEA on December 20, 2016, entitled “Fifty-Fifth Supplemental Subordinated Electric System Resolution” authorizing the 2017/8 Series X Subordinated Bonds (the “Fifty-Fifth Supplemental Subordinated Resolution”) as follows:

“Tax Covenants. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2017/8 Series X Subordinated Bonds under Section 103 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the 2017/8 Series X Subordinated Bonds concerning certain matters pertaining to the use of proceeds of the 2017/8 Series X Subordinated Bonds, including any and all exhibits attached thereto (the ‘Tax Certificate’). This covenant shall survive payment in full or defeasance of the 2017/8 Series X Subordinated Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017/8 Series X Subordinated Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Subordinated [Electric System] Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants, the Holders of the 2017/8 Series X Subordinated Bonds shall be entitled to the rights and remedies provided to Holders of Subordinated [Electric System] Bonds under the Subordinated [Electric System] Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all 2017/8 Series X Subordinated Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of the Subordinated [Electric System] Bonds of any Series other than the 2017/8 Series X Subordinated Bonds shall not be entitled to exercise any right or remedy provided to Holders of Subordinated [Electric System] Bonds under the Subordinated [Electric System] Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the 2017/8 Series X Subordinated Bonds."

DESCRIPTION OF THE 2017/8 SERIES X SUBORDINATED BONDS

General

The 2017/8 Series X Subordinated Bonds will be issued in the aggregate principal amount of \$000,000,000*. The 2017/8 Series X Subordinated Bonds will be dated the date of delivery thereof and bear interest at the rates and mature on the dates, as set forth on the inside cover page of this Official Statement. Interest on the 2017/8 Series X Subordinated Bonds will be payable commencing on [April/October] 1, 20__ and semiannually on each April 1 and October 1 thereafter. The 2017/8 Series X Subordinated Bonds will be issuable only in fully registered form in the principal amount of \$5,000 or any integral multiple thereof. The 2017/8 Series X Subordinated Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the 2017/8 Series X Subordinated Bonds, and the ownership of one or more fully registered 2017/8 Series X Subordinated Bonds for each maturity (and, if applicable, each interest rate within a maturity) as set forth on the inside cover page of this Official Statement, in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto. U.S. Bank National Association, Jacksonville, Florida is Subordinated Bond Registrar and Paying Agent for the 2017/8 Series X Subordinated Bonds.

Registration and Transfer

Payment of the semiannual interest on the 2017/8 Series X Subordinated Bonds shall be made by check or draft mailed to the persons in whose names such 2017/8 Series X Subordinated Bonds are registered at such persons' addresses as they appear on the registration

* Preliminary, subject to change.

books maintained by the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds on behalf of JEA at the close of business on the day which is the 15th day of the calendar month next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of such 2017/8 Series X Subordinated Bonds subsequent to the Record Date and prior to such interest payment date unless JEA shall default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the persons in whose names such 2017/8 Series X Subordinated Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Subordinated Bond Registrar on behalf of JEA to the registered owners of the 2017/8 Series X Subordinated Bonds not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after receipt by such Subordinated Bond Registrar of the notice from JEA of the proposed payment. For so long as a book-entry system is used for determining beneficial ownership of the 2017/8 Series X Subordinated Bonds, such interest shall be payable to DTC or its nominee. Disbursement of such payments to the Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners of the 2017/8 Series X Subordinated Bonds is the responsibility of the Direct Participants or the Indirect Participants.

JEA or the Subordinated Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Redemption Provisions

Optional Redemption. The 2017/8 Series X Subordinated Bonds maturing on or before October 1, 20__ will not be subject to redemption prior to maturity. The 2017/8 Series X Subordinated Bonds maturing on October 1, 20__ and thereafter will be subject to redemption at the election of JEA on or after _____ 1, 20__, at any time, as a whole or in part, at a redemption price (plus accrued interest to the redemption date) equal to 100 percent of the principal amount thereof.

Mandatory Redemption. The 2017/8 Series X Subordinated Bonds maturing on October 1, 20__ will be subject to redemption through mandatory Sinking Fund Installments by lot prior to maturity on October 1 in the years and in the amounts shown below, at a redemption price of 100 percent of the principal amount thereof, together with accrued interest, if any, to the redemption date:

2017/8 Series X Subordinated Bonds	
<u>Maturing October 1, 20__</u>	
<u>Year</u>	<u>Amount</u>
	\$
*	

* Final Maturity

Giving effect solely to the Sinking Fund Installment schedule set forth above, the average life of the 2017/8 Series X Subordinated Bonds maturing on October 1, 20___, calculated from the date of delivery of such Bonds, is approximately [_____] years.

In determining the amount of the 2017/8 Series X Subordinated Bonds maturing on October 1, 20___ or 20___ to be redeemed with any Sinking Fund Installment, there will be deducted the principal amount of any 2017/8 Series X Subordinated Bonds of such maturity which have been purchased or redeemed, to the extent permitted by the Subordinated Electric System Resolution, with amounts on deposit in the Subordinated Bond Fund with respect to such Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the 2017/8 Series X Subordinated Bonds of such maturity). In addition, if there is any redemption or purchase of any 2017/8 Series X Subordinated Bonds maturing on October 1, 20___ or 20___ other than with amounts on deposit in the Subordinated Bond Fund with respect to any such Sinking Fund Installment, such 2017/8 Series X Subordinated Bonds so purchased or redeemed will be credited against the Sinking Fund Installments for the 2017/8 Series X Subordinated Bonds of such maturity thereafter to become due as specified by JEA.

Selection of 2017/8 Series X Subordinated Bonds to be Redeemed. In the event that less than all of the 2017/8 Series X Subordinated Bonds of an entire maturity (and, if applicable, each interest rate within a maturity) are to be redeemed, the particular 2017/8 Series X Subordinated Bonds or portions thereof to be redeemed will be selected in such manner as JEA in its discretion deems fair and appropriate. For so long as the 2017/8 Series X Subordinated Bonds are subject to the book-entry only system of registration and transfer described in APPENDIX A hereto, in the event that less than all of the 2017/8 Series X Subordinated Bonds of a particular maturity (and, if applicable, each interest rate within a maturity) are to be redeemed, the particular Beneficial Owner(s) to receive payment of the redemption price with respect to beneficial ownership interests in such Bonds shall be selected by DTC and the Direct Participants and/or Indirect Participants. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto.

Notice of Redemption

Notice of redemption will be given by first-class mail, postage prepaid, by or on behalf of JEA, not less than 30 days prior to the redemption date, in each such case, to each Holder of 2017/8 Series X Subordinated Bonds, or portions of the 2017/8 Series X Subordinated Bonds, which are to be redeemed, at its last address, if any, appearing upon the registration books. Failure of the Holder of any 2017/8 Series X Subordinated Bond to receive any such notice will not affect the validity of the proceedings for the redemption of any other Subordinated Electric System Bonds. Notice having been given in the manner provided in the Subordinated Electric System Resolution, on the redemption date so designated, (a) unless such notice has been revoked or ceases to be in effect in accordance with the terms thereof and (b) if there are sufficient moneys available therefor, then the 2017/8 Series X Subordinated Bonds or portions thereof so called for redemption will become due and payable on such redemption date at the redemption price, plus interest accrued and unpaid to the redemption date. For so long as a

book-entry only system of registration is in effect with respect to the 2017/8 Series X Subordinated Bonds, notices of redemption will be mailed to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants, any failure of Direct Participants to convey such notice to any Indirect Participants or any failure of Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency or the validity of the redemption of 2017/8 Series X Subordinated Bonds. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

DEBT SERVICE REQUIREMENTS FOR THE ELECTRIC SYSTEM BONDS AND THE SUBORDINATED ELECTRIC SYSTEM BONDS

Set forth in APPENDIX B hereto are tables showing the debt service requirements for (a) the Electric System Bonds and (b) the Subordinated Electric System Bonds to be outstanding after the issuance of the 2017/8 Bonds and the refunding of the Refunded Series Three Bonds and the Refunded Subordinated Bonds to be refunded with the proceeds thereof.

RECENT DEVELOPMENTS

The following information updates and supplements certain of the information contained in the Annual Disclosure Report included by reference herein:

[Insert Updates to Annual Disclosure Report]

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

For a discussion of pension and other post-employment benefit matters, see “INTRODUCTION — Management and Employees” in the Annual Disclosure Report, as supplemented under the caption “RECENT DEVELOPMENTS — Management and Employees” herein and notes 11 and 13 to JEA’s Financial Statements set forth in APPENDIX C attached hereto.

LITIGATION

The Office of General Counsel of the City is not aware of any pending or threatened litigation contesting the validity of the 2017/8 Bonds or the right of JEA to issue the 2017/8 Bonds. In the opinion of the Office of General Counsel of the City there is no pending litigation or proceedings that may result in any material adverse change in the financial condition of JEA relating to the Electric System other than as set forth in the financial statements of JEA in APPENDIX C hereto. For a discussion of certain pending proceedings relating to environmental matters, see “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – *Environmental Matters*” in the Annual Disclosure Report.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the 2017/8 Bonds and certain other legal matters are subject to the approving opinions of [____], Bond Counsel to JEA (“Bond Counsel”). The proposed form of Bond Counsel opinion with respect to the Series Three 2017/8X Bonds is contained in APPENDIX E hereto, and the proposed form of Bond Counsel opinion with respect to the 2017/8 Series X Subordinated Bonds is contained in APPENDIX F hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed upon for JEA by the Office of General Counsel of the City, attorneys for JEA. Certain legal matters will be passed upon for the Underwriters by [____], counsel to the Underwriters.

[VERIFICATION OF MATHEMATICAL COMPUTATIONS]

TAX MATTERS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the 2017/8 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2017/8 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2017/8 Bonds. Pursuant to Resolution No. 2016-21, adopted by JEA on December 20, 2016, authorizing the Series Three 2017/8 Bonds (“Resolution No. 2016-21”), Resolution No. 2016-22, entitled the Fifty-Fifth Supplemental Subordinated Electric System Resolution, of JEA adopted on December 20, 2016 authorizing the issuance of the 2017/8 Series X Subordinated Bonds (“Resolution No. 2016-22” and together with Resolution No. 2016-21, the “Supplemental Resolution”) and the Tax Certificate executed in connection with the delivery of the 2017/8 Bonds (the “Tax Certificate”), JEA has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the 2017/8 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, JEA has made certain representations and certifications in the Supplemental Resolution and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of [____], Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by JEA described above, interest on the 2017/8 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest

on the 2017/8 Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the 2017/8 Bonds over the price at which a substantial amount of such maturity of the 2017/8 Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the 2017/8 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2017/8 Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which 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 over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such 2017/8 Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the 2017/8 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the 2017/8 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the 2017/8 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the 2017/8 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those opinions described in the opinions attached as APPENDIX E and APPENDIX F hereto. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2017/8 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the 2017/8 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2017/8 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the 2017/8 Bonds from gross income for federal or state income tax purposes, or otherwise. We note that each year since 2011, President Obama released legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the 2017/8 Bonds) for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the 2017/8 Bonds may occur. Prospective purchasers of the 2017/8 Bonds should consult their own tax advisors regarding the impact of any change in law on the 2017/8 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the 2017/8 Bonds may affect the tax status of interest on the 2017/8 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law

consequences with respect to the 2017/8 Bonds, or the interest thereon, if any action is taken with respect to the 2017/8 Bonds or the proceeds thereof upon the advice or approval of other counsel.

RATINGS

The Series Three 2017/8X Bonds have been rated “[_____]” by Fitch, “[_____]” by Moody’s and “[_____]” by S&P. The 2017/8 Series X Subordinated Bonds have been rated “[_____]” by Fitch, “[_____]” by Moody’s and “[_____]” by S&P.

An explanation of the significance of any ratings may be obtained only from the rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and Standard & Poor’s, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating and outlook (if any) 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 be in effect for any given period of time or that such ratings will not be revised upward or downward or withdrawn entirely by such rating agencies if, in the judgment of such agencies, circumstances so warrant. Any such downward revision or withdrawal of any ratings may have an adverse effect on the market price of the 2017/8 Bonds of the affected series.

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain customary conditions to closing, to purchase the 2017/8 Bonds from JEA at the aggregate underwriting discount (a) in the case of the Series Three 2017/8X Bonds, of \$[_____] from the initial public offering prices of the Series Three 2017/8X Bonds set forth on the inside cover page of this Official Statement, and (b) in the case of the 2017/8 Series X Subordinated Bonds, of \$[_____] from the initial public offering prices of the 2017/8 Series X Subordinated Bonds set forth on the inside cover page of this Official Statement. The Underwriters will be obligated to purchase all the 2017/8 Bonds if any such 2017/8 Bonds are purchased. The public offering prices may be changed, from time to time, by the Underwriters. The Underwriters are [_____].

[Insert specific disclosures]

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, commercial and investment banking services for JEA, for which they received or will receive customary fees and expenses. JEA intends to use a portion of the proceeds from this offering to refund the Refunded Bonds. Certain of the Underwriters for this offering or their

affiliates may hold certain of the Refunded Bonds and, as a result, may receive a portion of the proceeds of this offering in connection with the redemption of the Refunded Bonds by JEA.

In the ordinary course of their various business activities, the Underwriters and their respective 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 may involve securities and instruments of JEA.

MISCELLANEOUS

Legal Investments

The 2017/8 Bonds are legal investments for savings banks, trust companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency or instrumentality of the State of Florida, or of any county, municipality, or other political subdivisions of the State of Florida. The 2017/8 Bonds are also eligible as security for deposits of state, county, municipal and other public funds.

References to Documents

The summaries of or references to the Electric System Resolution and certain proposed amendments thereto, the Subordinated Electric System Resolution and certain proposed amendments thereto, the First Power Park Resolution, the Second Power Park Resolution and certain proposed amendments thereto, the Restated and Amended Bulk Power Supply System Resolution and certain proposed amendments thereto and certain statutes and other ordinances and documents included in this Official Statement or in the document included by specific reference herein do not purport to be comprehensive or definitive, and such summaries and references are qualified in their entirety by references to each such resolution, statute, ordinance, law and document. Copies of all such documents may be obtained from JEA, provided that a reasonable charge may be imposed for the cost of reproduction.

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Authorization of Official Statement

The dissemination and use of this Official Statement have been duly authorized by the JEA Board.

JEA

By: _____
Managing Director and Chief Executive Officer

BOOK-ENTRY ONLY SYSTEM

The 2017/8 Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the 2017/8 Bonds. The 2017/8 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 or more fully-registered bond certificates will be issued for the 2017/8 Bonds of each series and of each maturity (and, if applicable, each interest rate within a maturity), in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, 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 over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) 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"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2017/8 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such 2017/8 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017/8 Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's 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 Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2017/8 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants

acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2017/8 Bonds, except in the event that use of the book-entry system for the 2017/8 Bonds is discontinued.

SO LONG AS CEDE & CO. (OR ANY OTHER NOMINEE REQUESTED BY DTC) IS THE REGISTERED OWNER OF THE 2017/8 BONDS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OR OWNERS OF THE 2017/8 Bonds, SHALL MEAN CEDE & CO. (OR SUCH OTHER NOMINEE), AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

To facilitate subsequent transfers, all 2017/8 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 2017/8 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 2017/8 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

JEA and the Registrar and Paying Agent and the Subordinated Bond Registrar and Paying Agent, as applicable, may treat DTC (or its nominee) as the sole and exclusive owner of the 2017/8 Bonds registered in its name for the purpose of: payment of the principal or redemption price of or interest on the 2017/8 Bonds; selecting 2017/8 Bonds and portions thereof to be redeemed; giving any notice permitted or required to be given to Holders under the Electric System Resolution or the Subordinated Electric System Resolution, as the case may be, including any notice of redemption; registering the transfer of 2017/8 Bonds; obtaining any consent or other action to be taken by Holders; and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. JEA, the Registrar and Paying Agent, the Subordinated Bond Registrar and Paying Agent, as applicable, and the Underwriters (other than in their capacity, if any, as Direct Participants or Indirect Participants) shall not have any responsibility or obligation to any Direct Participant, any person claiming a beneficial ownership interest in the 2017/8 Bonds under or through DTC or any Direct Participant, or any other person which is not shown on the registration books of JEA (kept by the Registrar or the Subordinated Bond Registrar, as applicable) as being a Holder, with respect to: the accuracy of any records maintained by DTC or any Direct or Indirect Participant regarding ownership interests in the 2017/8 Bonds; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal or redemption price of or interest on the 2017/8 Bonds; the delivery to any Direct or Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to Holders under the Electric System Resolution or the Subordinated Electric System Resolution, as applicable, including any notice of redemption; the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the 2017/8 Bonds or any consent given or other action taken by DTC as a Holder of the 2017/8 Bonds.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017/8 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 securities, such as the 2017/8 Bonds, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Except as described below, neither DTC nor Cede & Co. nor any other nominee of DTC will take any action to enforce covenants with respect to any security registered in the name of Cede & Co. or any other nominee of DTC. Under its current procedures, on the written instructions of a Direct Participant given in accordance with DTC's Procedures, DTC will cause Cede & Co. to sign a demand to exercise certain bondholder rights. In accordance with DTC's current procedures, Cede & Co. will sign such document only as record holder of the quantity of securities referred to therein (which is to be specified in the Direct Participant's request to DTC for such document) and not as record holder of all the securities of that issue registered in the name of Cede & Co. Also, in accordance with DTC's current procedures, all factual representations to the issuer, the trustee or any other party to be made by Cede & Co. in such document must be made to DTC and Cede & Co. by the Direct Participant in its request to DTC.

For so long as the 2017/8 Bonds are issued in book-entry form through the facilities of DTC, any Beneficial Owner desiring to cause JEA to comply with any of its obligations with respect to the 2017/8 Bonds must make arrangements with the Direct Participant or Indirect Participant through whom such Beneficial Owner's ownership interest in the 2017/8 Bonds is recorded in order for the Direct Participant in whose DTC account such ownership interest is recorded to make the request of DTC described above.

NEITHER JEA NOR THE REGISTRAR AND PAYING AGENT NOR THE SUBORDINATED BOND REGISTRAR AND PAYING AGENT NOR THE UNDERWRITERS (OTHER THAN IN THEIR CAPACITY, IF ANY, AS DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND THE PERSONS FOR WHOM THEY ACT RELATING TO THE MAKING OF ANY DEMAND BY CEDE & CO. AS THE REGISTERED OWNER OF THE 2017/8 BONDS, THE ADHERENCE TO SUCH PROCEDURES OR ARRANGEMENTS OR THE EFFECTIVENESS OF ANY ACTION TAKEN PURSUANT TO SUCH PROCEDURES OR ARRANGEMENTS.

Principal or redemption price of and interest on the 2017/8 Bonds will be paid 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 JEA or the Paying Agent on payable 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 nor its nominee, JEA or the Paying Agent for the 2017/8 Bonds, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent for the 2017/8 Bonds, 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 Direct and Indirect Participants.

As long as the book-entry system is used for the 2017/8 Bonds, JEA or the Registrar or the Subordinated Bond Registrar, as the case may be, will give or cause to be given any notice of redemption or any other notices required to be given to Holders of 2017/8 Bonds only to DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant, or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the 2017/8 Bonds called for such redemption, or of any other action premised on such notice.

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 2017/8 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2017/8 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Electric System Resolution or the Subordinated Electric System Resolution, as the case may be. For example, Beneficial Owners of 2017/8 Bonds may wish to ascertain that the nominee holding the 2017/8 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

As long as the book-entry system is used for the 2017/8 Bonds, redemption notices shall be sent only to DTC. If less than all of the 2017/8 Bonds of a particular series and maturity (and, if applicable, each interest rate within a maturity) are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such 2017/8 Bonds to be redeemed.

NEITHER JEA NOR THE REGISTRAR AND PAYING AGENT FOR THE SERIES THREE 2017/8X BONDS NOR THE SUBORDINATED BOND REGISTRAR AND PAYING AGENT FOR THE 2017/8 Series X SUBORDINATED BONDS NOR THE UNDERWRITERS (OTHER THAN IN THEIR CAPACITY, IF ANY, AS DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS) WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.

For every transfer and exchange of a beneficial ownership interest in the 2017/8 Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Discontinuation of the Book-Entry-Only System. DTC may discontinue providing its services as depository with respect to the 2017/8 Bonds, or either series thereof at any time by giving reasonable notice to JEA or the Registrar and Paying Agent or the Subordinated Bond Registrar and Paying Agent, as applicable. In addition, if JEA determines that (i) DTC is unable to discharge its responsibilities with respect to the 2017/8 Bonds, or either series thereof, or (ii) continuation of the system of book-entry-only transfers through DTC is not in the best interests of the Beneficial Owners of the 2017/8 Bonds, or either series thereof or of JEA, JEA may, upon satisfaction of the applicable procedures of DTC with respect thereto, terminate the services of DTC with respect to such 2017/8 Bonds. Upon the resignation of DTC or determination by JEA that DTC is unable to discharge its responsibilities, JEA may, within 90 days, appoint a successor depository. If no such successor is appointed or JEA determines to discontinue the book-entry-only system, 2017/8 Bond certificates for the applicable series will be printed and delivered. Transfers and exchanges of 2017/8 Bonds of the applicable series, shall thereafter be made as provided in the Electric System Resolution or the Subordinated Electric System Resolution, as applicable.

If the book-entry-only system is discontinued with respect to a series of the 2017/8 Bonds, the persons to whom 2017/8 Bonds are delivered will be treated as “Bondholders” for all purposes of the Electric System Resolution or the Subordinated Electric System Resolution, as the case may be, including giving by JEA, including without limitation the payment of principal, premium, if any, and interest on such 2017/8 Bonds, the redemption of such 2017/8 Bonds and the giving to JEA, the Registrar or Paying Agent or the Subordinated Registrar or Paying Agent, as applicable, for such 2017/8 Bonds of any notice, consent, request or demand pursuant to the Electric System Resolution or the Subordinated Electric System Resolution, as applicable, for any purpose whatsoever. In such event, interest on such 2017/8 Bonds will be payable by check or draft of the Paying Agent therefor mailed to such Bondholders at the addresses shown on the registration books maintained on behalf of JEA, and the principal and redemption price of such 2017/8 Bonds will be payable at the principal corporate trust office of the Paying Agent for such 2017/8 Bonds as described under the heading “DESCRIPTION OF THE SERIES THREE 2017/8X BONDS – Registration and Transfer” or the heading “DESCRIPTION OF THE 2017/8 Series X SUBORDINATED BONDS – Registration and Transfer” in the Official Statement to which this APPENDIX A is attached.

Portions of the foregoing concerning DTC and DTC’s book-entry system are based on information furnished by DTC to JEA. No representation is made herein by JEA or the Underwriters as to the accuracy, completeness or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date of the Official Statement to which this APPENDIX A is attached.

DEBT SERVICE REQUIREMENTS

**TABLE I
DEBT SERVICE REQUIREMENTS
FOR THE ELECTRIC SYSTEM BONDS⁽¹⁾⁽²⁾**

Fiscal Year Ending September 30, 20__	Debt Service on Outstanding Electric System Bonds ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Less: Debt Service on Refunded Series Three Bonds			Plus: Debt Service on Series Three 2017/8X Bonds			Debt Service on Electric System Bonds to be Outstanding After Issuance of Series Three 2017/8X Bonds
		Principal	Interest	Total	Principal	Interest	Total	
	\$							

Total \$

(footnotes on following page)

(footnotes from previous page)

[UPDATE]

- (1) In addition to the Electric System Bonds, JEA also has outstanding (a) \$[_____] aggregate principal amount of Power Park Issue Two Bonds, (b) \$[_____] aggregate principal amount of Power Park Issue Three Bonds and (c) \$[_____] aggregate principal amount of Additional Bulk Power Supply System Bonds. Payments with respect to (i) JEA's share of the debt service on the Power Park Issue Two Bonds and (ii) debt service on the Power Park Issue Three Bonds and the Additional Bulk Power Supply System Bonds constitute Contract Debts, payable as a Cost of Operation and Maintenance of the Electric System, and are payable prior to the payment of debt service on the Electric System Bonds.
- (2) Row and column totals may not add due to rounding.
- (3) Prior to refunding of the Refunded Series Three Bonds.
- (4) Interest on the variable rate debt is calculated at an assumed rate of [4.00] %.
- (5) JEA's Electric System Revenue Bonds, Series Three [_____] (the "Series Three [_____] Bonds") maturing on October 1, 20__ in the principal amount of \$[_____] initially constitute "Refundable Bonds," as such term is defined in the Electric System Resolution. As such, there is no scheduled amortization of the principal of such Series Three [_____] Bonds. However, for purposes of the "additional bonds" test contained in the Electric System Resolution, such Series Three [_____] Bonds are deemed to be payable in the manner provided in the definition of "Adjusted Debt Service Requirement" contained in the Electric System Resolution, calculated assuming that such Series Three [_____] Bonds bear interest at an estimated interest rate of [5.60] percent following its stated maturity date.
- (6) JEA's Electric System Revenue Bonds, Series Three [_____] (the "Series Three [_____] Bonds") and Electric System Revenue Bonds, Series Three [_____] (the "Series Three [_____] Bonds") were issued as taxable Build America Bonds. Total Debt Service shown above includes interest on the Series Three [_____] Bond and Series Three [_____] Bonds net of the direct subsidy payments expected to be received on such Bonds.

**TABLE II
DEBT SERVICE REQUIREMENTS
FOR THE SUBORDINATED ELECTRIC SYSTEM BONDS⁽¹⁾**

Fiscal Year Ending September 30, 20__	Debt Service on Outstanding Subordinated Electric System Bonds ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Less: Debt Service on Refunded Subordinated Bonds			Plus: Debt Service on 2017/8 Series X Subordinated Bonds			Debt Service on Electric System Bonds to be Outstanding After Issuance of 2017/8 Series X Subordinated Bonds
		Principal	Interest	Total	Principal	Interest	Total	
	\$							

Total \$

(footnotes on following page)

(footnotes from previous page)

[UPDATE]

- (1) Row and column totals may not add due to rounding.
- (2) Prior to refunding of Refunded Subordinated Bonds.
- (3) Interest on the variable rate debt is calculated at an assumed rate of [4.00] %.
- (4) Projected principal amortization of the Commercial Paper Notes is based upon the assumptions set forth in JEA's current Commercial Paper Payment Plan for the Commercial Paper Notes of each Series.
- (5) JEA's Electric System Subordinated Revenue Bonds, [____] Series [____] (the "[____] Series [____] Bonds") maturing on October 1 in the years 20__ through 20__, inclusive, in the respective principal amounts of \$[____], \$[____], \$[____], \$[____], \$[____] and \$[____] and JEA's Electric System Subordinated Revenue Bonds, [____] Series [____] (the "[____] Series [____] Bonds") maturing on October 1 in the years 20__ and 20__ (CUSIP Nos. [____] and [____] only), in the respective principal amounts of \$[____] and \$[____], initially constitute "Refundable Principal Installments," as such term is defined in the Subordinated Electric System Resolution. As such, there is no scheduled amortization of the principal of such [____] Series [____] Bonds, such [____] Series [____] bonds or such [____] Series [____] Bonds. However, for purposes of the "additional bonds" test contained in the Subordinated Electric System Resolution, such [____] Series [____] Bonds, such [____] Series [____] Bonds and such [____] Series [____] Bonds are deemed to be payable in the manner provided in the definition of "Adjusted Aggregate Subordinated Debt Service" contained in the Subordinated Electric System Resolution, calculated assuming that such [____] Series [____] Bonds bear interest at an estimated interest rate of [5.55] percent following their respective maturity dates, such [____] Series [____] Bonds bear interest at an estimated interest rate of [5.95] percent following their respective stated maturity dates and such [____] Series [____] Bonds bear interest at an estimated interest rate of [6.05] percent following their respective stated maturity dates.
- (6) JEA's Electric System Subordinated Revenue Bonds, [____] Series [____] (the "[____] Series [____] Subordinated Bonds") and Electric System Subordinated Revenue Bonds, [____] Series [____] (the "[____] Series [____] Subordinated Bonds") were issued as taxable Build America Bonds. Total Debt Service shown above includes interest on the [____] Series [____] Subordinated Bonds and [____] Series [____] Subordinated Bonds that is net of the direct subsidy payments expected to be received on such Bonds.

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APPENDIX C

**FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION,
AND BOND COMPLIANCE INFORMATION**

FISCAL YEARS ENDED SEPTEMBER 30, 20[1_] AND 20[1_]
(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

Upon the delivery of the 2017/8 Bonds, JEA proposes to enter into a Continuing Disclosure Agreement with respect to the 2017/8 Bonds in substantially the following form:

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement") dated _____, 20___, is made by JEA, an independent agency of the City of Jacksonville, Florida duly organized and existing under the Constitution and laws of the State of Florida ("JEA"), for the benefit of the holders and beneficial owners from time to time of JEA's Electric System Revenue Bonds, Series Three 2017/8X, dated the date hereof (the "Series Three 2017/8X Bonds") and JEA's Electric System Subordinated Revenue Bonds, 2017/8 Series X, dated the date hereof (the "2017/8 Series X Subordinated Bonds" and, together with the Series Three 2017/8X Bonds, the "Bonds"), under the circumstances summarized in the following recitals (with each capitalized term used but not defined in this Agreement having the meaning assigned to it in Resolution No. 2016-21 of JEA adopted on December 20, 2016 authorizing the Series Three 2017/8X Bonds and Resolution No. 2016-22, entitled the Fifty-Fifth Supplemental Subordinated Electric System Resolution, of JEA adopted on December 20, 2016 authorizing the issuance of the 2017/8 Series X Subordinated Bonds (collectively, the "Supplemental Resolution")):

- A. JEA, by passage of the Supplemental Resolution, has determined to issue the Bonds to provide funds for JEA purposes, and the Underwriters have agreed to provide those funds to JEA by purchasing the Bonds.
- B. JEA understands that the Underwriters will sell and deliver Bonds to other holders and beneficial owners; that the Underwriters would not purchase the Bonds from JEA, and JEA would not be assured of the availability of funds required for its purposes, if the Underwriters were not able to so sell and deliver the Bonds; and that the Bonds will be transferred from time to time from holders and beneficial owners to other holders and beneficial owners who may rely upon the continuing disclosure agreement made by JEA in the Supplemental Resolution and the Agreement.
- C. As a condition to the purchase of the Bonds from JEA and the sale of Bonds to holders and beneficial owners, the Underwriters are required to reasonably determine that JEA has made an agreement for the benefit of holders and beneficial owners of the Bonds in accordance with paragraph (b)(5)(i) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC").

- D. As provided in the Supplemental Resolution JEA agreed to provide or cause to be provided such financial information and operating data, financial statements and notices, in such manner, as may be required for purposes of paragraph (b)(5)(i) of the Rule.

NOW, THEREFORE, in consideration of the purchase of the Bonds from JEA by the Underwriters and the contemplated sale of the Bonds to, and transfer of Bonds between, holders and beneficial owners from time to time, JEA hereby sets forth, pursuant to the Supplemental Resolution authorizing the Bonds, certain terms of its continuing disclosure agreement made for purposes of the Rule and formed, collectively, by the Supplemental Resolution and the Agreement for the benefit of the holders and beneficial owners from time to time of the Bonds, as follows:

Section 1. Provision of Annual Information; Audited Financial Statements; and Notices of Events. JEA shall provide or cause to be provided:

(a) to the Municipal Securities Rulemaking Board (the "MSRB"), (i) not later than the June 1 following the end of each JEA fiscal year ending on or after September 30, 20[15], annual financial information and operating data for such fiscal year of the type described in Section 2 ("Annual Information"), and (ii) when and if available, audited JEA financial statements for each such fiscal year; and

(b) to the MSRB, notice of (i) any Specified Event described in Section 2 in a timely manner not in excess of 10 business days after the occurrence of such Specified Event, (ii) JEA's failure to provide the Annual Information on or prior to the date specified above, and (iii) any change in the accounting principles applied in the preparation of its annual financial statements, any change in its fiscal year, and of the Agreement's termination.

Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made in electronic format through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>, accompanied by such identifying information as is prescribed by the MSRB.

JEA expects that audited annual JEA financial statements will be prepared and that such statements will be available together with the Annual Information. Each of the financial statements will be prepared in accordance with generally accepted accounting principles described in note 1 to the financial statements included in the Official Statement of JEA, dated [_____, 20__], relating to the Bonds.

Section 2. Annual Information and Specified Events.

(a) "Annual Information" to be provided by JEA shall consist of the following information and data of the type included in the JEA's Annual Disclosure

Report for Electric Utility System for Fiscal Year Ended September 30, 20[1_] dated April [__], 20[1_] (the "Annual Disclosure Report"):

- (1) The table under the caption "ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – Electric System Generating Facilities – *General*";
- (2) The table under the caption "ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – *Fuel Mix*";
- (3) The table under the caption "ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – *Largest Customers*";
- (4) The table under the caption "ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – St. Johns River Power Park – *Operation*";
- (5) The table under the caption "ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – The Scherer 4 Project – *Operation*";
- (6) The table under the caption "ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Resource Requirements – *System Load*"; and
- (7) The financial information and operating data referred to under the caption "ELECTRIC UTILITY SYSTEM – *FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS.*"

If the audited financial statements of JEA for the fiscal year are provided contemporaneously with the Annual Information, information and data set forth in such audited financial statements may be incorporated by reference.

(b) "Specified Events" shall include the occurrence of the following events, within the meaning of the Rule, with respect to the Bonds, as applicable: (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, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of holders or beneficial owners, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of JEA; (xiii) the consummation of a merger, consolidation, or acquisition

involving JEA or the sale of all or substantially all of the assets of JEA, 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; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the Specified Event identified in Section 2(b)(xii) above, the Specified Event is considered to occur when any of the following occur: (A) the appointment of a receiver, fiscal agent or similar officer for JEA 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 JEA or (B) 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 (C) 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 JEA.

Except for certain debt service reserve account surety bonds previously obtained by JEA which apply to the Series Three 2017/8X Bonds, JEA has not obtained or provided, and does not expect to obtain or provide, any credit enhancements or credit or liquidity providers for any of the Bonds.

Section 3. Amendments. JEA reserves the right to amend the Agreement, and noncompliance with any provision of the Agreement may be waived, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of JEA, or type of business conducted by JEA. Any such amendment or waiver shall not be effective unless the Agreement (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until JEA shall have received either (a) a written opinion of bond or other qualified independent special counsel selected by JEA that the amendment or waiver would not materially impair the interests of holders or beneficial owners, or (b) in the case of an amendment or waiver affecting (i) the Series Three 2017/8X Bonds, the written consent to the amendment or waiver of the holders of the same percentage in principal amount of the Series Three 2017/8X Bonds then outstanding that is required with respect to the approval of any material modification or amendment of the Electric System Resolution at such time, or (ii) the 2017/8 Series X Subordinated Bonds, the written consent to the amendment or waiver of the holders of the same percentage in principal amount of the 2017/8 Series X Subordinated Bonds then outstanding that is required with respect to the approval of any material modification or amendment of the Subordinated Electric System Resolution at such time. Annual Information containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or

waiver and the impact of the change on the type of operating data or financial information being provided.

Section 4. Remedy for Breach. The Agreement shall be solely for the benefit of the holders and beneficial owners from time to time of the Bonds. A failure by JEA to comply with the provisions hereof does not constitute a default under the Electric System Resolution or the Subordinated Electric System Resolution. The exclusive remedy for any breach of the Agreement by JEA shall be limited, to the extent permitted by law, to a right of holders and beneficial owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by JEA of its obligations under the Agreement. Any individual holder or beneficial owner may institute and maintain, or cause to be instituted and maintained, such proceedings to require JEA to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any such proceedings to require JEA to perform any other obligation under the Agreement (including any proceedings that contest the sufficiency of any pertinent filing) shall be instituted and maintained only by a trustee appointed by the holders or beneficial owners of not less than 25 percent in principal amount of (i) the Series Three 2017/8X Bonds then outstanding, in the case of proceedings relating to the Series Three 2017/8X Bonds or (ii) the 2017/8 Series X Subordinated Bonds then outstanding, in the case of proceedings relating to the 2017/8 Series X Subordinated Bonds or by holders or beneficial owners of not less than 10 percent in principal amount of (x) the Series Three 2017/8X Bonds then outstanding, in the case of proceedings relating to the Series Three 2017/8X Bonds or (y) the 2017/8 Series X Subordinated Bonds then outstanding, in the case of proceedings relating to the 2017/8 Series X Subordinated Bonds.

Section 5. Termination. The obligations of JEA under the Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and JEA remains an obligated person with respect to the Bonds within the meaning of the Rule. The obligation of JEA to provide the Annual Information and notices of the events described above shall terminate, if and when JEA no longer remains such an obligated person.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, JEA has caused the Agreement to be duly signed and delivered to the Underwriters, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Underwriters, on its behalf by its official signing below, all as of the date set forth above, and the holders and beneficial owners from time to time of the Bonds shall be deemed to have accepted JEA's continuing disclosure undertaking, as contained in the Supplemental Resolution authorizing the Bonds and further described and specified herein, made in accordance with the Rule.

JEA

By: _____
Name:
Title:

**PROPOSED FORM OF OPINION OF BOND COUNSEL
RELATING TO THE SERIES THREE 2017/8 BONDS**

APPENDIX F

**PROPOSED FORM OF OPINION OF BOND COUNSEL
RELATING TO THE 2017/8 SERIES X SUBORDINATED BONDS**

ESCROW DEPOSIT AGREEMENT

relating to

**JEA
ELECTRIC SYSTEM REVENUE BONDS,
SERIES THREE 2017/8X**

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 20__ by and between JEA, a public body corporate and politic organized under the laws of the State of Florida and _____, as Escrow Agent;

WITNESSETH:

WHEREAS, JEA has previously authorized and issued obligations of JEA as hereinafter set forth and defined as the “Refunded Obligations,” as to which the Aggregate Debt Service (as hereinafter defined) is set forth on Schedule A attached hereto; and

WHEREAS, JEA has determined to provide for refunding of the Aggregate Debt Service of the Refunded Obligations by depositing with the Escrow Agent cash, which will be sufficient to pay the Aggregate Debt Service on the Refunded Obligations; and

WHEREAS, in order to obtain a portion of the funds needed for such purpose JEA has authorized and is, concurrently with the delivery of this Agreement, issuing its Electric System Revenue Bonds, Series Three 2017/8X; and

WHEREAS, JEA has determined that the amount to be on deposit, from time to time, in the Escrow Account, as defined herein, will be sufficient to pay the Aggregate Debt Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, JEA and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

(a) “Aggregate Debt Service” means the sum of all present and future Annual Debt Service payments then remaining unpaid with respect to the Refunded Obligations through the Redemption Date, as set forth on Schedule A attached hereto.

(b) “Agreement” means this Escrow Deposit Agreement.

(c) "Annual Debt Service" means, in any year, the redemption price of, and interest on, the Refunded Obligations coming due or being redeemed on the respective Redemption Date, as set forth on Schedule A attached hereto.

(d) "Defeasance Securities" means securities permitted by Section 17 of the Resolution.

(e) "Escrow Account" means the Escrow Account identified in Section 2 herein and established and held by the Escrow Agent pursuant to this Agreement in which a portion of the proceeds from the sale of the Bonds and certain other funds will be held for payment of the Refunded Obligations.

(f) "Escrow Agent" means [_____] with the power to accept trusts in the State of Florida.

(g) "Escrow Deposit Requirement" means, as of any date of calculation, the principal amount of cash and any Defeasance Securities in the Escrow Account which will be sufficient to pay, as the installments thereof become due, the Aggregate Debt Service.

(h) "Paying Agent" means _____ in its capacity as the paying agent for the Refunded Obligations.

(i) "Redemption Date" means the redemption date for the Refunded Obligations, as set forth in Schedule B hereto.

(j) "Refunded Obligations" means the Electric System Revenue Bonds, Series Three listed in Schedule B hereto.

(k) "Resolution" means the resolution duly adopted by JEA on March 30, 1982, as amended and supplemented, and particularly as supplemented by resolutions adopted by JEA authorizing the issuance of the Refunded Obligations.

(l) "2017/8X Bonds" means the Electric System Revenue Bonds, Series Three 2017/8X of JEA.

SECTION 2. Deposit of Funds. With respect to the Refunded Obligations, JEA hereby deposits \$_____ with the Escrow Agent in immediately available funds (the "Escrow Deposit Amount"), to be held in irrevocable escrow by the Escrow Agent in a separate escrow trust fund (the "Escrow Account") and applied solely as provided in this Agreement. JEA represents that (i) \$_____ of such funds are derived by JEA

from a portion of the proceeds of the 2017/8X Bonds and (ii) \$_____ of such funds are derived by JEA from amounts on deposit in the Debt Service Account established pursuant to the Resolution.

JEA represents, that such funds, when applied pursuant to Section 3 below, will at least equal the Escrow Deposit Requirement as of the date hereof.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in Section 2 and agrees:

(a) hold such sum uninvested in cash unless it receives from JEA written directions to effect settlement of the purchase of Defeasance Securities which mature no later than the Redemption Date or such earlier time as amounts will be needed as described in Schedule A hereto and which are in the aggregate amount of no more than the balance in the Escrow Account;

(b) there will be no investment of funds except as set forth in this Section 3;

(c) to hold the proceeds of all investments in the Escrow Account in such Account in trust (separate from all other funds of the Escrow Agent) for the benefit of the owners of the Refunded Obligations from the date of receipt thereof to the date on which such proceeds are scheduled to be paid out of the Escrow Account and applied only for the purposes thereof, as set forth on Schedule A attached hereto; and

(d) to hold the funds and securities in the Escrow Account in irrevocable escrow during the term of this Agreement;

SECTION 4. Payment of Refunded Obligations.

(a) *Payment of Refunded Obligations.* The Escrow Agent shall pay the Paying Agent for the Refunded Obligations, from the cash on hand in the Escrow Account, a sum sufficient to pay the Annual Debt Service coming due on such date with respect to the Refunded Obligations, as shown on Schedule A attached hereto.

(b) *Surplus.* On the Redemption Date, after making the payment from the Escrow Account described in Subsection 4(a), the Escrow Agent shall pay to JEA the remaining cash, if any, in the Escrow Account. JEA shall apply the payment made to it hereunder to the payment of the principal of and interest on the 2017/8X Bonds or for other uses permitted under the Resolution, but the Escrow Agent shall have no duty or responsibility to ensure that JEA does so.

(c) *Payments Due on Saturdays, Sundays and Holidays.* If any payment date shall be a legal holiday or a day on which banking institutions in the city in which is located the designated office of the Paying Agent are authorized by law to remain closed, then the Escrow Agent may make the payments required by Subsections 4(a) and 4(b) to the Paying Agent or JEA, as the case may be, on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Securities held hereunder.

(b) At the written request of JEA and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Defeasance Securities acquired hereunder and shall substitute other Defeasance Securities and reinvest any excess receipts in Defeasance Securities. JEA will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which, will cause interest on the 2017/8X Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation. Such substitutions and reinvestments may be effected only if (i) an independent certified public accountant selected by JEA shall certify or opine in writing to JEA and the Escrow Agent that the cash and principal amount of Defeasance Securities remaining on hand after the transactions are completed will be not less than the Escrow Deposit Requirement, and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to JEA to the effect that the transactions, in and by themselves, will not cause interest on the 2017/8X Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(b) above notwithstanding, cash in excess of the Escrow Deposit Requirement caused by substitution of Defeasance Securities shall, as soon as practicable, be paid to JEA.

SECTION 6. Redemption of Refunded Obligations. JEA has exercised its option to redeem the Refunded Obligations prior to the maturity thereof on the Redemption Date as shown on Schedule B attached hereto.

SECTION 7. Redemption Notice. The Bond Registrar for the Refunded Obligations has given notice of redemption of the Refunded Obligations to be redeemed on the Redemption Date, as provided in Section 9 of the Resolution as supplemented by the applicable supplemental resolutions relating to the respective Refunded Obligations on behalf of JEA and the Escrow Agent.

SECTION 8. Indemnity. To the extent permitted by applicable law, including but not limited to Section 768.28, Florida Statutes, JEA hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and attorneys' disbursements and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by JEA or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds and securities deposited therein, the purchase of the Defeasance Securities, the retention of the Defeasance Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; *provided, however,* that JEA shall not be required to indemnify the Escrow Agent, its successors, assigns, agents and servants against the negligence or willful misconduct of the Escrow Agent or its successors, assigns, agents and servants. In no event shall JEA or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement. Nothing in this Section contained shall give rise to any liability on the part of JEA in favor of any person other than the Escrow Agent.

SECTION 9. Responsibilities of Escrow Agent; Fees. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the retention of the Defeasance Securities or the proceeds thereof or any investment, payment, transfer, or other application of money or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties or non-willful misconduct. The Escrow Agent shall, however, be liable to JEA for its negligent acts, omissions or errors or willful misconduct which violate or fail

to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. 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 JEA. The fees of the Escrow Agent shall be paid by JEA at the time this Agreement is executed and delivered, such fees to be as set forth on Schedule C attached hereto. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations.

SECTION 11. Amendments. This Agreement is made for the benefit of JEA and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and JEA; *provided, however*, that JEA 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:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, power or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject additional funds, securities or properties to this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of JEA 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 herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be one and the same instrument.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be executed by their duly authorized officers and JEA's official seal to be hereunto affixed and attested as of the date first above written.



JEA

ATTEST:

By: _____
Title:

By: _____
Secretary

Form Approved:

Office of General Counsel

as Escrow Agent

By: _____
Its: _____

*[Signature page to Escrow Deposit Agreement relating to
JEA Electric System Revenue Bonds, 2017/8 Series X]*

**SCHEDULE A
REFUNDED OBLIGATIONS**

The Aggregate Debt Service for the Refunded Obligations is shown in the following table:

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total</u>
	\$	\$		\$

**SCHEDULE B
LIST OF REFUNDED OBLIGATIONS**

The Refunded Bonds will consist of the Electric System Revenue Bonds, Series Three listed in the following table.

Series Three	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)	CUSIP*
		\$		%	

Total

* The CUSIP numbers listed here are provided for the convenience of readers. JEA is not responsible for the accuracy or completeness of such numbers.

SCHEDULE C
FEES OF ESCROW AGENT

The fee of the Escrow Agent for its services hereunder shall be \$____; provided, JEA agrees to reimburse the Escrow Agent for its reasonable out-of-pocket expenses at cost.

RESOLUTION NO. 2016-22

JEA

**Not To Exceed
\$333,000,000
Electric System Subordinated
Revenue Bonds, 2017/8 Series X**

**FIFTY-FIFTH SUPPLEMENTAL SUBORDINATED
ELECTRIC SYSTEM RESOLUTION**

Adopted December 20, 2016

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**FIFTY-FIFTH SUPPLEMENTAL SUBORDINATED
ELECTRIC SYSTEM RESOLUTION**

A RESOLUTION OF JEA SUPPLEMENTING THE RESOLUTION OF JEA ADOPTED ON AUGUST 16, 1988, AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, AS SUPPLEMENTED AND AMENDED; AUTHORIZING THE ISSUANCE OF ITS ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, 2017/8 SERIES X IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$333,000,000 FOR THE PURPOSE OF FINANCING THE REFUNDING OF CERTAIN OF JEA'S OUTSTANDING ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, FINANCING THE TERMINATION OF FLOATING-TO-FIXED RATE INTEREST RATE SWAP TRANSACTIONS ASSOCIATED WITH OUTSTANDING VARIABLE RATE ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS TO BE REFUNDED AND PAYING THE COSTS OF ISSUANCE OF SUCH SUBORDINATED BONDS; AUTHORIZING THE TERMINATION OR PARTIAL TERMINATION OF FLOATING-TO-FIXED RATE INTEREST RATE SWAP TRANSACTIONS ASSOCIATED WITH OUTSTANDING VARIABLE RATE ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS TO BE REFUNDED; ESTABLISHING CRITERIA FOR AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; AUTHORIZING THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER TO AWARD THE SALE OF SAID SUBORDINATED BONDS IN ONE OR MORE SERIES TO THE UNDERWRITERS DESCRIBED HEREIN PURSUANT TO A NEGOTIATED SALE AND APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; APPOINTING U.S. BANK NATIONAL ASSOCIATION AS SUBORDINATED BOND REGISTRAR AND PAYING AGENT FOR SAID SUBORDINATED BONDS; PROVIDING FOR THE APPOINTMENT OF AN ESCROW AGENT FOR THE REFUNDED SUBORDINATED BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; APPROVING THE FORM OF A DRAFT PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE SUBORDINATED BONDS AND AUTHORIZING THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER OR THE TREASURER TO DEEM THE PRELIMINARY OFFICIAL STATEMENT FINAL FOR PURPOSES OF SEC RULE 15c2-12; AUTHORIZING THE APPROVAL AND EXECUTION OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SAID SUBORDINATED BONDS; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF SAID SUBORDINATED

BONDS UNDER THE BLUE SKY LAWS OF THE VARIOUS STATES; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; PROVIDING FEDERAL INCOME TAX COVENANTS; AUTHORIZING CERTAIN OFFICIALS OF JEA TO TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID SUBORDINATED BONDS, THE REFUNDING AND REDEMPTION OF SAID REFUNDED SUBORDINATED BONDS AND THE TERMINATION OR PARTIAL TERMINATION OF INTEREST RATE SWAP TRANSACTIONS ASSOCIATED WITH THE VARIABLE RATE REFUNDED SUBORDINATED BONDS; PROVIDING FOR SEVERABILITY AND CERTAIN OTHER DETAILS WITH RESPECT THERETO; SUPERSEDING AND REPEALING THE AUTHORIZATION TO ISSUE ADDITIONAL DEBT UNDER RESOLUTION NO. 2014-08; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by JEA as follows:

**ARTICLE I
AUTHORITY, DEFINITIONS AND FINDINGS**

SECTION 101. Supplemental Subordinated Resolution. This Fifty-Fifth Supplemental Subordinated Electric System Resolution is adopted pursuant to Article 21 of the Charter of the City of Jacksonville, Florida (the “City”), as amended, and other applicable provisions of law and is supplemental to, and is adopted in accordance with, Article X of the resolution of JEA adopted on August 16, 1988 entitled “A Resolution of the Jacksonville Electric Authority authorizing the issuance of Electric System Subordinated Revenue Bonds of said Authority for the purpose of financing the construction and acquisition of additions, extensions and improvements to the Electric System of said Authority and the refunding of certain indebtedness of said Authority, and any other lawful purpose of said Authority relating to its Electric System; specifying definitions and the statutory authority therefor; specifying terms and conditions for the authorization and issuance of said Bonds; specifying general terms and provisions of said Bonds; specifying general terms for the redemption of said Bonds; providing for the payment and security of said Bonds and providing for the establishment of Funds and application thereof; making certain covenants and agreements with the Holders of said Bonds; establishing Events of Default and remedies therefor; providing for the rights and responsibilities of the Fiduciaries; providing for amending and supplementing such Resolution; providing certain other matters in connection with said Bonds; and providing an effective date,” as heretofore amended, restated and supplemented (the “Subordinated Resolution”).

SECTION 102. Definitions. 1. Except as provided by this Fifty-Fifth Supplemental Subordinated Electric System Resolution, all terms which are defined in Section 2 of the Electric System Resolution (as defined in the Subordinated Resolution) and in Section 1.01 of the Subordinated Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 2 of the Electric System Resolution and in said Section 1.01 of the Subordinated Resolution. Words importing a singular number shall include

the plural number in each case and vice versa, and words importing persons shall include business entities.

2. In this Fifty-Fifth Supplemental Subordinated Electric System Resolution, the following terms shall have the indicated meanings:

Advance Refunding Bonds shall mean 2017/8 Series X Subordinated Bonds of a particular Series, or a portion thereof, that are issued to refund Refunded Subordinated Bonds that will be paid or redeemed more than 90 days after the Delivery Date.

Bond Purchase Agreement shall mean the Bond Purchase Agreement to be entered into between JEA and the Underwriters named therein relating to a particular Series of the 2017/8 Series X Subordinated Bonds, the form of which is attached as Exhibit A to Resolution No. 2016-21.

Code shall mean the Internal Revenue Code of 1986, as amended.

Continuing Disclosure Agreement shall mean the Continuing Disclosure Agreement to be delivered by JEA in connection with the issuance of a particular Series of the 2017/8 Series X Subordinated Bonds, a form of which is attached as Appendix D to the Draft Preliminary Official Statement.

Delivery Date shall mean the date of initial issuance and delivery of a particular Series of the 2017/8 Series X Subordinated Bonds (however such Subordinated Bonds are identified upon initial issuance and delivery pursuant to the certificate referred to in Section 203 hereof relating to the 2017/8 Series X Subordinated Bonds of such Series).

Draft Preliminary Official Statement shall mean the draft of the Preliminary Official Statement of JEA relating to, among other things, the 2017/8 Series X Subordinated Bonds attached as Exhibit B to Resolution No. 2016-21.

DTC shall mean The Depository Trust Company.

Escrow Agent shall mean the bank or trust company appointed as escrow agent under an Escrow Deposit Agreement, if any, and its duly appointed successors, such appointment, with respect to a particular Series of the 2017/8 Series X Subordinated Bonds, to be made in the certificate referred to in Section 203 hereof relating to the 2017/8 Series X Subordinated Bonds of such Series.

Escrow Deposit Agreement shall mean each escrow deposit agreement between JEA and an Escrow Agent that may be entered into concurrently with the issuance and delivery of any Series of the 2017/8 Series X Subordinated Bonds, a form of which is attached hereto as Exhibit A.

Fifty-Fifth Supplemental Subordinated Resolution shall mean this Fifty-Fifth Supplemental Subordinated Electric System Resolution (Resolution No. 2016-22), as from time to time amended or supplemented by Supplemental Subordinated Resolutions in accordance with the terms of the Subordinated Resolution. This Fifty-Fifth Supplemental Subordinated

Resolution shall constitute a Supplemental Subordinated Resolution within the meaning of the Subordinated Resolution.

Letter of Representations shall mean the Blanket Issuer Letter of Representations, dated May 6, 2004, from JEA to DTC, providing for the issuance of certain obligations of JEA (including the 2017/8 Series X Subordinated Bonds) in book-entry form through the facilities of DTC.

Managing Director/CEO shall mean the Managing Director and Chief Executive Officer of JEA.

Refunded Subordinated Bonds shall mean, with respect to any particular Series of 2017/8 Series X Subordinated Bonds, the Subordinated Bonds of the Series and maturities (and, if applicable, interest rates within maturities) in the respective principal amounts, to be refunded thereby, as identified by the Managing Director/CEO in the certificate described in Section 203 hereof relating to the 2017/8 Series X Subordinated Bonds of such Series.

Resolution No. 2016-21 shall mean Resolution No. 2016-21 of JEA adopted on the date of adoption hereof authorizing the issuance of JEA Electric System Revenue Bonds, Series Three 2017/8X.

Rule 15c2-12 shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

Sale Date with respect to a particular Series of 2017/8 Series X Subordinated Bonds, shall mean the date on which JEA enters into a Bond Purchase Agreement with respect to such Series of 2017/8 Series X Subordinated Bonds.

Subordinated Bond Fund shall mean the Subordinated Bond Fund established pursuant to the Subordinated Resolution.

Subordinated Interest Rate Swap Transactions shall mean the floating-to-fixed rate interest rate swap transactions entered into by JEA associated with variable rate Refunded Subordinated Bonds which interest rate swap transactions are to be terminated, in whole or in part, contemporaneously with the issuance of a Series of 2017/8 Series X Subordinated Bonds.

Underwriters shall mean any or all of the other investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA's debt named in the applicable Bond Purchase Agreement.

2017/8 Series X Subordinated Bonds shall mean the Electric System Subordinated Revenue Bonds, 2017/8 Series X of JEA authorized to be issued and sold pursuant to Article II of this Fifty-Fifth Supplemental Subordinated Resolution.

SECTION 103. Findings. It is hereby ascertained, determined and declared that:

A. Pursuant to the Subordinated Resolution, JEA has heretofore authorized the issuance of Subordinated Bonds in one or more Series.

B. Pursuant to its Ordinances 88-1108-554, 92-1411-902, 95-736-450, 1999-797-E, 2001-664-E, 2003-844-E, 2005-460-E, 2008-581-E and 2013-490-E, the Council of the City has authorized, among other things, the issuance and sale by JEA of Subordinated Bonds for the purposes, among others, of financing the refunding of any Subordinated Bonds.

C. It is in the best interests of JEA to provide for the refunding of the Refunded Subordinated Bonds to permit JEA to (i) refund fixed rate Subordinated Bonds at favorable interest rates, (ii) refund variable rate debt with fixed rate bonds at favorable fixed interest rates, and (iii) terminate or partially terminate Subordinated Interest Rate Swap Transactions in an aggregate notional amount not to exceed the principal amount of the associated variable rate Refunded Subordinated Bonds on favorable terms and thereby reduce the put, liquidity, renewal, counterparty, basis and other risks associated with bonds structured as variable rate demand obligations with associated variable-to-fixed rate interest rate swaps. Anything provided herein to the contrary notwithstanding, in no event shall interest rate swap transactions remain outstanding in a notional amount in excess of the outstanding principal amount of the debt hedged thereby.

D. It is in the best interests and serves a valid public purpose of JEA to issue and sell the 2017/8 Series X Subordinated Bonds as authorized herein for the purpose of providing all or a portion of funds required to refund the Refunded Subordinated Bonds, to pay the costs of terminating or partially terminating the Subordinated Interest Rate Swap Transactions in an aggregate notional amount not to exceed the aggregate principal amount of the associated variable rate Refunded Subordinated Bonds and to pay the costs of issuance of the 2017/8 Series X Subordinated Bonds.

E. Because of the characteristics of the 2017/8 Series X Subordinated Bonds, prevailing and anticipated market conditions, the need for flexibility in timing the issuance of each Series of the 2017/8 Series X Subordinated Bonds and the coordination of the termination or partial termination of the Subordinated Interest Rate Swap Transactions, it is necessary and in the best interests of JEA to sell each Series of the 2017/8 Series X Subordinated Bonds at a negotiated sale to the Underwriters, upon satisfaction of the terms and conditions set forth herein and in the Bond Purchase Agreement.

F. Upon issuance in accordance with the terms hereof, the 2017/8 Series X Subordinated Bonds will constitute Subordinated Bonds under the Subordinated Resolution, entitled to all the security and benefits thereof.

G. The 2017/8 Series X Subordinated Bonds shall be limited obligations of JEA payable solely from and secured by a lien upon and pledge of (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, including investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Resolution, including investments, if any, thereof, subject only to the provisions of the Electric System Resolution and the Subordinated Resolution permitting the application thereof for purposes and on the terms and conditions set forth in the Electric System Resolution and the Subordinated Resolution; *provided, however*, that such pledge shall be junior and subordinate in all respects to the Electric System Bonds as to lien on arid source and security for payment from the Revenues. The 2017/8 Series X Subordinated

Bonds shall not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and pledge of the amounts provided in the Subordinated Resolution. In no event shall any owner of 2017/8 Series X Subordinated Bonds ever have the right to compel the ad valorem taxing power of the City or JEA, if any, or taxation of any form to pay the 2017/8 Series X Subordinated Bonds or be entitled to payment thereof from any other funds of the City or JEA.

H. Prior to the sale of the 2017/8 Series X Subordinated Bonds of a particular Series, the Underwriters will provide JEA with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes. The Bond Purchase Agreement shall include a Truth-In-Bonding Statement pursuant to Section 218.385, Florida Statutes.

ARTICLE II AUTHORIZATION OF 2017/8 SERIES X SUBORDINATED BONDS

SECTION 201. Principal Amount, Designation and Series. Pursuant to the provisions of the Electric System Resolution and the Subordinated Resolution one or more Series of Subordinated Bonds entitled to the benefit, protection and security of the Subordinated Resolution are hereby authorized in an aggregate principal amount not to exceed \$333,000,000; *provided*, that not to exceed \$200,000,000 principal amount of the 2017/8X Subordinated Bonds may be issued for the purpose of refunding fixed rate Refunded Subordinated Bonds and not to exceed \$133,000,000 principal amount of the 2017/8 Series X Subordinated Bonds may be issued for the purpose of refunding variable rate Refunded Subordinated Bonds. Such Subordinated Bonds shall be designated as, and shall be distinguished from the Subordinated Bonds of all other Series by the title, “Electric System Subordinated Revenue Bonds, 2017/8 Series X”; *provided*, that the Managing Director/CEO may alter the year and letter designation of the 2017/8 Series X Subordinated Bonds as he deems appropriate to reflect the year of issue or sale of such 2017/8 Series X Subordinated Bonds, the designation of Subordinated Bonds previously issued and JEA’s custom in identifying Subordinated Bonds or as he otherwise deems desirable. Notwithstanding any such alteration of the Series designation for the 2017/8 Series X Subordinated Bonds, references in this Fifty-Fifth Supplemental Subordinated Resolution to “2017/8 Series X Subordinated Bonds” shall include all Subordinated Bonds issued pursuant to the authority contained in this Section 201. The actual aggregate principal amount of the 2017/8 Series X Subordinated Bonds of a particular Series to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purpose of which the 2017/8 Series X Subordinated Bonds of such Series are being issued, such determination to be set forth in the certificate referred to in Section 203 hereof to be executed with respect to the 2017/8 Series X Subordinated Bonds of such Series. Notwithstanding any other provision of the Subordinated Resolution or this Fifty-Fifth Supplemental Resolution, each particular Series of the 2017/8 Series X Subordinated Bonds shall be deemed to be a separate Series of Subordinated Bonds for all purposes of the Subordinated Resolution, including (without limitation) for the purpose of determining satisfaction of the conditions to the issuance of the 2017/8 Series X Subordinated Bonds of such Series set forth in Article II of the Subordinated Resolution.

The 2017/8 Series X Subordinated Bonds of each Series authorized to be issued hereunder may be sold pursuant to a Bond Purchase Agreement entered into not later than December 31, 2018.

SECTION 202. Purpose. The 2017/8 Series X Subordinated Bonds of a particular Series shall be issued for the purposes of: (1) financing the refunding of the Refunded Subordinated Bonds; (2) paying the cost of terminating or partially terminating Subordinated Interest Rate Swap Transactions in an aggregate notional amount not to exceed the principal amount of the associated variable rate Refunded Subordinated Bonds; and (3) paying the costs of issuance of the 2017/8 Series X Subordinated Bonds of such Series. Subject to complying with the criteria provided in Section 203 hereof, the refunding of the Refunded Subordinated Bonds is hereby authorized.

SECTION 203. Date(s), Maturities and Interest; Certain Determinations with Respect to the 2017/8 Series X Subordinated Bonds. The 2017/8 Series X Subordinated Bonds of each Series shall be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof, shall be numbered from 1 upward, shall bear interest from their respective dates (payable semiannually thereafter on April 1 and October 1 in each year, commencing on either of the October 1 or April 1 next following the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds, as determined by the Managing Director/CEO) at such rates per annum and shall mature on October 1 in such years and amounts, all as shall be determined by the Managing Director/CEO in the manner hereinafter set forth.

On or prior to the Sale Date for a particular Series of the 2017/8 Series X Subordinated Bonds, the Managing Director/CEO shall execute a certificate setting forth the following determinations and the Managing Director/CEO may rely on a certificate from JEA's financial advisor in order to confirm the savings determinations made in clause (e) below:

(a) the aggregate principal amount of the 2017/8 Series X Subordinated Bonds of such Series; *provided*, that, the aggregate principal amount of all 2017/8 Series X Subordinated Bonds shall not exceed \$333,000,000, the aggregate principal amount of 2017/8 Series X Subordinated Bonds issued to refund fixed rate Refunded Subordinated Bonds shall not exceed \$200,000,000, and the aggregate principal amount of the 2017/8 Series X Subordinated Bonds issued to refund variable rate Refunded Subordinated Bonds shall not exceed \$133,000,000;

(b) the year and letter and any other designation and the Delivery Date for such Series of 2017/8 Series X Subordinated Bonds;

(c) the Refunded Subordinated Bonds to be refunded through the issuance of the 2017/8 Series X Subordinated Bonds of such Series and the date(s) on which such Refunded Subordinated Bonds are to be redeemed, which shall be such date as the Managing Director/CEO determines to be the earliest date on which such Refunded Subordinated Bonds may be redeemed in light of the circumstances then existing; and the identity of the Escrow Agent, if any, for such Refunded Subordinated Bonds and, if applicable, the Sinking Fund Installments to which the principal amount of the Refunded Subordinated Bonds shall be credited;

(d) the respective dates on which the 2017/8 Series X Subordinated Bonds of such Series shall mature and the principal amounts of each such maturity; *provided, however,* that the 2017/8 Series X Subordinated Bonds of each Series (i) that are issued for refunding purposes in order to achieve debt service savings shall have a weighted average life no greater than the remaining weighted average life of the Refunded Subordinated Bonds being refunded thereby, plus one year and (ii) that are issued for refunding purposes to refund variable rate obligations shall have a weighted average life no greater than the remaining weighted average life of the Refunded Subordinated Bonds, plus one year;

(e) the respective rate or rates of interest to be borne by the 2017/8 Series X Subordinated Bonds of such Series maturing on each such date; *provided, however,* that (i) with respect to any 2017/8 Series X Subordinated Bonds of such Series that are issued for the purpose of refunding variable rate Subordinated Bonds, the true interest cost of such 2017/8 Series X Subordinated Bonds shall not exceed 5.00 percent; (ii) with respect to any 2017/8 Series X Subordinated Bonds of such Series, other than Advance Refunding Bonds, issued for the purpose of refunding fixed rate Refunded Subordinated Bonds and to achieve debt service savings (1) if any such 2017/8 Series X Subordinated Bonds mature on the October 1 next following the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds, such refunding shall result in positive net present value savings; (2) the present value savings from (A) the issuance of such 2017/8 Series X Subordinated Bonds that are issued to refund any Refunded Subordinated Bonds maturing on an October 1 occurring at least one year and less than three years after the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds shall not be less than 3.00 percent of the aggregate principal amount of such Refunded Subordinated Bonds; (B) the issuance of such 2017/8 Series X Subordinated Bonds that are issued to refund any Refunded Subordinated Bonds maturing on an October 1 occurring at least three years and less than nine years after the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds, shall not be less than 4.00 percent of the aggregate principal amount of such Refunded Subordinated Bonds; and (C) the issuance of such 2017/8 Series X Subordinated Bonds that are issued to refund any Refunded Bonds maturing on or after the October 1 occurring at least nine years after the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds shall not be less than 5.00 percent of the aggregate principal amount of the Refunded Subordinated Bonds; or (3) in lieu of complying with the requirements of clauses (1) and (2) above, the present value savings resulting from the issuance of such 2017/8 Series X Subordinated Bonds that are issued to refund any Refunded Subordinated Bonds other than variable rate Subordinated Bonds shall not be less than 5.00 percent of the aggregate principal amount of such Refunded Subordinated Bonds; and (iii) with respect to any 2017/8 Series X Subordinated Bonds of such Series issued for refunding purposes to achieve debt service savings that are Advance Refunding Bonds, the present value savings resulting from the issuance of such 2017/8 Series X Subordinated Bonds shall not be less than 7.50 percent of the aggregate principal amount of such Refunded Subordinated Bonds; *provided, further,* that compliance with the foregoing requirements of this clause (e) shall be effected by dividing the Series into its constituent purposes (*i.e.*, refunding of variable rate Subordinated Bonds, refunding fixed rate Subordinated Bonds for debt service savings and issuance of Advance Refunding Bonds) and allocating on a ratable basis (based on

the respective issue prices for federal income tax purposes) costs of issuance, underwriting discount and any other items to the purpose that gave rise to such expenses; *provided, however*, that if the Managing Director/CEO determines that some other allocation method will result in a more accurate determination of the true interest cost or present value savings attributable to such constituent purpose (which determination shall be confirmed by JEA's financial advisor), then such other allocation method shall be used in lieu of the foregoing method;

(f) the commencement date of interest payments on the 2017/8 Series X Subordinated Bonds, which shall be either of the October 1 or April 1 next following the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds;

(g) if the 2017/8 Series X Subordinated Bonds of such Series maturing on a particular date and bearing interest at a particular rate are to be subject to redemption prior to maturity as provided in Article IV of the Subordinated Resolution by operation of the Subordinated Bond Fund from mandatory Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments; *provided, however*, that each Sinking Fund Installment due date shall fall upon an interest payment date for the 2017/8 Series X Subordinated Bonds;

(h) if the 2017/8 Series X Subordinated Bonds of such Series maturing on a particular date and bearing interest at a particular rate are to be subject to optional redemption, the terms upon which such 2017/8 Series X Subordinated Bonds shall be subject to redemption at the election of JEA; *provided, however*, that the highest redemption price at which such 2017/8 Series X Subordinated Bonds may be so redeemed shall be not greater than 101 percent of the principal amount thereof, plus accrued interest to the date of redemption and the first such optional redemption date shall not be less than four years nor more than 10 years from the Delivery Date of such 2017/8 Series X Subordinated Bonds;

(i) the identity of the senior managing underwriter and co-senior managing underwriter, if applicable, for such Series of 2017/8 Series X Subordinated Bonds from any of the Underwriters;

(j) the Subordinated Interest Rate Swap Transactions and notional amounts thereof to be terminated upon the issuance of such Series of 2017/8 Series X Subordinated Bonds and the termination payment, if any, to be paid in connection therewith; *provided*, that the aggregate notional amount of the Subordinated Interest Rate Swap Transactions terminated in connection with the issuance of such Series of 2017/8 Series X Subordinated Bonds shall not exceed the principal amount of the variable rate Refunded Subordinated Bonds to which such Subordinated Interest Rate Swap Transactions are associated to be refunded through the issuance of such Series of the 2017/8 Series X Subordinated Bonds; and

(k) the purchase price for the 2017/8 Series X Subordinated Bonds of such Series to be paid by the Underwriters pursuant to the applicable Bond Purchase

Agreement; *provided, however*, that such purchase price shall result in compliance with the limitations set forth in this Section 203.

In the event that one or more Series of 2017/8 Series X Subordinated Bonds are issued on the same day as part of a common plan of finance for the same Bond financing, JEA may demonstrate compliance with the savings requirements set forth in clause (e) above by calculating such savings either on an aggregate basis (e.g., each Series of 2017/8 Series X Subordinated Bonds issued on the same day as part of the same Bond financing are combined into one Series and compliance with the savings criteria is measured using the combined Series) or on a Series by Series basis (e.g., each individual Series that is issued as part of the same Bond financing must satisfy the savings criteria independently of any other Series issued on the same day).

The 2017/8 Series X Subordinated Bonds of each Series shall bear interest from the Delivery Date therefor or, if one or more payments of interest on such 2017/8 Series X Subordinated Bonds has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has then been paid or duly provided for.

SECTION 204. Minimum Denomination, Dates, Numbers and Letters. The 2017/8 Series X Subordinated Bonds shall be issued in fully registered form in the denominations of \$5,000 or any integral multiple of \$5,000. The 2017/8 Series X Subordinated Bonds shall be dated the Delivery Date thereof. Unless an Authorized Officer of JEA shall otherwise direct, the 2017/8 Series X Subordinated Bonds shall be numbered, from one upward, preceded by the letter “R” prefixed to the number.

SECTION 205. Place of Payment; Appointment of Paying Agent and Subordinated Bond Registrar. Except as provided in paragraph 5 of Section 3.09 of the Subordinated Resolution and paragraph 3 of Section 206 hereof, the principal and Redemption Price of the 2017/8 Series X Subordinated Bonds shall be payable at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (or such other city as may be designated by such bank), as Subordinated Bond Registrar and Paying Agent for the 2017/8 Series X Subordinated Bonds. The principal and Redemption Price of the 2017/8 Series X Subordinated Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Subordinated Resolution. Except as provided in paragraph 3 of Section 206 hereof, the interest on the 2017/8 Series X Subordinated Bonds shall be payable by check or draft of U.S. Bank National Association, as Paying Agent, mailed to the persons entitled thereto at the addresses of such persons shown on the registration books of JEA kept for that purpose at the office of U.S. Bank National Association, and such institution is hereby appointed Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds.

SECTION 206. Designation of the 2017/8 Series X Subordinated Bonds as Book Entry Subordinated Bonds; Appointment of Securities Depository for the 2017/8 Series X Subordinated Bonds. 1. Except as provided in paragraph 4 below, the 2017/8 Series X Subordinated Bonds are hereby authorized to be and shall be issued as Book Entry Subordinated Bonds within the meaning of and subject to Section 3.09 of the Subordinated Resolution.

2. DTC is hereby appointed as the initial Securities Depository for the 2017/8 Series X Subordinated Bonds.

3. The 2017/8 Series X Subordinated Bonds of each Series shall be initially issued in the form of a separate single, fully registered Bond in the amount of each such separate stated maturity (and, if applicable, each interest rate within a maturity) of the 2017/8 Series X Subordinated Bonds of such Series. Upon initial issuance, the ownership of each such 2017/8 Series X Subordinated Bond of a particular Series shall be registered in the registry books of JEA kept by the Subordinated Bond Registrar in the name of Cede & Co. (“Cede”), as nominee of DTC. So long as DTC serves as Securities Depository for the 2017/8 Series X Subordinated Bonds, the registered holder of all 2017/8 Series X Subordinated Bonds of such Series shall be, and each of the 2017/8 Series X Subordinated Bonds of such Series shall be registered in the name of, Cede, as nominee of DTC. Upon delivery by DTC to JEA or the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds of such Series of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Subordinated Resolution, the word “Cede” in this Fifty-Fifth Supplemental Subordinated Resolution shall refer to such new nominee of DTC. So long as any 2017/8 Series X Subordinated Bond of a particular Series is registered in the name of Cede, as nominee of DTC in its capacity as Securities Depository for the 2017/8 Series X Subordinated Bonds of such Series, all payments with respect to the principal or Redemption Price of, and interest on, such 2017/8 Series X Subordinated Bond and all notices with respect to such 2017/8 Series X Subordinated Bond shall be made or given, as the case may be, to DTC as provided in DTC’s Operational Arrangements (as defined in the Letter of Representations); *provided, however,* that if a substitute securities depository shall be appointed, all payments with respect to the principal or Redemption Price of, and interest on, the 2017/8 Series X Subordinated Bonds of such Series and all notices with respect to the 2017/8 Series X Subordinated Bonds of such Series shall be made and given, respectively, to such substitute securities depository (or any nominee thereof) as provided in the procedures of such substitute securities depository.

4. (a) DTC may determine to discontinue providing its services as Securities Depository for the 2017/8 Series X Subordinated Bonds at any time by giving reasonable notice thereof to JEA or the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds of such Series. Upon the discontinuance of the services of DTC as Securities Depository for the 2017/8 Series X Subordinated Bonds of such Series pursuant to the first sentence of this paragraph, JEA may within 90 days thereafter appoint a substitute securities depository which, in the opinion of JEA, is willing and able to undertake the functions of Securities Depository under the Subordinated Resolution upon reasonable and customary terms. In such event, and subject to the transfer provisions of the Subordinated Resolution, the word “DTC” in this Fifty-Fifth Supplemental Subordinated Resolution shall refer to such substitute securities depository and the word “Cede” in this Fifty-Fifth Supplemental Subordinated Resolution shall refer to the nominee, if any, of such substitute securities depository (or, if there shall be no such nominee, then the word “Cede” in this Fifty-Fifth Supplemental Subordinated Resolution shall refer to such substitute securities depository). If no such successor can be found within such period, the 2017/8 Series X Subordinated Bonds of such Series no longer shall be restricted to being registered in the registration books kept by the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds in the name of a Securities Depository.

(b) In the event that the 2017/8 Series X Subordinated Bonds of a particular Series no longer shall be restricted to being registered in the registration books kept by the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds of such Series in the name of a Securities Depository as provided in subparagraph (a) of this paragraph 4, (i) JEA shall execute and the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds of such Series shall authenticate and deliver, upon presentation and surrender of the 2017/8 Series X Subordinated Bonds of such Series, Bond certificates as requested by the Securities Depository therefor of like Series, aggregate principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial ownership interests in the 2017/8 Series X Subordinated Bonds of such Series and (ii) such Subordinated Bond Registrar shall notify the Paying Agents for the 2017/8 Series X Subordinated Bonds of such Series that the 2017/8 Series X Subordinated Bonds of such Series no longer are restricted to being registered in the registration books kept by such Subordinated Bond Registrar in the name of a Securities Depository.

SECTION 207. Redemption Provisions. 1. If the Managing Director/CEO determines that the 2017/8 Series X Subordinated Bonds of a particular Series maturing on a particular date and bearing interest at a particular rate shall be subject to redemption prior to maturity as provided in Article IV of the Subordinated Resolution by operation of the Subordinated Bond Fund from mandatory Sinking Fund Installments, such determination to be set forth in the certificate referred to in Section 203 hereof, then the 2017/8 Series X Subordinated Bonds of such Series maturing on such date and bearing interest at such rate shall be subject to redemption prior to maturity as provided in Article IV of the Subordinated Resolution, on the respective dates and in the respective amounts set forth in such certificate, in each such case, at a Redemption Price equal to 100 percent of the principal amount thereof, together with accrued interest to the redemption date.

2. If the Managing Director/CEO determines that the 2017/8 Series X Subordinated Bonds of a particular Series maturing on a particular date and bearing interest at a particular rate shall be subject to optional redemption, such 2017/8 Series X Subordinated Bonds shall be subject to redemption prior to maturity at the election of JEA, as a whole or in part, at any time on and after the initial date on which such 2017/8 Series X Subordinated Bonds may be so redeemed set forth in the certificate referred to in Section 203 hereof relating to the 2017/8 Series X Subordinated Bonds of such Series, at the respective Redemption Prices set forth in such certificate, in each case, together with accrued interest to the redemption date.

SECTION 208. Application of Proceeds of 2017/8 Series X Subordinated Bonds. In accordance with Article II of the Subordinated Resolution, the proceeds of the 2017/8 Series X Subordinated Bonds of a particular Series shall be applied simultaneously with the delivery of such Series of the 2017/8 Series X Subordinated Bonds as follows:

(a) if applicable, there shall be delivered to the Escrow Agent, simultaneously with the delivery of the 2017/8 Series X Subordinated Bonds of such Series, for deposit in the Escrow Account (the "Escrow Account") to be created under the Escrow Deposit Agreement executed in connection with the issuance of the 2017/8 Series X Subordinated Bonds of such Series, if any, an amount determined by an Authorized Officer of JEA as being equal to the amount necessary, when combined with the moneys, if any, transferred

to the Escrow Account as provided in Section 209 hereof, to either (i) purchase such securities as are permitted by Section 9.01 of the Subordinated Resolution, the principal of and interest to be received on which, together with any initial cash balance, will provide moneys which will be sufficient to, or (ii) to be held uninvested to, pay when due the Redemption Price of the Refunded Subordinated Bonds being refunded thereby on the respective dates such Refunded Subordinated Bonds are to be called for redemption or mature and the interest to become due on such Refunded Subordinated Bonds on and prior to such respective redemption or maturity date;

(b) there shall be paid to the counterparties in the Subordinated Interest Rate Swap Transactions to be terminated or partially terminated with the issuance of such Series of 2017/8 Series X Subordinated Bonds, if any, with respect to the termination or partial termination of such Subordinated Interest Rate Swap Transactions as determined by the Managing Director/CEO pursuant to Section 203(j) hereof; and

(c) all proceeds remaining after application as provided in subsections (a) and (b) hereof shall be deposited into the Subordinated Bond Construction Fund or a separate subaccount thereof simultaneously with the delivery of the 2017/8 Series X Subordinated Bonds of such Series and applied to pay, together with any funds transferred pursuant to Section 209, if applicable, the principal of and interest on the Refunded Subordinated Bonds being refunded thereby on the respective redemption or maturity dates therefor if an Escrow Account is not funded pursuant to (a) above and to pay costs of issuance of the 2017/8 Series X Subordinated Bonds of such Series.

SECTION 209. Transfer of Certain Amounts. In accordance with Section 5.05(6) of the Subordinated Resolution, simultaneously with the delivery of the 2017/8 Series X Subordinated Bonds of a particular Series, there shall be transferred from the Subordinated Bond Fund to the Escrow Agent, for deposit in the Escrow Account, or, if no such Escrow Account is established, to the Subordinated Bond Construction Fund or a separate subaccount thereof, monies in an amount determined by an Authorized Officer of JEA as being not greater than the amount accumulated therein with respect to the Refunded Subordinated Bonds to be refunded through the issuance of such 2017/8 Series X Subordinated Bonds. Such withdrawal shall, however, not be made unless immediately thereafter (a) such Refunded Subordinated Bonds are deemed to have been paid pursuant to the Subordinated Resolution and (b) the amount remaining in the Subordinated Bond Fund, after giving effect to the issuance of the 2017/8 Series X Subordinated Bonds and the refunding of the Refunded Subordinated Bonds of such Series being refunded thereby, shall not be less than the amount required to be maintained therein.

SECTION 210. Tax Covenants. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2017/8 Series X Subordinated Bonds under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of any Series of 2017/8 Series X

Subordinated Bonds concerning certain matters pertaining to the use of proceeds of the 2017/8 Series X Subordinated Bonds of such Series, including any and all exhibits attached thereto (the "Tax Certificate"). This covenant shall survive payment in full or defeasance of the 2017/8 Series X Subordinated Bonds of such Series.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017/8 Series X Subordinated Bonds of a particular, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Subordinated Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the 2017/8 Series X Subordinated Bonds of a particular Series, the Holders of the 2017/8 Series X Subordinated Bonds of such Series shall be entitled to the rights and remedies provided to Holders of Subordinated Bonds under the Subordinated Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all 2017/8 Series X Subordinated Bonds of such Series then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of any Subordinated Bonds other than the 2017/8 Series X Subordinated Bonds of such Series shall not be entitled to exercise any right or remedy provided to Holders of Subordinated Bonds under the Subordinated Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the 2017/8 Series X Subordinated Bonds of such Series.

SECTION 211. Redemption of Refunded Subordinated Bonds. 1. In the case of any Refunded Subordinated Bonds to be refunded by a particular Series of the 2017/8 Series X Subordinated Bonds that are to be redeemed prior to maturity, such Refunded Subordinated Bonds are hereby designated for redemption and the Escrow Agent (if any) or the respective Paying Agents therefor, as applicable, are hereby directed to redeem such Refunded Subordinated Bonds on the respective dates determined by the Managing Director/CEO pursuant to clause (c) of the second paragraph of Section 203 hereof and at a Redemption Price equal to the principal amount of the Subordinated Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

2. The designation for redemption set forth in the foregoing paragraph 1, and the direction to the Escrow Agent (if any) or the respective Paying Agents for the Refunded Subordinated Bonds, as applicable, set forth therein, shall be, and hereby are declared to be, irrevocable upon the original issuance of the 2017/8 Series X Subordinated Bonds of such Series; *provided*, that notice of such redemption as provided in 3 below shall be revocable and conditioned upon the issuance of the 2017/8 Series X Subordinated Bonds of such Series.

3. In order to effectuate such designation, on or prior to the applicable Delivery Date, an Authorized Officer of JEA shall give the Escrow Agent or the Subordinated Bond Registrar, as applicable, for any Refunded Subordinated Bonds to be redeemed prior to maturity instructions to mail, postage prepaid, not less than 30 days (or such lesser number of days as is permitted pursuant to the applicable supplemental resolution(s) for the Refunded Subordinated Bonds) prior to the redemption date therefor, to all registered owners of such Refunded Subordinated Bonds at their last addresses appearing on the registry books of JEA kept by the Subordinated Bond Registrar therefor, a notice of redemption in substantially the following form:

REVOCABLE NOTICE OF [PARTIAL] REDEMPTION

JEA
[VARIABLE RATE] ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS,
_____ SERIES _____

Notice is hereby given to the holders of the outstanding JEA [Variable Rate] Electric System Subordinated Revenue Bonds, _____ Series _____ described below (the "Bonds") that the Bonds have been called for redemption prior to maturity on _____, 20__ in accordance with their terms at a redemption price of 100 percent of the principal amount thereof, together with accrued interest thereon to _____, 20__.

<u>Series</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>CUSIP</u>
_____ Series _____		_____ %	\$ _____	

THIS CALL FOR REDEMPTION IS REVOCABLE AND IS CONDITIONED UPON THE ISSUANCE BY JEA OF ITS REFUNDING BONDS FOR THE PURPOSE OF FINANCING THE REFUNDING OF THE BONDS ON OR PRIOR TO _____, 20__. In the event that such refunding bonds are not issued on or prior to _____, 20__, this notice shall be of no further force or effect and the Bonds shall continue to bear interest until paid at the same rates they would have borne had this notice not been given. If JEA's refunding bonds are not issued on or prior to _____, 20__, the undersigned, on behalf of JEA, shall give notice forthwith of such fact to the holders of the Bonds, and this notice shall thereupon be revoked and shall be of no further force and effect.

Subject to the foregoing, the redemption price of and accrued interest on the Bonds shall become due and payable on _____, 20__ and from and after _____, 20__ interest on the Bonds shall cease to accrue and be payable.

Holders of the Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of **[insert name of current Paying Agent]**.

Dated this ___ day of _____, 20__.

JEA

By: _____,
as [Escrow Agent/Subordinated Bond Registrar]

ARTICLE III
FORM OF 2017/8 SERIES X SUBORDINATED BONDS

The form of the 2017/8 Series X Subordinated Bonds and the Subordinated Bond Registrar's certificate of authentication shall be of substantially the following tenor, with such variations, omissions and insertions as are required or permitted by the Subordinated Resolution:

[FORM OF 2017/8 SERIES X SUBORDINATED BONDS]

At such times as the 2017/8 Series X Subordinated Bonds of a particular Series are restricted to being registered in the registration books kept by the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds in the name of DTC (or a successor Securities Depository), each 2017/8 Series X Subordinated Bond of such Series shall contain or have endorsed thereon the following legend:

AS PROVIDED IN THE SUBORDINATED RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE SUBORDINATED RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE SUBORDINATED RESOLUTION TO THE CONTRARY, (A) THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF AND (B) A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE SUBORDINATED RESOLUTION.

In addition, so long as DTC shall serve as Securities Depository for the 2017/8 Series X Subordinated Bonds of a particular Series, each 2017/8 Series X Subordinated Bond of such Series shall contain or have endorsed thereon the following legend, which legend JEA hereby determines to be necessary or desirable:

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE SUBORDINATED BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY 'TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
 STATE OF FLORIDA
 CITY OF JACKSONVILLE

JEA
 ELECTRIC SYSTEM SUBORDINATED REVENUE BOND,
 2017/8 SERIES X

R-____ \$_____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
_____%	October 1, ____	_____, 20__	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

JEA, a body politic and corporate and an independent agency of the City of Jacksonville, Florida (the "City"), organized and existing under and by virtue of the laws of the State of Florida, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner (stated above) or registered assigns, on the Maturity Date (stated above), but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (such bank and any successors thereto being referred to herein as the "Paying Agent"), the Principal Amount (stated above) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay, but solely from the funds pledged therefor, interest on such Principal Amount in like coin or currency from the Original Issue Date (stated above), or, if one or more payments of interest has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has been paid or duly provided for, payable on the first days of April and October in each year commencing on [April 1] [October 1], 20__ or, if the date of this bond is after [April 1] [October 1], commencing with the first April 1 or October 1 after the date of this bond, at a rate per annum equal to the Interest Rate (stated above), until JEA's obligation with respect to the payment of such Principal Amount shall be discharged; *provided, however*, that so long as this

bond shall be restricted to being registered in the registration books of JEA in the name of the Securities Depository (as defined in the Subordinated Resolution hereinafter referred to) for this bond, the provisions of the Subordinated Resolution governing Book Entry Subordinated Bonds (as defined in the Subordinated Resolution) shall govern the manner of payment of the principal or redemption price of, and interest on, this bond. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Subordinated Resolution, be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day of the calendar month next preceding such interest payment date, such payment to be made by check or draft of the Paying Agent mailed to such person at the address shown on the registration books of JEA kept for that purpose at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida, or its successor, as Subordinated Bond Registrar for the bonds of the series of which this bond is one. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the person in whose name this bond is registered on the Regular Record Date, and shall be paid, in the manner described above, to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by such Subordinated Bond Registrar, notice whereof shall be given to holders of bonds of the series of which this bond is one not less than 10 days prior to such Special Record Date.

This bond is one of a duly authorized series of bonds of JEA designated as its “Electric System Subordinated Revenue Bonds, 2017/8 Series X” (herein sometimes called the “2017/8 Series X Subordinated Bonds”), in the aggregate principal amount of \$_____, issued pursuant to Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended (herein called the “Act”) and under and pursuant to a resolution of JEA adopted on August 16, 1988, as amended, restated and supplemented, including (a) as amended and restated by a resolution of JEA adopted on January 18, 2000 and (b) as supplemented by Resolution No. 2016-22 of JEA entitled “Fifty-Fifth Supplemental Subordinated Electric System Resolution,” adopted on December 20, 2016 authorizing the 2017/8 Series X Subordinated Bonds (the “Fifty-Fifth Supplemental Subordinated Resolution”; said resolution as amended, restated and supplemented, being herein called the “Subordinated Resolution”). As provided in the Subordinated Resolution, bonds, notes or other evidences of indebtedness of JEA may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Subordinated Resolution provided. All such bonds, notes or other evidences of indebtedness issued pursuant to the Subordinated Resolution are referred to herein as the “Subordinated Bonds.”

As provided in the Subordinated Resolution, the Subordinated Bonds are special obligations of JEA payable solely from and secured as to payment of the principal of, premium, if any, and interest thereon, in accordance with their terms and the provisions of the Subordinated Resolution and are secured equally and ratably by a lien upon and a pledge of (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution (as defined in the Subordinated Resolution) as may from time to time be available therefor, including the investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Resolution, including the investments, if any, thereof, subject

only to the provisions of the Electric System Resolution and the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Electric System Resolution and the Subordinated Resolution; *provided, however*, that such pledge (other than with respect to amounts on deposit in the Subordinated Bond Construction Fund established pursuant to the Subordinated Resolution) shall be junior and subordinate in all respects to the Electric System Bonds (as defined in the Subordinated Resolution) as to lien on and source and security for payment from the Revenues (as defined in the Subordinated Resolution). This bond and the series of which it is one constitute Subordinated Bonds for all purposes of the Subordinated Resolution, and are payable from and secured, on a parity with the Subordinated Bonds heretofore issued by JEA, by a pledge of the amounts described in clauses (i) and (ii) above. In accordance with the provisions of the Subordinated Resolution, JEA reserves the right to issue additional Subordinated Bonds payable from and secured, on a parity with the 2017/8 Series X Subordinated Bonds, by a pledge of the amounts described in clauses (i) and (ii) above. Copies of the Subordinated Resolution are on file at the office of JEA and at the principal corporate trust office of the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds, and reference to the Subordinated Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the security interest, pledge and covenants securing the Subordinated Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Subordinated Bonds with respect thereto and for the other terms and provisions thereof.

This bond and the issue of which it is one do not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as provided in the Subordinated Resolution and it is expressly agreed by the owner of this bond that such owner shall never have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this bond or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Subordinated Resolution.

To the extent and in the manner permitted by the terms of the Subordinated Resolution, the provisions of the Subordinated Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by JEA, with the written consent of the holders of not less than a majority in principal amount of the Subordinated Bonds affected by such modification or amendment then outstanding under the Subordinated Resolution, and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of the holders of not less than a majority in principal amount of the Subordinated Bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; *provided, however*, that, if such modification or amendment will, by its terms, not take effect so long as any Subordinated Bonds of any specified like series and maturity remain outstanding under the Subordinated Resolution, the consent of the holders of such Subordinated Bonds shall not be required and such Subordinated Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Subordinated Bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Subordinated Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon

without the consent of the holder of such Subordinated Bond, or shall reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary (as defined in the Subordinated Resolution) without its written assent thereto.

The Subordinated Resolution also contains provisions permitting JEA, without the necessity for the consent of the holder of any Subordinated Bond, to modify or amend the Subordinated Resolution to cure ambiguities or defects in the Subordinated Resolution, to clarify the provisions of the Subordinated Resolution or to make any other modification or amendment which will not have a material adverse effect on the interests of Holders of the Subordinated Bonds, determined as provided in the Subordinated Resolution.

This bond is transferable, as provided in the Subordinated Resolution, only upon the books of JEA kept for that purpose at the above-mentioned office of the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds, by the Registered Owner hereof in person, or by its duly authorized attorney, upon surrender of this bond together with a written instrument of transfer satisfactory to such Subordinated Bond Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new fully registered bond or bonds, without coupons, and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Subordinated Resolution, and upon payment of the charges therein prescribed. JEA and each Fiduciary may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 2017/8 Series X Subordinated Bonds are issuable in the form of fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple of \$5,000.

[redemption provisions to be inserted here]

If less than all of the 2017/8 Series X Subordinated Bonds of like maturity (and, if applicable, interest rate within a maturity) are to be redeemed, the particular 2017/8 Series X Subordinated Bonds to be redeemed shall be selected in such manner as JEA in its discretion may deem fair and appropriate.

The 2017/8 Series X Subordinated Bonds are payable upon redemption at the above-mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be given by first class mail, postage prepaid, to the registered owners of the 2017/8 Series X Subordinated Bonds to be redeemed sent not less than 30 days before the redemption date, but failure of the owner of any 2017/8 Series X Subordinated Bond which is to be redeemed to receive any such notice by mail will not affect the validity of the proceedings for the redemption of 2017/8 Series X Subordinated Bonds. If notice of redemption shall have been given as aforesaid, on the redemption date so designated, (a) unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof and (b) if there shall be sufficient moneys available therefor, then the 2017/8 Series X Subordinated Bonds or portions thereof specified in said notice shall become due and payable on such redemption date, and if, on

the redemption date, moneys for the redemption of all the 2017/8 Series X Subordinated Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such 2017/8 Series X Subordinated Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

This bond shall be payable, as to principal or redemption price hereof, and interest hereon, solely from the Revenues and other funds of JEA as provided in the Subordinated Resolution. No member, officer, agent or employee of JEA shall be individually or personally liable for the payment of the principal or redemption price of or interest on this bond.

It is hereby certified and recited that all conditions, acts and things required by law and the Subordinated Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the 2017/8 Series X Subordinated Bonds, together with all other indebtedness of JEA, comply in all respects with the applicable laws of the State of Florida including, particularly, the Act.

This bond shall not be entitled to any benefit under the Subordinated Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds of the Subordinated Bond Registrar's Certificate of Authentication hereon.

IN WITNESS WHEREOF, JEA has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair or its Vice Chair, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary.

JEA

(SEAL)

By: _____
Chair or Vice-Chair

ATTESTED:

Secretary or Assistant Secretary

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common	UNIF GIF MIN ACT _____ (Cust.)
TEN ENT	-	as tenants by the entireties	Custodian for _____ (Minor)
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act of _____ (State)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

the within bond and does hereby irrevocably constitute and appoint the Subordinated Bond Registrar as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: This signature to this assignment must correspond with the name of the registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

[FORM OF
SUBORDINATED BOND REGISTRAR'S
CERTIFICATE OF AUTHENTICATION]

**SUBORDINATED BOND REGISTRAR'S
CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Subordinated Bonds described in the within-mentioned Subordinated Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Subordinated Bond Registrar

By: _____
Authorized Signatory

Date of Authentication: _____, 20____

[Remainder of page intentionally left blank]

**ARTICLE IV
MISCELLANEOUS**

SECTION 401. Authorization and Approval of the Negotiated Sale of the 2017/8 Series X Subordinated Bonds and Execution and Delivery of the Bond Purchase Agreement; Delegation of Authority to Determine Certain Matters in Connection Therewith. The terms and conditions of the bond purchase agreement(s) between JEA and the Underwriters, providing for the negotiated sale and purchase of the 2017/8 Series X Subordinated Bonds of a particular Series, in substantially the form attached to Resolution No. 2016-21 as Exhibit A (the “Bond Purchase Agreement”), are hereby approved. At such time or times as the Managing Director/CEO of JEA shall determine is advantageous to JEA, such officer shall execute and deliver the Bond Purchase Agreement(s) (with such changes as are necessary to reflect, among other things, the terms of the 2017/8 Series X Subordinated Bonds of a particular Series, such determination to be evidenced by the execution and delivery thereof); *provided, however*, that at or prior to the time of the execution and delivery of the Bond Purchase Agreement, JEA shall have received from the senior managing underwriter the disclosure statement required pursuant to Section 218.385(6), Florida Statutes. The purchase price of the 2017/8 Series X Subordinated Bonds of a particular Series to be paid by the Underwriters pursuant to the Bond Purchase Agreement shall be determined as provided in Section 203 hereof, subject to the limitations set forth therein.

SECTION 402. Appointment of Subordinated Bond Registrar and Paying Agent. U.S. Bank National Association is hereby appointed as Subordinated Bond Registrar and Paying Agent for the 2017/8 Series X Subordinated Bonds.

SECTION 403. Authorization of Authentication. In the event that the Managing Director/CEO shall determine that it is desirable to sell and issue 2017/8 Series X Subordinated Bonds, as provided herein, U.S. Bank National Association, as Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds, is hereby requested and authorized to authenticate and deliver such 2017/8 Series X Subordinated Bonds in the aggregate principal amount determined as provided in Section 203 hereof, to or upon the order of the Underwriters, upon payment to JEA of the sum to be specified in the Subordinated Bond Purchase Agreement.

SECTION 404. Appointment of the Escrow Agent and Authorization and Approval of the Escrow Deposit Agreement; Authorization to Purchase SLGS and Other Investments. The Managing Director/CEO is hereby authorized to appoint U.S. Bank National Association, The Bank of New York Mellon Trust Company, N.A. or any other bank or trust company selected pursuant to JEA’s purchasing code to act as Escrow Agent under the Escrow Deposit Agreement. The Escrow Deposit Agreement is hereby approved in substantially the form attached hereto as Exhibit A. The Escrow Deposit Agreement may be executed and delivered as provided in Section 409 hereof. Pursuant to the Escrow Deposit Agreement, the Escrow Agent may be directed to invest the funds held thereunder in the manner provided therein.

In connection with the refunding of the Refunded Subordinated Bonds as provided herein, each Authorized Officer of JEA is hereby authorized, if deemed desirable, to cause proceeds of the 2017/8 Series X Subordinated Bonds and other available amounts, and earnings

thereon, to be invested in United States Treasury Securities - State and Local Government Series (“SLGS”) or other obligations permitted to be used to accomplish the defeasance of such Refunded Subordinated Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as any Authorized Officer of JEA shall determine is necessary or desirable; and each such Authorized Officer of JEA and, upon receipt of instructions from an Authorized Officer of JEA, any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of JEA to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

SECTION 405. Approval of the Form and Use of Preliminary Official Statement and Official Statement. The form and use of a preliminary official statement for each Series of the 2017/8 Series X Subordinated Bonds, in substantially the form attached to Resolution No. 2016-21 as Exhibit B (the “Draft Preliminary Official Statement”), is hereby authorized and approved in connection with the offering and sale of the 2017/8 Series X Subordinated Bonds of each Series.

In the event that the Managing Director/CEO shall determine that it is desirable to issue and sell the 2017/8 Series X Subordinated Bonds of one or more Series as provided herein, the Managing Director/CEO is hereby authorized and directed to cause to be prepared a Preliminary Official Statement with respect to such bonds in substantially the form of the Draft Preliminary Official Statement and with such changes thereto as are necessary so that such Preliminary Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and, in such case, to cause such Preliminary Official Statement to be used in connection with the offering and sale of the 2017/8 Series X Subordinated Bonds of such Series and, if applicable, the Treasurer of JEA is hereby authorized to deem said Preliminary Official Statement final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. In the event that the Managing Director/CEO shall cause to be prepared a Preliminary Official Statement for such 2017/8 Series X Subordinated Bonds as aforesaid, an Official Statement relating to the 2017/8 Series X Subordinated Bonds, in substantially the form of said Preliminary Official Statement, with such changes thereto as are necessary (a) to reflect the terms of the 2017/8 Series X Subordinated Bonds of such Series and (b) so that such Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of the 2017/8 Series X Subordinated Bonds. In such event, such Official Statement shall be executed as provided in Section 409 hereof.

SECTION 406. Approval With Respect to Registration or Qualification of the Authorized Bonds Under the Blue Sky or Securities Laws of Various States. The Authorized Officers of JEA shall be, and hereby are, authorized in the name and on behalf of JEA, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2017/8 Series X Subordinated Bonds of a Series for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states

of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 407. Continuing Disclosure. For the benefit of holders and beneficial owners from time to time of the 2017/8 Series X Subordinated Bonds of each Series, JEA agrees, as an obligated person with respect to the 2017/8 Series X Subordinated Bonds of such Series under Rule 15c2-12, to provide or cause to be provided such financial information and operating data, audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5) of Rule 15c2-12. In order to describe and specify certain terms of JEA's continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Authorized Officers of JEA are, and each of them hereby is, authorized and directed to sign and deliver, in the name and on behalf of JEA, a Continuing Disclosure Agreement with respect to the 2017/8 Series X Subordinated Bonds of a particular Series substantially in the form of Appendix D to the Draft Preliminary Official Statement, with any changes or amendments that are not inconsistent with this Fifty-Fifth Supplemental Subordinated Resolution and not substantially adverse to JEA and that are approved by the Authorized Officer of JEA executing the same on behalf of JEA, all of which shall be conclusively evidenced by the signing of that agreement or amendments to it. The agreement formed, collectively, by this paragraph and that agreement, shall be JEA's continuing disclosure agreement with respect to the 2017/8 Series X Subordinated Bonds of such Series for purposes of Rule 15c2-12, and its performance shall be subject to the annual appropriation of any funds that may be necessary to perform it.

The Authorized Officers of JEA are, and each of them hereby is, further authorized and directed to take such actions as shall be necessary to comply with each such continuing disclosure agreement, including timely provision of information and notices. Prior to making any filing in accordance with any such agreement or providing notice of the occurrence of any other events, any such officer of JEA shall consult with and obtain legal advice from, as appropriate, the Office of the General Counsel and bond or other qualified independent special counsel selected by JEA. Any such officer of JEA, acting in the name and on behalf of JEA, shall be entitled to rely upon any such legal advice in determining whether a filing should be made.

SECTION 408. Representations and Covenants Regarding the Pledge of the Subordinated Resolution. JEA represents that, pursuant to the Act, the Subordinated Resolution creates a valid and binding lien on (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, including the investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Resolution, including the investments, if any, thereof (collectively, the "Subordinate Lien Pledged Assets"), in each such case, except as described below, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the Electric System Resolution and the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, for the

benefit of the Holders of the Subordinated Bonds, including the 2017/8 Series X Subordinated Bonds, as security for the payment of the Subordinated Bonds, including the 2017/8 Series X Subordinated Bonds, to the extent set forth therein, enforceable in accordance with the terms thereof; *provided, however*, that such pledge (other than with respect to amounts on deposit in the Subordinated Bond Construction Fund) is junior and subordinate in all respects to the Electric System Bonds as to lien on and source and security for payment from the Revenues.

Except for the pledge and lien created by the Electric System Resolution in favor of the holders of the Electric System Bonds, JEA has not heretofore made or granted a pledge or assignment of, lien on or security interest in the Subordinate Lien Pledged Assets that ranks on a parity with or prior to the lien and pledge made or granted in the Subordinated Resolution. JEA shall not hereafter make or grant a pledge or assignment of, lien on or security interest in such Subordinate Lien Pledged Assets that ranks prior to or on a parity with the lien and pledge made or granted in the Subordinated Resolution, except as expressly permitted thereby.

SECTION 409. Authorization of the Execution and Delivery of 2017/8 Series X Subordinated Bonds and Related Documents. The Authorized Officers of JEA are hereby authorized to execute the 2017/8 Series X Subordinated Bonds of each Series, the Bond Purchase Agreement, the Escrow Deposit Agreement, if any, the Continuing Disclosure Agreement and the Official Statement, each subject to completion thereof, and with such changes therein as they may approve as necessary and desirable and in the best interest of JEA, such approval to be evidenced by the execution and delivery thereof; *provided, however*, that the 2017/8 Series X Subordinated Bonds shall be executed and delivered pursuant to the Subordinated Resolution and applicable law. The Secretary or an Assistant Secretary of JEA is hereby authorized (but not required) to cause the seal of JEA to be affixed to the 2017/8 Series X Subordinated Bonds and the foregoing documents and to attest the same. Such Authorized Officers of JEA are each hereby authorized to deliver such 2017/8 Series X Subordinated Bonds and documents on behalf of JEA.

SECTION 410. Authorization of Execution and Delivery of Documents Related to Termination of Interest Rate Swap Transactions. The Authorized Officers of JEA are hereby authorized to execute and deliver such documents as the Managing Director/CEO shall determine to be necessary or appropriate and commercially reasonable (as confirmed by JEA's Financial Advisor) in connection with the termination, or partial termination, of the Interest Rate Swap Transactions, including, without limitation Termination Agreements, amended Confirmations, documents to enable the counterparties to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder. Such Authorized Officers of JEA are each hereby authorized to deliver such documents on behalf of JEA.

SECTION 411. Further Actions. Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all administrative acts and things as may be necessary or desirable in connection with: the approval, execution and delivery of the Bond Purchase Agreement, the Escrow Deposit Agreement, if any, and the Continuing Disclosure Agreement; and the carrying out of their terms and the terms of the Electric System Resolution, the Subordinated Resolution and this Fifty-Fifth Supplemental Resolution; the issuance, sale,

execution and delivery of the 2017/8 Series X Subordinated Bonds, the refunding and redemption of the Refunded Subordinated Bonds and the termination or partial termination of the Subordinated Interest Rate Swap Transactions; and the use of the Preliminary Official Statement and the Official Statement. Without limiting the generality of the foregoing, the Managing Director/CEO is hereby authorized to execute the certificates referred to in Section 203 hereof. In the absence of the Managing Director/CEO for any reason, the authority granted to him in this resolution is hereby delegated to the Vice President and General Manager, Electric Systems, the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

SECTION 412. Remaining Authorization Under Resolution No. 2014-08 Superseded. The remaining authorization to issue additional debt under Resolution No. 2014-08 adopted by JEA on December 16, 2014 is hereby superseded by this Resolution and repealed. The foregoing shall not affect in any manner the authorization of debt previously issued pursuant to Resolution No. 2014-08.

SECTION 413. Severability. If any one or more of the covenants, agreements or provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

[Remainder of page intentionally left blank]

SECTION 414. Effective Date. This Fifty-Fifth Supplemental Subordinated Resolution shall take effect immediately upon its adoption.

ADOPTED THIS 20TH DAY OF DECEMBER, 2016.



JEA

By: _____
Name:
Title:

ATTEST:

Secretary

Approved as to Form:

By: _____
Office of General Counsel

EXHIBIT A

FORM OF ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

relating to

**JEA
ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS,
2017/8 SERIES X**

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 20__ by and between JEA, a public body corporate and politic organized under the laws of the State of Florida and _____, as Escrow Agent;

WITNESSETH:

WHEREAS, JEA has previously authorized and issued obligations of JEA as hereinafter set forth and defined as the “Refunded Obligations,” as to which the Aggregate Debt Service (as hereinafter defined) is set forth on Schedule A attached hereto; and

WHEREAS, JEA has determined to provide for refunding of the Aggregate Debt Service of the Refunded Obligations by depositing with the Escrow Agent cash, which will be sufficient to pay the Aggregate Debt Service on the Refunded Obligations; and

WHEREAS, in order to obtain a portion of the funds needed for such purpose JEA has authorized and is, concurrently with the delivery of this Agreement, issuing its Electric System Subordinated Revenue Bonds, 2017/8 Series X; and

WHEREAS, JEA has determined that the amount to be on deposit, from time to time, in the Escrow Account, as defined herein, will be sufficient to pay the Aggregate Debt Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, JEA and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

(a) “Aggregate Debt Service” means the sum of all present and future Annual Debt Service payments then remaining unpaid with respect to the Refunded Obligations through the Redemption Date, as set forth on Schedule A attached hereto.

(b) “Agreement” means this Escrow Deposit Agreement.

(c) "Annual Debt Service" means, in any year, the redemption price of, and interest on, the Refunded Obligations coming due or being redeemed on the respective Redemption Date, as set forth on Schedule A attached hereto.

(d) "Defeasance Securities" has the meaning ascribed to such term in the Resolution.

(e) "Escrow Account" means the Escrow Account identified in Section 2 herein and established and held by the Escrow Agent pursuant to this Agreement in which a portion of the proceeds from the sale of the Bonds and certain other funds will be held for payment of the Refunded Obligations.

(f) "Escrow Agent" means _____ with the power to accept trusts in the State of Florida.

(g) "Escrow Deposit Requirement" means, as of any date of calculation, the principal amount of cash and any Defeasance Securities in the Escrow Account which will be sufficient to pay, as the installments thereof become due, the Aggregate Debt Service.

(h) "Paying Agent" means _____ in its capacity as the paying agent for the Refunded Obligations.

(i) "Redemption Date" means the redemption date for the Refunded Obligations, as set forth in Schedule B hereto.

(j) "Refunded Obligations" means the Electric System Subordinated Revenue Bonds listed in Schedule B hereto.

(k) "Resolution" means the resolution duly adopted by JEA on August 16, 1988, as amended, restated and supplemented, and particularly as supplemented by resolutions adopted by JEA authorizing the issuance of the Refunded Obligations.

(l) "2017/8 Subordinated Bonds" means the Electric System Subordinated Revenue Bonds, 2017/8 Series X of JEA.

SECTION 2. Deposit of Funds. With respect to the Refunded Obligations, JEA hereby deposits \$_____ with the Escrow Agent in immediately available funds (the "Escrow Deposit Amount"), to be held in irrevocable escrow by the Escrow Agent in a separate escrow trust fund (the "Escrow Account") and applied solely as provided in this Agreement. JEA represents that (i) \$_____ of such funds are derived by JEA

from a portion of the proceeds of the 2017/8 Subordinated Bonds and (ii) \$_____ of such funds are derived by JEA from amounts on deposit in the Subordinated Bond Fund established pursuant to the Resolution.

JEA represents, that such funds, when applied pursuant to Section 3 below, will at least equal the Escrow Deposit Requirement as of the date hereof.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in Section 2 and agrees:

(a) hold such sum uninvested in cash unless it receives from JEA written directions to effect settlement of the purchase of Defeasance Securities which mature no later than the Redemption Date or such earlier time as amounts will be needed as described in Schedule A hereto and which are in the aggregate amount of no more than the balance in the Escrow Account;

(b) there will be no investment of funds except as set forth in this Section 3;

(c) to hold the proceeds of all investments in the Escrow Account in such Account in trust (separate from all other funds of the Escrow Agent) for the benefit of the owners of the Refunded Obligations from the date of receipt thereof to the date on which such proceeds are scheduled to be paid out of the Escrow Account and applied only for the purposes thereof, as set forth on Schedule A attached hereto; and

(d) to hold the funds and securities in the Escrow Account in irrevocable escrow during the term of this Agreement;

SECTION 4. Payment of Refunded Obligations.

(a) *Payment of Refunded Obligations.* The Escrow Agent shall pay the Paying Agent for the Refunded Obligations, from the cash on hand in the Escrow Account, a sum sufficient to pay the Annual Debt Service coming due on such date with respect to the Refunded Obligations, as shown on Schedule A attached hereto.

(b) *Surplus.* On the Redemption Date, after making the payment from the Escrow Account described in Subsection 4(a), the Escrow Agent shall pay to JEA the remaining cash, if any, in the Escrow Account. JEA shall apply the payment made to it hereunder to the payment of the principal of and interest on the 2017/8 Subordinated Bonds or for other uses permitted under the Resolution, but the Escrow Agent shall have no duty or responsibility to ensure that JEA does so.

(c) *Payments Due on Saturdays, Sundays and Holidays.* If any payment date shall be a legal holiday or a day on which banking institutions in the city in which is located the designated office of the Paying Agent are authorized by law to remain closed, then the Escrow Agent may make the payments required by Subsections 4(a) and 4(b) to the Paying Agent or JEA, as the case may be, on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Securities held hereunder.

(b) At the written request of JEA and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Defeasance Securities acquired hereunder and shall substitute other Defeasance Securities and reinvest any excess receipts in Defeasance Securities. JEA will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which, will cause interest on the 2017/8 Subordinated Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation. Such substitutions and reinvestments may be effected only if (i) an independent certified public accountant selected by JEA shall certify or opine in writing to JEA and the Escrow Agent that the cash and principal amount of Defeasance Securities remaining on hand after the transactions are completed will be not less than the Escrow Deposit Requirement, and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to JEA to the effect that the transactions, in and by themselves, will not cause interest on the 2017/8 Subordinated Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(b) above notwithstanding, cash in excess of the Escrow Deposit Requirement caused by substitution of Defeasance Securities shall, as soon as practicable, be paid to JEA.

SECTION 6. Redemption of Refunded Obligations. JEA has exercised its option to redeem the Refunded Obligations prior to the maturity thereof on the Redemption Date as shown on Schedule B attached hereto.

SECTION 7. Redemption Notice. The Subordinated Bond Registrar for the Refunded Obligations has given notice of redemption of the Refunded Obligations to be redeemed on the Redemption Date, as provided in Section 4.04 of the Resolution as supplemented by the applicable supplemental resolutions relating to the respective Refunded Obligations on behalf of JEA and the Escrow Agent.

SECTION 8. Indemnity. To the extent permitted by applicable law, including but not limited to Section 768.28, Florida Statutes, JEA hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and attorneys' disbursements and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by JEA or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds and securities deposited therein, the purchase of the Defeasance Securities, the retention of the Defeasance Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; *provided, however,* that JEA shall not be required to indemnify the Escrow Agent, its successors, assigns, agents and servants against the negligence or willful misconduct of the Escrow Agent or its successors, assigns, agents and servants. In no event shall JEA or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement. Nothing in this Section contained shall give rise to any liability on the part of JEA in favor of any person other than the Escrow Agent.

SECTION 9. Responsibilities of Escrow Agent; Fees. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the retention of the Defeasance Securities or the proceeds thereof or any investment, payment, transfer, or other application of money or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties or non-willful misconduct. The Escrow Agent shall, however, be liable to JEA for its negligent acts, omissions or errors or willful misconduct which violate or fail

to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. 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 JEA. The fees of the Escrow Agent shall be paid by JEA at the time this Agreement is executed and delivered, such fees to be as set forth on Schedule C attached hereto. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations.

SECTION 11. Amendments. This Agreement is made for the benefit of JEA and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and JEA; *provided, however*, that JEA 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:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, power or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject additional funds, securities or properties to this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of JEA 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 herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be one and the same instrument.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be executed by their duly authorized officers and JEA's official seal to be hereunto affixed and attested as of the date first above written.



JEA

ATTEST:

By: _____
Title:

By: _____
Secretary

Form Approved:

Office of General Counsel

as Escrow Agent

By: _____
Its: _____

**SCHEDULE A
REFUNDED OBLIGATIONS**

The Aggregate Debt Service for the Refunded Obligations is shown in the following table:

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total</u>
	\$	\$		\$

**SCHEDULE B
LIST OF REFUNDED OBLIGATIONS**

The Refunded Bonds will consist of the Electric System Subordinated Revenue Bonds listed in the following table.

Series Three	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)	CUSIP*
		\$		%	
Total		_____			

* The CUSIP numbers listed here are provided for the convenience of readers. JEA is not responsible for the accuracy or completeness of such numbers.

**SCHEDULE C
FEES OF ESCROW AGENT**

The fee of the Escrow Agent for its services hereunder shall be \$____; provided, JEA agrees to reimburse the Escrow Agent for its reasonable out-of-pocket expenses at cost.

Resolution No. 2016-23

JEA

**Not To Exceed \$253,000,000
Water and Sewer System Revenue Bonds
2017/8 Series X**

**FORTY-THIRD SUPPLEMENTAL WATER AND SEWER SYSTEM
REVENUE BOND RESOLUTION**

Adopted December 20, 2016

**FORTY-THIRD SUPPLEMENTAL WATER AND SEWER SYSTEM
REVENUE BOND RESOLUTION**

BE IT RESOLVED by JEA as follows:

SECTION 1. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Reference is made to the Bond Resolution hereinafter referred to for definitions of terms used in this resolution which are not defined in this section. Words importing a singular number shall include the plural number in each case and vice versa, and words importing persons shall include business entities.

(A) “Advance Refunding Bonds” shall mean 2017/8 Series X Bonds of a particular Series, or portion thereof, that are issued to refund Refunded Bonds that will be paid or redeemed more than 90 days after the Delivery Date.

(B) “Authorized Officer of JEA” shall mean (1) the Chair, the Vice Chair, the Secretary and any Assistant Secretary of JEA, (2) the Managing Director/CEO, the Vice President and General Manager, Water and Wastewater Systems, the Chief Financial Officer and the Treasurer of JEA (or any officer of JEA hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (3) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by JEA.

(C) “Bond Purchase Agreement” shall mean the Bond Purchase Agreement to be entered into between JEA and the Underwriters named therein relating to the 2017/8 Series X Bonds of a particular Series, the form of which is attached hereto as Exhibit A.

(D) “Bond Resolution” shall mean the resolution of JEA adopted on March 18, 1997 and referred to as the “Water and Sewer System Revenue Bond Resolution,” as amended, restated and supplemented.

(E) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(F) “Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement to be delivered by JEA in connection with the issuance of the 2017/8 Series X Bonds of a particular Series, the form of which is attached as Appendix C to the Draft Preliminary Official Statement.

(G) “Debt Service Reserve Requirement,” as of any date of calculation shall have the meaning assigned to such term with respect to the Initial Subaccount in the First Supplemental Resolution.

(H) “Delivery Date” shall mean the date of the initial issuance and delivery of the 2017/8 Series X Bonds of a particular Series.

(I) “Draft Preliminary Official Statement” shall mean the draft of the Preliminary Official Statement of JEA relating to, among others, JEA’s Water and Sewer System Revenue Bonds, 2017/8 Series X, the form of which is attached hereto as Exhibit B.

(J) “DTC” shall mean The Depository Trust Company.

(K) “Escrow Agent” shall mean the bank or trust company appointed as escrow agent under an Escrow Deposit Agreement, if any, and its duly appointed successors, such appointment, with respect to a particular Series of 2017/8 Series X Bonds, to be made in the certificate referred to in Section 5 hereof relating to the 2017/8 Series X Bonds.

(L) “Escrow Deposit Agreement” shall mean the escrow deposit agreement between JEA and an Escrow Agent, if any, that may be entered into concurrently with the authentication and delivery of any Series of the 2017/8 Series X Bonds, the form of which is attached hereto as Exhibit C.

(M) “First Supplemental Resolution” shall mean the First Supplemental Water and Sewer System Revenue Bond Resolution adopted by JEA on August 19, 1997, as amended.

(N) “Initial Subaccount” shall mean the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established in Section 6.01 of the First Supplemental Resolution.

(O) “Interest Rate Swap Transactions” shall mean the floating-to-fixed rate interest rate swap transactions entered into by JEA associated with variable rate Refunded Bonds which interest rate swap transactions are to be terminated, in whole or in part, contemporaneously with the issuance of a Series of 2017/8 Series X Bonds.

(P) “Letter of Representations” shall mean the Blanket Issuer Letter of Representations, dated May 6, 2004, from JEA to DTC, providing for the issuance of certain obligations of JEA (including the 2017/8 Series X Bonds) in book-entry form through the facilities of DTC.

(Q) “Managing Director/CEO” shall mean the Managing Director and Chief Executive Officer of JEA.

(R) “Refunded Bonds” shall mean, for any particular Series of the 2017/8 Series X Bonds, the Bonds of the Series and maturities (and if applicable, interest rates within maturities) and in the respective principal amounts to be refunded thereby, as identified by the Managing Director/CEO in the certificate described in Section 5 hereof relating to the 2017/8 Series X Bonds of such Series.

(S) “Refunded Bonds Paying Agent” shall mean the bank(s) or trust company(ies) serving as paying agent for the Refunded Bonds.

(T) “Rule 15c2-12” shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

(U) “Sale Date” with respect to a particular Series of 2017/8 Series X Bonds shall mean the date on which JEA enters into a Bond Purchase Agreement with respect to said Series of 2017/8 Series X Bonds.

(V) “Supplemental Resolution” shall mean this Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution (Resolution No. 2016-23), as from time to time amended or supplemented by Supplemental Resolution in accordance with the terms of the Bond Resolution.

(W) “Underwriters” shall mean any or all of the investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA’s debt named in the Bond Purchase Agreement.

(X) 2017/8 Series X Bonds” shall mean JEA’s Water and Sewer System Revenue Bonds, 2017/8 Series X, authorized by Section 4 of this Supplemental Resolution.

SECTION 2. AUTHORITY FOR THIS FORTY-THIRD SUPPLEMENTAL RESOLUTION. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Bond Resolution in accordance with Article II and Article X of the Bond Resolution.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Bond Resolution, JEA has heretofore authorized the issuance, in one or more Series which may be authenticated and delivered from time to time, of Additional Obligations for the purposes, among others, of refunding any Bonds.

(B) Pursuant to its Ordinances 97-205-E, 2001-663-E, 2004-820-E, 2006-792-E and 2011-448-E, the Council of the City has authorized, among other things, the issuance and sale by JEA of Additional Obligations for purposes, among others, of financing the refunding of any Bonds.

(C) It is in the best interests of JEA to provide for the refunding of the Refunded Bonds to permit JEA to (i) refund fixed rate bonds at favorable fixed interest rates, (ii) refund variable rate debt with fixed rate bonds at favorable fixed interest rates, and (iii) terminate or partially terminate Interest Rate Swap Transactions in an aggregate notional amount not to exceed the principal amount of the associated variable rate Refunded Bonds on favorable terms and thereby reduce the put, liquidity, renewal, counterparty, basis and other risks associated with bonds structured as variable rate demand obligations with associated variable-to-fixed rate interest rate swaps. Anything provided herein to the contrary notwithstanding, in no event shall interest rate swap transactions remain outstanding in a notional amount in excess of the outstanding principal amount of the debt hedged thereby.

(D) It is in the best interests and serves a valid public purpose of JEA to issue and sell the 2017/8 Series X Bonds in one or more Series as authorized herein for the purpose of providing all or a portion of funds required to refund the Refunded Bond, to pay the costs of terminating the Interest Rate Swap Transactions in an aggregate notional amount not to exceed the principal amount of the associated variable rate Refunded Bonds and to pay the costs of issuance of the 2017/8 Series X Bonds.

(E) Because of the characteristics of the 2017/8 Series X Bonds, prevailing and anticipated market conditions, the need for flexibility in timing the issuance of each Series of the 2017/8 Series X Bonds and the coordination of the termination or partial termination of the Interest Rate Swap Transactions, it is necessary and in the best interests of JEA to sell each Series of the 2017/8 Series X Bonds at a negotiated sale or sales to the Underwriters, upon satisfaction of the terms and conditions set forth herein and in the Bond Purchase Agreement.

(F) Upon issuance in accordance with the terms hereof, the 2017/8 Series X Bonds will constitute Additional Obligations under the Bond Resolution, entitled to all the security and benefits thereof.

(G) The 2017/8 Series X Bonds shall be limited obligations of JEA payable solely from and secured by a lien upon and pledge of (i) the Revenues (as defined in the Bond Resolution), and (ii) all funds and accounts established by the Bond Resolution (other than the Debt Service Reserve Account in the Debt Service Fund), including investments and investment income, if any, thereof, subject only to the provisions of the Bond Resolution permitting applications thereof for the purposes and on the terms and conditions set forth in the Bond Resolution. The 2017/8 Series X Bonds of each Series shall be additionally secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the Bond Resolution. The 2017/8 Series X Bonds shall not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and pledge of the amounts provided in the Bond Resolution. In no event shall any owner of 2017/8 Series X Bonds ever have the right to compel the ad valorem taxing power of the City or JEA, if any, or taxation of any form to pay the 2017/8 Series X Bonds or be entitled to payment thereof from any other funds of the City or JEA.

(H) Prior to the sale of the 2017/8 Series X Bonds of a Series, the Underwriters will provide JEA with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes. The Bond Purchase Agreement shall include a Truth-In-Bonding Statement pursuant to Section 218.385, Florida Statutes.

SECTION 4. SERIES DESIGNATION; PURPOSE. Pursuant to the provisions of the Bond Resolution, one or more Series of Additional Obligations entitled to the benefit, protection and security of the Bond Resolution are hereby authorized to be issued in an aggregate principal amount not to exceed \$253,000,000; *provided*, that not to exceed \$115,000,000 principal amount of the 2017/8 Series X Bonds may be issued for the purpose of refunding fixed rate Refunded Bonds and not to exceed \$138,000,000 principal amount of the 2017/8 Series X Bonds may be for the purpose of refunding variable rate Refunded Bonds. Such Additional Obligations shall be designated as the “Water and Sewer System Revenue Bonds, 2017/8 Series X”; *provided*, that the Managing Director/CEO may alter the year and letter designation, all as he deems appropriate to reflect the year of issue or sale of the 2017/8 Series X Bonds, the designation of 2017/8 Series X Bonds previously issued and JEA’s custom in identifying Bonds or as he otherwise deems desirable, such determination to be set forth in the certificate referred to in Section 5 hereof. Notwithstanding any such alteration of the Series designation for the 2017/8 Series X Bonds, references in this resolution to “2017/8 Series X Bonds” shall include all Bonds issued pursuant to the authority contained in this Section 4. The

actual aggregate principal amount of the 2017/8 Series X Bonds of a particular Series to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purposes for which the 2017/8 Series X Bonds of such Series are being issued, such determination to be set forth in the certificate referred to in Section 5 hereof to be executed with respect to 2017/8 Series X Bonds of such Series. Notwithstanding any other provision of the Bond Resolution, or this Supplemental Resolution, each such particular Series of the 2017/8 Series X Bonds shall be and be deemed to be a separate Series of Bonds for all purposes of the Bond Resolution, including (without limitation) for the purposes of determining satisfaction of the conditions to the issuance of the 2017/8 Series X Bonds of such Series set forth in Article II of the Bond Resolution.

The 2017/8 Series X Bonds of each Series shall be issued for the following purposes: (a) providing all or a portion of the funds required to refund the Refunded Bonds, (b) making a deposit, if any, to the Initial Subaccount, as determined by the Managing Director/CEO as set forth in the certificate referred to in Section 5 hereof, (c) paying the cost of terminating or partially terminating Interest Rate Swap Transactions in an aggregate notional amount not to exceed the principal amount of the associated variable rate Refunded Bonds, and (d) paying the costs of issuance of the 2017/8 Series X Bonds.

The actual aggregate principal amount of each Series of the 2017/8 Series X Bonds to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purposes for which such Series of the 2017/8 Series X Bonds are being issued, such determination to be set forth in the certificate referred to in Section 5 hereof.

The 2017/8 Series X Bonds of each Series authorized to be issued hereunder may be sold pursuant to one or more Bond Purchase Agreements entered into not later than December 31, 2018.

SECTION 5. DATE(S), MATURITIES AND INTEREST RATES; CERTAIN DETERMINATIONS WITH RESPECT TO THE 2017/8 SERIES X BONDS. The 2017/8 Series X Bonds of each Series shall be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof, shall be numbered from 1 upward, shall bear interest from their respective dates (payable semiannually thereafter on April 1 and October 1 in each year, commencing on either of the October 1 or April 1 next following the Delivery Date of such Series of 2017/8 Series X Bonds, as determined by the Managing Director/CEO) at such rates per annum and shall mature on October 1 in such years and amounts, all as shall be determined by the Managing Director/CEO in the manner hereinafter set forth.

On or prior to the Sale Date for a particular Series of the 2017/8 Series X Bonds, the Managing Director/CEO shall execute a certificate setting forth the following determinations and the Managing Director/CEO may rely on a certificate from JEA's financial advisor in order to confirm the savings determinations made in clause (e) below:

(a) the aggregate principal amount of the 2017/8 Series X Bonds of such Series; *provided*, that the aggregate principal amount of all 2017/8 Series X Bonds shall not exceed \$253,000,000, not to exceed \$115,000,000 aggregate principal amount of 2017/8 Series X Bonds shall be issued to refund fixed rate Refunded Bonds and not to exceed \$138,000,000 aggregate principal amount of 2017/8 Series X Bonds shall be issued to refund variable rate Refunded Bonds;

(b) the year and letter and any other designation and the Delivery Date for such Series of 2017/8 Series X Bonds;

(c) the Refunded Bonds to be refunded through the issuance of the 2017/8 Series X Bonds of such Series and the date(s) on which such Refunded Bonds are to be redeemed, which shall be such date as the Managing Director/CEO determines to be the earliest date on which such Refunded Bonds may be redeemed in light of the circumstances then existing; and the identity of the Escrow Agent, if any, for such Refunded Bonds and, if applicable, the Sinking Fund Installments to which the principal amount of the Refunded Bonds shall be credited;

(d) the respective dates on which the 2017/8 Series X Bonds of such Series shall mature and the principal amounts of each such maturity; *provided, however*, that the 2017/8 Series X Bonds of each Series (i) that are issued for refunding purposes in order to achieve debt service savings shall have a weighted average life no greater than the remaining weighted average life of the Refunded Bonds being refunded thereby, plus one year; and (ii) that are issued for refunding purposes to refund variable rate obligations shall have a weighted average life no greater than the remaining weighted average life of the Refunded Bonds, plus one year;

(e) the respective rate or rates of interest to be borne by the 2017/8 Series X Bonds of such Series maturing on each such date; *provided, however*, that (i) with respect to any 2017/8 Series X Bonds of such Series that are issued for the purpose of refunding variable rate Bonds, the true interest cost of such 2017/8 Series X Bonds shall not exceed 5.00 percent; (ii) with respect to any 2017/8 Series X Bonds of such Series, other than Advance Refunding Bonds, issued for refunding purposes to achieve debt service savings (1) if any such 2017/8 Series X Bonds mature on the October 1 next following the Delivery Date of such Series of 2017/8 Series X Bonds, such refunding shall result in positive net present value savings; (2) the present value savings from (A) the issuance of such 2017/8 Series X Bonds that are issued to refund any Refunded Bonds maturing on an October 1 occurring at least one year and less than three years after the Delivery Date of such Series of 2017/8 Series X Bonds shall not be less than 3.00 percent of the aggregate principal amount of such Refunded Bonds; (B) the issuance of such 2017/8 Series X Bonds that are issued to refund any Refunded Bonds maturing on an October 1 occurring at least three years and less than nine years after the Delivery Date of such Series of 2017/8 Series X Bonds, shall not be less than 4.00 percent of the aggregate principal amount of such Refunded Bonds; and (C) the issuance of such 2017/8 Series X Bonds that are issued to refund any Refunded Bonds maturing after the October 1 occurring at least nine years after the Delivery Date of such Series of 2017/8 Series X Bonds shall not be less than 5.00 percent of the aggregate principal amount of the

Refunded Bonds; or (3) in lieu of complying with the requirements of clauses (1) and (2) above, the present value savings resulting from the issuance of such 2017/8 Series X Bonds that are issued to refund any Refunded Bonds other than variable rate Bonds, shall not be less than 5.00 percent of the aggregate principal amount of such Refunded Bonds; and (iii) with respect to any 2017/8 Series X Bonds of such Series issued for refunding purposes to achieve debt service savings that are Advance Refunding Bonds, the present value savings resulting from the issuance of such 2017/8 Series X Bonds shall not be less than 7.50 percent of the aggregate principal amount of such Refunded Bonds; *provided, further,* that compliance with the foregoing requirements of this clause (e) shall be effected by dividing the Series into its constituent purposes (*i.e.*, refunding of variable rate Bonds, refunding fixed rate Bonds for debt service savings and issuance of Advance Refunding Bonds) and allocating on a ratable basis (based on the respective issue prices for federal income tax purposes) costs of issuance, underwriting discount, any deposit to the Initial Subaccount and any other items to the purpose that gave rise to such expenses; *provided, however,* that if the Managing Director/CEO determines that some other allocation method will result in a more accurate determination of the true interest cost or present value savings attributable to such constituent purpose (which determination shall be confirmed by JEA's financial advisor), then such other allocation method shall be used in lieu of the foregoing method;

(f) the commencement date of interest payments on the 2017/8 Series X Bonds of such Series, which shall be either of the October 1 or April 1 next following the Delivery Date of such Series of 2017/8 Series X Bonds;

(g) if the 2017/8 Series X Bonds of such Series maturing on a particular date and bearing interest at a particular rate are to be subject to redemption prior to maturity as provided in Article IV of the Bond Resolution by operation of the Debt Service Fund from mandatory Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments; *provided, however,* that each Sinking Fund Installment due date shall fall upon an interest payment date for the 2017/8 Series X Bonds;

(h) if the 2017/8 Series X Bonds of such Series maturing on a particular date and bearing interest at a particular rate are to be subject to optional redemption, the terms upon which such 2017/8 Series X Bonds shall be subject to redemption at the election of JEA; *provided, however,* that the highest redemption price at which such 2017/8 Series X Bonds may be so redeemed shall be not greater than 101 percent of the principal amount thereof, plus accrued interest to the date of redemption and the first such optional redemption date shall not be less than four years nor more than 10 years from the Delivery Date of such 2017/8 Series X Bonds;

(i) the identity of the senior managing underwriter and co-senior managing underwriter, if applicable, for such Series of 2017/8 Series X Bonds from any of the Underwriters;

(j) the purchase price for the 2017/8 Series X Bonds of such Series to be paid by the Underwriters pursuant to the applicable Bond Purchase Agreement; *provided, however,* that such purchase price shall result in compliance with the limitations set forth in this Section 5;

(k) the Interest Rate Swap Transactions and the notional amounts thereof to be terminated upon the issuance of such Series of 2017/8 Series X Bonds and the termination payment, if any, to be paid in connection therewith; *provided,* that the aggregate notional amount of the Interest Rate Swap Transactions terminated in connection with the issuance of such Series of 2017/8 Series X Bonds shall not exceed the principal amount of the variable rate Refunded Bonds to which such Interest Rate Swap Transactions are associated to be refunded through the issuance of such Series of 2017/8 Series X Bonds; and

(l) the amount, if any, of the proceeds of the 2017/8 Series X Bonds of such Series to be deposited in the Initial Subaccount, if any.

In the event that one or more Series of 2017/8 Series X Bonds are issued on the same day as part of a common plan of finance for the same Bond financing, JEA may demonstrate compliance with the savings requirements set forth in clause (e) above by calculating such savings either on an aggregate basis (e.g., each Series of the 2017/8 Series X Bonds issued on the same day as part of the same Bond financing are combined into one Series and compliance with the savings criteria is measured using the combined Series) or on a Series by Series basis (e.g., each individual Series that is issued as part of the same Bond financing must satisfy the savings criteria independently of any other Series issued on the same day).

SECTION 6. REDEMPTION PROVISIONS. 1. If the Managing Director/CEO determines that the 2017/8 Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate shall be subject to redemption prior to maturity as provided in Article IV of the Bond Resolution by operation of the Debt Service Fund from mandatory Sinking Fund Installments, such determination to be set forth in the certificate referred to in Section 5 hereof, then the 2017/8 Series X Bonds of such Series maturing on such date and bearing interest at such rate shall be subject to redemption prior to maturity as provided in Article IV of the Bond Resolution, on the respective dates and in the respective amounts set forth in such certificate, in each such case, at a redemption price equal to 100 percent of the principal amount thereof, together with accrued interest to the redemption date.

2. If the Managing Director/CEO determines that the 2017/8 Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate shall be subject to optional redemption, such 2017/8 Series X Bonds shall be subject to redemption prior to maturity at the election of JEA, in the case of 2017/8 Series X Bonds as a whole or in part, at any time on and after the initial date on which such 2017/8 Series X Bonds may be so redeemed set forth in the certificate referred to in Section 5 hereof, at the respective redemption prices set forth in such certificate, in each case, together with accrued interest to the redemption date.

SECTION 7. BOOK-ENTRY SYSTEM. 1. Except as provided in paragraphs (2) and (3) of this Section 7, the registered holder of all 2017/8 Series X Bonds shall be, and the 2017/8 Series X Bonds shall be registered in the name of, Cede & Co. (“Cede”), as nominee of DTC. Payment of interest on any 2017/8 Series X Bond shall be made in accordance with the provisions of the Bond Resolution to the account of Cede on the interest payment date for the 2017/8 Series X Bonds at the address indicated for Cede in the registry books of JEA kept by the Registrar.

2. The 2017/8 Series X Bonds of each Series shall be issued initially in the form of a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of the 2017/8 Series X Bonds of such Series. The Registrar shall authenticate and deliver to or on behalf of DTC a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of the 2017/8 Series X Bonds of such Series, registered in the name of Cede, as nominee of DTC. With respect to 2017/8 Series X Bonds so registered in the name of Cede, JEA and the Paying Agent and Bond Registrar shall have no responsibility or obligation to any DTC participant or to any beneficial owner of such 2017/8 Series X Bonds. Without limiting the immediately preceding sentence, JEA and the Paying Agent and Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the 2017/8 Series X Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the 2017/8 Series X Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, the 2017/8 Series X Bonds. JEA and the Paying Agent and Bond Registrar may treat DTC as, and deem DTC to be, the absolute owner of each 2017/8 Series X Bond for all purposes whatsoever, including (but not limited to) (i) payment of the principal or redemption price of, and interest on, each such 2017/8 Series X Bond, (ii) giving notices of redemption and other matters with respect to such 2017/8 Series X Bonds, (iii) registering transfers with respect to such 2017/8 Series X Bonds and (iv) giving to JEA any notice, consent, request or demand pursuant to the Bond Resolution for any purpose whatsoever. The Paying Agent shall pay the principal or redemption price of, and interest on, all 2017/8 Series X Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge JEA’s obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in this paragraph (2) and in paragraph (3) of this Section 7, no person other than DTC shall receive a 2017/8 Series X Bond evidencing the obligation of JEA to make payments of principal or redemption price of, and interest on, such Bond pursuant to the Bond Resolution. Upon delivery by DTC to JEA or the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Bond Resolution, the word “Cede” in this resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to a particular Series of the 2017/8 Series X Bonds at any time by giving reasonable notice thereof to JEA or the Paying Agent and Bond Registrar.

(b) JEA, in its sole discretion and without the consent of any other person, may, upon satisfaction of the applicable procedures of DTC with respect thereto, terminate the services of DTC with respect to a particular Series of the 2017/8 Series X Bonds if JEA determines that (i) DTC is unable to discharge its responsibilities with respect to the 2017/8 Series X Bonds of such Series or (ii) a continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of the 2017/8 Series X Bonds of such Series or of JEA.

4. Upon the termination of the services of DTC with respect to a Series of the 2017/8 Series X Bonds pursuant to paragraph (3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the 2017/8 Series X Bonds of a Series pursuant to paragraph (3)(a) or paragraph (3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of JEA, is willing and able to undertake such functions upon reasonable and customary terms, the 2017/8 Series X Bonds of such Series no longer shall be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. In such event, JEA shall issue and the Bond Registrar shall authenticate 2017/8 Series X Bond certificates as requested by DTC of like Series, aggregate principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interests in the 2017/8 Series X Bonds of such Series; *provided, however,* that in the case of any discontinuance or termination provided for in paragraph 3(a) or 3(b)(ii) of this Section, JEA may within 90 days thereafter appoint a substitute securities depository which, in JEA's opinion, is willing and able to undertake the functions of DTC upon reasonable and customary terms. In such event, and subject to the transfer provisions of the Bond Resolution, the word "DTC" in this resolution shall refer to such substitute securities depository and the word "Cede" in this resolution shall refer to the nominee, if any, of such substitute securities depository (or, if there shall be no such nominee, then the word "Cede" in this resolution shall refer to such substitute securities depository).

5. Notwithstanding any other provision of the Bond Resolution or this resolution to the contrary, so long as any 2017/8 Series X Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such 2017/8 Series X Bond and all notices with respect to such 2017/8 Series X Bond shall be made and given, respectively, to DTC as provided in DTC's Operational Arrangements (as defined in the Letter of Representations); *provided, however,* that if a substitute securities depository shall be appointed, all payments with respect to the principal or redemption price of, and interest on, the 2017/8 Series X Bonds and all notices with respect to the 2017/8 Series X Bond shall be made and given, respectively, to such substitute securities depository (or any nominee thereof) as provided in the procedures of such substitute securities depository.

SECTION 8. PAYING AGENT AND BOND REGISTRAR. The 2017/8 Series X Bonds shall be payable as to principal and shall be redeemable at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (or such other city as may be designated by such bank), which bank is hereby appointed Paying Agent and Bond Registrar.

SECTION 9. FORM OF 2017/8 SERIES X BONDS. The text of the 2017/8 Series X Bonds, together with the Bond Registrar's Certificate of Authentication to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this resolution or any subsequent resolution adopted prior to the issuance thereof, or as may be necessary to comply with applicable laws, rules and regulations of the United States Government and the State of Florida in effect upon the issuance thereof:

[FORM OF 2017/8 SERIES X BONDS]

At such times as the 2017/8 Series X Bonds of a particular Series are restricted to being registered in the registration books kept by the Bond Registrar in the name of DTC (or a successor securities depository), each such 2017/8 Series X Bond shall contain or have endorsed thereon the following legend:

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, (A) THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF AND (B) A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

In addition, so long as DTC shall serve as securities depository for the 2017/8 Series X Bonds of a particular Series, each 2017/8 Series X Bond of such Series shall contain or have endorsed thereon the following legend:

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED

REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.]

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\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF JACKSONVILLE
JEA

WATER AND SEWER SYSTEM REVENUE BOND,
2017/8 SERIES X

INTEREST RATE MATURITY DATE ORIGINAL ISSUE DATE CUSIP
_____ % October 1, _____ _____, 20____ _____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

JEA, a body politic and corporate and an independent agency of the City of Jacksonville, Florida (the "City"), organized and existing under and by virtue of the laws of the State of Florida, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner (stated above) or registered assigns, on the Maturity Date (stated above), but solely from the funds pledged therefor, upon presentation and surrender of this bond at the corporate trust office of U.S. Bank National Association in Jacksonville, Florida (such bank and any successors thereto being referred to herein as the "Paying Agent"), the Principal Amount (stated above) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay, but solely from the funds pledged therefor, interest on such Principal Amount in like coin or currency from the Original Issue Date (stated above), or, if one or more payments of interest has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has been paid or duly provided for, payable on the first days of April and October in each year commencing [April 1] [October 1], 20____ or, if the date of this bond is after [April 1] [October 1], 20____, commencing with the first April 1 or October 1 after the date of this bond, at a rate per annum equal to the Interest Rate (stated above), until JEA's obligation with respect to the payment of such Principal Amount shall be discharged; *provided, however*, that so long as this bond shall be restricted to being registered in the registration books of JEA in the name of the Securities Depository (as defined in the Resolution hereinafter referred to) for this bond, the provisions of the Resolution governing Book Entry Bonds (as defined in the Resolution) shall govern the manner of payment of the principal or redemption price of, and interest on, this bond. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Resolution, be paid to the person in whose name this bond is 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, such payment to be made by check or draft of the Paying Agent mailed to such person at the address shown on the registration books of JEA kept for that purpose at the corporate trust office of U.S. Bank National Association in Jacksonville, Florida, or its successor, as Bond Registrar for the bonds of the series of which this bond is one. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the person in whose name this bond is registered on the Regular Record Date, and shall be paid, in the manner described above, to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by such Bond Registrar, notice whereof shall be given to holders of bonds of the series of which this bond is one not less than 10 days prior to such Special Record Date.

This bond is one of a duly authorized series of bonds of JEA designated as its “Water and Sewer System Revenue Bonds, 2017/8 Series X” (herein sometimes called the “2017/8 Series X Bonds”), in the aggregate principal amount of \$_____, issued pursuant to Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended (herein called the “Act”) and under and pursuant to a resolution of JEA adopted on February 18, 1997, as amended, restated and supplemented, including as supplemented by a supplemental resolution (Resolution No. 2016-23) authorizing the 2017/8 Series X Bonds adopted on December 20, 2016, as supplemented and amended (said resolution as amended, restated and supplemented, being herein called the “Resolution”). As provided in the Resolution, bonds, notes or other evidences of indebtedness of JEA may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of bonds, notes or other evidences of indebtedness which may be issued under the Resolution is not limited except as provided in the Resolution, and all bonds, notes or other evidences of indebtedness issued and to be issued under the Resolution are and will be equally secured by the Trust Estate hereinafter described and covenants made in the Resolution, except as otherwise expressly provided or permitted in the Resolution. All bonds, notes or other evidences of indebtedness issued under and pursuant to the Resolution, as the same may be amended and supplemented from time to time, and equally secured by such Trust Estate are hereinafter called the “Bonds.”

As provided in the Resolution, the Bonds are special obligations of JEA payable solely from and secured as to payment of the principal or Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by (i) the proceeds of the sale of the Bonds, (ii) the Revenues (as defined in the Resolution), and (iii) all funds and accounts established by the Resolution (other than the Debt Service Reserve Account in the Debt Service Fund), including the investments and investment income, if any, thereof (collectively, the “Trust Estate”), subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Pursuant to the Resolution, the 2017/8 Series X Bonds are additionally secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established pursuant to the Resolution, including the investments and investment income, if any,

thereof, which amounts are pledged for the payment of the principal or sinking fund redemption price, if any, of, and interest on, the 2017/8 Series X Bonds and any other Bonds secured thereby in accordance with the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Copies of the Resolution are on file at the office of JEA and at the principal corporate trust office of the Bond Registrar for the 2017/8 Series X Bonds, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the security interest, pledge and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, and for the other terms and provisions thereof.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by JEA, with the written consent of the holders of not less than a majority in principal amount of the Bonds affected by such modification or amendment then outstanding under the Resolution, and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of the holders of not less than a majority in principal amount of the Bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; *provided, however*, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Resolution, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. As provided in the Resolution (and unless otherwise provided in a supplemental resolution), if Credit Enhancement (as defined in the Resolution) is provided with respect to the Bonds of any series, or a maturity within a series, if not in default in respect of any of its obligations with respect to such Credit Enhancement, the provider of such Credit Enhancement for, and not the actual holders of, such Bonds shall be deemed to be the holder of such Bonds at all times for the purpose of giving such consent. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary (as defined in the Resolution) without its written assent thereto.

The Resolution also contains provisions permitting JEA, without the necessity for the consent of the holder of any Bond, to modify or amend the Resolution to cure ambiguities or defects in the Resolution, to clarify the provisions of the Resolution or to make any other modification or amendment which will not have a material adverse effect on the interests of Bondholders, determined as provided in the Resolution.

This bond is transferable, as provided in the Resolution, only upon the books of JEA kept for that purpose at the above-mentioned office of the Bond Registrar for the 2017/8 Series X Bonds, by the Registered Owner hereof in person, or by its duly authorized attorney, upon surrender of this bond together with a written instrument of transfer satisfactory to such

Bond Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new fully registered bond or bonds, without coupons, and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. JEA and each Fiduciary may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 2017/8 Series X Bonds are issuable in the form of fully registered Bonds, without coupons, in the denominations of \$5,000 or any integral multiple of \$5,000.

[The 2017/8 Series X Bonds maturing on or after October 1, 20__ will be subject to redemption at the election of JEA on or after October 1, 20__, at any time, as a whole, or in part, at a redemption price equal to the principal amount of such 2017/8 Series X Bonds so to be redeemed, together with accrued interest to the redemption date.]

[The 2017/8 Series X Bonds maturing October 1, 20__ will be subject to redemption through mandatory Sinking Fund Installments on October 1, 20__ and on each October 1 thereafter through and including October 1, _____. The redemption price will be 100 percent of the principal amount of such 2017/8 Series X Bonds to be redeemed plus accrued interest, if any, to the redemption date. Such Sinking Fund Installments will be sufficient to redeem the following principal amounts of such 2017/8 Series X Bonds:

2017/8 Series X Bonds	
Maturing October 1, 20__	
<u>Year</u>	<u>Amount</u>
	\$

The foregoing schedule leaves \$_____ principal amount of such 2017/8 Series X Bonds to be retired at maturity.

The 2017/8 Series X Bonds maturing October 1, 20__ will be subject to redemption through mandatory Sinking Fund Installments on October 1, 20__ and on each October 1 thereafter through and including October 1, 20___. The redemption price will be 100 percent of the principal amount of the 2017/8 Series X Bonds to be redeemed, plus accrued interest, if any, to the redemption date. Such Sinking Fund Installments will be sufficient to redeem the following principal amounts of the 2017/8 Series X Bonds:

2017/8 Series X Bonds	
Maturing October 1, 20__	
<u>Year</u>	<u>Amount</u>
	\$

The foregoing schedule leaves \$_____ principal amount of such 2017/8 Series X Bonds to be retired at maturity.]

The 2017/8 Series X Bonds are payable upon redemption at the above-mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be given by first class mail, postage prepaid, to the registered owners of the 2017/8 Series X Bonds to be redeemed sent not less than 30 days nor more than 60 days prior to the redemption date, but the failure to give notice by mail, or any defect in such notice, to the registered owner of any 2017/8 Series X Bond will not affect the validity of the proceedings for the redemption of any other 2017/8 Series X Bonds. If notice of redemption shall have been given as aforesaid, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, the 2017/8 Series X Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the 2017/8 Series X Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such 2017/8 Series X Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

This bond shall be payable, as to principal and redemption price hereof, and interest hereon, solely from the Revenues and other funds of JEA as provided in the Resolution. No member, officer, agent or employee of JEA shall be individually or personally liable for the payment of the principal or redemption price of or interest on this bond.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the 2017/8 Series X Bonds, together with all other indebtedness of JEA, complies in all respects with the applicable laws of the State of Florida including, particularly, the Act.

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar for the 2017/8 Series X Bonds of the Bond Registrar's Certificate of Authentication hereon.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, JEA has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair or its Vice Chair, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary.

JEA

(SEAL)

Chair or Vice-Chair

ATTESTED:

Secretary or Assistant Secretary

**BOND REGISTRAR'S
CERTIFICATE OF AUTHENTICATION**

This bond is one of the 2017/8 Series X Bonds described in the within-mentioned Subordinated Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By: _____
Authorized Signatory

Date of Authentication: _____, 20____

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIF MIN ACT _____ (Cust.)
TEN ENT -	as tenants by the entireties	Custodian for _____ (Minor)
JT TEN	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act of _____ (State)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

[PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

the within bond and does hereby irrevocably constitute and appoint the Registrar as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: This signature to this assignment must correspond with the name of the registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 10. APPLICATION OF BOND PROCEEDS. The proceeds from the sale of the 2017/8 Series X Bonds of a particular Series, together with other available funds of the Water and Sewer System shall be applied simultaneously with the delivery of such Series as follows:

(a) if applicable, there shall be delivered to the Escrow Agent, simultaneously with the delivery of the 2017/8 Series X Bonds of such Series, for deposit in the Escrow Account (the “Escrow Account”) to be created under the Escrow Deposit Agreement, an amount determined by an Authorized Officer of JEA as being equal to the amount necessary, when combined with the moneys, if any, transferred to the Escrow Account as provided in Section 11 hereof, to purchase such securities as are permitted by Section 1201 of the Bond Resolution, the principal of and interest to be received on which, together with any initial cash balance, will provide moneys which will be sufficient to pay when due the principal or redemption price, as applicable, of the Refunded Bonds being refunded thereby on the respective maturity dates of such Refunded Bonds or the date such Refunded Bonds are to be called for redemption, as applicable, and the interest to become due on such Refunded Bonds on and prior to such respective maturity or redemption dates, as the case may be;

(b) there shall be deposited in the Initial Subaccount, an amount equal to the difference, if any, between (i) the Debt Service Reserve Requirement for the Initial Subaccount calculated immediately after the issuance of the 2017/8 Series X Bonds of such Series and (ii) the sum of the amounts then on deposit in Initial Subaccount and the eligible reserve fund credit instruments (as defined in subsection 4 of Section 6.01 of the First Supplemental Resolution) credited thereto, in each case valued as provided in Section 6.04 of the Bond Resolution;

(c) there shall be paid to the counterparties in the Interest Rate Swap Transactions to be terminated or partially terminated with the issuance of such Series of 2017/8 Series X Bonds, if any, with respect to the termination or partial termination of such Interest Rate Swap Transactions as determined by the Managing Director/CEO pursuant to Section 5(k) hereof; and

(d) all proceeds remaining after application as provided in subsections (a), (b) and (c) hereof shall be deposited into the Construction Fund or a separate sub-account thereof and used for the purposes of paying the principal or redemption price, as applicable, of Refunded Bonds when due if the Refunded Bonds are not being defeased within the meaning of Section 1201 of the Bond Resolution and paying costs of issuance of the 2017/8 Series X Bonds of such Series.

SECTION 11. TRANSFER OF CERTAIN AMOUNTS. Subject to the provisions of the third paragraph of subsection 5 of Section 508 of the Bond Resolution, simultaneously with the delivery of the 2017/8 Series X Bonds of a particular Series, there shall be withdrawn from the Debt Service Account in the Debt Service Fund cash in an amount determined by an Authorized Officer of JEA as being not greater than the amount accumulated therein with respect to the Refunded Bonds to be refunded through the issuance of the 2017/8 Series X Bonds of such Series. Such withdrawal shall, however, not be made if and to the extent

that the effect thereof would cause the amounts on deposit in the Debt Service Account to be less than the Accrued Aggregate Debt Service calculated immediately after the issuance of the 2017/8 Series X Bonds of such Series. There shall be transferred to the Escrow Agent, if any, for deposit in the Escrow Account the amount so withdrawn, otherwise, such amount shall be applied together with the funds described in Section 10(d) above to the payment of the Refunded Bonds.

Subject to the provisions of Subsection 5 of Section 508 of the Bond Resolution, simultaneously with the delivery of the 2017/8 Series X Bonds of a particular Series, there may be withdrawn from the Initial Subaccount of the Debt Service Reserve Account cash in an amount determined by an Authorized Officer of JEA as being not greater than the amount of the decrease in the Debt Service Reserve Requirement with respect to such Initial Subaccount due to the defeasance of the Refunded Bonds being refunded through the issuance of such Series of the 2017/8 Series X Bonds. There shall be transferred to the Escrow Agent, if any, for deposit in the Escrow Account the amount so withdrawn, otherwise, such amount shall be applied together with the funds described in Section 10(d) above to the payment of the Refunded Bonds.

SECTION 12. 2017/8 SERIES X BONDS TO CONSTITUTE ADDITIONALLY SECURED BONDS. In accordance with the provisions of the Bond Resolution, the 2017/8 Series X Bonds of each Series shall be Additionally Secured Bonds, and the payment of the principal or sinking fund redemption price, if any, thereof and interest thereon shall be secured, in addition to the pledge created pursuant to subsection 1 of Section 501 of the Bond Resolution in favor of all of the Bonds, by amounts on deposit in the Initial Subaccount. In furtherance of the foregoing, simultaneously with the authentication and delivery of any particular Series of the 2017/8 Series X Bonds, JEA shall cause to be deposited to the credit of the Initial Subaccount in the Debt Service Reserve Account cash from the proceeds of such Series of the 2017/8 Series X Bonds, in an amount equal to the difference (if any) between (a) the Debt Service Reserve Requirement for the Initial Subaccount calculated immediately after the authentication and delivery of such Series of the 2017/8 Series X Bonds and (b) the sum of the amounts then on deposit in Initial Subaccount and the eligible reserve fund credit instruments credited thereto, if any.

SECTION 13. TAX COVENANTS. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2017/8 Series X Bonds under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of each Series of the 2017/8 Series X Bonds concerning certain matters pertaining to the use of proceeds of the 2017/8 Series X Bonds of such Series, including any and all exhibits attached thereto (the "Tax Certificate"). This covenant shall survive payment in full or defeasance of the 2017/8 Series X Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is

required to maintain the exclusion from gross income for federal income tax purposes of interest on the applicable Series of the 2017/8 Series X Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Bond Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the 2017/8 Series X Bonds of a Series, the holders of the 2017/8 Series X Bonds of such Series shall be entitled to the rights and remedies provided to Bondholders under the Bond Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the holders of any Bonds other than the 2017/8 Series X Bonds of such Series shall not be entitled to exercise any right or remedy provided to Bondholders under the Bond Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the 2017/8 Series X Bonds of such Series.

SECTION 14. REDEMPTION OF REFUNDED BONDS. 1. The Refunded Bonds to be refunded by the 2017/8 Series X Bonds of each Series are hereby designated for redemption and the Escrow Agent (if any) or the respective paying agents for such Refunded Bonds, as applicable, are hereby directed to redeem such Refunded Bonds on the respective dates determined by the Managing Director/CEO pursuant to clause (c) of the second paragraph of Section 5 hereof and at a redemption price equal to the principal amount of the Bonds to be redeemed plus the redemption premium(s) for the applicable redemption date(s) (in each case, together with the interest accrued thereon to the date fixed for redemption).

Such designation for redemption, and such direction to the Escrow Agent (if any) or the respective Refunded Bonds Paying Agents, as applicable, shall be, and hereby are declared to be, irrevocable upon the delivery of the applicable Series of 2017/8 Series X Bonds to or upon the order of the Underwriters; *provided*, that notice of such redemption as provided below shall be revocable and conditional upon the issuance of the 2017/8 Series X Bonds of the applicable Series.

In order to effectuate this designation, on or prior to the applicable Delivery Date, an Authorized Officer of JEA shall give the Escrow Agent or the Bond Registrar, as applicable, for any Refunded Bonds to be redeemed prior to maturity instructions to mail, postage prepaid, not less than 30 days (or such lesser period as is permitted by the applicable supplemental resolution(s) for the Refunded Bonds) prior to the redemption date therefor, to (i) all registered owners of such Refunded Bonds at their last addresses as they appear of record on the books of the Bond Registrar as of 45 days (or such lesser number of days as is permitted pursuant to the applicable supplemental resolution(s) for the Refunded Bonds) prior to such redemption date and (ii) the paying agent for such Refunded Bonds (or its successor), a notice of redemption in substantially the following form:

REVOCABLE NOTICE OF [PARTIAL] REDEMPTION

JEA

**WATER AND SEWER SYSTEM REVENUE BONDS
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding JEA Water and Sewer System Revenue Bonds, described below (the "Bonds") that the Bonds have been called for redemption prior to maturity on _____, 20__ in accordance with their terms at a redemption price of [100 percent of the principal amount thereof, together with accrued interest thereon to _____, 20__]. **[The source of funds to be used for such redemption is certain moneys heretofore deposited with _____, as Escrow Agent.]**

<u>Series</u>	<u>Maturity Date</u> (October 1)	<u>Interest Rate</u> %	<u>Principal Amount</u> \$	<u>CUSIP</u>
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THIS CALL FOR REDEMPTION IS REVOCABLE AND IS CONDITIONED UPON THE ISSUANCE BY JEA OF ITS REFUNDING BONDS TO REFUND SUCH BONDS ON OR PRIOR TO _____, 20__. In the event that JEA's refunding bonds are not issued on or prior to _____, 20__, this notice shall be of no further force or effect and the Bonds shall continue to bear interest until paid at the same rates they would have borne had this notice not been given. If JEA's refunding bonds are not issued on or prior to _____, 20__, the undersigned, on behalf of JEA, shall give notice forthwith of such fact to the holders of the Bonds, and this notice shall thereupon be revoked and shall be of no further force and effect.

Subject to the foregoing, the redemption price of and accrued interest on the Bonds shall become due and payable on _____, 20__ and from and after _____, 20__ interest on the Bonds shall cease to accrue and be payable.

Holders of the Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust offices of **[specify names of current Paying Agents]**.

Dated this ___ day of _____, 20__.

JEA

By: _____,
as [Escrow Agent/Registrar]

SECTION 15. AUTHORIZATION AND APPROVAL OF THE NEGOTIATED SALE OF THE 2017/8 SERIES X BONDS AND EXECUTION AND DELIVERY OF THE BOND PURCHASE AGREEMENT(S); DELEGATION OF AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH. The terms and conditions of the bond purchase agreement(s) between JEA and the Underwriters, providing for the negotiated sale and purchase of the 2017/8 Series X Bonds of a particular Series, in substantially the form attached hereto as Exhibit A (the “Bond Purchase Agreement”), are hereby approved. At such time or times as the Managing Director/CEO of JEA shall determine are advantageous to JEA, such officer shall execute and deliver the Bond Purchase Agreement(s) (with such changes as are necessary to reflect, among other things, the terms of the 2017/8 Series X Bonds of a particular Series, such determination to be evidenced by the execution and delivery thereof; *provided, however*, that at or prior to the time of the execution and delivery of the Bond Purchase Agreement(s), JEA shall have received from the senior managing underwriter the disclosure statement required pursuant to Section 218.385(6), Florida Statutes. The purchase price of the 2017/8 Series X Bonds of a particular Series to be paid by the Underwriters pursuant to the Bond Purchase Agreement shall be determined as provided in Section 5 hereof, subject to the limitations set forth therein.

SECTION 16. AUTHORIZATION OF AUTHENTICATION. In the event that the Managing Director/CEO shall determine that it is desirable to sell and issue 2017/8 Series X Bonds as provided herein, U.S. Bank National Association, as Bond Registrar for the 2017/8 Series X Bonds, is hereby requested and authorized to authenticate and deliver such 2017/8 Series X Bonds in the aggregate principal amount determined as provided in Section 5 hereof, to or upon the order of the Underwriters, upon payment to JEA of the sum to be specified in the applicable Bond Purchase Agreement.

SECTION 17. APPOINTMENT OF ESCROW AGENT(S) AND AUTHORIZATION AND APPROVAL OF ESCROW DEPOSIT AGREEMENT(S). The Managing Director/CEO is hereby authorized to appoint U.S. Bank National Association, The Bank of New York Mellon Trust Company, N.A. or any other bank or trust company selected pursuant to JEA’s purchasing code to act as Escrow Agent under an Escrow Deposit Agreement in connection with the refunding of Refunded Bonds. One or more Escrow Deposit Agreement(s) are hereby approved in substantially the form attached hereto as Exhibit C. The Escrow Deposit Agreement(s) may be executed and delivered as provided in Section 21 hereof. Pursuant to the Escrow Deposit Agreement(s), the Escrow Agent may be directed to invest the funds held thereunder in the manner provided therein.

In connection with the refunding of the Refunded Bonds as provided herein, each Authorized Officer of JEA is hereby authorized, if deemed desirable, to cause proceeds of the 2017/8 Series X Bonds and other available amounts, and earnings thereon, to be invested in United States Treasury Securities – State and Local Government Series (“SLGS”) or other obligations permitted to be used to accomplish the defeasance of such Refunded Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as any Authorized Officer of JEA shall determine is necessary or desirable; and each such Authorized Officer of JEA and, upon receipt of instructions from an Authorized Officer of JEA, any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of JEA to submit subscriptions to the Bureau of Public Debt of the United States Department of the

Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

SECTION 18. APPROVAL OF THE FORM AND USE OF PRELIMINARY OFFICIAL STATEMENT. The form and use of a preliminary official statement for each Series of the 2017/8 Series X Bonds, in substantially the form attached hereto as Exhibit B (the “Draft Preliminary Official Statement”), is hereby authorized and approved in connection with the offering and sale of the 2017/8 Series X Bonds of each Series.

In the event that the Managing Director/CEO shall determine that it is desirable to issue and sell the 2017/8 Series X Bonds of one or more Series as provided herein, the Managing Director/CEO is hereby authorized and directed to cause to be prepared a Preliminary Official Statement with respect to such Bonds in substantially the form of the Draft Preliminary Official Statement and with such changes thereto as are necessary so that such Preliminary Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and, in such case, to cause such Preliminary Official Statement to be used in connection with the offering and sale of the 2017/8 Series X Bonds of such Series and, if applicable, the Managing Director/CEO, the Chief Financial Officer or the Treasurer of JEA are hereby authorized to deem said Preliminary Official Statement final for purposes of Rule 15c2-12. In the event that the Managing Director/CEO shall cause to be prepared a Preliminary Official Statement for such 2017/8 Series X Bonds as aforesaid, an Official Statement relating to the 2017/8 Series X Bonds of such Series, in substantially the form of said Preliminary Official Statement, with such changes thereto as are necessary (a) to reflect the terms of such 2017/8 Series X Bonds and (b) so that such Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of such 2017/8 Series X Bonds. In such event, such Official Statement shall be executed as provided in Section 21 hereof.

SECTION 19. APPROVAL WITH RESPECT TO REGISTRATION OR QUALIFICATION OF THE AUTHORIZED BONDS UNDER THE BLUE SKY OR SECURITIES LAWS OF VARIOUS STATES. The Authorized Officers of JEA shall be, and hereby are, authorized in the name and on behalf of JEA, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2017/8 Series X Bonds of each Series for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 20. CONTINUING DISCLOSURE. For the benefit of holders and beneficial owners from time to time of the 2017/8 Series X Bonds of each Series, JEA agrees, as an obligated person with respect to the 2017/8 Series X Bonds of such Series under Rule 15c2-12, to provide or cause to be provided such financial information and operating data, audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5) of Rule 15c2-12. In order to describe and specify certain terms of JEA's continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Authorized Officers of JEA are, and each of them hereby is, authorized and directed to sign and deliver, in the name and on behalf of JEA, one or more Continuing Disclosure Agreements with respect to the 2017/8 Series X Bonds substantially in the form of Appendix C to the Draft Preliminary Official Statement, with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to JEA and that are approved by the Authorized Officer of JEA executing the same on behalf of JEA, all of which shall be conclusively evidenced by the signing of that agreement or amendments to it. The agreement formed, collectively, by this paragraph and that agreement, shall be JEA's continuing disclosure agreement with respect to the 2017/8 Series X Bonds of the applicable Series for purposes of Rule 15c2-12, and its performance shall be subject to the annual appropriation of any funds that may be necessary to perform it.

The Authorized Officers of JEA are, and each of them hereby is, further authorized and directed to take such actions as shall be necessary to comply with each such continuing disclosure agreement, including timely provision of information and notices. Prior to making any filing in accordance with any such agreement or providing notice of the occurrence of any other events, any such officer of JEA shall consult with and obtain legal advice from, as appropriate, the Office of the General Counsel and bond or other qualified independent special counsel selected by JEA. Any such officer of JEA, acting in the name and on behalf of JEA, shall be entitled to rely upon any such legal advice in determining whether a filing should be made.

SECTION 21. AUTHORIZATION OF THE EXECUTION AND DELIVERY OF AUTHORIZED BONDS AND RELATED DOCUMENTS. The Authorized Officers of JEA are hereby authorized to execute the 2017/8 Series X Bonds of each Series, the Bond Purchase Agreement(s), the Escrow Deposit Agreement(s), if any, the Continuing Disclosure Agreement(s) and the Official Statement(s), each subject to completion thereof, and with such changes therein as they may approve as necessary and desirable and in the best interest of JEA, such approval to be evidenced by the execution and delivery thereof; *provided, however,* that the 2017/8 Series X Bonds shall be executed and delivered pursuant to the Bond Resolution and applicable law. The Secretary or an Assistant Secretary of JEA is hereby authorized (but not required) to cause the seal of JEA to be affixed to the 2017/8 Series X Bonds and the foregoing documents and to attest the same. Such Authorized Officers of JEA are each hereby authorized to deliver such 2017/8 Series X Bonds and documents on behalf of JEA.

SECTION 22. AUTHORIZATION OF EXECUTION AND DELIVERY OF DOCUMENTS RELATED TO TERMINATION OF INTEREST RATE SWAP TRANSACTIONS. The Authorized Officers of JEA are hereby authorized to execute and deliver such documents as the Managing Director/CEO shall determine to be necessary or appropriate and commercially reasonable (as confirmed by JEA's Financial Advisor) in

connection with the termination, or partial termination, of the Interest Rate Swap Transactions, including, without limitation Termination Agreements, amended Confirmations, documents to enable the counterparties to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder. Such Authorized Officers of JEA are each hereby authorized to deliver such documents on behalf of JEA.

SECTION 23. FURTHER ACTIONS. Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all administrative acts and things as may be necessary or desirable in connection with the approval, execution and delivery of the Bond Purchase Agreement(s), the Escrow Deposit Agreement(s), if any, and the Continuing Disclosure Agreement(s); and the carrying out of their terms and the terms of the Bond Resolution and this Supplemental Resolution; the issuance, sale, execution and delivery of the 2017/8 Series X Bonds, the refunding and redemption of the Refunded Bonds and the termination or partial termination of the Interest Rate Swap Transactions; and the use of the Preliminary Official Statement(s) and the Official Statement(s). Without limiting the generality of the foregoing, the Managing Director/CEO is hereby authorized to execute the certificates referred to in Section 5 hereof. In the absence of the Managing Director/CEO for any reason, the authority granted to him in this resolution is hereby delegated to the Vice President and General Manager, Water and Wastewater Systems, the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

SECTION 24. REMAINING AUTHORIZATION UNDER RESOLUTION NO. 2014-09 SUPERSEDED. Any remaining authorization to issue additional debt under Resolution No. 2014-09 adopted by JEA on December 16, 2014 is hereby superseded by this Resolution and repealed. The foregoing shall not affect in any manner the authorization of debt previously issued pursuant to Resolution No. 2014-09.

SECTION 25. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

[Remainder of page intentionally left blank]

SECTION 26. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 20TH DAY OF DECEMBER, 2016.



JEA

By: _____

Name:

Title:

ATTEST:

By: _____

Secretary

Approved as to Form:

By: _____

Office of General Counsel

EXHIBIT A

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

BOND PURCHASE AGREEMENT

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida 32202

Re: \$000,000,000 JEA Water and Sewer System Revenue Bonds, 2017/8 Series X
\$000,000,000 JEA Water and Sewer System Subordinated Revenue Bonds,
2017/8 Series X

Ladies and Gentlemen:

The Underwriters (as defined below) jointly and severally hereby propose to purchase all (but not less than all) of the Bonds (as defined below) from JEA, a public body corporate and politic organized and existing under the laws of the State of Florida, and to make a public offering of the Bonds subject to the acceptance of this proposal by JEA on or before 5:00 p.m. local time then prevailing in Jacksonville, Florida, on _____, 20__, and subject to the following provisions:

Section 1. Definitions. The following terms shall have the following meanings in this Agreement unless another meaning is plainly intended:

“2017/8 Series X Bonds” means JEA’s Water and Sewer System Revenue Bonds, 2017/8 Series X in the aggregate principal amount of \$000,000,000, with maturities, amounts, interest rates and yields set out in Annex A hereto and as further described in the Final Official Statement.

“2017/8 Series X Subordinated Bonds” means JEA’s Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X in the aggregate principal amount of \$000,000,000 with maturities, amounts, interest rates and yields as described in Annex A hereto and as further described in the Final Official Statement.

“Accountants” means Ernst & Young LLP, independent certified public accountants.

“Agreed Upon Procedures Letter” means the letter from the Accountants to the governing body of JEA and the Representative in a form acceptable to JEA and the Representative and with the procedures described therein to be applied at least through _____, 20__, the date of the last meeting of the Board of JEA prior to the Closing.

“Agreement” means this Bond Purchase Agreement between the Representative, acting on behalf of the Underwriters, and JEA.

“Annual Report” means the document entitled “Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 2015” of JEA dated as of April 19, 2016 [or any later version] included by reference in the Official Statements to the extent described under the caption “INTRODUCTION – Inclusion of Information” therein.

“Bond Counsel” means _____, _____, _____.

“Bond Registrar” means U.S. Bank National Association or its corporate successor, in its capacity as Bond Registrar and Paying Agent and Subordinated Bond Registrar and Subordinated Bond Paying Agent, as the case may be, for the Bonds under the Resolution.

“Bonds” means, collectively, the 2017/8 Series X Bonds and the 2017/8 Series X Subordinated Bonds.

“City” means the City of Jacksonville, Florida.

“Closing” refers to the transaction at which the Bonds are delivered by JEA to or on behalf of the Underwriters, and paid for by the Underwriters, pursuant to this Agreement.

“Closing Date” means the date specified in Section 7 hereof, or such other date as is mutually agreeable to the Representative and JEA pursuant to Section 7 hereto.

“Closing Documents” means the documents described in Section 8 hereof and required to be delivered to the Underwriters at the Closing.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Continuing Disclosure Agreement” means the agreement of JEA to be dated the Closing Date in substantially the form set forth in Appendix D to the Preliminary Official Statement.

“DTC” means The Depository Trust Company.

“Eighteenth Supplemental Subordinated Resolution” means Resolution No. 2016-24 adopted by JEA on December 20, 2016 entitled “Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution.”

“Escrow Agent” means _____.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement to be delivered in connection with the issuance of the Bonds between JEA and the Escrow Agent relating to the refunding of the Refunded Bonds.

“Final Official Statement” means the final Official Statement of JEA relating to the Bonds, substantially in the form of the Preliminary Official Statement, with such changes as may be approved by the Representative, to be delivered pursuant to Section 6 hereof.

“Forty-Third Supplemental Resolution” means Resolution No. 2016-23 adopted by JEA on December 20, 2016 entitled “Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution.”

“JEA’s Counsel” means the Office of General Counsel of the City.

“Letter of Representations” means the Blanket Issuer Letter of Representations dated May 6, 2004 from JEA to DTC.

“Official Statements” means the Preliminary Official Statement and the Final Official Statement.

“Preliminary Official Statement” means the Preliminary Official Statement of JEA relating to the Bonds, dated _____, 20__, including the cover page and appendices thereto and the information included by reference therein.

“Refunded Bonds” means the bonds listed in the table in Annex E attached hereto.

“Representative” means _____, as representative of the Underwriters.

“Resolution” means, collectively, the Senior Bonds Resolution and the Subordinated Bonds Resolution.

“Senior Bonds Resolution” means the resolution of JEA adopted on February 18, 1997 and referred to therein as the “Water and Sewer System Revenue Bond Resolution,” as amended, restated and supplemented, including, without limitation, as supplemented by the Forty-Third Supplemental Bond Resolution.

“Subordinated Bonds Resolution” means the resolution of JEA adopted on May 15, 2003 and referred to therein as “Water and Sewer System Subordinated Revenue Bond Resolution,” as amended, restated and supplemented, including, without limitation, as supplemented by the Eighteenth Supplemental Subordinated Resolution.

“System” shall have the meaning ascribed thereto in the Resolution.

“Underwriters” means _____, acting for and on behalf of themselves and such other securities dealers, if any, as may from time to time be designated by JEA or the Underwriters.

“Underwriters’ Counsel” means _____, _____, _____.

[“Verification Agent” means _____.]

[“Verification Report” means the report dated the date of Closing of the Verification Agent to the effect that such Verification Agent has verified the accuracy of (a) the adequacy of the maturing principal of and interest on certain federal securities to be held under the Escrow Deposit Agreement, together with other moneys held under the Escrow Deposit Agreement, to pay when due or upon earlier redemption, the principal or redemption price of and interest on the Refunded Bonds, and (b) certain mathematical computations supporting the conclusion that the Bonds are not “arbitrage bonds” under the Code.]

Section 2. Purchase Price. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriters shall purchase and JEA shall sell all, but not less than all, of the (i) 2017/8 Series X Bonds at an aggregate purchase price of \$_____ (representing the aggregate principal amount of the 2017/8 Series X Bonds of \$000,000,000, less Underwriters’ discount of \$_____ [plus/minus net] original issue [premium/discount] of \$_____) and (ii) 2017/8 Series X Subordinated Bonds at an aggregate purchase price of \$_____ (representing the aggregate principal amount of the 2017/8 Series X Subordinated Bonds of \$000,000,000, less Underwriters’ discount of \$_____ [plus/minus net] original issue [premium/discount] of \$_____).

Section 3. Public Offering. The Underwriters have made a bona fide public offering of the Bonds at prices not in excess of the initial offering price or prices (or at yields not lower than the yield or yields) set forth in Annex A hereto. The Underwriters represent that, based on prevailing market conditions, they have no reason to believe that any of the Bonds will be initially sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices (or yields lower than the yields) shown in Annex A hereto. The Underwriters reasonably expected to sell at least 10 percent of the Bonds of each maturity to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown in Annex A hereto or in the case of discount obligations sold on a yield basis, at yields not lower than the yields shown in Annex A hereto. The Underwriters reserve the right to change such public offering prices as the Underwriters deem necessary in connection with the marketing of the Bonds. In connection with the public offering of the Bonds, the Underwriters have delivered to JEA a letter containing the information required by Section 218.385, Florida Statutes in the form attached as Annex D.

JEA acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s-length commercial transaction between JEA and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of JEA, (iii) the Underwriters have not assumed a fiduciary responsibility in favor of JEA with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising JEA on other matters) or any other obligation to JEA except the obligations expressly set forth in this Agreement, (iv) the Underwriters have financial interests that differ from those of JEA and are not acting as municipal advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended) and (v) JEA has consulted with its own legal and financial advisors to the extent it deemed it appropriate in connection with the offering of the Bonds.

Section 4. Good Faith Deposit. Delivered to JEA herewith is a check payable to the order of JEA in the amount of \$_____ (the “Good Faith Deposit”) as security for the performance by the Underwriters of their obligation to accept and pay for the Bonds on the Closing Date in accordance with the provisions hereof. JEA shall hold such check uncashed until the Closing Date. In the event of the Underwriters’ compliance with their obligations hereunder, the Good Faith Deposit shall be returned to the Representative on the Closing Date upon payment to JEA as provided in Section 7 hereof of the purchase price of the Bonds. In the event JEA does not accept this offer, or upon the failure of JEA to deliver the Bonds on the Closing Date, or if JEA shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Agreement, or if such obligations shall be terminated for any reasons permitted by this Agreement except for the reasons set forth in Section 10 hereof, the Good Faith Deposit shall immediately be returned to the Representative. If the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by JEA on the Closing Date as herein provided, the Good Faith Deposit shall be retained by JEA as and for full and agreed upon liquidated damages, and not as a penalty, to JEA for such failure, and the retention of the Good Faith Deposit shall constitute a full release and discharge of all claims and damages for such failure and of any and all defaults hereunder on the part of the Underwriters.

Section 5. Representations of JEA. JEA represents to the Underwriters that: (a) the Preliminary Official Statement has been “deemed final” by JEA as of its date for the purpose of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”); (b) as of their respective dates and on the date hereof the statements and information contained in the Official Statements are, and on the Closing Date the statements and information contained in the Final Official Statement will be, true and complete in all material respects, and the Preliminary Official Statement, as of its date, did not and the Final Official Statement, as of its date, does not on the date hereof, and will not on the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; (c) the Preliminary Official Statement, as of its date, did not and does not on the date hereof, and the Final Official Statement, as of its date did not and does not on the date hereof, and will not on the Closing Date, omit any information with respect to JEA or its business, properties and affairs which might in a material respect adversely or unfavorably affect the transactions contemplated by the Preliminary Official Statement or the Final Official Statement; (d) JEA has not pledged any part of the “Trust Estate” prior to the lien thereon in favor of the “Bonds” (as those terms are defined in the Resolution); (e) JEA has full title to the System and the power and authority to operate the same and to collect the Revenues (as defined in the Resolution) therefrom; (f) the resolution or resolutions of, or other appropriate actions taken by, JEA establishing the rates and charges for services of the System described in the Official Statements have been duly adopted or taken and are in full force and effect; (g) when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of JEA of the character referred to in the Final Official Statement, in conformity with, and entitled to the benefit and security of, the Resolution; (h) JEA is empowered and has been duly authorized to enter into this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Letter of Representations and to adopt the Resolution; (i) the execution and delivery of this Agreement, the Continuing Disclosure Agreement, the Letter of

Representations[, the Escrow Deposit Agreement] and the Bonds and compliance with the provisions thereof, under the circumstances contemplated herein and therein, will not in any material respect conflict with or constitute on the part of JEA a breach of or default under any agreement or other instrument to which JEA is a party, or any existing law, administrative regulation, court order or consent decree to which JEA is subject; (j) no litigation or proceeding (to which JEA is a party) is pending or to the best of JEA's knowledge is threatened against or affecting JEA to restrain or enjoin the issuance or delivery of the Bonds or other indebtedness of JEA relating to the System or in any way contesting or affecting the authority for the issuance of the Bonds or the validity of the Bonds or other indebtedness of JEA, the Resolution, this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] or the Letter of Representations or in any way contesting the corporate existence or the powers of JEA; (k) except as may be disclosed in the Official Statements, no litigation or proceeding (to which JEA is a party) is pending or, to the best of its knowledge, is threatened against or affecting JEA or involving any of the business, property or affairs of JEA which involves the possibility of any judgment or liability which may result in any material adverse change in the financial condition of JEA relating to the System; (l) JEA has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon; (m) subsequent to the date of the last audited financial statements included [by specific reference] in the Official Statements there have been no material adverse changes in the assets, liabilities or condition of JEA related to the System, financial or otherwise, except as disclosed in or contemplated by the Official Statements, and neither the business, the properties, nor the affairs of JEA related to the System have been adversely affected in any substantial way as the result of any fire, explosion, accident, strike, riot, flood, windstorm, earthquake, embargo, war or act of God or of the public enemy; (n) all permits or licenses which JEA is required to maintain in order to operate the System are in full force and effect; (o) the proceeds of the Bonds will be used by JEA to redeem all of the Refunded Bonds within 90 days of the Closing; (p) other than as disclosed in the Preliminary Official Statement, JEA has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under the Rule; and (q) JEA has not been in default at any time after December 31, 1975 as to principal or interest with respect to any of its debt obligations.

Section 6. Final Official Statement; Public Offering. JEA shall prepare, and shall deliver to the Underwriters as promptly as practicable but, in any event, not later than seven business days after the acceptance by JEA of this Agreement and in sufficient time to allow the Underwriters to deliver copies thereof to purchasers of the Bonds at least two business days prior to the Closing, copies of the Final Official Statement in sufficient quantity to comply with the Rule and the rules of the Municipal Securities Rulemaking Board and in form and substance satisfactory to the Representative and JEA, executed on behalf of JEA by its Managing Director and Chief Executive Officer. JEA agrees that the Preliminary Official Statement, the Final Official Statement, the Annual Report and audited financial statements, if any, and copies of the Resolution, prepared by or on behalf of JEA may be used by the Underwriters in the public offering of the Bonds and that it will cooperate with the Underwriters if the Underwriters decide to qualify the Bonds under the securities laws of any state; provided, however, JEA shall not be required to register as a dealer or broker in any such state or to qualify to do business in connection with any such qualification of the Bonds for sale in any state. To the extent required by MSRB Rules, JEA confirms that it does not object to the distribution of the Official

Statements in electronic form. The Final Official Statement shall be provided in a “designated electronic format” (as defined in MSRB Rule G-32). The term “designated electronic format” is defined in MSRB Rule G-32 to mean portable document format, with files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. For files submitted to the Electronic Municipal Market Access system operated by the MSRB on or after January 1, 2010, documents in designated electronic format must be word searchable (without regard to diagrams, images and other non-textual elements).

JEA authorizes the Representative to file, to the extent required by applicable SEC or MSRB rule, and the Representative agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB’s Electronic Municipal Market Access System (“EMMA”)) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If a supplement to the Final Official Statement is prepared in accordance with Section 11 hereof during the “primary offering disclosure period,” and if required by applicable SEC or MSRB rule, the Representative shall also make the required submission of the supplement to the Final Official Statement to EMMA. The “primary offering disclosure period” is used as defined in MSRB Rule G-32 and shall end on the 25th day after the Closing.

Section 7. Closing, Delivery and Payment. The Bonds shall be printed or reproduced in definitive form as fully registered Bonds and shall be registered initially in the name of Cede & Co., as nominee of DTC, shall be in the denominations of the aggregate par amount of the Bonds of each series and maturity of each series (and, if applicable, each interest rate within a maturity) and shall be made available to, or on behalf of, DTC, 55 Water Street, New York, New York, which shall act as securities depository for the Bonds, not less than one business day prior to the Closing. The Representative may inspect the Bonds prior to the Closing.

The Closing shall be held beginning at 9:00 a.m. on _____, 20__ at the offices of JEA, 21 West Church Street, Jacksonville, Florida, or at such other time and other place as is mutually agreeable to the Representative and JEA. At the Closing and subject to the conditions contained herein, the Representative shall accept the delivery of the Bonds from JEA and shall make payment therefor as provided herein in federal funds or other immediately available funds upon (i) tender by JEA of the definitive Bonds to or on behalf of DTC on behalf of the Underwriters; and (ii) the delivery by JEA to the Underwriters of all the Closing Documents.

Section 8. Closing Documents. The Closing Documents shall consist of at least the following, each properly executed, certified or otherwise verified, dated as of the Closing Date except as otherwise provided below, and in such form as may be satisfactory to Bond Counsel, the Representative and Underwriters’ Counsel, including, but not limited to, the matters hereinafter set forth:

- (a) Certified copies of the Resolution and the ordinances of the City Council of the City approving the issuance of the Bonds;
- (b) JEA’s closing certificate confirming (i) the representations made by JEA herein; (ii) the application of the proceeds of the sale of the Bonds and certain other

amounts as described in the Final Official Statement; (iii) the adoption and present effectiveness of all resolutions considered necessary, in the opinion of Bond Counsel, in connection with the transactions contemplated hereby, together with copies of said resolutions; (iv) that the Resolution has not been amended since the date of this Agreement, except as may have been consented to in writing by the Representative; and (v) that, except as described in the Official Statements, no material adverse change has occurred with respect to the System, including, without limitation, the financial condition thereof, for the period from September 30, 20[___] through the Closing Date;

(c) The approving opinions of Bond Counsel, dated the Closing Date, in substantially the forms attached to the Preliminary Official Statement as Appendix E and Appendix F;

(d) The supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriters in substantially the form set forth as Annex B hereto;

(e) An opinion of JEA's Counsel to the effect that (i) JEA is a public body corporate and politic and an independent agency of the City, duly organized and validly existing under the laws of the State of Florida and has all the necessary power and authority to issue the Bonds and enter into this Agreement, the Letter of Representations[, the Escrow Deposit Agreement] and the Continuing Disclosure Agreement; (ii) the Resolution has been duly adopted by JEA and this Agreement, the Letter of Representations, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Bonds have been duly authorized, executed and delivered by JEA and such documents and the Resolution constitute legal, valid and binding obligations of JEA enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights generally, and no opinion need be expressed as to the availability of any discretionary equitable remedy; (iii) the ordinances of the City Council of the City approving the issuance of the Bonds were duly enacted by the City; (iv) JEA has approved the distribution of the Preliminary Official Statement and the Final Official Statement and the execution and delivery of the Final Official Statement to the purchasers of the Bonds; (v) the execution and delivery of the Bonds, this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Letter of Representations, the adoption of the Resolution and the issuance of the Bonds pursuant to the Resolution and compliance with the provisions of the Resolution under the circumstances contemplated thereby and hereby, do not and will not in any material respect conflict with or constitute on the part of JEA a breach of or default under any existing law, regulation, court order or consent decree to which JEA is subject; (vi) nothing has come to such counsel's attention which would lead such counsel to believe that the Final Official Statement (with the exception of the tax treatment of interest on the Bonds, Blue Sky or other securities registration matters, and financial and statistical information, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to be stated therein to make the statements therein, in light of the circumstances under which they were made, not misleading; (vii) no litigation or proceeding (to which JEA or the City is a party) is pending or to the best of such counsel's knowledge is threatened against or affecting JEA

or the City to restrain or enjoin the issuance or delivery of the Bonds or the refunding of the Refunded Bonds or in any way contesting or affecting the authority for the issuance of the Bonds, or the validity of the Bonds or this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] or the Letter of Representations or in any way contesting the corporate existence or the powers of JEA; (viii) except as may be disclosed in the Preliminary Official Statement and the Final Official Statement, no litigation or proceeding (to which JEA or the City is a party) is pending or to the best of such counsel's knowledge is threatened against or affecting JEA or involving any of the business, property or affairs of JEA which involves the possibility of any judgment or liability which may result in any material adverse change in the financial condition of JEA relating to the System; and (ix) JEA has obtained the consents, approvals, authorizations or other orders of all municipal, state or regulatory authorities required for the consummation of the transaction contemplated hereby;

(f) The opinion of Underwriters' Counsel, dated the Closing Date, in substantially the form attached hereto as Annex C;

(g) An executed copy of the Agreed Upon Procedures Letter, dated the day prior to the Closing Date;

(h) A consent, manually signed by the Accountants, to the use of their report in the Annual Report and to the references to their firm therein and in the Official Statements, dated the day prior to the Closing Date;

(i) Appropriate arbitration certifications and tax covenants with respect to the Bonds by JEA in form and substance satisfactory to Bond Counsel and Underwriters' Counsel;

(j) Appropriate evidence that the 2017/8 Series X Bonds have been assigned ratings of “__” by Fitch, Inc. (“Fitch”), “__” by Moody's Investors Service, Inc. (“Moody's”) and “__” by Standard & Poor's (“S&P”) and the 2017/8 Series X Subordinated Bonds have been assigned ratings of “__” by Fitch, “__” by Moody's and “__” by S&P;

(k) A certificate of the Bond Registrar as to the incumbency of its officers and its power to serve as Bond Registrar in form and substance acceptable to Bond Counsel and Underwriters' Counsel;

(l) A certificate of the Escrow Agent, dated the Closing Date as to (i) the incumbency of its officers, (ii) that the Escrow Agent is a banking corporation, duly organized and validly existing under the laws of the United States of America or the state of its incorporation and authorized to do business in the State, (iii) that the Escrow Agent has duly accepted its duties under the Escrow Deposit Agreement, and (iv) that the Escrow Agent has taken all necessary corporate action required to act as escrow agent under the Escrow Deposit Agreement and to perform its duties hereunder;

(m) A certified copy of the Letter of Representations;

- (n) An executed counterpart of the Continuing Disclosure Agreement;
- (o) An executed counterpart of the Escrow Deposit Agreement;
- (p) The Verification Report; and

(q) Such additional legal opinions, certificates, instruments and other documents and such multiple copies of the above listed documents as the Underwriters, Underwriters' Counsel or Bond Counsel may reasonably request to evidence compliance by JEA with legal requirements; the truth and accuracy, as of the Closing Date, of the respective representations contained herein and in the Final Official Statement; and the due performance or satisfaction by JEA of all agreements to be performed by it and all conditions to be satisfied by it at or prior to the Closing.

Section 9. Termination by Underwriters. This Agreement may be terminated in writing prior to the Closing by the Representative acting on behalf of the Underwriters if any of the following shall occur subsequent to the execution hereof: (i) this Agreement shall not have been accepted by JEA within the time herein provided; (ii) the copies of the Final Official Statement shall not have been provided within the time required by this Agreement; (iii) the Bonds and all of the Closing Documents shall not have been delivered to the Underwriters as of 2:00 p.m. on the Closing Date; (iv)(a) legislation shall have been enacted by the Congress, or introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (b) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (c) an order, ruling, regulation or communication (including a press release) shall have been issued by the Treasury Department of the United States, the Internal Revenue Service or the Securities and Exchange Commission, or (d) any action shall be taken or statement made by or on behalf of the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, which indicates or implies that interest on the Bonds may not be excludable from gross income for federal income tax purposes or that legislation will be introduced in the next scheduled session of the United States Congress, in each case referred to in clauses (a), (b), (c) and (d), with the purpose or effect, directly or indirectly, of (y) imposing federal income taxation upon interest to be received by any holders of the Bonds or (z) requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933 or the Resolution to be qualified as an indenture under the Trust Indenture Act of 1939; (v) there shall exist any event or circumstance which, in the opinion of the Representative, either makes untrue or incorrect in a material respect any statement or information contained in the Final Official Statement, or any event or circumstance is not reflected in the Final Official Statement but should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in a material respect; (vi) there shall have occurred any outbreak of hostilities (or the escalation of any hostilities existing on the date hereof) or other national or international calamity or crisis, the effect of such outbreak or escalation, calamity or crisis on the financial markets of the United States of America being such as, in the opinion of the Representative, would make it

impracticable for the Underwriters to sell the Bonds, including an effect generally on the market which affects the marketability of the Bonds; (vii) there shall be in force a general suspension of trading on the New York Stock Exchange, or any other major United States stock exchange, or minimum or maximum prices for trading shall have been fixed and be in force; (viii) in the judgment of the Representative, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be adversely affected because: (a) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (b) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters; (ix) a general banking moratorium shall have been declared by either federal, New York or Florida authorities having jurisdiction, and shall be in force, or there shall occur any other material disruption in commercial banking or securities settlement or clearance services in the United States; or (x) (a) the rating on the Bonds shall have been suspended, withdrawn or downgraded by any of the three rating agencies referred to in paragraph (j) of Section 8 hereof or (b) any such rating agency shall have placed the Bonds on negative credit watch or the like.

Section 10. Termination by JEA. In the absence of a termination of this Agreement by the Representative as permitted by Section 9 hereof, this Agreement may be terminated in writing by JEA in the event that the Underwriters shall fail to accept delivery and pay the purchase price of the Bonds at the Closing upon (i) tender thereof to or on behalf of the Underwriters by JEA and (ii) delivery to the Underwriters of all of the Closing Documents, all as provided in Section 8 hereof, and in such event JEA shall retain the Good Faith Deposit as provided in Section 4 hereof.

Section 11. Changes Affecting the Final Official Statement After the Closing. If during the period from the date of this Agreement and a date 25 days after the End of the Underwriting Period (as defined herein), any event relating to or affecting JEA shall occur the result of which shall make it necessary, in the reasonable opinion of (i) JEA and (ii) the Representative or Underwriters' Counsel, to amend or supplement the Final Official Statement in order to make it not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made not misleading, JEA shall forthwith prepare and furnish to the Underwriters, at JEA's expense, a reasonable number of copies of an amendment of or supplement to the Final Official Statement in form and substance satisfactory to the Representative, so that it then will not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading; provided, however, JEA will not adopt any amendment or supplement to the Final Official Statement except with the written consent of the Representative, which consent shall not be unreasonably withheld. The "End of the Underwriting Period" shall mean the Closing Date unless the Representative shall in writing advise JEA that the Underwriting Period must be extended, in which case the End of the Underwriting Period shall be the date set forth in such writing, but in no event later than 90 days after the Closing Date.

Section 12. Expenses. The Underwriters shall pay their own out-of-pocket expenses, the fees and expenses of Underwriters' Counsel, and the fees and expenses in connection with the preparation of the Blue Sky Memorandum and the registration of the Bonds for "Blue Sky" purposes.

JEA acknowledges that it has had an opportunity to consult with its financial advisor in order to evaluate and consider the fees and expenses being incurred as a part of the issuance of the Bonds. JEA shall pay all of the other costs and expenses in connection with the financing contemplated by this Agreement, including, but not limited to: (i) the fees and expenses of Bond Counsel and JEA's Counsel and the expenses of JEA, if any; (ii) any fees and expenses incurred for filing fees; (iii) the fees and expenses of any experts or consultants; (iv) the fees and expenses of the Bond Registrar, the Escrow Agent and any verification report; (v) the cost of preparation and printing of the Bonds; (vi) the cost of printing and duplication for the Official Statements and any amendments or supplements thereto; (vii) the fees and expenses of the Accountants; and (viii) bond rating agency fees. JEA acknowledges that a portion of the Underwriters' expenses are intended to reimburse the Underwriters for incidental expenses (including, but not limited to, transportation, lodging and meals of JEA and Underwriters personnel) incurred by the Underwriters (on their own behalf or on behalf of JEA personnel), as applicable, in connection with the transaction contemplated by this Agreement.

Section 13. Notices. Any notice or other communication to be given to JEA under this Agreement may be given by delivering the same in writing to the address set forth above; and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Underwriters in care of _____, _____, _____, _____, Attention: _____.

Section 14. Authority of Representative. The Representative has been duly authorized to execute this Agreement and, pursuant to an agreement among the Underwriters, has been duly authorized to act hereunder by and on behalf of the Underwriters.

Section 15. Parties and Interests; JEA's Undertaking; Survival of Representations. This Agreement is made solely for the benefit of JEA and the Underwriters, including the successors and assigns of the Underwriters, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof except as provided in Section 11 hereof. All representations and agreements by JEA in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriters, and shall survive the delivery of and payment for the Bonds.

Section 16. Truth-In-Bonding Statement. For purposes of subsections (2) and (3) of Section 218.385, Florida Statutes, as amended, the following Truth in Bonding Statement is made with respect to the Bonds:

JEA is proposing to issue \$_____ of the Bonds. The Bonds are to be issued for the purposes of refunding the Refunded Bonds and paying cost of issuance of the Bonds. The Bonds are expected to be repaid over a period of approximately ____ years. At the interest rates set out in Annex A hereto (being a true interest

cost of _____%), total interest paid over the life of the Bonds will be \$_____.

The source of repayment or security for the Bonds is the Revenues of the System. Issuing the Bonds finances the items described in the preceding paragraph. Authorizing this debt will result in an average annual debt service payment of approximately \$_____ from Revenues, which will not otherwise be available to finance the other services or expenditures of JEA each year for approximately _____ years.

Section 17. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which taken together shall constitute one instrument.

Section 18. Entire Agreement Clause. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Bond Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

[Remainder of page intentionally left blank; signature page follows]

Very truly yours,

_____,
as Representative of the Underwriters

By: _____
Name:
Title:

Accepted by JEA on _____, 20__

By: _____
Name:
Title:

FORM APPROVED:

Office of General Counsel

ANNEX A

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

\$000,000,000 Water and Sewer System Revenue Bonds, 2017/8 Series X

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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\$ _____ % Term Bond Due October 1, 20__ - Yield _____ %

\$000,000,000 Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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\$ _____ % Term Bond Due October 1, 20__ - Yield _____ %

Redemption Provisions

[To come]

ANNEX B

[Form of Supplemental Opinion of Bond Counsel]

[Closing Date]

[Underwriters]

c/o _____

Re: \$000,000,000 JEA Water and Sewer System Revenue Bonds, 2017/8 Series X
\$000,000,000 JEA Water and Sewer System Subordinated Revenue Bonds,
2017/8 Series X

Ladies and Gentlemen:

This letter is addressed to you, as Underwriters, pursuant to Section 8(d) of the Bond Purchase Agreement, dated _____, 20__ (the “Bond Purchase Agreement”), between _____, as Representative of the Underwriters named therein, and JEA, providing for the purchase of the captioned obligations (the “Bonds”). The Bonds are issued pursuant to the Constitution and laws of the State of Florida, including, in particular, Article 21 of the Charter of the City of Jacksonville, Florida (the “City”), as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof, and other applicable provisions of law, and under and pursuant to a resolution of JEA adopted on February 18, 1997 and referred to therein as the “Water and Sewer System Revenue Bond Resolution” (as amended and restated by a resolution adopted by JEA on March 18, 1997, the “Senior Bond Resolution”), and resolutions supplemental and amendatory thereto heretofore adopted, including Resolution No. 2016-23 of JEA adopted on December 20, 2016 entitled “Forty-Third Supplemental Water and Sewer System Bond Resolution,” and pursuant to a resolution of JEA adopted on May 15, 2003 and referred to therein as the “Water and Sewer System Subordinated Revenue Resolution,” as supplemented (the “Subordinated Bond Resolution”) including as supplemented by Resolution No. 2016-24 of JEA adopted on December 20, 2016 entitled “Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution,” (such Senior Bond Resolution and Subordinated Bond Resolution, each as so amended and supplemented, being herein called the Resolutions. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions or, if not defined in the Resolutions, in the Bond Purchase Agreement.

We have delivered our final legal opinion (the “Bond Opinion”) as bond counsel concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to JEA. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel, we have reviewed the Bond Purchase Agreement; a certified copy of the Resolutions; a certified copy of Ordinance No. 97-205-E, enacted by the Council of the City on May 13, 1997, approving, among other things, the Senior Bond Resolution and the issuance by JEA of Bonds (as such term is defined in the Senior Bond Resolution) and the Subordinated Bond Resolution; a certified copy of Ordinance 2001-663-E, enacted by the Council of the City on August 28, 2001, approving, among other things, the issuance by JEA of Bonds and Subordinated Indebtedness (as defined in the Senior Bond Resolution); a certified copy of Ordinance 2004-820-E, enacted by the Council of the City on September 28, 2004, approving, among other things, the issuance by JEA of Bonds and Subordinated Indebtedness; a certified copy of Ordinance 2006-792-E, enacted by the Council of the City on September 26, 2006, approving, among other things, the issuance by JEA of Bonds and Subordinated Indebtedness; a certified copy of Ordinance 2007-796-E, enacted by the Council of the City on September 26, 2007, approving, among other things, the issuance by JEA of Bonds and Subordinated Indebtedness, a certified copy of Ordinance 2011-448-E, enacted by the Council of the City on September 27, 2011, approving, among other things, the issuance by JEA of Bonds (as defined in the Senior Bond Resolution); the Official Statement of JEA, dated _____, 20__, relating to the Bonds, including those portions of the Annual Report (as defined therein) which are included by reference therein (the "Official Statement"); the Continuing Disclosure Agreement; the Tax Certificate executed and delivered by JEA on the date hereof in connection with the issuance of the Bonds (the "Tax Certificate"); an opinion of the Office of General Counsel of the City, attorney for JEA; certificates of JEA and others; and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based upon an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than JEA. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof (except that we have not relied on any such legal conclusions that are to the same effect as the opinions or conclusions set forth herein). We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Tax Certificate, the Continuing Disclosure Agreement and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against bodies politic and corporate of the State of Florida. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue or waiver or severability provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. JEA is a public body corporate and politic and an independent agency of the City, duly created and existing under the Constitution and laws of the State of Florida.

2. All conditions precedent to the issuance of the Bonds have been fulfilled, including, without limitation, all necessary approvals of the City.

3. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended. No opinion is expressed with respect to the FGIC Reserve Policies, the XLCA Surety Bonds, the AGM Reserve Policies, the MBIA Surety Bonds or the Berkshire Reserve Policy (as such terms are defined in the Official Statement).

4. The statements contained in the Official Statement under the captions “PURPOSE OF ISSUE AND PLAN OF FINANCE,” “SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SENIOR BONDS,” “DESCRIPTION OF THE 2017/8 SENIOR BONDS,” “SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SUBORDINATED BONDS,” “DESCRIPTION OF THE 2017/8 SUBORDINATED BONDS,” and “TAX MATTERS” (insofar as it relates to the 2017/8 Series X Bonds and the 2017/8 Series X Subordinated Bonds) and the statements contained in Appendix B to the Annual Disclosure Report, “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION,” insofar as such statements expressly summarize certain provisions of the Senior Bond Resolution, and the Statements contained in Appendix C to the Annual Disclosure Report, “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION,” insofar as such statements expressly summarize certain provisions of the Senior Bond Resolution, and our Bond Opinion providing, among other things, that the Bonds are valid and legally binding obligations of JEA and concerning certain federal tax matters relating to the Bonds, are accurate in all material respects.

5. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 4 above), completeness or fairness of any of the statements contained in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. We do not assume any responsibility for any electronic version of the Official Statement, and assume that any such version is identical in all respects to the printed version. In our capacity as bond counsel in connection with the issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of JEA, representatives of Public Financial Management, Inc., JEA’s Financial Advisor, representatives of Ernst & Young LLP, independent certified public accountants, JEA’s auditors, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in the above-referenced conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates, opinions and matters herein mentioned (as set forth above), subject to the limitations in our role as bond counsel, we advise you as a matter of fact and not opinion that no facts came to the attention of the attorneys in our firm rendering legal services in connection with such issuance which caused us to believe that

the Official Statement as of its date and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical, economic or engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion (other than our opinions relating to the Bonds), any information about book-entry or DTC, AGM, FGIC, XLCA, MBIA or Berkshire or the FGIC Reserve Policies, the AGM Reserve Policies, the XLCA Surety Bonds, the MBIA Surety Bonds or the Berkshire Reserve Policy (as such terms are defined in the Official Statement) and the information contained in Appendices A, B and C to the Official Statement and in Schedule 1 and Appendices A, D and E to the Annual Disclosure Report, included or referred to therein, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any 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. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity.

6. The Continuing Disclosure Agreement has been duly executed and delivered by JEA and is a valid and binding agreement of JEA, enforceable in accordance with its terms. No opinion regarding the adequacy of the Continuing Disclosure Agreement for purposes of SEC Rule 15c2-12 may be inferred from this opinion.

This letter is furnished by us as bond counsel to JEA. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. Our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriters of the Bonds, is solely for your benefit as such Underwriters and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

ANNEX C

[Form of Underwriters' Counsel Opinion]

_____, 20__

[Underwriters]

c/o _____

Re: \$000,000,000 JEA Water and Sewer System Revenue Bonds, 2017/8 Series X
\$000,000,000 JEA Water and Sewer System Subordinated Revenue Bonds,
2017/8 Series X

Ladies and Gentlemen:

We have acted as special counsel in connection with the purchase by _____ (the "Underwriters") from JEA of its Water and Sewer System Revenue Bonds, 2017/8 Series X, in the aggregate principal amount of \$000,000,000 and its Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X, in the aggregate principal amount of \$000,000,000 (collectively, the "Bonds"), pursuant to the Bond Purchase Agreement dated _____, 20__, among the Underwriters and JEA (the "Purchase Contract").

For purposes of rendering the opinions set forth below, we have reviewed and relied upon the following:

A. Certified copies of Ordinance No. 97-205-E enacted by the City Council of Jacksonville, Florida (the "Council") on May 13, 1997, Ordinance No. 2001-663-E enacted by the Council on August 28, 2001, Ordinance No. 2004-820-E enacted by the Council on September 28, 2004, Ordinance No. 2006-792-E enacted by the Council on September 26, 2006, Ordinance No. 2007-796-E enacted by the Council on September 26, 2007, and Ordinance No. 2011-448-E enacted by the Council on September 27, 2011;

B. A certified copy of a resolution adopted by JEA on February 18, 1997, and referred to therein as the "Water and Sewer System Revenue Bond Resolution," as the same has been restated, supplemented and amended, including, without limitation, as supplemented by Resolution No. 2016-23 entitled "Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution" adopted on December 20, 2016 (the "Senior Bond Resolution");

C. A certified copy of a resolution adopted by JEA on May 15, 2003, and referred to therein as the "Water and Sewer System Subordinated Revenue Bond Resolution," as amended, restated and supplemented, including, without limitation, as supplemented by Resolution No. 2016-24 entitled "Eighteenth Supplemental Subordinated Resolution" adopted on

December 20, 2016 (the “Subordinated Bond Resolution” and together with the Senior Bond Resolution, the “Resolutions”);

D. the Official Statement of JEA relating to, among others, the Bonds, dated _____, 20__ (the “Official Statement”);

E. the Annual Disclosure Report for Fiscal Year Ended September 30, 2015, of JEA, dated as of April 19 2016;

F. a Continuing Disclosure Agreement dated _____, 20__, by JEA (the “Continuing Disclosure Agreement”);

G. the Purchase Contract;

H. the opinions relating to the Bonds rendered by _____ (“Bond Counsel”), and by the Office of General Counsel of the City of Jacksonville, Florida, attorney for JEA, and other opinions of counsel presented at the time of issuance of the Bonds (the “Closing”);

I. an agreed upon procedures letter from Ernst & Young LLP, dated _____, 20__;

J. the certificates and other items required by the terms of the Purchase Contract to be delivered at Closing and such other certificates as were delivered at Closing; and

K. such other documents and instruments and related matters that we have deemed necessary in order to render this opinion.

In the course of our participation in the preparation of the Official Statement, we participated in discussions with representatives of JEA, Bond Counsel, Public Financial Management, Inc., JEA’s Financial Advisor, and the Underwriters in which the content of the Official Statement and related matters were discussed. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions or, if not defined therein, in the Purchase Contract.

Based upon the foregoing and subject to the qualifications set forth herein:

1. We are of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions is exempt from qualification under the Trust Indenture Act of 1939, as amended.

2. We are of the opinion that the continuing disclosure undertakings contained in the Continuing Disclosure Agreement provide a reasonable basis for the Participating Underwriters (as defined in Securities and Exchange Commission Rule 15c2-12 (the “Rule”)) reasonably to determine that JEA or an obligated person (as defined in the Rule) for whom financial information or operating data is presented in the Official Statement has undertaken, for the benefit of the holders of the Bonds to provide, directly or indirectly through

an indenture trustee or a designated agent, the information required to be provided in connection with the Bonds pursuant to paragraph (b)(5)(i) of the Rule.

Although we do not express an opinion on, and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained or included by reference in the Official Statement, based upon the information made available to us in the course of our participation in the preparation of the Official Statement as counsel for the Underwriters and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, as of the date hereof, nothing has come to our attention which would cause us to believe that (a) the Official Statement as of its date contained any untrue statement of a material fact or omitted 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 or (b) the Official Statement as of the date hereof contains any untrue statement of a material fact or omits 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. We express no view with respect to the information pertaining to The Depository Trust Company or the book-entry only system, FSA, FGIC, XLCA, MBIA, Berkshire, the FSA Reserve Policies, the FGIC Reserve Policies, the XLCA Surety Bonds, the MBIA Surety Bonds or the Berkshire Reserve Policy (as those terms are defined in the Official Statement) and references thereto, the information in Appendices A, B and C to the Official Statement, the information in Schedule 1 and Appendices A, D and E to the Annual Disclosure Report and the financial, statistical, engineering, economic or demographic data or forecasts, numbers, charts, tables or graphs or any estimates, projections or expressions of opinion contained or referenced in the Official Statement and the Appendices thereto. We have not reviewed any electronic version of the Official Statement and have assumed for purposes of this letter that any such version is identical in all respects to the printed version.

In rendering this letter, we have relied as to matters of fact, to the extent we deemed proper, upon representations and warranties of JEA made in the Purchase Contract. All of the opinions expressed herein are generally qualified as follows:

(i) The opinions expressed herein are based solely upon the laws of the State of Florida and the United States of America. We express no opinion as to the effect of the laws of any other jurisdictions.

(ii) The opinions expressed herein are based upon the laws in effect on the date hereof and are subject to any change in such law, including judicial and administrative interpretations thereof, which may occur or be reported subsequent to the date hereof. We shall have no obligation or responsibility to notify you of any such change.

(iii) In making examinations and in rendering the opinions expressed herein, we have assumed the genuineness of signatures on all documents and instruments, the authenticity and completeness of all documents submitted to us as originals and the conformity to original documents of copies submitted to us.

(iv) The only opinions contained herein shall be those expressly stated as such, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

To the extent the views expressed herein relate to or are dependent upon a determination that the proceedings and actions relating to the authorization, issuance and sale of the Bonds are lawful and valid under the Constitution and laws of the State of Florida or that the Bonds and the Resolutions are valid and legally binding obligations of JEA, that interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes, we understand that you are relying on the opinions rendered to you on the date hereof by _____, Bond Counsel, and no opinion is expressed herein as to such matters.

This letter is furnished by us as your counsel and is solely for your benefit and may not be used or relied upon by any other person without our express written consent.

The opinions expressed herein are predicated upon present laws, facts and circumstances, and we disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Sincerely yours,

ANNEX D

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida 32202

Re: \$000,000,000 JEA Water and Sewer System Revenue Bonds, 2017/8 Series X
\$000,000,000 JEA Water and Sewer System Subordinated Revenue Bonds,
2017/8 Series X

Ladies and Gentlemen:

In connection with the proposed issuance by JEA (the "Issuer") of \$000,000,000 in aggregate principal amount of Water and Sewer System Revenue Bonds, 2017/8 Series X and \$000,000,000 in aggregate principal amount of Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X (collectively, the "Bonds"), _____ (collectively, the "Underwriters") are preparing to underwrite a public offering of the Bonds. Arrangements for underwriting the Bonds will be pursuant to a Bond Purchase Agreement between the Issuer and the Underwriters.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, as amended, certain information in respect of the arrangements contemplated for the underwriting of the Bonds as follows:

- (a) The nature and estimated amounts of expenses to be incurred by the Underwriters in connection with the purchase and reoffering of the Bonds are set forth in Schedule I attached hereto.
- (b) Based upon representations of the Underwriters, there are no "finders," as defined in Section 218.386, Florida Statutes, as amended, connected with the issuance of the Bonds.
- (c) The underwriting spread (*i.e.*, the difference between the price at which the Bonds will be initially offered to the public by the Underwriters and the price to be paid to the Issuer for the Bonds) will be \$_____ per \$1,000 bond or \$_____.
- (d) The Underwriters will charge no management fee.

(e) There is no other fee, bonus or other compensation to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters, except as specifically enumerated as expenses referred to in paragraph (a) above to be incurred by the Underwriters as set forth in Schedule I attached hereto.

(f) The names and addresses of the Underwriters are:

We understand that you do not require any further disclosure from the Underwriters pursuant to Section 218.385(6), Florida Statutes, as amended.

Very truly yours,

[Underwriters]

By: _____

SCHEDULE I

ESTIMATED UNDERWRITERS' FEE AND EXPENSES

<u>Underwriters' Fee</u>	<u>Dollar Amount</u>	<u>Per \$1,000 Bond</u>
Average Takedown	\$ _____	\$ _____
Expenses:		
Underwriters' Counsel	_____	_____
Dalcomp	_____	_____
Dalnet	_____	_____
CUSIP	_____	_____
DTC	_____	_____
Additional Counsel Fee (_____)	_____	_____
Total Fees and Expenses	<u> </u> \$ _____	<u> </u> \$ _____

ANNEX E

REFUNDED BONDS

[Insert name(s) of Series]

PRELIMINARY OFFICIAL STATEMENT DATED _____, 20__

NEW ISSUE – BOOK-ENTRY ONLY

In the opinion of Bond Counsel, under existing law and assuming compliance by JEA with the tax covenants described herein, and the accuracy of certain representations and certifications made by JEA described herein, interest on the 2017/8 Series X Bonds and the 2017/8 Series X Subordinated Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. See "TAX MATTERS" herein regarding certain other tax considerations.



(www.jea.com)

\$000,000,000* WATER AND SEWER SYSTEM REVENUE BONDS, 2017/8 SERIES X

\$000,000,000* WATER AND SEWER SYSTEM SUBORDINATED REVENUE BONDS, 2017/8 SERIES X

Dated: Date of Delivery

Due: As shown on the inside front cover

The Water and Sewer System Revenue Bonds, 2017/8 Series X (the "2017/8 Series X Bonds") and the Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X (the "2017/8 Series X Subordinated Bonds" and, together with the 2017/8 Series X Bonds, the "2017/8 Bonds") will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the 2017/8 Bonds. Individual purchases of the 2017/8 Bonds will be made in book-entry form only, in principal amounts of \$5,000 or any integral multiple thereof. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto. Interest on the 2017/8 Bonds is payable on [April/October] 1, 20[___] and semiannually thereafter on April 1 and October 1 of each year. Payments of principal of, redemption price, if applicable, and interest on the 2017/8 Bonds are to be made to purchasers by DTC through its participants. Purchasers will not receive physical delivery of the 2017/8 Bonds purchased by them.

The 2017/8 Bonds will be subject to redemption prior to maturity as set forth herein.

The 2017/8 Series X Bonds are being issued to (a) refund certain of JEA's outstanding Water and Sewer System Revenue Bonds and (b) pay costs of issuance of the 2017/8 Series X Bonds. The 2017/8 Series X Subordinated Bonds are being issued to (a) refund certain of JEA's outstanding variable rate Water and Sewer System Subordinated Revenue Bonds, (b) make a deposit to the credit of the Initial Subordinated Debt Service Reserve Fund and (c) pay costs of issuance of the 2017/8 Series X Subordinated Bonds.

The 2017/8 Series X Bonds, together with all outstanding Water and Sewer System Bonds and any additional Water and Sewer System Bonds which may be issued hereafter under the Water and Sewer System Resolution (as defined herein), and the interest thereon, are payable solely from and secured by a pledge of and lien on the revenues of the Water and Sewer System (as defined herein) and other available funds pledged under the Water and Sewer System Resolution.

The 2017/8 Series X Subordinated Bonds, together with all outstanding Subordinated Water and Sewer System Revenue Bonds and any additional Subordinated Water and Sewer System Revenue Bonds which may be issued hereafter under the Subordinated Water and Sewer System Resolution (as defined herein), and the interest thereon, are payable solely from and are secured by a pledge of and lien on (a) such amounts on deposit in the Subordinated Indebtedness Fund established under the Water and Sewer System Resolution as may from time to time be available for the purpose of payment thereof as provided in the Water and Sewer System Resolution; provided, however, that such pledge shall be subordinate in all respects to the pledge of the Trust Estate (as defined in the Water and Sewer System Resolution) created by the Water and Sewer System Resolution as security for the Water and Sewer System Revenue Bonds and (b) amounts on deposit in the funds established pursuant to the Subordinated Water and Sewer System Resolution, except as described herein.

The 2017/8 Bonds shall not constitute general obligations of either JEA or the City of Jacksonville, Florida (the "City") within the meaning of any constitutional, statutory or charter provision or limitation. JEA has no power to levy taxes for any purpose. The City shall never be required to levy ad valorem taxes to pay the principal of, premium, if any, or interest on any such bonds.

Initial purchasers of the 2017/8 Series X Bonds will be deemed to have consented for all owners of the 2017/8 Series X Bonds to certain proposed amendments of certain provisions of the Water and Sewer System Resolution relating to Water and Sewer System Revenue Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS - Proposed Amendments to the Water and Sewer System Resolution" herein for a description of proposed amendments to the Water and Sewer System Resolution.

MATURITY SCHEDULE – See Inside Front Cover

The 2017/8 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the approval of legality by [____], Bond Counsel to JEA. Certain legal matters in connection with the 2017/8 Bonds will be passed upon by the Office of General Counsel of the City of Jacksonville, Florida, as counsel to JEA, and by [____], as counsel to the Underwriters. It is expected that the 2017/8 Bonds in definitive form will be available for delivery to DTC in New York, New York on or about [____], 20[___].

[UNDERWRITERS]

[____], 20[___]

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The 2017/8 Bonds may not be sold, nor may any offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall 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 2017/8 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

MATURITIES, AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS*†

\$000,000,000* WATER AND SEWER SYSTEM REVENUE BONDS, 2017/8 SERIES X

\$000,000,000* Serial Bonds

<u>Maturity (October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>	<u>Maturity (October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>
	\$	%	%			\$	%	%	

\$000,000,000* _____% Term Bonds due October 1, 20____ - Price _____ CUSIP No. _____†

\$000,000,000* _____% Term Bonds due October 1, 20____ - Price _____ CUSIP No. _____†

\$000,000,000* WATER AND SEWER SYSTEM SUBORDINATED REVENUE BONDS, 2017/8 SERIES X

\$000,000,000 Serial Bonds

<u>Maturity (October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>	<u>Maturity (October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>
	\$	%	%			\$	%	%	

\$000,000,000* _____% Term Bonds due October 1, 20____ - Price _____ CUSIP No.† _____

\$000,000,000* _____% Term Bonds due October 1, 20____ - Price _____ CUSIP No.† _____

(The bonds offered hereby will be sold initially without accrued interest.)

* Preliminary, subject to change.

† The CUSIP numbers listed herein are provided for the convenience of bondholders. JEA is not responsible for the accuracy or completeness of such numbers.

JEA
21 W. CHURCH STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(www.jea.com)

JEA OFFICIALS

BOARD MEMBERSHIP¹

Chair	Tom F. Petway III
Vice Chair	Edward E. Burr
Secretary	Delores P. Kesler
	Husein A. Cumber
	Kelly Flanagan
	G. Alan Howard

MANAGEMENT

Managing Director and Chief Executive Officer	Paul E. McElroy
Vice President and General Manager, Electric Systems	Michael I. Brost
Vice President and General Manager, Water and Wastewater Systems	Brian J. Roche
Chief Financial Officer	Melissa H. Dykes
Chief Audit, Risk and Compliance Officer	Ted E. Hobson
Chief Customer Officer	Monica Whiting
Chief Human Resources Officer	Angelia R. Hiers
Chief Information Officer	Paul J. Cosgrave
Chief Legal Officer	Jody Brooks
Chief Public Affairs Officer	Michael Hightower
Treasurer	Joseph E. Orfano

GENERAL COUNSEL

Jason R. Gabriel
General Counsel of the City of Jacksonville
Jacksonville, Florida

INDEPENDENT AUDITORS

Ernst & Young, LLP
Jacksonville, Florida

BOND COUNSEL

[_____]
 [_____]

FINANCIAL ADVISOR

Public Financial Management, Inc.
Philadelphia, Pennsylvania

**REGISTRAR AND PAYING AGENT/
SUBORDINATED BOND REGISTRAR AND PAYING AGENT**

U.S. Bank National Association
Jacksonville, Florida

¹ There is currently one vacancy on the JEA Board due to the resignation of Warren A. Jones.

No dealer, broker, salesman or any other person has been authorized by JEA to give any information or to make any representations, other than as contained in this Official Statement or included herein by specific reference, and if given or made, such other information or representations must not be relied upon as having been authorized by JEA or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2017/8 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale in such jurisdiction.

THE 2017/8 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE WATER AND SEWER SYSTEM RESOLUTION OR THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

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 respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information set forth herein or included herein by specific reference has been furnished by JEA and includes information obtained from other sources which are believed to be reliable. The information and expressions of opinion set forth herein or included herein by specific reference 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 affairs of JEA since the date hereof.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intent," "believe" and similar expressions are intended to identify forward-looking statements. A number of factors affecting JEA's business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

IN CONNECTION WITH THIS OFFERING OF THE 2017/8 BONDS THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Except as specifically provided herein, none of the information on JEA's website is included by reference herein.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY JEA FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

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OFFICIAL STATEMENT

Relating to



\$000,000,000* Water and Sewer System Revenue Bonds, 2017/8 Series X \$000,000,000* Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X

[____], 20[___]

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and inside front cover hereof, the appendices hereto and the information included by reference herein, is to provide information concerning the proposed issuance by JEA of \$000,000,000* aggregate principal amount of JEA's Water and Sewer System Revenue Bonds, 2017/8 Series X (the "2017/8 Series X Bonds") and \$000,000,000* aggregate principal amount of JEA's Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X (the "2017/8 Series X Subordinated Bonds" and, together with the 2017/8 Series X Bonds, the "2017/8 Bonds").

The 2017/8 Series X Bonds are being issued to (a) refund certain of JEA's outstanding Water and Sewer System Revenue Bonds and (b) pay costs of issuance of the 2017/8 Series X Bonds. See "PURPOSE OF ISSUE AND PLAN OF FINANCE" herein.

The 2017/8 Series X Subordinated Bonds are being issued to (a) refund certain of JEA's outstanding variable rate Subordinated Water and Sewer System Bonds, (b) make a deposit to the credit of the Initial Subordinated Debt Service Reserve Fund and (c) pay costs of issuance of the 2017/8 Series X Subordinated Bonds. See "PURPOSE OF ISSUE AND PLAN OF FINANCE" herein.

The descriptions herein of the 2017/8 Bonds and the descriptions herein and in the Annual Disclosure Report referred to below of the documents authorizing and securing the same and of the other debt of JEA and of the documents authorizing, securing and relating to the same do not purport to be comprehensive or definitive. All references herein and in the Annual Disclosure Report to such documents are qualified in their entirety by reference to such documents.

Unless otherwise defined herein, all capitalized terms in this Official Statement shall have the same meanings as given to them in the Water and Sewer System Resolution or the

* Preliminary, subject to change.

Subordinated Water and Sewer System Resolution referred to below or, if not defined therein, in the Annual Disclosure Report.

JEA

General. JEA is a body politic and corporate organized and existing under the laws of the State of Florida and is an independent agency of the City of Jacksonville, Florida (the "City"). The City is a consolidated city-county local government for Duval County, located in Northeast Florida. JEA (then known as Jacksonville Electric Authority) was established in 1968 to own and manage the electric utility that had been owned by the City since 1895 (the "Electric System"). In 1997, the City transferred to JEA the City's combined water and wastewater (sewer) utilities system (the "Water and Sewer System"). Effective as of October 1, 2004, JEA established a separate utility system (the "District Energy System") for its local district energy facilities, including its chilled water activities and any local district heating facilities JEA may develop in the future.

Water and Sewer System. The territory in which the Water and Sewer System currently is permitted to provide service includes (a) virtually the entire City, other than the beach communities (Jacksonville Beach, Atlantic Beach and Neptune Beach), the Town of Baldwin, the active United States Navy facilities located within the City and those areas served by a community-owned water and sewer utility that is not subject to Florida Public Service Commission ("PSC") jurisdiction and an investor-owned water utility and an investor-owned sewer utility that provide service within certificated territories under PSC jurisdiction, (b) approximately 143 square miles in St. Johns County, which is southeast of the City and (c) approximately 620 square miles in Nassau County, which is north of the City. In addition, the Water and Sewer System also serves a small number of customers in Clay County, which is southwest of the City.

The Water and Sewer System consists of (a) facilities for the provision of potable water (hereinafter referred to as the "Water System") and (b) facilities for the collection and treatment of wastewater (hereinafter referred to as the "Sewer System"). The Water and Sewer System provides water and sewer service within the urban and suburban areas of the City, other than certain excluded areas described below. The Water and Sewer System's service territory extends into St. Johns County and Nassau County, and the Water and Sewer System also serves a number of customers in Clay County. It is JEA's policy to serve any customer requesting service within its urban and suburban service area. Investor-owned utilities must file a petition with the Public Service Commission in order to provide water or sewer service within the City, and JEA would object to any petition for expansion of investor-owned utility service areas unless it otherwise determines that it would be in JEA's interest not to do so.

During JEA's Fiscal Year ended September 30, 2016, the Water System served an average of 333,139 customer accounts and 7,498 reuse water customers. Total Water System sales revenues, including capacity fees, during JEA's Fiscal Year ended September 30, 2016 were approximately [\$164,577,000]. During JEA's Fiscal Year ended September 30, 2016, the Sewer

System served an average of 257,719 customer accounts. Total Sewer System sales revenues, including capacity fees, during JEA's Fiscal Year ended September 30, 2016 were approximately [\$275,213,000].

Electric System. The Electric System is owned and operated by JEA separate and apart from the Water and Sewer System. Accordingly, information relating to the Electric System is not relevant to the debt of JEA relating to the Water and Sewer System.

District Energy System. The District Energy System is owned and operated by JEA as a distinct utilities system, separate and apart from the Electric System and the Water and Sewer System. Accordingly, information relating to the District Energy System is not relevant to the debt of JEA relating to the Water and Sewer System. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS – Application of Revenues" herein and "WATER AND SEWER SYSTEM – FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM – Debt Relating to Water and Sewer System – *Water and Sewer System Support of the District Energy System Bonds*" in the Annual Disclosure Report.

Inclusion of Information. JEA previously has prepared a document entitled "Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 20[___]" dated as of April [___], 20[___] (the "Annual Disclosure Report"). The Annual Disclosure Report sets forth certain information concerning JEA, its outstanding debt and the Water and Sewer System. *As more fully described under the caption "Inclusion of Information" below, certain information contained in the Annual Disclosure Report is included by reference in this Official Statement.* Copies of the Annual Disclosure Report may be obtained in the manner and from the sources described under the caption "Inclusion of Information" below. *In addition, reference is made to the information in this Official Statement under the caption "RECENT DEVELOPMENTS," which information updates and supplements certain of the information contained in the Annual Disclosure Report.*

The 2017/8 Series X Bonds

The 2017/8 Series X Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Article 21 of the Charter of the City, as amended (the "Charter"), and other applicable provisions of law, and a resolution adopted by JEA on February 18, 1997 and referred to therein as the "Water and Sewer System Revenue Bond Resolution," as amended, restated and supplemented, including as supplemented by a resolution (Resolution No. 2016-23) of JEA adopted on December 20, 2016 entitled "Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution," authorizing the 2017/8 Series X Bonds (the "Forty-Third Supplemental Resolution"; such Water and Sewer System Revenue Bond Resolution, as so amended, restated and supplemented, is referred to herein as the "Water and Sewer System Resolution"). A summary of certain provisions of the Water and Sewer System Resolution is attached as Appendix B to the Annual Disclosure Report. The Water and Sewer System Resolution is available for viewing and downloading on JEA's website (<http://www.jea.com>) by selecting "About," at the top of the

home page, then selecting “Investor Relations” under “Company Info,” then selecting “Bonds” and then selecting “Water and Sewer System Senior Lien Bond Resolution” under the heading “JEA Bond Resolutions.” See, however, “SECURITY AND SOURCE OF PAYMENT OF THE 2017/8 SERIES X BONDS – Proposed Amendments to the Water and Sewer Resolution” herein for a description of certain amendments to the Water and Sewer System Resolution that are not yet effective.

As of the date of this Official Statement, there is outstanding under the Water and Sewer System Resolution \$[_____] in aggregate principal amount of Bonds issued under (and as defined in) the Water and Sewer System Resolution (the “Prior Series Bonds”), consisting of (a) \$[_____] in aggregate principal amount of variable rate Bonds (the “Variable Rate Prior Series Bonds”) and (b) \$[_____] in aggregate principal amount of fixed rate Bonds.

JEA has entered into certain floating-to-fixed rate interest rate swap transactions in order to synthetically fix the rates of interest on certain of the Variable Rate Prior Series Bonds. See the table under the caption “OTHER FINANCIAL INFORMATION – Interest Rate Swap Transactions” in the Annual Disclosure Report for information regarding those interest rate swap transactions.

Liquidity support in connection with tenders for purchase of the Variable Rate Water and Sewer System Revenue Bonds, [_____] Series [_____] (the “SBPA Supported Variable Rate Water and Sewer Bond”) currently is provided by a bank pursuant to a standby bond purchase agreement between JEA and such bank. Credit and liquidity support for JEA’s Variable Rate Water and Sewer System Revenue Bonds, [_____] Series [_____] (the “LOC Supported Variable Rate Water and Sewer System Bond” and, together with the SBPA Supported Variable Rate Water and Sewer System Bond, the “Senior Liquidity Supported Water and Sewer Prior Series Bonds”) currently is provided by a direct-pay letter of credit issued by a different bank. Any Senior Liquidity Supported Water and Sewer Prior Series Bond that is purchased by the applicable bank pursuant to its (i) standby bond purchase agreement between JEA and such bank or (ii) letter of credit issued in connection with the reimbursement agreement between JEA and such bank, as applicable, and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Senior Liquidity Supported Water and Sewer Prior Series Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement or reimbursement agreement, as applicable, will constitute an “Option Bond” within the meaning of the Water and Sewer System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under such standby bond purchase agreement or reimbursement agreement, as applicable. Upon any such tender or deemed tender for purchase, the Senior Liquidity Supported Water and Sewer Prior Series Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreement and such reimbursement agreement, see “OTHER FINANCIAL INFORMATION – Effect of JEA Credit Rating Changes – *Liquidity Support for JEA’s Variable Rate Bonds*” in the Annual Disclosure Report. Such standby bond purchase agreement and reimbursement agreement are subject to

periodic renewal (see Note [8] to the financial statements of JEA included in the Annual Disclosure Report as Appendix A).

Principal of and interest on the 2017/8 Series X Bonds will rank equally and be on a parity as to security and source of payment from the Trust Estate (hereinafter defined) with the Prior Series Bonds and all Additional Obligations hereafter issued under (and as defined in) the Water and Sewer System Resolution. In addition, the 2017/8 Series X Bonds will be additionally secured, on a parity with the Prior Series Bonds and any other Additional Obligations hereafter issued and determined by JEA to be additionally secured thereby, by amounts on deposit in (and all reserve fund credit instruments (hereinafter defined) credited to) the Initial Subaccount. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS – Debt Service Reserve Account" herein.

The Prior Series Bonds and any Additional Obligations hereafter issued under the Water and Sewer System Resolution (including the 2017/8 Series X Bonds) are referred to herein collectively as the "Water and Sewer System Bonds." Pursuant to the Water and Sewer System Resolution and the laws of Florida, the amount of Water and Sewer System Bonds that may be issued by JEA is not limited and is subject only to approval by the City Council of the City (the "Council") and satisfaction of the conditions set forth in the Water and Sewer System Resolution.

The 2017/8 Series X Subordinated Bonds

The 2017/8 Series X Subordinated Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly the Charter, and under and pursuant to a resolution adopted by JEA on May 15, 2003 entitled "Water and Sewer System Subordinated Revenue Bond Resolution," as supplemented, including as supplemented by Resolution No. 2016-24 adopted by JEA on December 20, 2016 entitled "Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution" authorizing the 2017/8 Series X Subordinated Bonds (the "Eighteenth Supplemental Subordinated Resolution"; such Water and Sewer System Subordinated Revenue Bond Resolution, as so supplemented, is referred to herein as the "Subordinated Water and Sewer System Resolution"). The Subordinated Water and Sewer System Resolution was adopted in accordance with, and supplements, the Water and Sewer System Resolution. A summary of certain provisions of the Subordinated Water and Sewer System Resolution is attached as Appendix C to the Annual Disclosure Report. The Subordinated Water and Sewer System Resolution is available for viewing and downloading on JEA's website (<http://www.jea.com>) by selecting "About," at the top of the home page, then selecting "Investor Relations" under "Company Info," then selecting "Bonds" and then selecting "Subordinated Water and Sewer System Bond Resolution" under the heading "JEA Bond Resolutions."

As of the date of this Official Statement, there is outstanding under the Subordinated Water and Sewer System Resolution \$[_____] in aggregate principal amount of Subordinated Bonds issued under (and as defined in) the Subordinated Water and Sewer

System Resolution (the “Prior Series Subordinated Bonds”), consisting of (a) \$[_____] in aggregate principal amount of variable rate Subordinated Bonds (the “Variable Rate Prior Series Subordinated Bonds”) and (b) \$[_____] in aggregate principal amount of fixed rate Subordinated Bonds (the “Fixed Rate Prior Series Subordinated Bonds”).

Principal of and interest on the 2017/8 Series X Subordinated Bonds will rank equally and be on a parity as to security and source of payment with the Prior Series Subordinated Bonds from (a) such amounts on deposit in the Subordinated Indebtedness Fund established pursuant to the Water and Sewer System Resolution as may from time to time be available therefor, including the investments, if any, thereof (see “APPLICATION OF WATER AND SEWER SYSTEM REVENUES” in the Annual Disclosure Report and “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION – Application of Revenues” in Appendix B to the Annual Disclosure Report); *provided, however*, that the pledge of such amounts in favor of the 2017/8 Series X Subordinated Bonds and the Prior Series Subordinated Bonds will be subordinate in all respects to the pledge of the Trust Estate created by the Water and Sewer System Resolution as security for the Water and Sewer System Bonds and (b) the amounts on deposit in the Funds established under the Subordinated Water and Sewer System Resolution, including the investments, if any, thereof, in each such case, subject only to the provisions of the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution.

Liquidity support in connection with tenders for purchase of the Variable Rate Water and Sewer System Subordinated Revenue Bonds, [_____] Series [_____] , [_____] Series [_____] and [_____] Series [_____] (the “Subordinated Liquidity Supported Water and Sewer Bonds”) currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Subordinated Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Subordinated Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement will constitute an “Option Subordinated Bond” within the meaning of the Subordinated Water and Sewer System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under the standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Subordinated Liquidity Supported Water and Sewer Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreements, see “OTHER FINANCIAL INFORMATION – Effect of JEA Credit Rating Changes” in the Annual Disclosure Report. Such standby bond purchase agreements are subject to periodic renewal (see Note [8] to the financial statements of JEA included in the Annual Disclosure Report as Appendix A).

Pursuant to the Subordinated Water and Sewer System Resolution, JEA may incur obligations in respect of amounts payable by JEA in repayment of draws under any surety bond, insurance policy, letter of credit or other similar obligations that is deposited, in lieu of a cash deposit thereto, to any Subaccount in the Debt Service Reserve Account in the Debt Service Fund established pursuant to the Water and Sewer System Resolution, and all expenses with respect thereto and interest thereon, and may designate such obligations as "Additional Parity Subordinated Indebtedness." All such Additional Parity Subordinated Indebtedness will be payable from amounts on deposit in the Subordinated Indebtedness Fund on parity with the Subordinated Water and Sewer System Bonds (including the 2017/8 Series X Subordinated Bonds).

The Prior Series Subordinated Bonds and any additional Subordinated Bonds hereafter issued under the Subordinated Water and Sewer System Resolution (including the 2017/8 Series X Subordinated Bonds) are referred to herein collectively as the "Subordinated Water and Sewer System Bonds." Pursuant to the Subordinated Water and Sewer System Resolution and the laws of Florida, the amount of Subordinated Water and Sewer System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Subordinated Water and Sewer System Resolution.

Inclusion of Information

In accordance with the provisions of Rule 15c2-12, as amended ("Rule 15c2-12"), promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended, on April [__], 20[__], JEA caused the document entitled "Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 20[__]" to be filed with Municipal Securities Rulemaking Board (the "MSRB"), through the MSRB's Electronic Municipal Market Access ("EMMA") website, currently located at <http://emma.msrb.org>. The Annual Disclosure Report sets forth certain information concerning JEA, its outstanding debt and the Water and Sewer System, including, among other things, JEA's financial statements as of September 30, 20[__] and 20[__] and for the Fiscal Years then ended and the report thereon of Ernst & Young LLP, independent auditors.

As more fully described in the Annual Disclosure Report, certain information set forth in the Annual Disclosure Report relates to the District Energy System and the debt of JEA issued with respect thereto.

There is hereby included in this Official Statement by this reference the information contained in the Annual Disclosure Report (other than the information therein relating to the District Energy System), which information should be read in its entirety in conjunction with this Official Statement. In addition, reference is made to the information in this Official Statement under the caption "RECENT DEVELOPMENTS," which information updates and supplements certain of the information contained in the Annual Disclosure Report.

Copies of the Annual Disclosure Report may be obtained from the MSRB's EMMA website (<http://emma.msrb.org>). Copies of the Annual Disclosure Report also may be obtained via the Internet from JEA's website as described below.

The JEA Annual Disclosure Report is available for viewing and downloading from JEA's website (<http://www.jea.com>) by selecting "About," at the top of the home page, then selecting "Investor Relations" under "Company Info," then selecting "Financial Reports" and then selecting "20[] Annual Disclosure Report for Water and Sewer System and District Energy System as filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA)" under the heading "Annual Disclosure Reports." (Please note that there also are available from JEA's website separate documents entitled "20[] Annual Disclosure Report for Electric Utility System as filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA)" and "20[] Annual Report"; these documents are **not** the Annual Disclosure Report included by reference herein, and are not included by reference herein.) *Furthermore, except for the Annual Disclosure Report, none of the other information contained on JEA's website is included by reference in this Official Statement.*

Except as described under the caption "INTRODUCTION – General" in the Annual Disclosure Report, for financing purposes, the debt of JEA relating to its Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources (*i.e.*, (a) the debt of JEA relating to its Water and Sewer System is payable from and secured by the revenues derived by the Water and Sewer System from the sale of water and the provision of sewer treatment and related services; and (b) except as described under the captions "INTRODUCTION – Indebtedness of JEA" and "WATER AND SEWER SYSTEM – FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM – Debt Relating to Water and Sewer System – *Water and Sewer System Support of the District Energy System Bonds*" in the Annual Disclosure Report, the debt of JEA relating to the District Energy System is payable from and secured by the revenues derived by the District Energy System from the sale of chilled water and related services). **Accordingly, potential purchasers of the 2017/8 Bonds are advised that the information in the Annual Disclosure Report relating to the District Energy System is not relevant to a decision to purchase the 2017/8 Bonds and should not be taken into account with respect thereto.**

Continuing Disclosure Undertaking

Pursuant to a Continuing Disclosure Agreement to be executed by JEA simultaneously with the issuance of the 2017/8 Bonds (the "Continuing Disclosure Agreement"), JEA will covenant for the benefit of the holders and beneficial owners of the 2017/8 Bonds to provide certain financial information and operating data relating to JEA by not later than the June 1 following the end of each of JEA's fiscal years, commencing with the report for the fiscal year ending September 30, 20[16] (the "JEA Annual Information"), and to provide notices of the occurrence of certain enumerated events with respect to the 2017/8 Bonds, if material. The JEA Annual Information and the notices of such material events will be filed by or on behalf of JEA with the MSRB. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are

to be made through the MSRB's EMMA website, currently located at <http://emma.msrb.org>. The specific nature of the information to be contained in the JEA Annual Information or the notices of material events is set forth in the form of the Continuing Disclosure Agreement attached hereto as APPENDIX C.

The covenants described in the preceding paragraph have been made in order to assist the Underwriters in complying with paragraph (b)(5) of Rule 15c2-12.

The failure by JEA to observe or perform any of its obligations under the Continuing Disclosure Agreement will not be deemed an "event of default" under the Water and Sewer System Resolution or the Subordinated Water and Sewer System Resolution. As provided in the Continuing Disclosure Agreement, if JEA fails to make a filing required under the Continuing Disclosure Agreement, any holder or beneficial owner of the 2017/8 Series X Bonds or the 2017/8 Series X Subordinated Bonds may institute and maintain, or cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by JEA of such obligation. In addition, as provided in the Continuing Disclosure Agreement, if JEA fails to perform any other obligation under the Continuing Disclosure Agreement, the holders or beneficial owners of not less than 10 percent in principal amount of each series of the 2017/8 Series X Bonds or the 2017/8 Series X Subordinated Bonds, as the case may be, then outstanding or a trustee appointed by the holders or beneficial owners of not less than 25 percent in principal amount of each series of the 2017/8 Series X Bonds or the 2017/8 Series X Subordinated Bonds, as the case may be, then outstanding may institute and maintain, or cause to be instituted and maintained, such proceedings (including any proceedings that contest the sufficiency of any pertinent filing) as may be authorized at law or in equity to obtain the specific performance by JEA of such obligation. IF ANY PERSON SEEKS TO CAUSE JEA TO COMPLY WITH ITS OBLIGATIONS UNDER THE CONTINUING DISCLOSURE AGREEMENT, IT IS THE RESPONSIBILITY OF SUCH PERSON TO DEMONSTRATE THAT IT IS A BENEFICIAL OWNER WITHIN THE MEANING OF THE CONTINUING DISCLOSURE AGREEMENT.

As of the date of this Official Statement, JEA has not failed to comply, in any material respect, with any previous continuing disclosure undertakings made by it pursuant to the provisions of Rule 15c2-12 in connection with the issuance of its bonds. Nonetheless, issues have been discovered with regard to certain of JEA's filings as described below. JEA inadvertently failed to timely file a notice relating to generally available information about the upgrade by Standard & Poor's of the ratings of Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.) ("AGM") from "AA-" to "AA" in March of 2014 as it relates to certain Electric System bonds insured by AGM. Such notice was filed on May 23, 2014.

As described in "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto, the 2017/8 Bonds will be available only in book-entry form through the facilities of The Depository Trust Company ("DTC"), and the ownership of one or more fully registered 2017/8 Bonds for each maturity of each series (and, if applicable, each interest rate and CUSIP number within a maturity), in the aggregate principal amount thereof, will be registered in the name of Cede &

Co., as nominee for DTC. For a description of DTC's procedures with respect to the enforcement of bondholders' rights, see "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto.

PURPOSE OF ISSUE AND PLAN OF FINANCE

The 2017/8 Series X Bonds

The 2017/8 Series X Bonds are being issued to (a) refund certain of JEA's outstanding Water and Sewer System Revenue Bonds (the "Refunded Bonds") and (b) pay costs of issuance of the 2017/8 Series X Bonds.

JEA will select the particular Refunded Bonds to be refunded through the issuance of the 2017/8 Series X Bonds at or about the time of pricing of the 2017/8 Series X Bonds; and such selection will be based upon, among other things, market conditions existing at such time. No assurance can be given as to which Water and Sewer System Revenue Bonds will be finally selected for refunding, and the Refunded Bonds finally selected may not include the Water and Sewer System Revenue Bonds shown below and may include other Water and Sewer System Revenue Bonds.

JEA presently anticipates that the Refunded Bonds will consist of the Water and Sewer System Revenue Bonds listed in the following table.

<u>Series</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Interest Rate</u> %	<u>Principal Amount to be Refunded</u> \$ _____ [†]	<u>Redemption Date</u> * _____	<u>Redemption Price</u> 100%
Total			\$ _____		

[†] Allocated to the Sinking Fund Installments due October 1, 20[____] through and including October 1, 20[____].

* Preliminary, subject to change.

Moneys sufficient to pay the redemption price of and interest on the Refunded Bonds on the redemption dates therefor will be derived from a portion of the proceeds of the 2017/8 Series X Bonds and certain amounts available under the Water and Sewer System Resolution and such moneys will be deposited with [____], as Escrow Agent (the "Escrow Agent") under an Escrow Deposit Agreement to be dated as of [____], 20[____] (the "Escrow Agreement") on the date of delivery of the 2017/8 Series X Bonds, to be held in trust by such Escrow Agent for the benefit of the Holders of the Refunded Bonds. Such moneys held by the Escrow Agent with respect to certain of the Refunded Bonds may be held uninvested. As a result of such deposit with such Escrow Agent, the Refunded Bonds will cease to be entitled to any lien, benefit or security under the Water and Sewer System Resolution; and all covenants, agreements and other obligations of JEA to the holders of the Refunded Bonds will thereupon cease, terminate and become void and be discharged and satisfied.

The 2017/8 Series X Subordinated Bonds

The 2017/8 Series X Subordinated Bonds are being issued to (a) refund certain of JEA's outstanding variable rate Subordinated Water and Sewer System Revenue Bonds (the "Refunded Subordinated Bonds"), (b) make a deposit to the credit of the Initial Subordinated Debt Service Reserve Fund and (c) pay costs of issuance of the 2017/8 Series X Subordinated Bonds.

JEA will select the particular Refunded Subordinated Bonds to be refunded through the issuance of the 2017/8 Series X Subordinated Bonds at or about the time of pricing of the 2017/8 Series X Subordinated Bonds; and such selection will be based upon, among other things, market conditions existing at such time. No assurance can be given as to which Water and Sewer System Subordinated Revenue Bonds will be finally selected for refunding, and the Refunded Subordinated Bonds finally selected may not include the Water and Sewer System Subordinated Revenue Bonds shown below and may include other Water and Sewer System Subordinated Revenue Bonds.

JEA presently anticipates that the Refunded Subordinated Bonds will consist of the Water and Sewer Subordinated Revenue Bonds listed in the following table.

<u>Series</u>	<u>Maturity Date (October 1)</u>	<u>Interest Rate</u> %	<u>Principal Amount to be Refunded</u> \$ _____ [†]	<u>Date</u> *	<u>Price</u> 100%
Total			\$ _____		

[†] Allocated to the Sinking Fund Installments due October 1, 20[___] through and including October 1, 20[___].

* Preliminary, subject to change.

Moneys sufficient to pay the redemption price of and interest on the Refunded Subordinated Bonds on the redemption date therefor will be derived from a portion of the proceeds of the 2017/8 Series X Subordinated Bonds and certain amounts available under the Subordinated Water and Sewer System Resolution. Such moneys will be deposited with [_____], as Escrow Agent (the "Subordinated Escrow Agent") under and Escrow Deposit Agreement to be dated as of [_____], 20[___] on the date of delivery of the 2017/8 Series X Subordinated Bonds, to be held in trust by the Subordinated Escrow Agent for the benefit of the Holders of the Refunded Subordinated Bonds. Such moneys held by the Subordinated Escrow Agent with respect to the Refunded Subordinated Bonds will be held uninvested. As a result of such deposit with the Subordinated Escrow Agent, the Refunded Subordinated Bonds shall be deemed paid; shall cease to be entitled to any lien, benefit or security under the Subordinated Water and Sewer System Resolution; and all covenants, agreements and obligations of JEA to the Holders of the Refunded Subordinated Bonds will thereupon cease, terminate and become void and be discharged.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the 2017/8 Bonds are estimated to be as follows:

Sources:	2017/8 Series X Bonds	2017/8 Series X Subordinated Bonds	Total
Principal Amount.....	\$	\$	\$
Plus: Original Issue Premium (net of Discount)			
Less: Original Issue Discount (net of Premium)			
Amount available from Debt Service Account in Debt Service Fund.....			
Amount available from Subordinated Indebtedness Fund.....			
Excess funds from Revenue Fund			
TOTAL	<u>\$</u>	<u>\$</u>	<u>\$</u>
 Uses:			
Deposit with Escrow Agent for Refunded Senior Bonds.....	\$	\$	\$
Deposit with Subordinated Escrow Agent for Refunded Subordinated Bonds	\$	\$	\$
Deposit to Initial Subordinated Debt Service Reserve Fund			
Underwriters' Discount and Costs of Issuance			
TOTAL	<u>\$</u>	<u>\$</u>	<u>\$</u>

**SECURITY AND SOURCE OF PAYMENT
FOR THE 2017/8 SERIES X BONDS**

The information under this caption relates solely to the 2017/8 Series X Bonds. For a description of the security and source of payment for the 2017/8 Series X Subordinated Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X SUBORDINATED BONDS" herein.

General

The 2017/8 Series X Bonds will be issued pursuant to the Constitution and laws of the State of Florida, particularly Article 21 of the Charter, other applicable provisions of law and the Water and Sewer System Resolution. For a more extensive discussion of the terms and

provisions of the Water and Sewer System Resolution, including the levels at which the funds and accounts established thereby are to be maintained, the flow of funds thereunder and the purposes to which moneys in such funds and accounts may be applied, see “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION” in Appendix B to the Annual Disclosure Report. *See also “Proposed Amendments to Water and Sewer System Resolution” below for a description of certain proposed amendments to the Water and Sewer System Resolution and the First Supplemental Resolution (as defined herein).*

Source of Payment

The payment of the principal of, premium, if any, and interest on the Water and Sewer System Bonds, including the 2017/8 Series X Bonds, is secured by a pledge of and a lien on (a) the proceeds of the sale of the Water and Sewer System Bonds, (b) the Revenues and (c) all funds and accounts established by the Water and Sewer System Resolution (other than the Debt Service Reserve Account in the Debt Service Fund (see “Debt Service Reserve Account” below with respect to the pledge of the Initial Subaccount in favor of the 2017/8 Series X Bonds)), including the investments and investment income, if any, thereof (collectively, the “Trust Estate”), subject only to the provisions of the Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Water and Sewer System Resolution.

The term “Revenues” is defined in the Water and Sewer System Resolution to include, among other things, (i) all revenues, income, rents, service fees and receipts properly allocable to the Water and Sewer System resulting from ownership and operation of the Water and Sewer System, excluding (a) unless otherwise determined by the JEA Board, water and sewer capacity charges, (b) customer deposits and any other deposits subject to refund unless such deposits have become property of JEA and (c) if and to the extent determined by the JEA Board, special assessments, if any, levied by JEA in connection with any facilities constituting a part of the Water and Sewer System, (ii) the proceeds of any insurance covering business interruption loss relating to the Water and Sewer System and (iii) interest received or to be received on any moneys or securities held pursuant to the Water and Sewer System Resolution and paid or required to be paid into the Revenue Fund established pursuant to the Water and Sewer System Resolution. Notwithstanding the foregoing, all cash subsidy payments received by JEA from the U.S. Treasury in respect of interest payable on any Build America Bonds shall not constitute “Revenues” for any purpose of the Water and Sewer System Resolution. Revenues do not include any income, fees, charges, receipts, profits or other moneys derived by JEA from its ownership or operation of the Electric System, the District Energy System or of any separate bulk power supply utility or system. For the definition of the term “Revenues,” see “Definition of Terms” in “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION” in Appendix B to the Annual Disclosure Report.

In accordance with such definition of the term “Revenues,” on October 16, 2001, the JEA Board adopted a Supplemental Resolution for the purpose of determining that (a) effective as of October 1, 2001, Revenues shall include water and sewer capacity charges (such water and

sewer capacity charges being referred to herein as “Capacity Charges”) and (b) the Capacity Charges constitute “impact fees” within the meaning of applicable Florida law and, accordingly, that such Capacity Charges may, under such applicable Florida law, be used and applied only for the purpose of paying Costs of expansion of the Water and Sewer System, or paying or providing for the payment of debt service on Water and Sewer System Bonds, Subordinated Indebtedness or other indebtedness of JEA relating to the Water and Sewer System issued for such purpose.

Application of Revenues

Revenues are pledged by the Water and Sewer System Resolution to payment of principal of and interest and redemption premium, if any, on the Water and Sewer System Bonds of all series, subject to the provisions of the Water and Sewer System Resolution permitting application for other purposes. For the application of Revenues, the Water and Sewer System Resolution establishes a Revenue Fund, a Debt Service Fund, a Subordinated Indebtedness Fund, a Rate Stabilization Fund and a Renewal and Replacement Fund, all of which are held by JEA.

Pursuant to the Water and Sewer System Resolution, all Revenues are to be deposited promptly by JEA to the credit of the Revenue Fund. Notwithstanding anything to the contrary contained in the Water and Sewer System Resolution, in the event that any Revenues constitute “impact fees” within the meaning of applicable Florida law, JEA may use and apply such Revenues only in the manner permitted or required by such applicable law, and JEA is to take such measures (including, without limitation, the establishment of such separate accounts or subaccounts or the implementation of such accounting procedures) as an Authorized Officer of JEA may determine are necessary or desirable to effect the foregoing. Each month JEA is to make transfers from the Rate Stabilization Fund to the Revenue Fund, in accordance with the then current Annual Budget or as otherwise determined by JEA. Each month JEA is to pay from the Revenue Fund amounts necessary to meet Operation and Maintenance Expenses as they become due and payable.

Following the payment of Operation and Maintenance Expenses, the Water and Sewer System Resolution provides that the moneys in the Revenue Fund shall be applied monthly, to the extent available, and subject to the limitation described in the preceding paragraph regarding “impact fees,” in the following manner and in the following order of priority:

1. *To the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund*, (a) an amount at least equal to the amount, if any, required so that the balance in the Debt Service Account (excluding capitalized interest on deposit therein in excess of the amount thereof to be applied to pay interest accrued and to accrue on all Water and Sewer System Bonds to the end of the then current calendar month) equals the Accrued Aggregate Debt Service as of the last day of the then current month and (b) the respective amounts, if any, required so that the balance in each separate subaccount in the Debt Service Reserve Account equals the Debt Service Reserve Requirement

related thereto. For definitions of the terms "Accrued Aggregate Debt Service" and "Debt Service Reserve Requirement," see "Definition of Terms" in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION" in Appendix B to the Annual Disclosure Report.

Amounts in the Debt Service Account are to be applied by JEA to pay the principal or Redemption Price of and interest on the Water and Sewer System Bonds. In addition, JEA may apply such amounts to the purchase or redemption of Water and Sewer System Bonds to satisfy sinking fund requirements.

Amounts in each separate subaccount in the Debt Service Reserve Account are to be applied by JEA to pay the principal or sinking fund Redemption Price of or interest on each Additionally Secured Series of Water and Sewer System Bonds secured thereby, if and to the extent necessary following the application of amounts on deposit in the Debt Service Account in accordance with the terms of the Water and Sewer System Resolution. Amounts in each separate subaccount in the Debt Service Reserve Account also may be used to reimburse draws and related expenses under any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to pay in full all Outstanding Water and Sewer System Bonds in accordance with their terms, the funds on deposit in the Debt Service Reserve Account will be transferred to the Debt Service Account, and no further deposits will be required to be made to the Debt Service Fund.

In the event of the refunding or defeasance of any Water and Sewer System Bonds, JEA may withdraw from the Debt Service Account, and, if the Water and Sewer System Bonds being refunded or defeased are Water and Sewer System Bonds of an Additionally Secured Series, withdraw from the separate subaccount in the Debt Service Reserve Account securing such Water and Sewer System Bonds, all or any portion of the amounts accumulated therein and deposit such amounts with the Escrow Agent for the Water and Sewer System Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price of, if applicable, and interest on such Water and Sewer System Bonds; *provided*, that such withdrawal shall not be made unless (i) immediately thereafter the Water and Sewer System Bonds being refunded or defeased shall be deemed to have been paid pursuant to the Water and Sewer System Resolution, and (ii) the amount remaining in the Debt Service Account and, if applicable, such separate subaccount in the Debt Service Reserve Account after such withdrawal, and after giving effect to the issuance of any obligations being issued to refund such Water and Sewer System Bonds and the disposition of the proceeds thereof and, in the case of any separate subaccount in the Debt Service Reserve Account, any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution

establishing such subaccount, shall not be less than the Accrued Aggregate Debt Service and the Debt Service Reserve Requirement relating thereto, respectively. In the event of such refunding or defeasance, JEA may also withdraw from the Debt Service Account or such separate subaccount in the Debt Service Reserve Account all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or Account under the Water and Sewer System Resolution; *provided, however*, that such withdrawal cannot be made unless items (i) and (ii) hereinabove have been satisfied and, at the time of such withdrawal, there will exist no deficiency in any Fund or Account held under the Water and Sewer System Resolution.

Whenever the moneys on deposit in any subaccount established in the Debt Service Reserve Account exceed the Debt Service Reserve Requirement related thereto, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount, such excess will be deposited in the Revenue Fund.

See also "Debt Service Reserve Account" below.

2. *To the Subordinated Indebtedness Fund*, an amount at least equal to the amount, if any, required to be deposited therein in the then current month to pay principal or sinking fund installments of and premiums, if any, and interest on each issue of Subordinated Indebtedness and reserves therefor as required by the Supplemental Resolution authorizing such Subordinated Indebtedness.

At any time and from time to time JEA may deposit in the Subordinated Indebtedness Fund for the payment of the principal or sinking fund installments of and interest and premium on each issue of Subordinated Indebtedness amounts received from the proceeds of additional issues of Subordinated Indebtedness or amounts received from any other source.

If at any time there is a deficiency in the Debt Service Account or any separate subaccount(s) in the Debt Service Reserve Account and the available funds in the Renewal and Replacement Fund are insufficient to cure such deficiency, there will be transferred from the Subordinated Indebtedness Fund to such Account or subaccount(s) the amount necessary to cure such deficiency (or, if the amount in the Subordinated Indebtedness Fund is less than the amount necessary to make up the deficiencies with respect to the Debt Service Account and all of the separate subaccounts in the Debt Service Reserve Account, then the amount in the Subordinated Indebtedness Fund will be applied first to make up the deficiency in the Debt Service Account, and any balance remaining will be applied ratably to make up the deficiencies with respect to the separate subaccounts in the Debt Service Reserve Account, in proportion to the deficiency in each such subaccount).

3. *To the Rate Stabilization Fund*, the amount, if any, budgeted for deposit into such Fund for the then current month as set forth in the current Annual Budget or the amount otherwise determined by JEA to be credited to such Fund for the month.

4. *To the Renewal and Replacement Fund*, an amount at least equal to the sum of (i) one-twelfth (1/12th) of 10 percent of the Annual Net Revenues of the Water and Sewer System for the preceding Fiscal Year and (ii) such additional amount as will make the total annual payment into such Fund during the Fiscal Year of which such month is a part equal to at least five percent of the Revenues of the Water and Sewer System for the preceding Fiscal Year; *provided, however*, that so long as there shall be held in the Renewal and Replacement Fund an amount which is at least equal to the Renewal and Replacement Requirement, no deposits are required to be made into the Renewal and Replacement Fund; and *provided, further, however*, that the failure of JEA to make such payment into the Renewal and Replacement Fund in any month shall not constitute an Event of Default under the Water and Sewer System Resolution, provided that any deficiencies therefor shall have been restored prior to the end of the Fiscal Year of which such month is a part and *provided, further*, that the full amount required to be deposited in said Renewal and Replacement Fund in such Fiscal Year has been deposited therein by the end of such Fiscal Year. For definitions of the terms "Annual Net Revenues" and "Renewal and Replacement Requirement," see "Definition of Terms" in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION" in Appendix B to the Annual Disclosure Report.

Amounts in the Renewal and Replacement Fund may be applied to the Costs of the Water and Sewer System, the payment of extraordinary operation and maintenance costs and contingencies and payments with respect to the prevention or correction of any unusual loss or damage in connection with all or part of the Water and Sewer System, in the manner provided in the Water and Sewer System Resolution. Amounts in the Renewal and Replacement Fund also may be applied to the purchase, redemption, payment or provision for payment of Water and Sewer System Bonds or interest thereon or, upon determination of the JEA Board, to the payment of the costs of enlargements, extensions, improvements and replacements of capital assets of any other utility system owned and operated by JEA and not constituting a part of the Water and Sewer System.

If at any time there is a deficiency in the Debt Service Account or any separate subaccount(s) in the Debt Service Reserve Account, there will be transferred from the Renewal and Replacement Fund to such Account or subaccount(s) the amount necessary to cure such deficiency (or, if the amount in the Renewal and Replacement Fund is less than the amount necessary to make up the deficiencies with respect to the Debt Service Account and all of the separate subaccounts in the Debt Service Reserve Account, then the amount in the Renewal and Replacement Fund will be applied first to make up the deficiency in the Debt Service Account, and any balance remaining will be applied ratably to make up the deficiencies with respect to the separate subaccounts in the Debt Service Reserve Account, in proportion to the deficiency in each such subaccount). If at

any time there is a deficiency in the Subordinated Indebtedness Fund and the amounts on deposit in the Debt Service Account and each separate subaccount in the Debt Service Reserve Account shall equal the current requirements of such Account and subaccounts, respectively, and such amounts are not required for the payment of Operation and Maintenance Expenses, there will be transferred from the Renewal and Replacement Fund to the Subordinated Indebtedness Fund the amount necessary to cure such deficiency.

Notwithstanding anything to the contrary contained in the Water and Sewer System Resolution, in the event that any amounts on deposit in the Renewal and Replacement Fund constitute “impact fees” within the meaning of applicable Florida law, JEA will use and apply such amounts only in the manner permitted or required thereby, and JEA will take such measures (including, without limitation, the establishment of such separate accounts or subaccounts in the Renewal and Replacement Fund or the implementation of such accounting procedures) as an Authorized Officer of JEA may determine are necessary or desirable to effect the foregoing.

The balance of any moneys remaining in the Revenue Fund after the above required payments have been made may be used by JEA for any lawful purpose of JEA (including, but not limited to, (a) the purchase, redemption or provision for payment of any of the Water and Sewer System Bonds, (b) transfers to any utility system owned and/or operated by JEA currently or in the future (see *e.g.*, “WATER AND SEWER SYSTEM - FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM – Debt Relating to Water and Sewer System – *Water and Sewer System Support of the District Energy System Bonds*” in the Annual Disclosure Report) and (c) transfers required to be made by JEA to the City (see “OTHER FINANCIAL INFORMATION – Transfers to the City” in the Annual Disclosure Report)) not otherwise prohibited by the Water and Sewer System Resolution; *provided, however*, that none of the remaining moneys can be used for any purpose other than those specified above unless all current payments, including all deficiencies in prior payments, if any, have been made in full and unless JEA has complied fully with all the covenants and provisions of the Water and Sewer System Resolution.

During any period in which the Debt Service Requirement for any series of Bonds containing Build America Bonds shall be calculated in the manner provided in the proviso of clause (1) of the first paragraph of the definition thereof, no later than each interest payment date for such Build America Bonds then Outstanding, JEA shall withdraw from the Revenue Fund and transfer to the Debt Service Account in the Sinking Fund an amount equal to the amount of the cash subsidy payment payable to JEA by the U.S. Treasury in respect of the interest payable on such Build America Bonds on such interest payment date. Any cash subsidy payment received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall be deposited by JEA upon the receipt thereof in the Revenue Fund, but no such payment shall constitute Revenues for any purpose of the Electric System Resolution.

Debt Service Reserve Account

Pursuant to the Forty-Third Supplemental Resolution, the 2017/8 Series X Bonds will be additionally secured by amounts on deposit in the Initial Subaccount, including the investments and investment income, if any, thereof, which amounts are pledged as additional security for the payment of the principal or sinking fund redemption price of, and interest on, the 2017/8 Series X Bonds, subject only to the provisions of the Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Water and Sewer System Resolution. The Initial Subaccount was created pursuant to the First Supplemental Water and Sewer System Revenue Bond Resolution adopted by JEA on August 19, 1997 (the "First Supplemental Resolution"). Each series of the Prior Series Bonds also is additionally secured by amounts on deposit in the Initial Subaccount.

Amounts in the Initial Subaccount are to be applied to make payment of the principal or sinking fund redemption price of, or interest on, the Water and Sewer System Bonds of each series secured thereby (including the 2017/8 Series X Bonds) when due in the event that amounts on deposit in the Debt Service Account are not sufficient therefor. The Initial Subaccount may, at the option of JEA, secure additional Water and Sewer System Bonds of any series hereafter issued; *provided, however*, that in the event that any Water and Sewer System Variable Rate Bonds are additionally secured by amounts on deposit in the Initial Subaccount:

(a) for purposes of computing the Debt Service Reserve Requirement for the Initial Subaccount, such Water and Sewer System Variable Rate Bonds of each series and maturity shall be deemed to bear interest at the Certified Interest Rate established with respect thereto at the time of the original issuance thereof (for a definition of the term "Certified Interest Rate," see "Definition of Terms" in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION" in Appendix B to the Annual Disclosure Report) unless the interest rate(s) on such Water and Sewer System Variable Rate Bonds of a particular series and maturity shall have been converted synthetically to a fixed interest rate pursuant to an interest rate swap transaction that has a term equal to, and the notional amount of which amortizes at the same times and in the same amounts as, such Water and Sewer System Variable Rate Bonds of such series and maturity, in which case, such Water and Sewer System Variable Rate Bonds shall be deemed to bear interest at the fixed rate payable by JEA under such interest rate swap transaction for so long as such interest rate swap transaction shall remain in effect (*provided, however*, that if, at the time of the original issuance thereof, the interest rate on the Water and Sewer System Variable Rate Bonds of a particular series and maturity shall have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction, but such interest rate swap transaction shall be terminated prior to the final maturity date of such Water and Sewer System Variable Rate Bonds, then the Debt Service Reserve Requirement for the Initial Subaccount shall be recalculated as of the date of termination of such interest rate swap transaction, based upon the Certified Interest Rate established for such Water and Sewer System Variable Rate Bonds at the time of the original issuance thereof, and any

resulting deficiency in the amount on deposit in the Initial Subaccount shall be required to be funded with moneys and or one or more additional reserve fund credit instruments); and

(b) in the event that amounts on deposit in the Initial Subaccount are required to be applied by JEA to pay the principal or sinking fund Redemption Price of or interest on each Additionally Secured Series of Water and Sewer System Bonds secured thereby, the amount payable from the Initial Subaccount with respect to the Water and Sewer System Variable Rate Bonds of a particular series and maturity shall be limited to the amount on deposit therein allocable to the Water and Sewer System Variable Rate Bonds of such series and maturity, based upon the interest rate that such Water and Sewer System Variable Rate Bonds of such series and maturity are deemed to bear for purposes of computing the Debt Service Reserve Requirement for the Initial Subaccount, as provided in the foregoing clause (a).

All Water and Sewer System Bonds that are additionally secured by the Initial Subaccount (including the Prior Series Bonds, the 2017/8 Series X Bonds and any other Additional Obligations hereafter issued and determined by JEA to be additionally secured thereby) are referred to herein collectively as the “Initial Subaccount Additionally Secured Bonds.”

The Water and Sewer System Resolution provides that in lieu of maintaining moneys or investments in the Initial Subaccount, JEA at any time may cause to be deposited therein for the benefit of the Holders of the Initial Subaccount Additionally Secured Bonds an irrevocable surety bond, an insurance policy or a letter of credit satisfying the conditions set forth therein (referred to herein as a “reserve fund credit instrument”), in an amount equal to the difference between the Debt Service Reserve Requirement for the Initial Subaccount and the sums of money or value of Investment Securities then on deposit in the Initial Subaccount, if any. To the extent that more than one reserve fund credit instrument is deposited in the Initial Subaccount, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder. For a summary of the provisions of the First Supplemental Resolution relating to the deposit of reserve fund credit instruments to the Initial Subaccount, see “Debt Service Reserve Account” in “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION” in Appendix B to the Annual Disclosure Report. *See “Proposed Amendments to Water and Sewer System Resolution” below for a description of proposed amendments to the First Supplemental Resolution that, upon effectiveness, will amend the provisions of the First Supplemental Resolution described below pertaining to the use of reserve fund credit instruments to fund the Initial Subaccount.*

Among other things, the First Supplemental Resolution provides that:

(a) a surety bond or insurance policy issued by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Initial

Subaccount Additionally Secured Bonds may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount if the claims-paying ability of the issuer thereof shall be rated "AAA" or "Aaa" by S&P Global Ratings, a division of Standard and Poor's Financial Services LLC ("S&P"), or Moody's Investors Service, Inc. ("Moody's"), respectively;

(b) if the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below an S&P "AAA" or a Moody's "Aaa," JEA shall either (i) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount to equal the Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semiannually or (ii) replace such instrument with a reserve fund credit instrument meeting the requirements of the First Supplemental Resolution within six months of such occurrence; and

(c) if the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A," JEA shall either (i) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount to equal the Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements of the First Supplemental Resolution within six months of such occurrence.

As of the date of this Official Statement, the Debt Service Reserve Requirement for the Initial Subaccount is \$[_____] and such amount is on deposit in the Initial Subaccount.

As a result of the issuance of the 2017/8 Series X Bonds and the refunding of the Refunded Bonds and the Refunded Subordinated Bonds, the Debt Service Reserve Requirement for the Initial Subaccount will [decrease/increase] by \$[_____], to \$[_____].

As discussed in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION – Debt Service Reserve Account" in Appendix B to the Annual Disclosure Report, JEA previously had funded the Initial Subaccount with cash and reserve fund credit instruments (the "Surety Policies") to satisfy the Debt Service Reserve Requirement therefor.

As a result of rating actions by Fitch Ratings ("Fitch"), Moody's and S&P, pursuant to the Water and Sewer System Resolution, JEA has made deposits to the Initial Subaccount in an aggregate amount equal to the aggregate amount of such Surety Policies. However, if the amendments to the First Supplemental Resolution described below under "Proposed Amendments to the Water and Sewer Resolution" become effective, depending on the applicable ratings in effect at such times, one or more of the Surety Policies may satisfy the

revised ratings requirements for reserve fund credit instruments permitting a release of cash and Investment Securities on deposit in the Initial Subaccount.

Pursuant to the Water and Sewer System Resolution, the Water and Sewer System Bonds of any series hereafter issued are not required to be additionally secured by amounts on deposit in any separate subaccount in the Debt Service Reserve Account. However, JEA may provide, at its option, in the Supplemental Resolution authorizing the Water and Sewer System Bonds of any series hereafter issued that the Water and Sewer System Bonds of such series will be additionally secured by amounts on deposit in (and any reserve fund credit instrument(s) credited to) any separate subaccount to be designated therefor in the Debt Service Reserve Account, including the Initial Subaccount. JEA currently intends to secure all additional Water and Sewer System Bonds hereafter issued by the Initial Subaccount. In the event that the Water and Sewer System Bonds of a series hereafter issued are to be additionally secured by amounts on deposit in (and all reserve fund credit instruments credited to) the Initial Subaccount, it will be a condition to the issuance of such Water and Sewer System Bonds that the amount on deposit in the Initial Subaccount, after giving effect to the issuance of such Water and Sewer System Bonds and all reserve fund credit instruments credited thereto, equals the Debt Service Reserve Requirement for such Subaccount.

The Water and Sewer System Resolution requires JEA to deposit and maintain in each Subaccount in the Debt Service Reserve Account moneys, Investment Securities and/or reserve fund credit instruments in an amount equal to the Debt Service Reserve Requirement for such Subaccount. The Debt Service Reserve Requirement for the Initial Subaccount is defined in the First Supplemental Resolution, as of any date of calculation, as an amount equal to the lowest of (a) 10 percent of the original principal amount of the Water and Sewer System Bonds of all issues (as defined for federal income tax purposes) secured thereby (or, if the Water and Sewer System Bonds of any such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, 10 percent of such issue price), (b) the maximum Aggregate Debt Service on the Water and Sewer System Bonds of all series secured thereby then outstanding for the current or any future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Water and Sewer System Bonds to be paid from deposits in the Debt Service Account in the Debt Service Fund made from the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA) or (c) 125 percent of the average annual Debt Service on the Water and Sewer System Bonds of all series secured thereby then outstanding for the then current and each future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Water and Sewer System Bonds to be paid from deposits in the Debt Service Account in the Debt Service Fund made from the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); *provided, however*, that in no event may an increase in the Debt Service Reserve Requirement for the Initial Subaccount resulting from the issuance of an additional issue (as defined for federal income tax purposes) of Water and Sewer System Bonds exceed 10 percent of the original principal amount of the Water and Sewer System Bonds of such issue (or, if the Water and Sewer System Bonds of such issue are issued at an issue price

(as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, 10 percent of such issue price). For the purpose of the calculation of the Debt Service Reserve Requirement in the event that the Bonds of any Series shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), the interest on such Bonds shall be calculated net of the amount of such subsidy; *provided, however*, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of such Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five-year period and *provided, further*, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury in respect of the interest payable on any such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be required to be funded in equal semiannual installments over a five-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which JEA does not receive the first such cash subsidy payment that it theretofore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five-year period. Notwithstanding any other provision of this resolution, any one or more installments of any increase in the Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund provided for in the preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment. See "Definition of Terms" in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION" in

Appendix B to the Annual Disclosure Report for definitions of the terms “Aggregate Debt Service” and “Debt Service” and for a description of the method of valuation of Investment Securities and reserve fund credit instruments in the Debt Service Reserve Account. Amounts in the Initial Subaccount in excess of the Debt Service Reserve Requirement for such Subaccount, after giving effect to all reserve fund credit instruments credited thereto, will be credited to the Revenue Fund.

Other subaccounts in the Debt Service Reserve Account may be created to secure other Water and Sewer System Bonds. Such subaccounts will not secure the 2017/8 Series X Bonds.

See “Debt Service Reserve Account” in “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION” in Appendix B to the Annual Disclosure Report.

No Pledge of Credit or Taxing Power

The 2017/8 Series X Bonds shall not constitute general obligations of either JEA or the City within the meaning of any constitutional, statutory or charter provision or limitation. The City shall never be required or compelled to levy ad valorem taxes on any property of JEA or property of or in the City to pay the principal or redemption price of and interest on the 2017/8 Series X Bonds or to make any of the sinking fund, reserve or other payments required under the Water and Sewer System Resolution. JEA has no power to levy taxes for any purpose. The 2017/8 Series X Bonds shall not constitute a lien upon any of the property of JEA or the property of or in the City, but shall constitute a lien only upon and a pledge of the special funds created by the Water and Sewer System Resolution in the manner provided therein.

Contract Debts

Contract Debts, a component of the Water and Sewer System’s Operation and Maintenance Expenses, is defined by the Water and Sewer System Resolution to mean any obligations of JEA under any contract, lease, installment sale agreement, bulk purchase agreement or otherwise to make payments out of the Revenues of the Water and Sewer System for property, services or commodities whether or not the same are made available, furnished or received. JEA has not incurred any obligations constituting “Contract Debts” under the Water and Sewer System Resolution, but it may do so in the future. All Contract Debts will be payable from the Revenues of the Water and Sewer System prior to any payments from such revenues for indebtedness not constituting Contract Debt issued for the Water and Sewer System, including the Water and Sewer System Bonds and Subordinated Indebtedness.

Rate Covenant

JEA has covenanted in the Water and Sewer System Resolution to fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the Water and Sewer System which shall be sufficient to provide Revenues in each Bond Year in an amount at least equal to the difference between (a) Net Revenues (which equals

Revenues less Operation and Maintenance Expenses) in each Bond Year and (b) Capacity Charges in such Bond Year which shall be the greater of (i) 125 percent of the Aggregate Debt Service for such Bond Year, except that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for this purpose to the extent that JEA intends to pay such Principal Installment from sources other than Revenues (see "Definitions" in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION" in Appendix B to the Annual Disclosure Report for definitions of the terms "Aggregate Debt Service," "Principal Installment" and "Refundable Principal Installment"), and (ii) the amount which, together with other available funds, shall be sufficient for the payment of:

(a) the amount to be paid during such Bond Year into the Debt Service Account in the Debt Service Fund established under the Water and Sewer System Resolution (other than amounts required to be paid into such Account out of the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(b) the amount, if any, to be paid during such Bond Year into each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the Water and Sewer System Resolution (other than amounts required to be paid into such Account out of the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(c) the amount, if any, to be paid during such Bond Year into the Subordinated Indebtedness Fund established under the Water and Sewer System Resolution (other than amounts required to be paid into such Fund out of the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(d) the amount, if any, to be paid during such Bond Year into the Renewal and Replacement Fund established under the Water and Sewer System Resolution (other than amounts required to be paid into such Fund out of the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); and

(e) all other charges or liens whatsoever payable out of Revenues during such Bond Year.

Outstanding Water and Sewer System Bonds

The Water and Sewer System Bonds presently outstanding under the Water and Sewer System Resolution are described under the captions "INTRODUCTION – The 2017/8 Series X Bonds" herein and "WATER AND SEWER SYSTEM – FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM – Debt Relating to Water and Sewer System – *Water and Sewer System Bonds*" in the Annual Disclosure Report.

Additional Water and Sewer System Bonds

JEA may issue one or more series of additional Water and Sewer System Bonds for the purposes of (a) paying or providing for the payment of the Costs of the Water and Sewer System and (b) refunding any Water and Sewer System Bonds. All such Water and Sewer System Bonds will be payable from the Trust Estate pledged pursuant to the Water and Sewer System Resolution and secured thereby on a parity with all other Water and Sewer System Bonds. In addition, each series of Water and Sewer System Bonds may be additionally secured by amounts on deposit in a separate subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the Water and Sewer System Resolution (which may be the Initial Subaccount or any additional Subaccount hereafter created). See “Source of Payment” and “Debt Service Reserve Account” above. Set forth below are certain conditions applicable to the issuance of additional Water and Sewer System Bonds:

Debt Service Coverage. The issuance of each series of additional Water and Sewer System Bonds (other than Water and Sewer System Refunding Bonds and Reimbursement Obligations) is conditioned upon the filing with JEA of a certificate of an Authorized Officer of JEA: (1) setting forth the amounts of Net Revenues and Capacity Charges for any 12 consecutive month period within the 24 consecutive months immediately preceding the date of issuance of the additional Water and Sewer System Bonds of the series with respect to which such certificate is being given; and (2) stating that the difference between such Net Revenues and such Capacity Charges for such 12 consecutive month period is at least equal to the greater of (X) 125 percent of the Maximum Annual Aggregate Adjusted Water and Sewer System Debt Service (calculating such Maximum Annual Aggregate Adjusted Water and Sewer System Debt Service with respect to the Water and Sewer System Bonds of all series then Outstanding and the additional Water and Sewer System Bonds of the series with respect to which such certificate is given) or (Y) the sum of (i) the Maximum Annual Aggregate Adjusted Water and Sewer System Debt Service (calculated as aforesaid) and (ii) the amount most recently determined to be required to be deposited in the Renewal and Replacement Fund for the then current, or a previous, Fiscal Year.

The Net Revenues for such 12-month period may be adjusted for the purposes of such certificate (a) to reflect for such period revisions in the rates, fees, rentals and other charges of JEA for the product and services of the Water and Sewer System made after the commencement of such period and preceding the date of issuance of such additional Water and Sewer System Bonds; (b) to reflect any increase in Net Revenues due to any new facilities of the Water and Sewer System having been placed into use and operation subsequent to the commencement of such period and prior to the date of issuance of such additional Water and Sewer System Bonds; and (c) to include an amount equal to the average annual contribution to Net Revenues for the first three full Fiscal Years commencing after the date of acquisition thereof, estimated to be made by the facilities anticipated to be acquired and expected to be placed into use and operation within two years of the date of the certificate.

Debt Service Reserve. If, at JEA's option, any series of additional Water and Sewer System Bonds is to be additionally secured by amounts on deposit in the Initial Subaccount or any additional Subaccount in the Debt Service Reserve Account established under the Water and Sewer System Resolution, the issuance of the additional Water and Sewer System Bonds of such series is further conditioned upon the deposit to such Subaccount of moneys or reserve fund credit instruments, or a combination thereof, in an amount such that the balance in such Subaccount equals the Debt Service Reserve Requirement for such Subaccount calculated immediately after the delivery of such Water and Sewer System Bonds.

No Default. In addition, Water and Sewer System Bonds of any series other than Water and Sewer System Refunding Bonds may be issued only if an Authorized Officer of JEA certifies that upon the issuance of such series JEA will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Water and Sewer System Resolution.

Events of Default and Remedies

Pursuant to the Nineteenth Supplemental Water and Sewer System Revenue Bond Resolution adopted by JEA on March 16, 2004 (the "Nineteenth Supplemental Resolution") and the Twentieth Supplemental Water and Sewer System Revenue Bond Resolution adopted by JEA on March 16, 2004 (the "Twentieth Supplemental Resolution" and, together with the Nineteenth Supplemental Resolution, the "Nineteenth and Twentieth Supplemental Resolutions"), FGIC has been designated as the Credit Enhancer with respect to certain of the Bonds authorized thereby (the "2004 Series A and B Insured Bonds"). See "Events of Default; Remedies" and "Action by Credit Enhancer When Action by Holders of the Water and Sewer System Bonds Required" in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION" in Appendix B to the Annual Disclosure Report. The Nineteenth and Twentieth Supplemental Resolutions provide that, upon the happening of any Event of Default under the Water and Sewer System Resolution, the 2004 Series A and B Insured Bonds, and the accrued interest thereon, may not be declared due and payable immediately, nor may any such declaration be rescinded and annulled, without the prior written consent of FGIC.

Pursuant to the Twenty-Fifth Supplemental Water and Sewer System Revenue Bond Resolution adopted by JEA on September 20, 2005 (the "Twenty-Fifth Supplemental Resolution"), FSA has been designated as the Credit Enhancer with respect to JEA's Water and Sewer System Revenue Bonds, 2005 Series C (the "2005 Series C Bonds"). See "Events of Default; Remedies" and "Action by Credit Enhancer When Action by Holders of the Water and Sewer System Bonds Required" in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION" in Appendix B to the Annual Disclosure Report. The Twenty-Fifth Supplemental Resolution provides that, upon the happening of any Event of Default under the Water and Sewer System Resolution, the 2005 Series C Bonds, and accrued

interest thereon, may not be declared due and payable immediately, nor may any such declaration be rescinded and annulled, without the prior written consent of FSA.

Proposed Amendments to the Water and Sewer System Resolution

In June 2013, JEA adopted Resolution No. 2013-10, entitled “Fortieth Supplemental Water and Sewer System Revenue Bond Resolution” (“Resolution No. 2013-10”), which provides amendments to the Water and Sewer System Resolution and to the First Supplemental Resolution. Certain of the amendments to the Water and Sewer System Resolution have become effective as described below under “Recent Developments – Amendments to Water and Sewer System Resolution.” The amendments to the Water and Sewer System Resolution and the First Supplemental Resolution described below will become effective upon receipt of the consent thereto of the holders of a majority in principal amount of Water and Sewer System Bonds Outstanding affected by such amendments.

Subject to obtaining the required consent of holders of Water and Sewer System Bonds, Resolution No. 2013-10:

(1) Amends the definitions of “Defeasance Securities” and “Investment Securities” provided in the Water and Sewer System Resolution to read as follows:

“Defeasance Securities” shall mean, unless otherwise provided with respect to the Bonds of a Series in the Supplemental Resolution authorizing such Bonds, U.S. Obligations which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof.

“Investment Securities” shall mean and include any other securities, obligations or investments that, at the time, shall be permitted by Florida Law for the investment of JEA’s funds.

(2) Amends the Water and Sewer System Resolution to add the following definitions of “Defeased Municipal Obligations,” “Federal Agency Securities” and “U.S. Obligations:”

“Defeased Municipal Obligations” shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date

or dates shall be also specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or U.S. Obligations which fund 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 redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this definition, as appropriate, (c) as to which the principal of and interest on the U.S. Obligations on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this definition on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this definition, as appropriate and (d) which at the time of their purchase hereunder are rated "AAA" by Standard & Poor's Ratings Group and, if rated by Moody's Investors Service, are rated "Aaa" by such agency.

"Federal Agency Securities" shall mean bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America which at the time of their purchase hereunder are rated "AAA" by Standard & Poor's Ratings Group and "Aaa" by Moody's Investors Service, if rated by both rating agencies, and, if rated by one rating agency, shall have a rating of "AAA" or "Aaa" by Standard & Poor's Ratings Group or Moody's Investors Service, as the case may be.

"U.S. Obligations" shall mean any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America, including Federal Agency Securities to the extent unconditionally guaranteed by the United States of America.

(3) Provides conforming amendments to the provisions of the Water and Sewer System Resolution pertaining to the collateralization of moneys held under the Water and Sewer System Resolution by a Depository to refer to the added defined terms "Defeased Municipal Obligations," "Federal Agency Securities" and "U.S. Obligations" rather than to portions of the defined term "Investment Securities" prior to its amendment pursuant to Resolution No. 2013-10.

(4) Amends the provisions of the First Supplemental Resolution relating to the provision of a reserve fund credit instrument to fund the Initial Subaccount to:

(a) reduce the required initial claims paying ability rating requirement for the issuer of a surety bond or insurance policy to at least "AA-" or "Aa3" by any two of S&P, Moody's or Fitch;

(b) reduce the initial rating required of a bank providing an unconditional letter of credit to at least "AA-" or "Aa3" by any two of S&P, Moody's or Fitch;

(c) provide that if the claims paying ability of the issuer of an surety bond or insurance policy or the rating of the issuer of a letter of credit provided as a reserve fund credit instrument falls below "AA-" or "Aa3" by any two of S&P, Moody's or Fitch, the obligations to reimburse the issuer of such reserve fund credit instrument shall be subordinate to the cash reimbursement of the Initial Subaccount;

(d) provide that if the rating of the claims paying ability of the issuer of a surety bond or insurance policy or the rating of a bank providing an irrevocable letter of credit as a reserve fund credit instrument falls below "AA-" or "Aa3" by any two of S&P, Moody's or Fitch, JEA is required to replace such reserve fund policy with cash or investment securities or with a reserve fund credit instrument that satisfies the initial rating requirements described in (a) or (b) above within six months of the occurrence; and

(e) provide that if the rating of the claims paying ability of the issuer of a surety bond or insurance policy or the rating of a bank providing an irrevocable letter of credit as a reserve fund credit instrument falls below "A-" or "A3" by any two of S&P, Moody's or Fitch, JEA is required to replace such reserve fund credit instrument with (I) cash or Investment Securities in equal installments on at least a monthly basis over the ensuing year, or (II) a reserve fund credit instrument that satisfies the initial rating requirements described in (a) or (b) above within six months of the occurrence.

The initial purchasers of the 2017/8 Series X Bonds from the Underwriters will be deemed by their purchase thereof to have consented for all owners of the 2017/8 Series X Bonds to the amendments contained in Resolution No. [____-____]. Such consent will be binding on all subsequent holders of the 2017/8 Series X Bonds. Prior to the issuance of the 2017/8 Series X Bonds, there are \$[_____] in aggregate principal amount of the Water and Sewer System Revenue Bonds Outstanding. Upon the issuance of the 2017/8 Series X Bonds and the giving of such consent by the purchasers thereof, there will be \$[_____] in aggregate principal amount of the Water and Sewer System Revenue Bonds Outstanding, and JEA will have obtained the consent to such amendments of the holders of \$[_____] in aggregate principal amount of such Water and Sewer System Revenue Bonds, which amount will constitute approximately [_____] percent in aggregate principal amount of the Water and Sewer System Bonds to be Outstanding. In addition, JEA intends to obtain additional consents to the amendments contained in Resolution No. 2013-10 each time it issues additional Water and Sewer System Bonds. JEA also may seek consents to the amendments contained in Resolution No. 2013-10 from the holders of the Outstanding Water and Sewer System Bonds (including, in the case of the Senior Liquidity Supported Water and Sewer Prior Series Bonds,

by causing such Bonds to become subject to mandatory tender for purchase in order to deem the holders thereof to have consented to the amendments contained in Resolution No. 2013-10 upon the remarketing of such Bonds, as permitted by such Bonds and the Water and Sewer System Resolution). Whether or when the amendments contained in Resolution No. 2013-10 become effective is dependent upon the amount of additional Water and Sewer System Bonds that may be issued by JEA in the future, the timing of such issuances and whether or not JEA decides to seek consents to the amendments contained in Resolution No. 2013-10 from the holders of the Outstanding Water and Sewer System Bonds.

Additional Provisions Relating to the 2017/8 Series X Bonds

With respect to the requirements relating to the Internal Revenue Code of 1986, JEA has covenanted in the Forty-Third Supplemental Resolution as follows:

“Tax Covenants. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2017/8 Series X Bonds under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the 2017/8 Series X Bonds concerning certain matters pertaining to the use of proceeds of the 2017/8 Series X Bonds, including any and all exhibits attached thereto (the ‘Tax Certificate’). This covenant shall survive payment in full or defeasance of the 2017/8 Series X Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017/8 Series X Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the [Water and Sewer System] Resolution to the contrary, (a) upon JEA’s failure to observe or refusal to comply with the above covenants with respect to the 2017/8 Series X Bonds, the Holders of the 2017/8 Series X Bonds shall be entitled to the rights and remedies provided to Holders of [Water and Sewer System] Bonds under the [Water and Sewer System] Resolution, other than the right (which is hereby abrogated solely in regard to JEA’s failure to observe or refusal to comply with the covenants of

this Section) to declare the principal of all 2017/8 Series X Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of any [Water and Sewer System] Bonds other than the 2017/8 Series X Bonds shall not be entitled to exercise any right or remedy provided to Bondholders under the [Water and Sewer System] Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the 2017/8 Series X Bonds."

DESCRIPTION OF THE 2017/8 SERIES X BONDS

General

The 2017/8 Series X Bonds will be issued in the aggregate principal amount of \$000,000,000*. The 2017/8 Series X Bonds will be dated the date of delivery thereof, will bear interest from that date at the rates per annum set forth on the inside front cover hereof, payable semiannually on April 1 and October 1 of each year, commencing [April/October] 1, [____], and will mature on October 1 in each of the years and in the principal amounts set forth on the inside front cover hereof. The 2017/8 Series X Bonds will be issuable only in fully registered form in denominations of \$5,000 or any integral multiple thereof and will be registered in the name of Cede & Co., as nominee for DTC. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto.

Registration and Transfer

The 2017/8 Series X Bonds may be transferred only on the registration books of JEA kept for that purpose at the designated corporate trust office of U.S. Bank National Association, Jacksonville, Florida, as Bond Registrar. Neither JEA nor the Bond Registrar will be required (a) to transfer or exchange 2017/8 Series X Bonds (1) for a period beginning with the close of business on the 15th day of the calendar month next preceding any interest payment date and ending on such interest payment date, or (2) for a period beginning with a date selected by the Bond Registrar not more than 15 nor less than 10 days prior to a date fixed for the payment of any interest which, at the time, is payable, but has not been punctually paid or duly provided for, and ending with the date fixed for such payment, (b) to transfer or exchange 2017/8 Series X Bonds for a period beginning 15 days before the mailing of any notice of redemption and ending on the day of such mailing, or (c) to transfer or exchange any 2017/8 Series X Bonds called for redemption.

Interest on any 2017/8 Series X Bond will be paid to the person in whose name such Bond is registered on the applicable record date, which is March 15 for interest due on April 1, and September 15 for interest due on October 1. Interest on the 2017/8 Series X Bonds will be payable by check or draft of U.S. Bank National Association, as Paying Agent, mailed to the registered owners at the addresses shown on the registration books of JEA kept for that purpose

* Preliminary, subject to change.

at the principal corporate trust office of the Bond Registrar, as of the close of business on the applicable record date. Except as otherwise provided in the Water and Sewer System Resolution with respect to Book Entry Bonds, the principal and redemption price of all 2017/8 Series X Bonds will be payable at the principal corporate trust office of the Paying Agent.

Redemption of 2017/8 Series X Bonds

2017/8 Series X Bonds

Optional Redemption. The 2017/8 Series X Bonds maturing prior to October 1, [____] will not be subject to redemption prior to maturity. The 2017/8 Series X Bonds maturing on or after October 1, [____] will be subject to redemption at the election of JEA on or after October 1, [____], at any time, as a whole or in part, at a redemption price equal to the principal amount of such 2017/8 Series X Bonds so to be redeemed together with accrued interest to the redemption date.

Sinking Fund Redemption. The 2017/8 Series X Bonds maturing October 1, [____] and bearing interest at [____] percent will be subject to redemption through mandatory Sinking Fund Installments on October 1, ____ and on each October 1 thereafter through and including October 1, [____]. The redemption price will be 100 percent of the principal amount of such 2017/8 Series X Bonds to be redeemed plus accrued interest, if any, to the redemption date. Such Sinking Fund Installments will be sufficient to redeem the following principal amounts of such 2017/8 Series X Bonds:

2017/8 Series X Bonds	
Maturing October 1, ____	
and bearing interest at ____%	
Year	Amount
_____	_____
	\$

The foregoing schedule leaves \$[_____] principal amount of such 2017/8 Series X Bonds to be retired at maturity. Giving effect solely to the sinking fund schedule set forth above, the average life of such 2017/8 Series X Bonds calculated from the date of delivery thereof, is approximately [____] years.

The 2017/8 Series X Bonds maturing October 1, [____] will be subject to redemption through mandatory Sinking Fund Installments on October 1, [____] and on each October 1 thereafter through and including October 1, [____]. The redemption price will be 100 percent of the principal amount of the 2017/8 Series X Bonds maturing October 1, [____] to be redeemed plus accrued interest, if any, to the redemption date. Such Sinking Fund Installments will be sufficient to redeem the following principal amounts of the 2017/8 Series X Bonds maturing October 1, [____]:

2017/8 Series X Bonds
Maturing October 1, ____

Year	Amount
	\$

The foregoing schedule leaves \$[_____] principal amount of 2017/8 Series X Bonds maturing October 1, [_____] to be retired at maturity. Giving effect solely to the sinking fund schedule set forth above, the average life of the 2017/8 Series X Bonds maturing October 1, [_____] calculated from the date of delivery thereof, is approximately [_____] years.

If at any time 2017/8 Series X Bonds maturing October 1, [_____] or [_____] subject to mandatory redemption from Sinking Fund Installments are purchased or redeemed or are deemed to have been paid pursuant to the Water and Sewer System Resolution, JEA may from time to time and at any time determine the portions, if any, of such 2017/8 Series X Bonds so purchased, redeemed or deemed to have been paid and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments.

Selection of 2017/8 Series X Bonds to be Redeemed. For so long as the 2017/8 Series X Bonds are subject to the book-entry only system of registration and transfer described in APPENDIX A hereto, in the event that less than all of the 2017/8 Series X Bonds of a particular maturity (and, if applicable, each interest rate within a maturity) are to be redeemed, the particular Beneficial Owner(s) to receive payment of the redemption price with respect to beneficial ownership interests in such Bonds shall be selected by DTC and the Direct Participants (defined in APPENDIX A hereto) and/or Indirect Participants (defined in APPENDIX A hereto). See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto.

SECURITY AND SOURCE OF PAYMENT FOR THE
2017/8 SERIES X SUBORDINATED BONDS

The information under this caption relates solely to the 2017/8 Series X Subordinated Bonds. For a description of the security and source of payment for the 2017/8 Series X Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS" herein.

General

The 2017/8 Series X Subordinated Bonds will be issued pursuant to the Constitution and laws of the State of Florida, particularly Article 21 of the Charter, other applicable provisions of law and the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution. For a more extensive discussion of the terms and provisions of the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution, including the levels at which the funds and accounts established thereby are to be maintained, the flow of funds thereunder and the purposes to which moneys in such funds and accounts may be applied, see "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER

SYSTEM RESOLUTION” in Appendix B to the Annual Disclosure Report, “SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS – Application of Revenues” herein and “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION” in Appendix C to the Annual Disclosure Report.

Source of Payment

The payment of the principal of, premium, if any, and interest on the Subordinated Water and Sewer System Bonds, including the 2017/8 Series X Subordinated Bonds, is secured by a pledge of and a lien on (i) such amounts in the Subordinated Indebtedness Fund established under the Water and Sewer System Resolution as may from time to time be available for the purpose of payment thereof as provided in the Water and Sewer System Resolution; *provided, however*, that such pledge shall be subordinate in all respects to the pledge of the Trust Estate created by the Water and Sewer System Resolution as security for the Water and Sewer System Bonds and (ii) amounts on deposit in the Funds established pursuant to the Subordinated Water and Sewer System Resolution, except to the extent the Initial Subordinated Debt Service Reserve Fund is not pledged to a particular series of Subordinated Water and Sewer System Bonds.

Pursuant to the Water and Sewer System Resolution, all Revenues are to be deposited promptly by JEA to the credit of the Revenue Fund and applied in the manner and order of priority set forth in the Water and Sewer System Resolution. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2017/8 SERIES X BONDS” herein for a description of such Revenues and the application thereof. Amounts on deposit in the Revenue Fund established pursuant to the Water and Sewer System Resolution are required to be applied (a) to the payment of the Water and Sewer System’s Operation and Maintenance Expenses, including the payment of Contract Debts (as such terms are defined in the Water and Sewer System Resolution), and (b) to make certain required deposits to the Debt Service Fund established pursuant to the Water and Sewer System Resolution in respect of debt service on, and required reserves for, the Water and Sewer System Bonds, in each such case, prior to any payment from such funds of amounts in respect of debt service on the Subordinated Water and Sewer System Bonds. In addition, pursuant to the Water and Sewer System Resolution, in the event there is a deficiency in the amounts required to be deposited to the Debt Service Fund, including the Debt Service Reserve Account therein, and amounts on deposit in the Renewal and Replacement Fund created under the Water and Sewer System are insufficient to cure such deficiency, amounts in the Subordinated Indebtedness Fund shall be withdrawn and applied to cure such deficiency.

The Subordinated Water and Sewer System Resolution establishes a Subordinated Bond Construction Fund and a Subordinated Bond Rate Stabilization Fund.

The 2017/8 Series X Subordinated Bonds also will be additionally secured by amounts in the Initial Subordinated Debt Service Reserve Fund. See “Initial Subordinated Debt Service Reserve Fund” below.

Initial Subordinated Debt Service Reserve Fund

Pursuant to the Eighteenth Supplemental Subordinated Resolution, the 2017/8 Series X Subordinated Bonds will be additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund, including the investments and investment income, if any, thereof, which amounts are pledged as additional security for the payment of the principal or sinking fund redemption price of, and interest on, the 2017/8 Series X Subordinated Bonds, subject only to the provisions of the Subordinated Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Subordinated Water and Sewer System Resolution. The Initial Subordinated Debt Service Reserve Fund was created pursuant to the Third Supplemental Water and Sewer System Subordinated Revenue Bond Resolution adopted by JEA on July 15, 2003 (the "Third Supplemental Subordinated Resolution"). The Fixed Rate Prior Series Subordinated Bonds also are additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund, but the Variable Rate Prior Series Subordinated Bonds are not additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund.

Amounts in the Initial Subordinated Debt Service Reserve Fund are to be applied to make payment of the principal or sinking fund redemption price of, or interest on, the Subordinated Water and Sewer System Bonds of each series secured thereby (including the 2017/8 Series X Subordinated Bonds) when due in the event that amounts on deposit in the Subordinated Indebtedness Fund are not sufficient therefor. The Initial Subordinated Debt Service Reserve Fund may, at the option of JEA, secure additional Subordinated Water and Sewer System Bonds of any series hereafter issued. All Subordinated Water and Sewer System Bonds that are additionally secured by the Initial Subordinated Debt Service Reserve Fund (including the Fixed Rate Prior Series Subordinated Bonds, the 2017/8 Series X Subordinated Bonds and any other Subordinated Water and Sewer System Bonds hereafter issued and determined by JEA to be additionally secured thereby) are referred to herein collectively as the "Initial Subordinated Debt Service Reserve Fund Additionally Secured Bonds."

The Third Supplemental Subordinated Resolution provides that in lieu of maintaining moneys or investments in the Initial Subordinated Debt Service Reserve Fund, JEA at any time may cause to be deposited therein for the benefit of the Holders of the Initial Subordinated Debt Service Reserve Fund Additionally Secured Bonds an irrevocable surety bond, an insurance policy or a letter of credit satisfying the conditions set forth therein (referred to herein as a "reserve fund credit instrument"), in an amount equal to the difference between the Subordinated Debt Service Reserve Requirement for the Initial Subordinated Debt Service Reserve Fund and the sums of money or value of Investment Securities then on deposit in the Initial Subordinated Debt Service Reserve Fund, if any. To the extent that more than one reserve fund credit instrument is deposited in the Initial Subordinated Debt Service Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder. For a summary of the provisions of the Third Supplemental Subordinated Resolution relating to the deposit of reserve fund credit instruments to the Initial Subordinated Debt Service Reserve

Fund, see “Initial Subordinated Debt Service Reserve Fund” in “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION” in Appendix C to the Annual Disclosure Report.

As of the date of this Official Statement, the Subordinated Debt Service Reserve Requirement for the Initial Subordinated Debt Service Reserve Fund is \$[_____] and such amount is on deposit in the Initial Subordinated Debt Service Reserve Fund. As a result of the issuance of the 2017/8 Series X Subordinated Bonds and the refunding of the Refunded Subordinated Bonds refunded thereby, the Subordinated Debt Service Reserve Requirement for the Initial Subordinated Debt Service Reserve Fund will [decrease] [increase] by \$[_____] , to \$[_____].

As discussed in “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION – Initial Subordinated Debt Service Reserve Fund” in Appendix C to the Annual Disclosure Report, JEA previously had funded the Initial Subordinated Debt Service Reserve Fund with cash and reserve fund credit instruments (the “Subordinated Surety Policies”) to satisfy the Subordinated Debt Service Reserve Requirement therefor.

As a result of rating actions by Fitch Ratings, Moody’s and S&P, pursuant to the Third Supplemental Subordinated Resolution, JEA has deposited cash and investments in amounts equal to the amounts available to be drawn on the Subordinated Surety Policies in their entirety. See “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION – Initial Subordinated Debt Service Reserve Fund” in Appendix C to the Annual Disclosure Report.

Pursuant to the Subordinated Water and Sewer System Resolution, the Subordinated Water and Sewer System Bonds of any series hereafter issued are not required to be additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund. However, JEA may provide, at its option, in the Supplemental Subordinated Resolution authorizing the Subordinated Water and Sewer System Bonds of any series hereafter issued that the Subordinated Water and Sewer System Bonds of such series will be additionally secured by amounts on deposit in (and any reserve fund credit instrument(s) credited to) any separate debt service reserve fund to be designated therefor, including the Initial Subordinated Debt Service Reserve Fund. JEA currently intends to secure all additional long-term, fixed rate Subordinated Water and Sewer System Bonds hereafter issued by the Initial Subordinated Debt Service Reserve Fund. In the event that the Subordinated Water and Sewer System Bonds of a series hereafter issued are to be additionally secured by amounts on deposit in (and any reserve fund credit instrument(s) credited to) the Initial Subordinated Debt Service Reserve Fund, it will be a condition to the issuance of such Subordinated Water and Sewer System Bonds that the amount on deposit in the Initial Subordinated Debt Service Reserve Fund, after giving effect to the issuance of such Subordinated Water and Sewer System Bonds and all reserve fund credit instruments credited thereto, equals the Subordinated Debt Service Reserve Requirement for such Fund.

The Third Supplemental Subordinated Resolution requires JEA to deposit and maintain in the Initial Subordinated Debt Service Reserve Fund moneys, Investment Securities and/or reserve fund credit instruments in an amount equal to the Subordinated Debt Service Reserve Requirement for such Fund. The Subordinated Debt Service Reserve Requirement for such Fund is defined in the Third Supplemental Subordinated Resolution, as amended, as of any date of calculation, as an amount equal to the lowest of (a) 10 percent of the original principal amount of the Subordinated Water and Sewer System Bonds of all issues (as defined for federal income tax purposes) secured thereby (or, if the Subordinated Water and Sewer System Bonds of any such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, ten percent of such issue price), (b) the maximum Aggregate Subordinated Debt Service on the Subordinated Water and Sewer System Revenue Bonds of all series secured thereby then outstanding for the current or any future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Subordinated Water and Sewer System Revenue Bonds to be paid from the proceeds of Subordinated Water and Sewer System Revenue Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA) or (c) 125 percent of the average annual Subordinated Debt Service on the Subordinated Water and Sewer System Revenue Bonds of all series secured thereby then outstanding for the then current and each future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Subordinated Water and Sewer System Revenue Bonds to be paid from the proceeds of Subordinated Water and Sewer System Revenue Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); *provided, however*, that in no event may an increase in the Subordinated Debt Service Reserve Requirement resulting from the issuance of an additional issue (as defined for federal income tax purposes) of Subordinated Water and Sewer System Revenue Bonds exceed 10 percent of the original principal amount of the Subordinated Water and Sewer System Revenue Bonds of such issue (or, if the Subordinated Water and Sewer System Revenue Bonds of such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, 10 percent of such issue price). For the purpose of the calculation of the Subordinated Debt Service Reserve Requirement in the event that the Subordinated Bonds of any Series shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest, payable on such Subordinated Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), for purposes of this definition, the interest on such Subordinated Bonds shall be calculated net of the amount of such subsidy; *provided, however*, that if at any time the specified percentage of the interest payable on such Subordinated Bonds represented by such subsidy shall be permanently reduced, then the amount of such Subordinated Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Subordinated Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five-year period, with the first such installment becoming due on April 1 or October 1 that is at, least six months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of

such funding, either (x) any of such Subordinated Bonds shall cease to be Outstanding or (y) the amount of such Subordinated Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Subordinated Bonds that remain Outstanding and the amount (if any) of such reduction in such Subordinated Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subordinated Debt Service Reserve Fund shall be evenly apportioned over the remainder of such five-year period and *provided, further*, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury in respect of the interest payable on any such Subordinated Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Subordinated Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Subordinated Bonds, and such increase shall be required to be funded in equal semiannual installments over a five-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which JEA does not receive the first such cash subsidy payment that it theretofore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Subordinated Bonds shall cease to be Outstanding or (y) the amount of such Subordinated Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Subordinated Bonds that remain Outstanding and the amount (if any) of such reduction in such Subordinated Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to such Initial Subordinated Debt Service Reserve Fund shall be evenly apportioned over the remainder of such five-year period. Notwithstanding any other provision of the Subordinated Resolution, any one or more installments of any increase in the Subordinated Debt Service Reserve Requirement with respect to such Initial Subordinated Debt Service Reserve Fund provided for in the preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment. See "Definitions" in "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION" in Appendix C to the Annual Disclosure Report for definitions of the terms "Aggregate Subordinated Debt Service" and "Subordinated Debt Service" and for a description of the method of valuation of Investment Securities and reserve fund credit instruments in the Initial Subordinated Debt Service Reserve Fund. Amounts in the Initial Subordinated Debt Service Reserve Fund in excess of the Subordinated Debt Service Reserve Requirement, after giving effect to all reserve fund credit instruments credited thereto, will be credited to the Revenue Fund.

Other debt service reserve funds may be created to secure other Subordinated Water and Sewer System Revenue Bonds. Such debt service reserve funds will not secure the 2017/8 Series X Subordinated Bonds.

See “Initial Subordinated Debt Service Reserve Fund” in “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION” in Appendix C to the Annual Disclosure Report.

No Pledge of Credit or Taxing Power

The 2017/8 Series X Subordinated Bonds shall not constitute general obligations of either JEA or the City within the meaning of any constitutional, statutory or charter provision or limitation. The City shall never be required or compelled to levy ad valorem taxes on any property of JEA or property of or in the City to pay the principal of and interest on the 2017/8 Series X Subordinated Bonds or to make any of the sinking fund, reserve or other payments required under the Subordinated Water and Sewer System Resolution. JEA has no power to levy taxes for any purpose. The 2017/8 Series X Subordinated Bonds shall not constitute a lien upon any of the property of JEA or the property of or in the City, but shall constitute a lien only upon and a pledge of the amounts in the Subordinated Indebtedness Fund and other Funds established pursuant to the Subordinated Water and Sewer System Resolution in the manner provided therein.

Contract Debts

For a discussion of Contract Debts, see “SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS – Contract Debts” herein.

Rate Covenants

Rate Covenant Under the Subordinated Water and Sewer System Resolution. JEA has covenanted in the Subordinated Water and Sewer System Resolution to fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the Water and Sewer System which shall be sufficient to provide Revenues in each Bond Year in an amount at least equal to the amount required to satisfy either clause (i) or clause (ii) below:

- (i) the difference between (a) Net Revenues (which equals Revenues less Operation and Maintenance Expenses) in each Bond Year and (b) Capacity Charges in such Bond Year shall be at least equal to the sum of (X) the Aggregate Debt Service for such Bond Year, except that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for this purpose to the extent that JEA intends to pay such Principal Installment from sources other than Revenues, (Y) the Aggregate Subordinated Debt Service for such Bond Year, except that any Subordinated Principal Installment which is a Refundable Subordinated Principal Installment may be excluded from Aggregate Subordinated Debt Service for this purpose to the extent that JEA intends to pay such Subordinated Principal Installment from sources other than Revenues and (Z) all amounts payable by JEA during such Bond Year with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness; or

(ii) Net Revenues in each Bond Year shall be at least equal to the sum of (X) the Aggregate Debt Service for such Bond Year, except that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for this purpose to the extent that JEA intends to pay such Principal Installment from sources other than Revenues, (Y) 120 percent of the Aggregate Subordinated Debt Service for such Bond Year, except that any Subordinated Principal Installment which is a Refundable Subordinated Principal Installment may be excluded from Aggregate Subordinated Debt Service for this purpose to the extent that JEA intends to pay such Subordinated Principal Installment from sources other than Revenues and (Z) all amounts payable by JEA during such Bond Year with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness.

See "Definitions" in "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION" in Appendix B to the Annual Disclosure Report for definitions of the terms "Aggregate Debt Service," "Principal Installment" and "Refundable Principal Installment." See "Definition of Terms" in "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION" in Appendix C to the Annual Disclosure Report for definitions of the terms "Aggregate Subordinated Debt Service," "Subordinated Principal Installment," "Refundable Subordinated Principal Installment," "Existing Parity Subordinated Indebtedness" and "Additional Parity Subordinated Indebtedness."

Rate Covenant Under the Water and Sewer System Resolution. For a description of the rate covenant made by JEA in the Water and Sewer System Resolution, see "SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS – Rate Covenant" herein.

Outstanding Obligations

Outstanding Water and Sewer System Revenue Bonds. The Water and Sewer System Revenue Bonds presently outstanding under the Water and Sewer System Resolution are described under the captions "INTRODUCTION – The 2017/8 Series X Bonds" herein and "WATER AND SEWER SYSTEM – FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM – Debt Relating to Water and Sewer System – *Water and Sewer System Revenue Bonds*" in the Annual Disclosure Report.

Outstanding Subordinated Water and Sewer System Revenue Bonds. The Subordinated Water and Sewer System Revenue Bonds presently outstanding under the Subordinated Water and Sewer System Resolution are described under the captions "INTRODUCTION – The 2017/8 Series X Subordinated Bonds" herein and "WATER AND SEWER SYSTEM – FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM – Debt Relating to Water and Sewer System – *Subordinated Water and Sewer System Revenue Bonds*" in the Annual Disclosure Report.

Outstanding Parity Obligations. The following Existing Parity Subordinated Indebtedness are presently outstanding, all of which are payable from amounts on deposit in the Subordinated Indebtedness Fund on a parity with the Subordinated Water and Sewer System Revenue Bonds: the Reimbursement Obligations of JEA under (and as defined in) certain debt service reserve fund policy agreements between JEA and FGIC, pursuant to which FGIC has issued surety policies which previously funded a portion of the requirement for the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the Water and Sewer System Resolution for the benefit of certain of the Water and Sewer System Revenue Bonds. See “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION – Debt Service Reserve Account” in Appendix B to the Annual Disclosure Report and “SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS – Debt Service Reserve Account” herein.

Additional Subordinated Water and Sewer System Bonds

JEA may issue one or more series of additional Subordinated Water and Sewer System Revenue Bonds for any lawful purpose of the Water and Sewer System, including providing funds for the refunding of Outstanding Water and Sewer System Revenue Bonds or Outstanding Subordinated Water and Sewer System Revenue Bonds and evidencing JEA’s obligation to repay any advances or loans made to, or on behalf of, JEA in connection with Credit Enhancement or liquidity support. All such Subordinated Water and Sewer System Revenue Bonds will be payable from amounts on deposit in the Subordinated Indebtedness Fund and secured thereby on a parity with all other Subordinated Water and Sewer System Revenue Bonds. In addition, pursuant to the provisions of the Third Supplemental Subordinated Resolution, each series of Subordinated Water and Sewer System Revenue Bonds may be additionally secured by amounts on deposit in any debt service reserve fund established under the Subordinated Water and Sewer System Resolution (which may be the Initial Subordinated Debt Service Reserve Fund or any additional debt service reserve fund hereafter created under the Subordinated Water and Sewer System Resolution). Set forth below are certain conditions applicable to the issuance of additional Subordinated Water and Sewer System Revenue Bonds. The Subordinated Water and Sewer System Resolution provides that a series of Subordinated Water and Sewer System Revenue Bonds may be issued at one time or from time to time. If the Subordinated Water and Sewer System Revenue Bonds of a series are to be issued from time to time, the Subordinated Water and Sewer System Resolution requires that the conditions set forth below be satisfied only prior to the issuance of the first Subordinated Water and Sewer System Revenue Bonds of such series to be issued.

Debt Service Coverage. The issuance of each series of additional Subordinated Water and Sewer System Revenue Bonds (other than Subordinated Water and Sewer System Refunding Bonds and Subordinated Reimbursement Obligations) is conditioned upon the filing with JEA of a certificate of an Authorized Officer of JEA to the effect that either (a) the difference between Net Revenues and Capacity Charges for each of the three full Bond Years succeeding the date of issuance of the Subordinated Water and

Sewer System Revenue Bonds of the series with respect to which such certificate is being given, as such Net Revenues and Capacity Charges are estimated in accordance with the Subordinated Water and Sewer System Resolution, are at least equal to the sum of (i) the Adjusted Aggregate Debt Service for each such Bond Year, (ii) 120 percent of the Adjusted Aggregate Subordinated Debt Service for each such Bond Year and (iii) all amounts payable by JEA for each such Bond Year with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness, or (b) the Net Revenues for any 12 consecutive month period within the 24 consecutive months immediately preceding the date of issuance of the additional Subordinated Water and Sewer System Revenue Bonds of the series with respect to which such certificate is being given is at least equal to the greater of (X) the sum of (i) the Average Annual Adjusted Aggregate Debt Service, (ii) 110 percent of the Average Annual Adjusted Aggregate Subordinated Debt Service and (iii) all amounts payable by JEA during such 12 month period with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness and (Y) the sum of (i) the Average Annual Adjusted Aggregate Debt Service, (ii) the Average Annual Adjusted Aggregate Subordinated Debt Service, (iii) all amounts payable by JEA during such 12 month period with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness and (iv) the amount most recently determined to be required to be deposited in the Renewal and Replacement Fund for the then current, or a previous, Fiscal Year.

Debt Service Reserve. If, at JEA's option, any series of additional Subordinated Water and Sewer System Revenue Bonds is to be additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund, the issuance of the additional Subordinated Water and Sewer System Revenue Bonds of such series is further conditioned upon the deposit to such Fund of moneys or reserve fund credit instruments, or a combination thereof, in an amount such that the balance in such Fund equals the Subordinated Debt Service Reserve Requirement for such Fund calculated immediately after the delivery of such Subordinated Water and Sewer System Revenue Bonds.

No Default. In addition, Subordinated Water and Sewer System Revenue Bonds of any series other than Subordinated Water and Sewer System Refunding Bonds and Subordinated Reimbursement Obligations may be issued only if an Authorized Officer of JEA certifies that upon the issuance of such series JEA will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Water and Sewer System Resolution or in the Subordinated Water and Sewer System Resolution.

Additional Parity Subordinated Indebtedness. Pursuant to the Subordinated Water and Sewer System Resolution, JEA may incur obligations in respect of amounts payable by JEA in repayment of draws under any surety bond, insurance policy, letter of credit or other similar obligation that is deposited, in lieu of a cash deposit thereto, to any subaccount in the Debt

Service Reserve Account in the Debt Service Fund established pursuant to the Water and Sewer System Resolution, and all expenses with respect thereto and interest thereon, and may designate such obligations as “Additional Parity Subordinated Indebtedness.” All such Additional Parity Subordinated Indebtedness will be payable from amounts on deposit in the Subordinated Indebtedness Fund on a parity with the Subordinated Water and Sewer System Revenue Bonds.

Additional Water and Sewer System Revenue Bonds. For a description of the provisions of the Water and Sewer System Resolution relating to the issuance of additional Water and Sewer System Revenue Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE 2017/8 SERIES X BONDS – Additional Water and Sewer System Bonds” herein.

Events of Default and Remedies

Pursuant to the Fourth Supplemental Water and Sewer Subordinated Revenue Bond Resolution adopted by JEA on March 16, 2004 (the “Fourth Supplemental Subordinated Resolution”), FGIC has been designated as the Credit Enhancer with respect to certain of JEA’s Water and Sewer System Subordinated Revenue Bonds, 2004 Series A (the “2004 Series A Subordinated Insured Bonds”). See “Events of Default; Remedies” and “Action by Credit Enhancer When Action by Holders of Subordinated Bonds Required” in “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION” in Appendix C to the Annual Disclosure Report. The Fourth Supplemental Subordinated Resolution provides that, upon the happening of any Event of Default under the Subordinated Water and Sewer System Resolution, the 2004 Series A Subordinated Insured Bonds, and accrued interest thereon, may not be declared due and payable immediately, nor may any such declaration be rescinded and annulled, without the prior written consent of FGIC.

Additional Provisions Relating to the 2017/8 Series X Subordinated Bonds

With respect to the requirements relating to the Internal Revenue Code of 1986, JEA has covenanted in the Fourteenth Supplemental Subordinated Resolution as follows:

“Tax Covenants. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2017/8 Series X Subordinated Bonds under Section 103 of the Code, as amended, and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the 2017/8 Series X Subordinated Bonds concerning certain matters pertaining to the use of proceeds of the 2017/8 Series X Subordinated Bonds, including any and all exhibits attached thereto (the ‘Tax Certificate’). This

covenant shall survive payment in full or defeasance of the 2017/8 Series X Subordinated Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017/8 Series X Subordinated Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Subordinated [Water and Sewer System] Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the 2017/8 Series X Subordinated Bonds, the Holders of the 2017/8 Series X Subordinated Bonds shall be entitled to the rights and remedies provided to Holders of Subordinated [Water and Sewer System] Bonds under the Subordinated [Water and Sewer System] Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all 2017/8 Series X Subordinated Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of any Subordinated [Water and Sewer System] Bonds other than the 2017/8 Series X Subordinated Bonds shall not be entitled to exercise any right or remedy provided to Holders of Subordinated [Water and Sewer System] Bonds under the Subordinated [Water and Sewer System] Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the 2017/8 Series X Subordinated Bonds."

DESCRIPTION OF THE 2017/8 SERIES X SUBORDINATED BONDS

General

The 2017/8 Series X Subordinated Bonds will be issued in the aggregate principal amount of \$000,000,000*. The 2017/8 Series X Subordinated Bonds will be dated the date of delivery thereof, will bear interest from that date at the rates per annum set forth on the inside front cover hereof, payable semiannually on April 1 and October 1 of each year, commencing [April/October] 1, [_____], and will mature on October 1 in each of the years and in the principal amounts set forth on the inside front cover hereof. The 2017/8 Series X Subordinated Bonds will be issuable only in fully registered form in denominations of \$5,000 or any integral multiple thereof and will be registered in the name of Cede & Co., as nominee for DTC. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto.

* Preliminary, subject to change.

Registration and Transfer

The 2017/8 Series X Subordinated Bonds may be transferred only on the registration books of JEA kept for that purpose at the designated corporate trust office of U.S. Bank National Association, Jacksonville, Florida, as Subordinated Bond Registrar. Neither JEA nor the Subordinated Bond Registrar will be required to transfer or exchange 2017/8 Series X Subordinated Bonds (a) for a period beginning with the close of business on the 15th day of the calendar month next preceding any interest payment date and ending on such interest payment date or (b) for a period beginning with a date selected by the Subordinated Bond Registrar not more than 15 nor less than 10 days prior to a date fixed for the payment of any interest which, at the time, is payable, but has not been punctually paid or duly provided for, and ending with the date fixed for such payment.

Interest on any 2017/8 Series X Subordinated Bond will be paid to the person in whose name such Bond is registered on the applicable record date, which is March 15 for interest due on April 1, and September 15 for interest due on October 1. Interest on the 2017/8 Series X Subordinated Bonds will be payable by check or draft of U.S. Bank National Association, as Subordinated Bond Paying Agent, mailed to the registered owners at the addresses shown on the registration books of JEA kept for that purpose at the principal corporate trust office of the Subordinated Bond Registrar, as of the close of business on the applicable record date. Except as otherwise provided in the Subordinated Water and Sewer System Resolution with respect to Book Entry Subordinated Bonds, the principal of all 2017/8 Series X Subordinated Bonds will be payable at the principal corporate trust office of the Subordinated Bond Paying Agent.

Redemption of 2017/8 Series X Subordinated Bonds

Optional Redemption. The 2017/8 Series X Subordinated Bonds maturing prior to October 1, [____] will not be subject to redemption prior to maturity. The 2017/8 Series X Subordinated Bonds maturing on or after October 1, [____] will be subject to redemption at the election of JEA on or after October 1, [____], at any time, as a whole or in part, at a redemption price equal to the principal amount of such 2017/8 Series X Subordinated Bonds so to be redeemed together with accrued interest to the redemption date.

Sinking Fund Redemption. The 2017/8 Series X Subordinated Bonds maturing October 1, [____] and bearing interest at [____] percent will be subject to redemption through mandatory Sinking Fund Installments on October 1, [____] and on each October 1 thereafter through and including October 1, [____]. The redemption price will be 100 percent of the principal amount of such 2017/8 Series X Subordinated Bonds to be redeemed plus accrued interest, if any, to the redemption date. Such Sinking Fund Installments will be sufficient to redeem the following principal amounts of such 2017/8 Series X Subordinated Bonds:

2017/8 Series X Subordinated Bonds

**Maturing October 1, _____
and bearing interest at _____%**

Year	Amount
_____	_____
	\$

The foregoing schedule leaves \$[_____] principal amount of such 2017/8 Series X Subordinated Bonds to be retired at maturity. Giving effect solely to the sinking fund schedule set forth above, the average life of such 2017/8 Series X Subordinated Bonds calculated from the date of delivery thereof, is approximately [_____] years.

The 2017/8 Series X Subordinated Bonds maturing October 1, [_____] will be subject to redemption through mandatory Sinking Fund Installments on October 1, [_____] and on each October 1 thereafter through and including October 1, [_____] . The redemption price will be 100 percent of the principal amount of the 2017/8 Series X Subordinated Bonds maturing October 1, [_____] to be redeemed plus accrued interest, if any, to the redemption date. Such Sinking Fund Installments will be sufficient to redeem the following principal amounts of the 2017/8 Series X Subordinated Bonds maturing October 1, [_____] :

2017/8 Series X Subordinated Bonds

Maturing October 1, _____

Year	Amount
_____	_____
	\$

The foregoing schedule leaves \$[_____] principal amount of 2017/8 Series X Subordinated Bonds maturing October 1, [_____] to be retired at maturity. Giving effect solely to the sinking fund schedule set forth above, the average life of the 2017/8 Series X Subordinated Bonds maturing October 1, [_____] calculated from the date of delivery thereof, is approximately [_____] years.

If at any time 2017/8 Series X Subordinated Bonds maturing October 1, 20[_____] or 20[_____] subject to mandatory redemption from Sinking Fund Installments are purchased or are deemed to have been paid pursuant to the Subordinated Water and Sewer System Resolution, JEA may from time to time and at any time determine the portions, if any, of such 2017/8 Series X Subordinated Bonds so purchased, redeemed or deemed to have been paid and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments.

Selection of 2017/8 Series X Subordinated Bonds to be Redeemed. For so long as the 2017/8 Series X Subordinated Bonds are subject to the book-entry only system of registration and transfer described in APPENDIX A hereto, in the event that less than all of the 2017/8 Series X Subordinated Bonds of a particular maturity (and, if applicable, each interest rate within a maturity) are to be redeemed, the particular Beneficial Owner(s) to receive payment of the

redemption price with respect to beneficial ownership interests in such Bonds shall be selected by DTC and the Direct Participants and/or Indirect Participants. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

Notice of Redemption. Notice of redemption will be given by first class mail, postage prepaid, by or on behalf of JEA, not less than 30 days nor more than 60 days prior to the redemption date, to each Holder of 2017/8 Series X Subordinated Bonds, or portions of the 2017/8 Series X Subordinated Bonds, which are to be redeemed, at its last address, if any, appearing on the registry books kept by the Subordinated Bond Registrar. Failure to give such notice to any Holder, or any defect in such notice, will not affect the validity of the proceedings for the redemption of any other Subordinated Water and Sewer System Bond. Such notice shall (i) specify the 2017/8 Series X Subordinated Bonds to be redeemed, the redemption dates, the redemption price and the place or places of payment and, if less than all of the 2017/8 Series X Subordinated Bonds are to be redeemed, the number of the 2017/8 Series X Subordinated Bonds and the portions thereof to be redeemed, (ii) state any condition to such redemption and (iii) state that on the redemption date and upon satisfaction of any such condition, the 2017/8 Series X Subordinated Bonds to be redeemed shall cease to bear interest. Notice having been given in the manner provided in the Subordinated Water and Sewer System Resolution, on the redemption date so designated, (a) unless such notice has been revoked or ceases to be in effect in accordance with the terms thereof and (b) if there is sufficient moneys available therefor, then the 2017/8 Series X Subordinated Bonds or portions thereof so called for redemption will become due and payable on such redemption date at the redemption price, plus interest accrued and unpaid to the redemption date.

For so long as a book-entry only system of registration is in effect with respect to the 2017/8 Series X Subordinated Bonds, notices of redemption will be mailed to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants, any failure of Direct Participants to convey such notice to any Indirect Participants or any failure of Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency or the validity of the redemption of 2017/8 Series X Subordinated Bonds. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

**DEBT SERVICE REQUIREMENTS FOR
THE WATER AND SEWER SYSTEM REVENUE BONDS AND
THE SUBORDINATED WATER AND SEWER SYSTEM REVENUE BONDS**

Set forth in APPENDIX B hereto are tables (a) showing the estimated debt service requirements for the Water and Sewer System Revenue Bonds to be outstanding after the issuance of the 2017/8 Series X Bonds and the refunding of the Refunded Bonds and (b) showing the estimated debt service requirements for the Subordinated Water and Sewer System Revenue Bonds to be outstanding after the issuance of the 2017/8 Series X Subordinated Bonds and the refunding of the Refunded Subordinated Bonds.

RECENT DEVELOPMENTS

The following information updates and supplements certain of the information contained in the Annual Disclosure Report included by reference herein:

[Insert Updates to Annual Disclosure Report]

PENSION AND OTHER POST EMPLOYMENT BENEFITS

For a discussion of pension and other post-employment benefit matters, see “INTRODUCTION – Management and Employees” in the Annual Disclosure Report, as updated under “RECENT DEVELOPMENTS” herein, and Notes [12] and [14] to JEA’s Financial Statements set forth in Appendix A to the Annual Disclosure Report.

LITIGATION

In the opinion of The Office of General Counsel of the City there is no pending or, to its knowledge, threatened litigation contesting the validity of the 2017/8 Bonds or the right of JEA to issue the 2017/8 Bonds. In the opinion of the Office of General Counsel of the City, there is no pending litigation or proceedings that may result in any material adverse change in the financial condition of JEA relating to the Water and Sewer System other than as set forth in the financial statements of JEA in Appendix A to the Annual Disclosure Report.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the 2017/8 Bonds and certain other legal matters are subject to the approving opinions of [____], Bond Counsel to JEA (“Bond Counsel”). The proposed form of the opinion of Bond Counsel relating to the 2017/8 Series X Bonds is contained in APPENDIX D hereto, and the proposed form of the opinion of Bond Counsel relating to the 2017/8 Series X Subordinated Bonds is contained in APPENDIX E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for JEA by the Office of General Counsel of the City, attorneys for JEA. Certain legal matters will be passed upon for the Underwriters by [____], counsel to the Underwriters.

TAX MATTERS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the 2017/8 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2017/8 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2017/8 Bonds. Pursuant to the Forty-Third Supplemental Resolution, the Eighteenth Supplemental Subordinated Resolution and the Tax Certificate

executed in connection with the delivery of the 2017/8 Bonds (the "Tax Certificate"), JEA has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the 2017/8 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, JEA has made certain representations and certifications in the Supplemental Resolution and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by JEA described above, interest on the 2017/8 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the 2017/8 Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the 2017/8 Bonds over the price at which a substantial amount of such maturity of the 2017/8 Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the 2017/8 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2017/8 Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which 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 over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to

the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such 2017/8 Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the 2017/8 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the 2017/8 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the 2017/8 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the 2017/8 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those opinions described in the opinions attached as APPENDIX D and APPENDIX E hereto. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2017/8 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the 2017/8 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2017/8 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the 2017/8 Bonds

from gross income for federal or state income tax purposes, or otherwise. We note that each year since 2011, [President Obama][the President] released legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the 2017/8 Bonds) for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the 2017/8 Bonds may occur. Prospective purchasers of the 2017/8 Bonds should consult their own tax advisors regarding the impact of any change in law on the 2017/8 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the 2017/8 Bonds may affect the tax status of interest on the 2017/8 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the 2017/8 Bonds, or the interest thereon, if any action is taken with respect to the 2017/8 Bonds or the proceeds thereof upon the advice or approval of other counsel.

RATINGS

[The 2017/8 Series X Bonds have been rated “[_____]” by Fitch, “[_____]” by Moody’s and “[_____]” by S&P. The 2017/8 Series X Subordinated Bonds have been rated “[_____]” by Fitch, “[_____]” by Moody’s and “[_____]” by S&P.]

An explanation of the significance of any ratings may be obtained only from the rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating and outlook (if any) 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 be in effect for any given period of time or that such ratings will not be revised upward or downward or withdrawn entirely by such rating agencies if, in the judgment of such agencies, circumstances so warrant. Any such downward revision or withdrawal of any ratings may have an adverse effect on the market price of the 2017/8 Bonds.

[VERIFICATION OF MATHEMATICAL COMPUTATIONS]

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain customary conditions to closing, to purchase the 2017/8 Bonds from JEA at an aggregate underwriting discount of \$[_____] from the initial public offering prices of the 2017/8 Series X Bonds and \$[_____] from the initial public offering prices of the 2017/8 Series X Subordinated Bonds. The Underwriters will be obligated to purchase all the 2017/8 Bonds if any such 2017/8 Series X

Bonds or the 2017/8 Series X Subordinated Bonds are purchased. The public offering prices may be changed, from time to time, by the Underwriters. The Underwriters are [_____].

[Insert specific disclosures]

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, commercial and investment banking services for JEA, for which they received or will receive customary fees and expenses. JEA intends to use a portion of the proceeds from this offering to refund the Refunded Bonds and the Refunded Subordinated Bonds. Certain of the Underwriters for this offering or their affiliates may hold certain of the Refunded Bonds and the Refunded Subordinated Bonds and, as a result, may receive a portion of the proceeds of this offering in connection with the redemption of the Refunded Bonds and the Refunded Subordinated Bonds by JEA.

In the ordinary course of their various business activities, the Underwriters and their respective 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 may involve securities and instruments of JEA.

MISCELLANEOUS

Legal Investments

The 2017/8 Bonds are legal investments for savings banks, trust companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency or instrumentality of the State of Florida, or of any county, municipality, or other political subdivisions of the State of Florida. The 2017/8 Bonds are also eligible as security for deposits of state, county, municipal and other public funds.

References to Documents

Summaries of or references to the Water and Sewer System Resolution and the proposed amendments thereto and certain statutes and other ordinances and documents included in this Official Statement or in the documents included by specific reference herein do not purport to be comprehensive or definitive, and such summaries and references are qualified in their entirety by references to each such resolution, statute, ordinance, law and document. Copies of all such documents may be obtained from JEA; *provided* that a reasonable charge may be imposed for the cost of reproduction.

Authorization of Official Statement

The dissemination and use of this Official Statement have been duly authorized by the JEA Board.

JEA

By: _____
Managing Director and Chief Executive Officer

BOOK-ENTRY ONLY SYSTEM

The 2017/8 Bonds are available only in book-entry form. DTC is acting as the initial securities depository for the 2017/8 Bonds and the ownership of a fully registered 2017/8 Bonds, in the aggregate principal amount thereof, has been registered in the name of Cede & Co. (DTC's partnership nominee) and has been deposited with DTC.

DTC, the world's largest securities depository, 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 over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries 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"). DTC has a Standard & Poor's rating of AA+. 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 2017/8 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017/8 Series X Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's 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 Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2017/8 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2017/8 Bonds, except in the event that use of the book-entry system for the 2017/8 Bonds is discontinued.

SO LONG AS CEDE & CO. (OR ANY OTHER NOMINEE REQUESTED BY DTC) IS THE REGISTERED OWNER OF THE 2017/8 BONDS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OR OWNERS OF THE 2017/8 BONDS, SHALL MEAN CEDE & CO. (OR SUCH OTHER NOMINEE), AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

To facilitate subsequent transfers, all 2017/8 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 2017/8 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 2017/8 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

JEA and the Bond Registrar and the Paying Agent and the Subordinated Bond Registrar and Paying Agent, may treat DTC (or its nominee) as the sole and exclusive owner of the 2017/8 Bonds registered in its name for the purpose of: payment of the principal or redemption price of or interest on the 2017/8 Bonds; selecting 2017/8 Bonds and portions thereof to be redeemed; giving any notice permitted or required to be given to Holders under the Water and Sewer System Resolution, including any notice of redemption; registering the transfer of 2017/8 Bonds; obtaining any consent or other action to be taken by Holders; and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. JEA, the Bond Registrar and the Paying Agent and the Subordinated Bond Registrar and Paying Agent (other than in its capacity, if any, as a Direct Participant or Indirect Participant) shall not have any responsibility or obligation to any Direct Participant, any person claiming a beneficial ownership interest in the 2017/8 Bonds under or through DTC or any Direct Participant, or any other person which is not shown on the registration books of JEA (kept by the Bond Registrar and the Subordinate Bond Registrar) as being a Holder, with respect to: the accuracy of any records maintained by DTC or any Direct or Indirect Participant regarding ownership interests in the 2017/8 Bonds; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal or redemption price of or interest on the 2017/8 Bonds; the delivery to any Direct or Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to Holders under the Water and Sewer System Resolution and the Subordinate Water and Sewer System Resolution, including any notice of redemption; the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the 2017/8 Bonds or any consent given or other action taken by DTC as a Holder of the 2017/8 Bonds.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017/8 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 securities, such as the 2017/8 Bonds, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Except as described below, neither DTC nor Cede & Co. nor any other nominee of DTC will take any action to enforce covenants with respect to any security registered in the name of Cede & Co. or any other nominee of DTC. Under its current procedures, on the written instructions of a Direct Participant given in accordance with DTC's Procedures, DTC will cause Cede & Co. to sign a demand to exercise certain bondholder rights. In accordance with DTC's current procedures, Cede & Co. will sign such document only as record holder of the quantity of securities referred to therein (which is to be specified in the Direct Participant's request to DTC for such document) and not as record holder of all the securities of that issue registered in the name of Cede & Co. Also, in accordance with DTC's current procedures, all factual representations to the issuer, the trustee or any other party to be made by Cede & Co. in such document must be made to DTC and Cede & Co. by the Direct Participant in its request to DTC.

For so long as the 2017/8 Bonds are issued in book-entry form through the facilities of DTC, any Beneficial Owner desiring to cause JEA to comply with any of its obligations with respect to the 2017/8 Bonds must make arrangements with the Direct Participant or Indirect Participant through whom such Beneficial Owner's ownership interest in the 2017/8 Bonds is recorded in order for the Direct Participant in whose DTC account such ownership interest is recorded to make the request of DTC described above.

NEITHER JEA NOR THE BOND REGISTRAR AND THE PAYING AGENT (OTHER THAN IN ITS CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND THE PERSONS FOR WHOM THEY ACT RELATING TO THE MAKING OF ANY DEMAND BY CEDE & CO. AS THE REGISTERED OWNER OF THE 2017/8 BONDS, THE ADHERENCE TO SUCH PROCEDURES OR ARRANGEMENTS OR THE EFFECTIVENESS OF ANY ACTION TAKEN PURSUANT TO SUCH PROCEDURES OR ARRANGEMENTS.

Principal or redemption price of and interest on the 2017/8 Bonds will be paid 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 JEA, the Paying Agent or the Subordinated Bond Paying Agent on payable 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 nor its nominee, JEA, the Paying Agent or the Subordinated Bond Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price and interest to Cede & Co. (or such other nominee as may be

requested by an authorized representative of DTC) is the responsibility of the Paying Agent or the Subordinated Bond Paying Agent, 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 Direct and Indirect Participants.

As long as the book-entry system is used for the 2017/8 Bonds, JEA, the Bond Registrar or the Subordinated Bond Registrar will give or cause to be given any notice of redemption or any other notices required to be given to respective Holders of 2017/8 Bonds only to DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant, or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the 2017/8 Bonds called for such redemption of such 2017/8 Bonds, or of any other action premised on such notice.

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 2017/8 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2017/8 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Water and Sewer System Resolution or the Subordinate Water and Sewer System Resolution. For example, Beneficial Owners of 2017/8 Bonds may wish to ascertain that the nominee holding the 2017/8 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

NEITHER JEA NOR THE BOND REGISTRAR, THE PAYING AGENT, THE SUBORDINATED BOND REGISTRAR OR THE SUBORDINATED BOND PAYING AGENT (OTHER THAN IN ITS CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR INDIRECT PARTICIPANT) WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.

For every transfer and exchange of a beneficial ownership interest in the 2017/8 Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Discontinuation of the Book-Entry-Only System. DTC may discontinue providing its services as depository with respect to the 2017/8 Bonds at any time by giving reasonable notice to JEA or to the Bond Registrar and the Paying Agent or the Subordinated Bond Registrar and Subordinated Bond Paying Agent. In addition, if JEA determines that (i) DTC is unable to discharge its responsibilities with respect to the 2017/8 Bonds, or (ii) continuation of the system of book-entry-only transfers through DTC is not in the best interests of the Beneficial Owners of the 2017/8 Bonds or of JEA, JEA may, upon satisfaction of the applicable procedures of DTC

with respect thereto, terminate the services of DTC with respect to the 2017/8 Bonds. Upon the resignation of DTC or determination by JEA that DTC is unable to discharge its responsibilities, JEA may, within 90 days, appoint a successor depository. If no such successor is appointed or JEA determines to discontinue the book-entry-only system, 2017/8 Series X Bond certificates will be printed and delivered. Transfers and exchanges of 2017/8 Bonds shall thereafter be made as provided in the Water and Sewer System Resolution.

If the book-entry only system is discontinued with respect to the 2017/8 Bonds, the persons to whom 2017/8 Bonds are delivered will be treated as “Bondholders” for all purposes of the Water and Sewer System Resolution or the Subordinate Water and Sewer System Resolution, including without limitation the payment of principal or redemption price of, and interest on, the 2017/8 Bonds, the redemption of 2017/8 Bonds and the giving to JEA of any notice, consent, request or demand pursuant to the Water and Sewer System Resolution or the Subordinated Water and Sewer System Resolution for any purpose whatsoever. In such event, the 2017/8 Bonds will be transferable to such Bondholders, interest on the 2017/8 Bonds will be payable by check or draft of the Paying Agent or Subordinated Bond Paying Agent, as applicable, mailed to such Bondholders, and the principal and redemption price of all 2017/8 Bonds will be payable at the principal corporate trust office of the Paying Agent or Subordinated Bond Paying Agent, as applicable, for the 2017/8 Bonds.

Portions of the foregoing concerning DTC and DTC’s book-entry system are based on information furnished by DTC to JEA. No representation is made herein by JEA or the Underwriters as to the accuracy, completeness or adequacy of such information, nor as to the absence of material adverse changes in such information subsequent to the date of the Official Statement to which this APPENDIX A is attached. JEA has not made any independent investigation of DTC or its book entry system, and reference is made to the information set forth above for a description DTC and DTC’s book entry system.

TABLE I
DEBT SERVICE REQUIREMENTS FOR THE WATER AND SEWER SYSTEM REVENUE BONDS⁽¹⁾

Fiscal Year Ending September 30, 20__	Total Debt Service on Outstanding Water and Sewer System Bonds ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Less: Debt Service on Refunded Senior Bonds			Plus: Debt Service on 2017/8 Series X Bonds			Total Debt Service on Water and Sewer System Bonds to be Outstanding After Issuance of 2017/8 Series X Bonds
		Principal	Interest	Total	Principal	Interest	Total	
	\$ _____							

Total \$ _____

⁽¹⁾ Column and row totals may not add due to rounding.
⁽²⁾ Interest on variable rate debt is calculated at an assumed rate of [3.00] percent through September 30, 20[15] and [4.00] percent thereafter.
⁽³⁾ Excludes interest paid on or prior to April 1, 20[____].
⁽⁴⁾ Reflects total interest on JEA's Water and Sewer System Revenue Bonds, [____] Series [____], designated as "Build America Bonds," and is net of the direct subsidy payments that JEA expects to receive from the United States Treasury with respect to such Bonds (such subsidy payments have been reduced by [8.7]% for the period of April 1, 20[____] through September 30, 20[____]).
⁽⁵⁾ Reflects total interest on JEA's Water and Sewer System Revenue Bonds, [____] Series [____], designated as "Build America Bonds," and is net of the direct subsidy payments that JEA expects to receive from the United States Treasury with respect to such Bonds (such subsidy payments have been reduced by [8.7]% for the period of April 1, 20[____] through September 30, 20[____]).

TABLE II
DEBT SERVICE REQUIREMENTS FOR THE SUBORDINATED WATER AND SEWER SYSTEM REVENUE BONDS⁽¹⁾

Fiscal Year Ending September 30, 20__	Total Debt Service on Outstanding Water and Sewer System Subordinated Revenue Bonds ⁽²⁾⁽³⁾	Less: Debt Service on Refunded Subordinated Bonds			Plus: Debt Service on 2017/8 Series X Subordinated Bonds			Total Debt Service on Water and Sewer System Subordinated Revenue Bonds to be Outstanding After Issuance of 2017/8 Series X Subordinated Bonds
		Principal	Interest	Total	Principal	Interest	Total	
	\$							

Total \$ _____

- ⁽¹⁾ Column and row totals may not add due to rounding.
- ⁽²⁾ Interest on variable rate debt is calculated at an assumed rate of [3.00] percent through September 30, 20[1_] and [4.00] percent thereafter.
- ⁽³⁾ Excludes interest paid on or prior to April 1, 20[___].

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

Upon the delivery of the 2017/8 Series X Bonds and the 2017/8 Series X Subordinated Bonds, JEA proposes to enter into a Continuing Disclosure Agreement with respect to such Bonds in substantially the following form:

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement") dated [_____], 20[___], is made by JEA, an independent agency of the City of Jacksonville, Florida duly organized and existing under the Constitution and laws of the State of Florida, for the benefit of the holders and beneficial owners from time to time of JEA's Water and Sewer System Revenue Bonds, 2017/8 Series X (the "2017/8 Series X Bonds") and its Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X (the "2017/8 Series X Subordinated Bonds" and together with the 2017/8 Series X Bonds, the "Bonds") both dated the date hereof under the circumstances summarized in the following recitals. Each capitalized term used but not defined in this Agreement having the meaning assigned to it in Resolution No. 2016-23 of JEA adopted on December 20, 2016 authorizing the 2017/8 Series X Bonds and Resolution 2016-24 adopted by JEA on December 20, 2016 authorizing the 2017/8 Series X Subordinated Bonds (collectively, the "Supplemental Resolution"):

- A. JEA, by passage of the Supplemental Resolution, has determined to issue the Bonds to provide funds for JEA purposes, and the Underwriters have agreed to provide those funds to JEA by purchasing the Bonds.
- B. JEA understands that the Underwriters will sell and deliver Bonds to other holders and beneficial owners; that the Underwriters would not purchase the Bonds from JEA, and JEA would not be assured of the availability of funds required for its purposes, if the Underwriters were not able to so sell and deliver the Bonds; and that the Bonds will be transferred from time to time from holders and beneficial owners to other holders and beneficial owners who may rely upon the continuing disclosure agreement made by JEA in the Supplemental Resolution and the Agreement.
- C. As a condition to the purchase of the Bonds from JEA and the sale of Bonds to holders and beneficial owners, the Underwriters are required to reasonably determine that JEA has made an agreement for the benefit of holders and beneficial owners of the Bonds in accordance with paragraph (b)(5)(i) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC").
- D. As provided in the Supplemental Resolution JEA has agreed to provide or cause to be provided such financial information and operating data, financial statements and notices, in such manner, as may be required for purposes of paragraph (b)(5)(i) of the Rule.

NOW, THEREFORE, in consideration of the purchase of the Bonds from JEA by the Underwriters and the contemplated sale of the Bonds to, and transfer of Bonds between, holders and beneficial owners from time to time, JEA hereby sets forth, pursuant to the Supplemental Resolution authorizing the Bonds, certain terms of its continuing disclosure agreement made for purposes of the Rule and formed, collectively, by the Supplemental Resolution and the Agreement for the benefit of the holders and beneficial owners from time to time of the Bonds, as follows:

Section 1. Provision of Annual Information; Audited Financial Statements; and Notices of Events. JEA shall provide or cause to be provided:

to the Municipal Securities Rulemaking Board (the "MSRB"), (i) not later than the June 1 following the end of each JEA fiscal year ending on or after September 30, 2016, annual financial information and operating data for such fiscal year of the type described in Section 2 ("Annual Information"), and (ii) when and if available, audited JEA financial statements for each such fiscal year; and

to the MSRB, notice of (i) any Specified Event described in Section 2 in a timely manner not in excess of 10 business days after the occurrence of such Specified Event, (ii) JEA's failure to provide the Annual Information on or prior to the date specified above, and (iii) any change in the accounting principles applied in the preparation of its annual financial statements, any change in its fiscal year, and of the Agreement's termination.

Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made in electronic format through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>, accompanied by such identifying information as is prescribed by the MSRB.

JEA expects that audited annual JEA financial statements will be prepared and that such statements will be available together with the Annual Information. Each of the financial statements will be prepared in accordance with generally accepted accounting principles described in note 1 to the financial statements included in JEA's "Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 2015 dated as of April 19, 2016 (the "Annual Disclosure Report"), certain information from which is included by reference in the Official Statement of JEA, dated [_____], 20[___], relating to the Bonds.

Section 2. Annual Information and Specified Events.

(a) "Annual Information" to be provided by JEA shall consist of the following information and data of the type included in the Annual Disclosure Report under the heading "WATER AND SEWER SYSTEM":

- (1) *“WATER AND SEWER SYSTEM FUNCTIONS – Area Served – Water System”* and *“– Sewer System”*: all of the information contained therein;
- (2) *“WATER AND SEWER SYSTEM FUNCTIONS – Existing Facilities – Water System”* and *“– Sewer System”*: the tables set forth therein;
- (3) *“WATER AND SEWER SYSTEM FUNCTIONS – Customers and Sales – Water System”* and *“– Sewer System”*: the tables referred to therein;
- (4) *“WATER AND SEWER SYSTEM FUNCTIONS – Largest Customers – Water System”* and *“– Sewer System”*: the tables set forth therein;
- (5) *“WATER AND SEWER SYSTEM FUNCTIONS – Rates – Rates for Monthly Service”* and *“– Connection and Capacity Charges”*: the tables set forth therein;
- (6) *“FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM – Schedules of Debt Service Coverage”*: the table set forth therein; and
- (7) *“FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM – Management’s Discussion of Water and Sewer System Operations”*: all of the information set forth therein.

If the audited financial statements of JEA for the fiscal year are provided contemporaneously with the Annual Information, information and data set forth in such audited financial statements may be incorporated by reference.

(b) *“Specified Events”* shall include the occurrence of the following events, within the meaning of the Rule, with respect to the Bonds, as applicable: (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, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of holders or beneficial owners, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of JEA; (xiii) the consummation of a merger, consolidation, or acquisition involving JEA or the sale of all or substantially all of the assets of JEA, 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; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the Specified Event identified in Section 2(b)(xii) above, the Specified Event is considered to occur when any of the following occur: (A) the appointment of a receiver, fiscal agent or similar officer for JEA 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 JEA or (B) 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 (C) 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 JEA.

Except for certain debt service reserve account surety bonds previously obtained by JEA which apply to the Bonds, JEA has not obtained or provided, and does not expect to obtain or provide, any credit enhancements or credit or liquidity providers for any of the Bonds.

Section 3. Amendments. JEA reserves the right to amend the Agreement, and noncompliance with any provision of the Agreement may be waived, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of JEA, or type of business conducted by JEA. Any such amendment or waiver shall not be effective unless the Agreement (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until JEA shall have received either (a) a written opinion of bond or other qualified independent special counsel selected by JEA that the amendment or waiver would not materially impair the interests of holders or beneficial owners, or (b) in the case of an amendment or waiver (x) affecting the 2017/8 Series X Bonds, the written consent to the amendment or waiver of the holders of the same percentage in principal amount of the 2017/8 Series X Bonds then outstanding that is required with respect to the approval of any material modification or amendment of the Water and Sewer System Resolution at such time, or (y) affecting the 2017/8 Series X Subordinated Bonds, the written consent to the amendment or waiver of the holders of the same percentage in principal amount of the 2017/8 Series X Subordinated Bonds then outstanding that is required with respect to the approval of any material modification or amendment of the Subordinated Water and Sewer System Resolution at such time. Annual Information containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided.

Section 4. Remedy for Breach. The Agreement shall be solely for the benefit of the holders and beneficial owners from time to time of the Bonds. A failure by JEA to comply with the provisions hereof does not constitute a default under the Water and Sewer System Resolution. The exclusive remedy for any breach of the Agreement by JEA shall be limited, to

the extent permitted by law, to a right of holders and beneficial owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by JEA of its obligations under the Agreement. Any individual holder or beneficial owner may institute and maintain, or cause to be instituted and maintained, such proceedings to require JEA to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any such proceedings to require JEA to perform any other obligation under the Agreement (including any proceedings that contest the sufficiency of any pertinent filing) (a) related to the 2017/8 Series X Bonds shall be instituted and maintained only by (x) a trustee appointed by the holders or beneficial owners of not less than 25 percent in principal amount of the 2017/8 Series X Bonds then outstanding or (y) holders or beneficial owners of not less than 10 percent in principal amount of the 2017/8 Series X Bonds then outstanding, or (b) related to the 2017/8 Series X Subordinated Bonds shall be instituted and maintained only by (x) a trustee appointed by the holders or beneficial owners of not less than 25 percent in principal amount of the 2017/8 Series X Subordinated Bonds then outstanding or (y) holders or beneficial owners of not less than 10 percent in principal amount of the 2017/8 Series X Subordinated Bonds then outstanding.

Section 5. Termination. The obligations of JEA under the Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and JEA remains an obligated person with respect to the Bonds within the meaning of the Rule. The obligation of JEA to provide the Annual Information and notices of the events described above shall terminate, if and when JEA no longer remains such an obligated person.

IN WITNESS WHEREOF, JEA has caused the Agreement to be duly signed and delivered to the Underwriters, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Underwriters, on its behalf by its official signing below, all as of the date set forth above, and the holders and beneficial owners from time to time of the Bonds shall be deemed to have accepted JEA's continuing disclosure undertaking, as contained in the Supplemental Resolution authorizing the Bonds and further described and specified herein, made in accordance with the Rule.

JEA

By: _____
Managing Director and Chief Executive Officer

**PROPOSED FORM OF OPINION OF BOND COUNSEL
RELATING TO THE 2017/8 SERIES X BONDS**

**PROPOSED FORM OF OPINION OF BOND COUNSEL
RELATING TO THE 2017/8 SERIES X SUBORDINATED BONDS**

ESCROW DEPOSIT AGREEMENT

relating to

**JEA
WATER AND SEWER SYSTEM REVENUE BONDS,
2017/8 SERIES X**

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 20__ by and between JEA, a public body corporate and politic organized under the laws of the State of Florida and _____, as Escrow Agent;

WITNESSETH:

WHEREAS, JEA has previously authorized and issued obligations of JEA as hereinafter set forth and defined as the “Refunded Obligations,” as to which the Aggregate Debt Service (as hereinafter defined) is set forth on Schedule A attached hereto; and

WHEREAS, JEA has determined to provide for refunding of the Aggregate Debt Service of the Refunded Obligations by depositing with the Escrow Agent cash, which will be sufficient to pay the Aggregate Debt Service on the Refunded Obligations; and

WHEREAS, in order to obtain a portion of the funds needed for such purpose JEA has authorized and is, concurrently with the delivery of this Agreement, issuing its Water and Sewer System Revenue Bonds, 2017/8 Series X; and

WHEREAS, JEA has determined that the amount to be on deposit, from time to time, in the Escrow Account, as defined herein, will be sufficient to pay the Aggregate Debt Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, JEA and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

- (a) “Aggregate Debt Service” means, as of any date, the sum of all present and future Annual Debt Service payments then remaining unpaid with respect to the Refunded Obligations, as set forth on Schedule A attached hereto.
- (b) “Agreement” means this Escrow Deposit Agreement.

(c) "Annual Debt Service" means, in any year, the redemption price of, and interest on, the Refunded Obligations coming due or being redeemed in such year as shown on Schedule A attached hereto.

(d) "Defeasance Securities" has the meaning ascribed to such term in the Resolution.

(e) "Escrow Account" means the Escrow Account identified in Section 2 herein and established and held by the Escrow Agent pursuant to this Agreement in which a portion of the proceeds from the sale of the Bonds and certain other funds will be held for payment of the Refunded Obligations.

(f) "Escrow Agent" means _____ with the power to accept trusts in the State of Florida.

(g) "Escrow Deposit Requirement" means, as of any date of calculation, the principal amount of cash and any Defeasance Securities in the Escrow Account which, together with the interest due on the Defeasance Securities, will be sufficient to pay, as the installments thereof become due, the Aggregate Debt Service.

(h) "Paying Agent" means _____ in its capacity as the paying agent for the Refunded Obligations.

(i) "Redemption Date" means the redemption date for the Refunded Obligations, as set forth in Schedule B hereto.

(j) "Refunded Obligations" means the Water and Sewer System Revenue Bonds listed in Schedule B hereto.

(k) "Resolution" means the resolution duly adopted by JEA on February 18, 1997, as amended, restated and supplemented, and particularly as supplemented by resolutions adopted by JEA authorizing the issuance of the Refunded Obligations.

(l) "2017/8 Bonds" means the Water and Sewer System Revenue Bonds, 2017/8 Series X of JEA.

SECTION 2. Deposit of Funds. With respect to the Refunded Obligations, JEA hereby deposits \$_____ with the Escrow Agent in immediately available funds (the "Escrow Deposit Amount"), to be held in irrevocable escrow by the Escrow Agent in a separate escrow trust fund (the "Escrow Account") and applied solely as provided in

this Agreement. JEA represents that (i) \$_____ of such funds are derived by JEA from a portion of the proceeds of the 2017/8 Bonds and (ii) \$_____ of such funds are derived by JEA from amounts on deposit in the Debt Service Account of the Debt Service Fund established pursuant to the Resolution.

JEA represents, that such funds, when applied pursuant to Section 3 below, will at least equal the Escrow Deposit Requirement as of the date hereof.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in Section 2 and agrees:

(a) hold such sum uninvested in cash unless it receives from JEA written directions to effect settlement of the purchase of Defeasance Securities which mature no later than the Redemption Date or such earlier time as amounts will be needed as described in Schedule A hereto and which are in the aggregate amount of no more than the balance in the Escrow Account;

(b) there will be no investment of funds except as set forth in this Section 3;

(c) to hold the proceeds of all investments in the Escrow Account in such Account in trust (separate from all other funds of the Escrow Agent) for the benefit of the owners of the Refunded Obligations from the date of receipt thereof to the date on which such proceeds are scheduled to be paid out of the Escrow Account and applied only for the purposes thereof, as set forth on Schedule A attached hereto; and

(d) to hold the funds and securities in the Escrow Account in irrevocable escrow during the term of this Agreement;

SECTION 4. Payment of Refunded Obligations.

(a) ***Payment of Refunded Obligations.*** The Escrow Agent shall pay the Paying Agent for the Refunded Obligations, from the cash on hand in the Escrow Account, a sum sufficient to pay the Annual Debt Service coming due on such date with respect to the Refunded Obligations, as shown on Schedule A attached hereto.

(b) ***Surplus.*** On the Redemption Date, after making the payment from the Escrow Account described in Subsection 4(a), the Escrow Agent shall pay to JEA the remaining cash, if any, in the Escrow Account. JEA shall apply the payment made to it hereunder to the payment of the principal of and interest on the 2017/8 Bonds or for

other uses permitted under the Resolution, but the Escrow Agent shall have no duty or responsibility to ensure that JEA does so.

(c) *Payments Due on Saturdays, Sundays and Holidays.* If any payment date shall be a legal holiday or a day on which banking institutions in the city in which is located the designated office of the Paying Agent are authorized by law to remain closed, then the Escrow Agent may make the payments required by Subsections 4(a) and 4(b) to the Paying Agent or JEA, as the case may be, on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Securities held hereunder.

(b) At the written request of JEA and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Defeasance Securities acquired hereunder and shall substitute other Defeasance Securities and reinvest any excess receipts in Defeasance Securities. JEA will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which, will cause interest on the 2017/8 Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation. Such substitutions and reinvestments may be effected only if (i) an independent certified public accountant selected by JEA shall certify or opine in writing to JEA and the Escrow Agent that the cash and principal amount of Defeasance Securities remaining on hand after the transactions are completed will be not less than the Escrow Deposit Requirement, and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to JEA to the effect that the transactions, in and by themselves, will not cause interest on the 2017/8 Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(b) above notwithstanding, cash in excess of the Escrow Deposit Requirement caused by substitution of Defeasance Securities shall, as soon as practicable, be paid to JEA.

SECTION 6. Redemption of Refunded Obligations. JEA has exercised its option to redeem the Refunded Obligations prior to the maturity thereof on the Redemption Date as shown on Schedule B attached hereto.

SECTION 7. Redemption Notice. The Bond Registrar for the Refunded Obligations has given notice of redemption of the Refunded Obligations to be redeemed on the Redemption Date, as provided in Section 404 of the Resolution as supplemented by the applicable supplemental resolutions relating to the respective Refunded Obligations on behalf of JEA and the Escrow Agent.

SECTION 8. Indemnity. To the extent permitted by applicable law, including but not limited to Section 768.28, Florida Statutes, JEA hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and attorneys' disbursements and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by JEA or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds and securities deposited therein, the purchase of the Defeasance Securities, the retention of the Defeasance Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; *provided, however,* that JEA shall not be required to indemnify the Escrow Agent, its successors, assigns, agents and servants against the negligence or willful misconduct of the Escrow Agent or its successors, assigns, agents and servants. In no event shall JEA or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement. Nothing in this Section contained shall give rise to any liability on the part of JEA in favor of any person other than the Escrow Agent.

SECTION 9. Responsibilities of Escrow Agent; Fees. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the retention of the Defeasance Securities or the proceeds thereof or any investment, payment, transfer, or other application of money or securities by the Escrow Agent in accordance with the

provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties or non-willful misconduct. The Escrow Agent shall, however, be liable to JEA for its negligent acts, omissions or errors or willful misconduct which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. 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 JEA. The fees of the Escrow Agent shall be paid by JEA at the time this Agreement is executed and delivered, such fees to be as set forth on Schedule C attached hereto. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations.

SECTION 11. Amendments. This Agreement is made for the benefit of JEA and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and JEA; *provided, however,* that JEA 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:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, power or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject additional funds, securities or properties to this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of JEA 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 herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be one and the same instrument.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be executed by their duly authorized officers and JEA's official seal to be hereunto affixed and attested as of the date first above written.



JEA

ATTEST:

By: _____
Title:

By: _____
Secretary

Form Approved:

Office of General Counsel

as Escrow Agent

By: _____
Its: _____

*[Signature page to Escrow Deposit Agreement relating to
JEA Water and Sewer System Revenue Bonds, 2017/8 Series X]*

**SCHEDULE A
REFUNDED OBLIGATIONS**

The Aggregate Debt Service for the Refunded Obligations is shown in the following table:

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total</u>
	\$	\$		\$

**SCHEDULE B
LIST OF REFUNDED OBLIGATIONS**

The Refunded Bonds will consist of the Water and Sewer System Revenue Bonds listed in the following table.

Series	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)	CUSIP*
		\$		%	

Total

* The CUSIP numbers listed here are provided for the convenience of readers. JEA is not responsible for the accuracy or completeness of such numbers.

**SCHEDULE C
FEES OF ESCROW AGENT**

The fee of the Escrow Agent for its services hereunder shall be \$____; provided, JEA agrees to reimburse the Escrow Agent for its reasonable out-of-pocket expenses at cost.

Resolution No. 2016-24

JEA

**Not To Exceed \$165,000,000
Water and Sewer System Subordinated Revenue Bonds,
2017/8 Series X**

**EIGHTEENTH SUPPLEMENTAL WATER AND SEWER SYSTEM
SUBORDINATED REVENUE BOND RESOLUTION**

Adopted December 20, 2016

**EIGHTEENTH SUPPLEMENTAL WATER AND SEWER SYSTEM
SUBORDINATED REVENUE BOND RESOLUTION**

BE IT RESOLVED by JEA as follows:

SECTION 1. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Reference is made to the Resolution and the Subordinated Resolution hereinafter referred to for definitions of terms used in this resolution which are not defined in this section. Words importing a singular number shall include the plural number in each case and vice versa, and words importing persons shall include business entities.

(A) “Advance Refunding Bonds” shall mean 2017/8 Series X Subordinated Bonds of a particular Series, or portion thereof, that are issued to refund Refunded Subordinated Bonds that will be paid or redeemed more than 90 days after the Delivery Date.

(B) “Authorized Officer of JEA” shall mean (1) the Chair, the Vice Chair, the Secretary and any Assistant Secretary of JEA, (2) the Managing Director/CEO, the Vice President and General Manager, Water and Wastewater Systems, the Chief Financial Officer and the Treasurer of JEA (or any officer of JEA hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (3) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by JEA.

(C) “Bond Purchase Agreement” shall mean the Bond Purchase Agreement to be entered into between JEA and the Underwriters named therein relating to the 2017/8 Series X Subordinated Bonds of a particular Series, the form of which is attached as Exhibit A to Resolution No. 2016-23.

(D) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(E) “Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement to be delivered by JEA in connection with the issuance of the 2017/8 Series X Subordinated Bonds of a particular Series, the form of which is attached as Appendix C to the Draft Preliminary Official Statement.

(F) “Delivery Date” shall mean the date of the initial issuance and delivery of the 2017/8 Series X Subordinated Bonds of a particular Series.

(G) “Draft Preliminary Official Statement” shall mean the draft of the Preliminary Official Statement of JEA relating to the 2017/8 Series X Subordinated Bonds, the form of which is attached as Exhibit B to Resolution No. 2016-23.

(H) “DTC” shall mean The Depository Trust Company.

(I) “Eighteenth Supplemental Subordinated Resolution” shall mean this Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution (Resolution No. 2016-24), as from time to time amended or supplemented by Supplemental Resolution in accordance with the terms of the Subordinated Resolution.

(J) “Escrow Agent” shall mean the bank or trust company appointed as escrow agent under an Escrow Deposit Agreement, if any, and its duly appointed successors, such appointment, with respect to a particular Series of the 2017/8 Series X Subordinated Bonds, to be made in the certificate referred to in Section 5 hereof relating to such Series of 2017/8 Series X Subordinated Bonds.

(K) “Escrow Deposit Agreement” shall mean the escrow deposit agreement between JEA and an Escrow Agent, if any, that may be entered into concurrently with the authentication and delivery of any Series of 2017/8 Series X Subordinated Bonds, the form of which is attached hereto as Exhibit A.

(L) “Initial Subordinated Debt Service Reserve Fund” shall mean the Fund by that name established in Section 5.01 of the Third Supplemental Subordinated Resolution.

(M) “Letter of Representations” shall mean the Blanket Issuer Letter of Representations, dated May 6, 2004, from JEA to DTC, providing for the issuance of certain obligations of JEA (including the 2017/8 Series X Subordinated Bonds) in book-entry form through the facilities of DTC.

(N) “Managing Director/CEO” shall mean the Managing Director and Chief Executive Officer of JEA.

(O) “Refunded Bonds Paying Agent” shall mean the bank(s) or trust company(ies) serving as paying agent for the Refunded Subordinated Bonds.

(P) “Refunded Subordinated Bonds” shall mean, for any particular Series of 2017/8 Series X Subordinated Bonds, the Subordinated Bonds of the Series and maturities and in the respective principal amounts to be refunded thereby, as identified by the Managing Director/CEO in the certificate described in Section 5 hereof relating to the 2017/8 Series X Subordinated Bonds of such Series.

(Q) “Resolution” shall mean the resolution of JEA adopted on March 18, 1997 and referred to as the “Water and Sewer System Revenue Bond Resolution,” as amended, restated and supplemented.

(R) “Resolution No. 2016-23” shall mean Resolution No. 2016-23 of JEA adopted on the date of adoption hereof, authorizing the issuance of JEA Water and Sewer System Revenue Bonds, 2017/8 Series X.

(S) “Rule 15c2-12” shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

(T) “Sale Date” with respect to a particular Series of 2017/8 Series X Subordinated Bonds shall mean the date on which JEA enters into a Bond Purchase Agreement with respect to such Series of 2017/8 Series X Subordinated Bonds.

(U) “Subordinated Debt Service Reserve Requirement,” as of any date of calculation and with respect to the Initial Subordinated Debt Service Reserve Fund, shall have the meaning assigned to such term in Section 5.02 of the Third Supplemental Subordinated Resolution.

(V) “Subordinated Resolution” shall mean the resolution adopted by JEA on May 18, 2003 entitled “Water and Sewer System Subordinated Revenue Bond Resolution,” as supplemented and amended.

(W) “Third Supplemental Subordinated Resolution” shall mean the Third Supplemental Water and Sewer System Subordinated Revenue Bond Resolution adopted by JEA on July 15, 2003.

(X) “Underwriters” shall mean any or all of the investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA’s debt named in the Bond Purchase Agreement.

(Y) “2017/8 Series X Subordinated Bonds” shall mean JEA’s Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X, authorized by Section 4 of this Eighteenth Supplemental Subordinated Resolution.

SECTION 2. AUTHORITY FOR THIS EIGHTEENTH SUBORDINATED RESOLUTION. This Eighteenth Supplemental Subordinated Resolution (i) is adopted pursuant to the provisions of the Act and in accordance with (A) Article X of the Resolution and (B) Article II and Article X of the Subordinated Resolution and (ii) supplements the Resolution and the Subordinated Resolution.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Subordinated Resolution, JEA has heretofore authorized the issuance, in one or more Series which may be authenticated and delivered from time to time, of Subordinated Bonds for the purposes, among others, of refunding any Subordinated Bonds.

(B) Pursuant to its Ordinances 97-205-E, 2001-663-E, 2004-820-E, 2006-792-E and 2011-448-E, the Council of the City has authorized, among other things, the issuance and sale by JEA of Subordinated Indebtedness for purposes, among others, of financing the refunding of any outstanding Subordinated Indebtedness.

(C) It is in the best interests of JEA to provide for the refunding of the Refunded Subordinated Bonds to permit JEA to refund such debt with fixed rate bonds at favorable fixed interest rates.

(D) It is in the best interests and serves a valid public purpose of JEA to issue and sell the 2017/8 Series X Subordinated Bonds in one or more Series as authorized herein for the purpose of providing all or a portion of funds required to refund the Refunded Subordinated Bonds and to pay the costs of issuance of the 2017/8 Series X Subordinated Bonds.

(E) Because of the characteristics of the 2017/8 Series X Subordinated Bonds, prevailing and anticipated market conditions and the need for flexibility in timing the issuance of

each Series of the 2017/8 Series X Subordinated Bonds, it is necessary and in the best interests of JEA to sell each Series of the 2017/8 Series X Subordinated Bonds at a negotiated sale or sales to the Underwriters, upon satisfaction of the terms and conditions set forth herein and in the Bond Purchase Agreement.

(F) Upon issuance in accordance with the terms hereof, the 2017/8 Series X Subordinated Bonds will constitute Subordinated Indebtedness under the Resolution and Subordinated Bonds under the Subordinated Resolution, entitled to all the security and benefits thereof.

(G) The 2017/8 Series X Subordinated Bonds shall be limited obligations of JEA payable solely from and secured by (a) such amounts in the Subordinated Indebtedness Fund as may from time to time be available for the purpose of payment thereof as provided in Section 510 of the Resolution; *provided, however*, that the Subordinated Bonds, including the 2017/8 Series X Subordinated Bonds are subordinate in all respects to the pledge of the Trust Estate created by the Resolution as security for the Bonds, and (b) amounts on deposit in the Funds established pursuant to the Subordinated Resolution. The 2017/8 Series X Subordinated Bonds shall be additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund established under Section 5.02 of the Third Supplemental Subordinated Resolution. The 2017/8 Series X Subordinated Bonds shall not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and pledge of the amounts provided in the Subordinated Resolution. In no event shall any owner of 2017/8 Series X Subordinated Bonds ever have the right to compel the ad valorem taxing power of the City or JEA, if any, or taxation of any form to pay the 2017/8 Series X Subordinated Bonds or be entitled to payment thereof from any other funds of the City or JEA.

(H) Prior to the sale of the 2017/8 Series X Subordinated Bonds of a Series, the Underwriters will provide JEA with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes. The Bond Purchase Agreement shall include a Truth-In-Bonding Statement pursuant to Section 218.385, Florida Statutes.

SECTION 4. SERIES DESIGNATION; PURPOSE. Pursuant to the provisions of the Subordinated Resolution, one or more Series of Subordinated Bonds entitled to the benefit, protection and security of the Subordinated Resolution are hereby authorized to be issued in an aggregate principal amount not to exceed \$165,000,000; *provided*, that not to exceed \$55,000,000 principal amount of the 2017/8 Series X Subordinated Bonds may be issued for the purpose of refunding fixed rate Refunded Subordinated Bonds and not to exceed \$110,000,000 principal amount of the 2017/8 Series X Subordinated Bonds may be for the purpose of refunding variable rate Refunded Subordinated Bonds. Such Subordinated Bonds shall be designated as the “Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X”; *provided*, that the Managing Director/CEO may alter the year and letter designation, all as he deems appropriate to reflect the year of issue or sale of the 2017/8 Series X Subordinated Bonds of such Series and JEA’s custom in identifying Subordinated Bonds or as he otherwise deems desirable, such determination to be set forth in the certificate referred to in Section 5 hereof. Notwithstanding any such alteration of the Series designation for the 2017/8 Series X Subordinated Bonds, references in this resolution to “2017/8 Series X Subordinated Bonds” shall

include all Subordinated Bonds issued pursuant to the authority contained in this Section 4. The actual aggregate principal amount of the 2017/8 Series X Subordinated Bonds to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purposes for which the 2017/8 Series X Subordinated Bonds of such Series are being issued, such determination to be set forth in the certificate referred to in Section 5 hereof to be executed with respect to the 2017/8 Series X Subordinated Bonds of such Series. Notwithstanding any other provisions of the Subordinated Resolution, or this Eighteenth Supplemental Subordinated Resolution, each particular Series of the 2017/8 Series X Subordinated Bonds shall be and be deemed to be a separate Series of Subordinated Bonds for all purposes of the Subordinated Resolution, including (without limitation) for purposes of determining satisfaction of the conditions to the issuance of the 2017/8 Series X Subordinated Bonds of such Series set forth in Article II of the Subordinated Resolution.

The 2017/8 Series X Subordinated Bonds shall be issued for the following purposes:
(a) providing all or a portion of the funds required to refund the Refunded Subordinated Bonds,
(b) making a deposit, if any, to the Initial Subordinated Debt Service Reserve Fund, and
(c) paying the costs of issuance of the 2017/8 Series X Subordinated Bonds.

The actual aggregate principal amount of each Series of the 2017/8 Series X Subordinated Bonds to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purposes for which of the 2017/8 Series X Subordinated Bonds are being issued, such determination to be set forth in the certificate referred to in Section 5 hereof.

The 2017/8 Series X Subordinated Bonds of each Series authorized to be issued hereunder may be sold pursuant to a Bond Purchase Agreement entered into not later than December 31, 2018.

SECTION 5. DATE, MATURITIES AND INTEREST RATES; CERTAIN DETERMINATIONS WITH RESPECT TO THE 2017/8 SERIES X SUBORDINATED BONDS. The 2017/8 Series X Subordinated Bonds shall be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof, shall be numbered from 1 upward, shall bear interest from their date (payable semiannually thereafter on April 1 and October 1 in each year, commencing on either of the October 1 or April 1 next following the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds, as determined by the Managing Director/CEO) at such rates per annum and shall mature on October 1 in such years and amounts, all as shall be determined by the Managing Director/CEO in the manner hereinafter set forth.

On or prior to the Sale Date for a particular Series of the 2017/8 Series X Subordinated Bonds, the Managing Director/CEO shall execute a certificate setting forth the following determinations and the Managing Director/CEO may rely on a certificate from JEA's financial advisor in order to confirm the savings determinations made in clause (e) below:

(a) the aggregate principal amount of the 2017/8 Series X Subordinated Bonds of such Series; *provided*, that the aggregate principal amount of all 2017/8 Series X Subordinated Bonds shall not exceed \$165,000,000, the aggregate principal amount of

2017/8 Series X Subordinated Bonds issued to refund fixed rate Refunded Subordinated Bonds shall not exceed \$55,000,000, and the aggregate principal amount of the 2017/8 Series X Subordinated Bonds issued to refund variable rate Refunded Subordinated Bonds shall not exceed \$110,000,000;

(b) the year and letter and any other designation and the Delivery Date such Series of the 2017/8 Series X Subordinated Bonds;

(c) the Refunded Subordinated Bonds to be refunded through the issuance of the 2017/8 Series X Subordinated Bonds of such Series and the date(s) on which such Refunded Subordinated Bonds are to be redeemed, which shall be such date as the Managing Director/CEO determines to be the earliest date on which such Refunded Subordinated Bonds may be redeemed in light of the circumstances then existing; and the identity of the Escrow Agent, if any, for such Refunded Subordinated Bonds and, if applicable, the Sinking Fund Installments to which the principal amount of the Refunded Subordinated Bonds shall be credited;

(d) the respective dates on which the 2017/8 Series X Subordinated Bonds of such Series shall mature and the principal amount of each such maturity; *provided, however,* that the 2017/8 Series X Subordinated Bonds of each Series shall have a weighted average life no greater than the remaining weighted average life of the Refunded Subordinated Bonds, plus one year;

(e) the respective rate or rates of interest to be borne by the 2017/8 Series X Subordinated Bonds of such Series maturing on each such date; *provided, however,* that (i) with respect to any 2017/8 Series X Subordinated Bonds of such Series that are issued for the purpose of refunding variable rate Subordinated Bonds, the true interest cost of such 2017/8 Series X Subordinated Bonds shall not exceed 5.00 percent; (ii) with respect to any 2017/8 Series X Subordinated Bonds of such Series, other than Advance Refunding Bonds, issued for the purpose of refunding fixed rate Refunded Subordinated Bonds and to achieve debt service savings (1) if any such 2017/8 Series X Subordinated Bonds mature on the October 1 next following the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds, such refunding shall result in positive net present value savings; (2) the present value savings from (A) the issuance of such 2017/8 Series X Subordinated Bonds that are issued to refund any Refunded Subordinated Bonds maturing on an October 1 occurring at least one year and less than three years after the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds shall not be less than 3.00 percent of the aggregate principal amount of such Refunded Subordinated Bonds; (B) the issuance of such 2017/8 Series X Subordinated Bonds that are issued to refund any Refunded Subordinated Bonds maturing on an October 1 occurring at least three years and less than nine years after the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds, shall not be less than 4.00 percent of the aggregate principal amount of such Refunded Subordinated Bonds; and (C) the issuance of such 2017/8 Series X Subordinated Bonds that are issued to refund any Refunded Bonds maturing on or after the October 1 occurring at least nine years after the Delivery Date of such Series of 2017/8 Series X Subordinated Bonds shall not be less than 5.00 percent of the aggregate principal amount of the Refunded Subordinated Bonds; or (3) in lieu of

complying with the requirements of clauses (1) and (2) above, the present value savings resulting from the issuance of such 2017/8 Series X Subordinated Bonds that are issued to refund any Refunded Subordinated Bonds other than variable rate Subordinated Bonds shall not be less than 5.00 percent of the aggregate principal amount of such Refunded Subordinated Bonds; (and (iii) with respect to any 2017/8 Series X Subordinated Bonds of such Series issued for refunding purposes to achieve debt service savings that are Advance Refunding Bonds, the present value savings resulting from the issuance of such 2017/8 Series X Subordinated Bonds shall not be less than 7.50 percent of the aggregate principal amount of such Refunded Subordinated Bonds; *provided, further*, that compliance with the foregoing requirements of this clause (e) shall be effected by dividing the Series into its constituent purposes (*i.e.*, refunding of variable rate Subordinated Bonds and refunding fixed rate Subordinated Bonds for debt service savings and issuance of Advance Refunding Bonds) and allocating on a ratable basis (based on the respective issue prices for federal income tax purposes) costs of issuance, underwriting discount and any other items to the purpose that gave rise to such expenses; *provided, however*, that if the Managing Director/CEO determines that some other allocation method will result in a more accurate determination of the true interest cost or present value savings attributable to such constituent purpose (which determination shall be confirmed by JEA's financial advisor), then such other allocation method shall be used in lieu of the foregoing method;

(f) the commencement date of interest payments on the 2017/8 Series X Subordinated Bonds of such Series, which shall be either of the October 1 or April 1 next following the Delivery Date of such 2017/8 Series X Subordinated Bonds;

(g) if the 2017/8 Series X Subordinated Bonds of such Series maturing on a particular date and bearing interest at a particular rate are to be subject to redemption prior to maturity as provided in Article IV of the Subordinated Resolution by operation of the Subordinated Indebtedness Fund from mandatory Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments; *provided, however*, that each Sinking Fund Installment due date shall fall upon an interest payment date for the 2017/8 Series X Subordinated Bonds;

(h) if the 2017/8 Series X Subordinated Bonds of such Series maturing on a particular date and bearing interest at a particular rate are to be subject to optional redemption, the terms upon which such 2017/8 Series X Subordinated Bonds shall be subject to redemption at the election of JEA; *provided, however*, that the highest redemption price at which such 2017/8 Series X Subordinated Bonds may be so redeemed shall be not greater than 101 percent of the principal amount thereof, plus accrued interest to the date of redemption and the first such optional redemption date shall not be less than four years nor more than 10 years from the Delivery Date of such 2017/8 Series X Subordinated Bonds;

(i) the identity of the senior managing underwriter and co-senior managing underwriter, if applicable, for such Series of 2017/8 Series X Subordinated Bonds from among the Underwriters;

(j) the purchase price for the 2017/8 Series X Subordinated Bonds of such Series to be paid by the Underwriters pursuant to the Bond Purchase Agreement; *provided, however,* that such purchase price shall result in compliance with the limitations set forth in this Section 5; and

(k) the amount, if any, of proceeds of the 2017/8 Series X Subordinated Bonds of such Series to be deposited in the Initial Subordinated Bonds Debt Service Fund.

In the event that one or more Series of 2017/8 Series X Subordinated Bonds are issued on the same day as part of a common plan of finance for the same Bond financing, JEA may demonstrate compliance with the savings requirements set forth in clause (e) above by calculating such savings either on an aggregate basis (e.g., each Series of 2017/8 Series X Subordinated Bonds issued on the same day as part of the same Bond financing are combined into one Series and compliance with the savings criteria is measured using the combined Series) or on a Series by Series basis (e.g., each individual Series that is issued as part of the same Bond financing must satisfy the savings criteria independently of any other Series issued on the same day).

SECTION 6. REDEMPTION PROVISIONS. 1. If the Managing Director/CEO determines that the 2017/8 Series X Subordinated Bonds of a Series maturing on a particular date and bearing interest at a particular rate shall be subject to redemption prior to maturity as provided in Article IV of the Subordinated Resolution by operation of the Subordinated Indebtedness Fund from mandatory Sinking Fund Installments, such determination to be set forth in the certificate referred to in Section 5 hereof, then the 2017/8 Series X Subordinated Bonds of such Series maturing on such date and bearing interest at such rate shall be subject to redemption prior to maturity as provided in Article IV of the Subordinated Resolution, on the respective dates and in the respective amounts set forth in such certificate, in each such case, at a redemption price equal to 100 percent of the principal amount thereof, together with accrued interest to the redemption date.

2. If the Managing Director/CEO determines that the 2017/8 Series X Subordinated Bonds of a Series maturing on a particular date and bearing interest at a particular rate shall be subject to optional redemption, such 2017/8 Series X Subordinated Bonds shall be subject to redemption prior to maturity at the election of JEA, as a whole or in part, at any time on and after the initial date on which such 2017/8 Series X Subordinated Bonds may be so redeemed set forth in the certificate referred to in Section 5 hereof, at the respective redemption prices set forth in such certificate, in each case, together with accrued interest to the redemption date.

SECTION 7. BOOK-ENTRY SYSTEM. 1. Except as provided in paragraphs (2) and (3) of this Section 7, the registered holder of all 2017/8 Series X Subordinated Bonds shall be, and the 2017/8 Series X Subordinated Bonds shall be registered in the name of, Cede & Co. (“Cede”), as nominee of DTC. Payment of interest on any 2017/8 Series X Subordinated Bond shall be made in accordance with the provisions of the Subordinated Resolution to the account of Cede on the interest payment date for the 2017/8 Series X Subordinated Bonds at the address indicated for Cede in the registry books of JEA kept by the Subordinated Bond Registrar.

2. The 2017/8 Series X Subordinated Bonds of each Series shall be issued initially in the form of a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of the 2017/8 Series X Subordinated Bonds of such Series. The Subordinated Bond Registrar shall authenticate and deliver to or on behalf of DTC a separate single, fully registered Subordinated Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of the 2017/8 Series X Subordinated Bonds, registered in the name of Cede, as nominee of DTC. With respect to 2017/8 Series X Subordinated Bonds so registered in the name of Cede, JEA and the Subordinated Bond Paying Agent and Subordinated Bond Registrar shall have no responsibility or obligation to any DTC participant or to any beneficial owner of such 2017/8 Series X Subordinated Bonds. Without limiting the immediately preceding sentence, JEA and the Subordinated Bond Paying Agent and Subordinated Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the 2017/8 Series X Subordinated Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the 2017/8 Series X Subordinated Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, the 2017/8 Series X Subordinated Bonds. JEA and the Subordinated Bond Paying Agent and Subordinated Bond Registrar may treat DTC as, and deem DTC to be, the absolute owner of each 2017/8 Series X Subordinated Bond for all purposes whatsoever, including (but not limited to) (i) payment of the principal or redemption price of, and interest on, each such 2017/8 Series X Subordinated Bond, (ii) giving notices of redemption and other matters with respect to such 2017/8 Series X Subordinated Bonds, (iii) registering transfers with respect to such 2017/8 Series X Subordinated Bonds and (iv) giving to JEA any notice, consent, request or demand pursuant to the Subordinated Resolution for any purpose whatsoever. The Subordinated Bond Paying Agent shall pay the principal or redemption price of, and interest on, all 2017/8 Series X Subordinated Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge JEA's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in this paragraph (2) and in paragraph (3) of this Section 7, no person other than DTC shall receive a 2017/8 Series X Subordinated Bond evidencing the obligation of JEA to make payments of principal or redemption price of, and interest on, such Subordinated Bond pursuant to the Subordinated Resolution. Upon delivery by DTC to JEA or the Subordinated Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Subordinated Resolution, the word "Cede" in this resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to a particular Series of the 2017/8 Series X Subordinated Bonds at any time by giving reasonable notice thereof to JEA or the Subordinated Bond Paying Agent and Subordinated Bond Registrar.

(b) JEA, in its sole discretion and without the consent of any other person, may, upon satisfaction of the applicable procedures of DTC with respect thereto, terminate the services of DTC with respect to a particular Series of the 2017/8 Series X Subordinated Bonds if JEA determines that (i) DTC is unable to discharge its responsibilities with respect to the 2017/8 Series X Subordinated Bonds of such Series or (ii) a continuation of the system of book-entry-

only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of the 2017/8 Series X Subordinated Bonds or of JEA.

4. Upon the termination of the services of DTC with respect to the 2017/8 Series X Subordinated Bonds pursuant to paragraph (3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the 2017/8 Series X Subordinated Bonds pursuant to paragraph (3)(a) or paragraph (3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of JEA, is willing and able to undertake such functions upon reasonable and customary terms, the 2017/8 Series X Subordinated Bonds no longer shall be restricted to being registered in the registration books kept by the Subordinated Bond Registrar in the name of Cede, as nominee of DTC. In such event, JEA shall issue and the Subordinated Bond Registrar shall authenticate 2017/8 Series X Subordinated Bond certificates as requested by DTC of like Series, aggregate principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interests in the 2017/8 Series X Subordinated Bonds of such Series; *provided, however*, that in the case of any discontinuance or termination provided for in paragraph 3(a) or 3(b)(ii) of this Section, JEA may within 90 days thereafter appoint a substitute securities depository which, in JEA's opinion, is willing and able to undertake the functions of DTC upon reasonable and customary terms. In such event, and subject to the transfer provisions of the Subordinated Resolution, the word "DTC" in this resolution shall refer to such substitute securities depository and the word "Cede" in this resolution shall refer to the nominee, if any, of such substitute securities depository (or, if there shall be no such nominee, then the word "Cede" in this resolution shall refer to such substitute securities depository).

5. Notwithstanding any other provision of the Subordinated Resolution or this resolution to the contrary, so long as any 2017/8 Series X Subordinated Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such 2017/8 Series X Subordinated Bond and all notices with respect to such 2017/8 Series X Subordinated Bond shall be made and given, respectively, to DTC as provided in DTC's Operational Arrangements (as defined in the Letter of Representations); *provided, however*, that if a substitute securities depository shall be appointed, all payments with respect to the principal or redemption price of, and interest on, the 2017/8 Series X Subordinated Bonds and all notices with respect to the 2017/8 Series X Subordinated Bond shall be made and given, respectively, to such substitute securities depository (or any nominee thereof) as provided in the procedures of such substitute securities depository.

SECTION 8. SUBORDINATED BOND PAYING AGENT AND SUBORDINATED BOND REGISTRAR. The 2017/8 Series X Subordinated Bonds shall be payable as to principal and shall be redeemable at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (or such other city as may be designated by such bank), which bank is hereby appointed Subordinated Bond Paying Agent and Subordinated Bond Registrar.

SECTION 9. FORM OF 2017/8 SERIES X SUBORDINATED BONDS. The text of the 2017/8 Series X Subordinated Bonds, together with the Subordinated Bond Registrar's Certificate of Authentication to be endorsed thereon, shall be substantially of the

following tenor, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this resolution or any subsequent resolution adopted prior to the issuance thereof, or as may be necessary to comply with applicable laws, rules and regulations of the United States Government and the State of Florida in effect upon the issuance thereof:

[FORM OF 2017/8 SERIES X SUBORDINATED BONDS]

At such times as the 2017/8 Series X Subordinated Bonds of a particular Series are restricted to being registered in the registration books kept by the Subordinated Bond Registrar in the name of DTC (or a successor securities depository), each 2017/8 Series X Subordinated Bond of such Series shall contain or have endorsed thereon the following legend:

AS PROVIDED IN THE SUBORDINATED RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE SUBORDINATED RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE SUBORDINATED RESOLUTION TO THE CONTRARY, (A) THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF AND (B) A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE SUBORDINATED BOND PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE SUBORDINATED RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE SUBORDINATED BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE SUBORDINATED BOND PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY SUBORDINATED BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

R-____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF JACKSONVILLE
JEA

WATER AND SEWER SYSTEM SUBORDINATED REVENUE BOND,
2017/8 SERIES X

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
_____%	October 1, ____	_____, 20__	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

JEA, a body politic and corporate and an independent agency of the City of Jacksonville, Florida (the "City"), organized and existing under and by virtue of the laws of the State of Florida, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner (stated above) or registered assigns, on the Maturity Date (stated above), but solely from the funds pledged therefor, upon presentation and surrender of this bond at the corporate trust office of U.S. Bank National Association in Jacksonville, Florida (such bank and any successors thereto being referred to herein as the "Subordinated Bond Paying Agent"), the Principal Amount (stated above) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay, but solely from the funds pledged therefor, interest on such Principal Amount in like coin or currency from the Original Issue Date (stated above), or, if one or more payments of interest has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has been paid or duly provided for, payable on the first days of April and October in each year commencing [April 1] [October 1], 20__ or, if the date of this bond is after [April 1] [October 1], 20__ commencing with the first April 1 or October 1 after the date of this bond, at a rate per annum equal to the Interest Rate (stated above), until JEA's obligation with respect to the payment of such Principal Amount shall be discharged; *provided, however*, that so long as this bond shall be restricted to being registered in the registration books of JEA in the name of the Securities Depository (as defined in the Subordinated Resolution hereinafter referred to) for this bond, the provisions of the Subordinated Resolution governing Book Entry Bonds (as defined in the Subordinated Resolution) shall govern the manner of payment of the principal or redemption price of, and interest on, this bond. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Subordinated Resolution, be paid to the person in whose name this bond is 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, such payment to be made by check or draft of the Subordinated Bond Paying Agent mailed to such person at the address shown on the registration books of JEA kept for that purpose at the corporate trust office of U.S. Bank National Association in Jacksonville, Florida or its successor, as Subordinated Bond

Registrar for the bonds of the series of which this bond is one. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the person in whose name this bond is registered on the Regular Record Date, and shall be paid, in the manner described above, to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by such Subordinated Bond Registrar, notice whereof shall be given to holders of bonds of the series of which this bond is one not less than 10 days prior to such Special Record Date.

This bond is one of a duly authorized series of bonds of JEA designated as its “Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X” (herein sometimes called the “2017/8 Series X Subordinated Bonds”), in the aggregate principal amount of \$_____, issued pursuant to Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended (herein called the “Act”) and under and pursuant to a resolution of JEA adopted on May 15, 2003, as amended and supplemented, including as supplemented by a supplemental resolution (Resolution No. 2016-24) of JEA entitled “Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution,” adopted on December 20, 2016 authorizing the 2017/8 Series X Subordinated Bonds, as supplemented and amended (the “Eighteenth Supplemental Subordinated Resolution”; said resolution as amended and supplemented, being herein called the “Subordinated Resolution”). As provided in the Subordinated Resolution, bonds, notes or other evidences of indebtedness of JEA may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Subordinated Resolution provided. All such bonds, notes or other evidences of indebtedness issued pursuant to the Subordinated Resolution are referred to herein as the “Subordinated Bonds.”

As provided in the Subordinated Resolution, the Subordinated Bonds are special obligations of JEA payable solely from and secured as to payment of the principal of, premium, if any, and interest thereon, in accordance with their terms and the provisions of the Subordinated Resolution and are secured equally and ratably by a pledge of (i) such amounts in the Subordinated Indebtedness Fund established under the Resolution (as defined in the Subordinated Resolution) as may from time to time be available for the purpose of payment thereof as provided in the Resolution; *provided, however*, that such pledge shall be subordinate in all respects to the pledge of the Trust Estate (as defined in the Resolution) created by the Resolution as security for the Bonds (as defined in the Subordinated Resolution), and (ii) the amounts on deposit in the funds established pursuant to the Subordinated Resolution, except to the extent the Initial Subordinated Debt Service Reserve Fund are not pledged to a particular series of Subordinated Bonds. This bond and the series of which it is one constitute Subordinated Bonds for all purposes of the Subordinated Resolution, and are payable from and secured, on a parity with the Subordinated Bonds heretofore issued by JEA, by a pledge of the amounts described in clauses (i) and (ii) above. In accordance with the provisions of the Subordinated Resolution, JEA reserves the right to issue additional Subordinated Bonds payable from and secured, on a parity with the 2017/8 Series X Subordinated Bonds, by a pledge of the amounts described in clauses (i) and (ii) above. In addition, JEA has previously issued and there are outstanding obligations secured by a pledge of amounts described in clause (i) and (ii) above and JEA reserves the right to issue or incur additional obligations secured by such amounts; the

aggregate amount of such additional obligations which may be issued or incurred by JEA is not limited by the provisions of the Subordinated Resolution. The aggregate principal amount of Subordinated Bonds which may be issued under the Subordinated Resolution is not limited except as provided in the Subordinated Resolution. Pursuant to the Subordinated Resolution, the 2017/8 Series X Subordinated Bonds are additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund established pursuant to the Third Supplemental Water and Sewer System Subordinated Revenue Bond Resolution adopted by JEA on July 15, 2003, including the investments and investment income, if any, thereof, which amounts are pledged for the payment of the principal or sinking fund redemption price, if any, of, and interest on, the 2017/8 Series X Subordinated Bonds and any other Subordinated Bonds secured thereby in accordance with the provisions of the Subordinated Resolution, subject only to the provisions of the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Subordinated Resolution. Copies of the Subordinated Resolution are on file at the office of JEA and at the corporate trust office of the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds, and reference to the Subordinated Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the security interest, pledge and covenants securing the Subordinated Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Subordinated Bonds with respect thereto, and for the other terms and provisions thereof.

This bond and the issue of which it is one do not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as provided in the Subordinated Resolution, and it is expressly agreed by the owner of this bond that such owner shall never have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this bond or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Subordinated Resolution.

To the extent and in the manner permitted by the terms of the Subordinated Resolution, the provisions of the Subordinated Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by JEA, with the written consent of the holders of not less than a majority in principal amount of the Subordinated Bonds affected by such modification or amendment then outstanding under the Subordinated Resolution, and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of the holders of not less than a majority in principal amount of the Subordinated Bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; *provided, however*, that, if such modification or amendment will, by its terms, not take effect so long as any Subordinated Bonds of any specified like series and maturity remain outstanding under the Subordinated Resolution, the consent of the holders of such Subordinated Bonds shall not be required and such Subordinated Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Subordinated Bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Subordinated Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon

without the consent of the holder of such Subordinated Bond, or shall reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Subordinated Bond Fiduciary (as defined in the Subordinated Resolution) without its written assent thereto.

The Subordinated Resolution also contains provisions permitting JEA, without the necessity for the consent of the holder of any Subordinated Bond, to modify or amend the Subordinated Resolution to cure ambiguities or defects in the Subordinated Resolution, to clarify the provisions of the Subordinated Resolution or to make any other modification or amendment which will not have a material adverse effect on the interests of Subordinated Bondholders, determined as provided in the Subordinated Resolution.

This bond is transferable, as provided in the Subordinated Resolution, only upon the books of JEA kept for that purpose at the above-mentioned office of the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds, by the Registered Owner hereof in person, or by its duly authorized attorney, upon surrender of this bond together with a written instrument of transfer satisfactory to such Subordinated Bond Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new fully registered bond or bonds, without coupons, and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Subordinated Resolution, and upon payment of the charges therein prescribed. JEA and each Subordinated Bond Fiduciary may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 2017/8 Series X Subordinated Bonds are issuable in the form of fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple of \$5,000.

[The 2017/8 Series X Subordinated Bonds maturing on and after October 1, 20__ will be subject to redemption at the election of JEA on or after October 1, 20__, at any time, as a whole or in part, at a redemption price equal to the principal amount of such 2017/8 Series X Subordinated Bonds so to be redeemed together with accrued interest to the redemption date.]

[The 2017/8 Series X Subordinated Bonds maturing October 1, 20__ will be subject to redemption through mandatory Sinking Fund Installments on October 1, 20__ and on each October thereafter, through and including October 1, 20__. The redemption price will be 100 percent of the principal amount of such 2017/8 Series X Subordinated Bonds to be redeemed, plus accrued interest, if any, to the redemption date. Such Sinking Fund Installment will be sufficient to redeem the following principal amount of such 2017/8 Series X Subordinated Bonds:

2017/8 Series X Subordinated Bonds	
Maturing October 1, 20__	
<u>Year</u>	<u>Amount</u>
	\$

The foregoing schedule leaves \$_____ principal amount of such 2017/8 Series X Subordinated Bonds to be retired at maturity.]

[The 2017/8 Series X Subordinated Bonds maturing October 1, 20___ will be subject to redemption through mandatory Sinking Fund Installments on October 1, 20___ and on each October thereafter, through and including October 1, 20___. The redemption price will be 100 percent of the principal amount of such 2017/8 Series X Subordinated Bonds to be redeemed, plus accrued interest, if any, to the redemption date. Such Sinking Fund Installment will be sufficient to redeem the following principal amount of such 2017/8 Series X Subordinated Bonds:

2017/8 Series X Subordinated Bonds	
Maturing October 1, 20___	
<u>Year</u>	<u>Amount</u>
	\$

The foregoing schedule leaves \$_____ principal amount of such 2017/8 Series X Subordinated Bonds to be retired at maturity.]

The 2017/8 Series X Subordinated Bonds are payable upon redemption at the above-mentioned office of the Subordinated Bond Paying Agent. Notice of redemption, setting forth the place of payment, shall be given by first class mail, postage prepaid, to the registered owners of the 2017/8 Series X Subordinated Bonds to be redeemed sent not less than 30 days nor more than 60 days prior to the redemption date, but the failure to give notice by mail, or any defect in such notice, to the registered owner of any 2017/8 Series X Subordinated Bond will not affect the validity of the proceedings for the redemption of any other 2017/8 Series X Subordinated Bonds. If notice of redemption shall have been given as aforesaid, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, the 2017/8 Series X Subordinated Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the 2017/8 Series X Subordinated Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such 2017/8 Series X Subordinated Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

This bond shall be payable, as to principal and redemption price hereof, and interest hereon, solely from the funds described herein as provided in the Subordinated Resolution. No member, officer, agent or employee of JEA shall be individually or personally liable for the payment of the principal or redemption price of or interest on this bond.

It is hereby certified and recited that all conditions, acts and things required by law and the Subordinated Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the 2017/8 Series X Subordinated Bonds, together with all other indebtedness of JEA, comply in all respects with the applicable laws of the State of Florida including, particularly, the Act.

This bond shall not be entitled to any benefit under the Subordinated Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds of the Subordinated Bond Registrar's Certificate of Authentication hereon.

IN WITNESS WHEREOF, JEA has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair or its Vice Chair, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary.

JEA

(SEAL)

Chair or Vice-Chair

ATTESTED:

Secretary or Assistant Secretary

**SUBORDINATED BOND REGISTRAR'S
CERTIFICATE OF AUTHENTICATION**

This bond is one of the Subordinated Bonds described in the within-mentioned Subordinated Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Subordinated Bond Registrar

By: _____
Authorized Signatory

Date of Authentication: _____, 20____

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIF MIN ACT _____ (Cust.)
TEN ENT -	as tenants by the entireties	Custodian for _____ (Minor)
JT TEN	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act of _____ (State)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

[PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

the within bond and does hereby irrevocably constitute and appoint the Registrar as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: This signature to this assignment must correspond with the name of the registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 10. APPLICATION OF BOND PROCEEDS. The proceeds from the sale of the 2017/8 Series X Subordinated Bonds of a particular Series, together with other available funds of the Water and Sewer System shall be applied simultaneously with the delivery of the 2017/8 Series X Subordinated Bonds as follows:

(a) if applicable, there shall be delivered to the Escrow Agent, simultaneously with the delivery of the 2017/8 Series X Subordinated Bonds of such Series, for deposit in the Escrow Account (the “Escrow Account”) to be created under the Escrow Deposit Agreement, an amount determined by an Authorized Officer of JEA as being equal to the amount necessary, when combined with the moneys, if any, transferred to the Escrow Account as provided in Section 11 hereof, to purchase such securities as are permitted by Section 12.01 of the Subordinated Resolution, the principal of and interest to be received on which, together with any initial cash balance, will provide moneys which will be sufficient to pay when due the principal or redemption price, as applicable, of the Refunded Subordinated Bonds being refunded thereby on the respective maturity dates of such Refunded Subordinated Bonds or the date such Refunded Subordinated Bonds are to be called for redemption, as applicable, and the interest to become due on such Refunded Subordinated Bonds on and prior to such respective maturity or redemption dates, as the case may be;

(b) there shall be deposited in the Initial Subordinated Debt Service Reserve Fund an amount equal to the difference, if any, between (A) the Subordinated Debt Service Reserve Requirement for the Initial Subordinated Debt Service Reserve Fund calculated immediately after the issuance of the 2017/8 Series X Subordinated Bonds and (B) the sum of the amounts then on deposit in the Initial Subordinated Debt Service Reserve Fund and the eligible reserve fund credit instruments (as defined in subsection 3 of Section 5.02 of the Third Supplemental Subordinated Resolution) credited thereto; and

(c) all proceeds remaining after application as provided in subsections (a) and (b) hereof shall be deposited into the Subordinated Construction Fund or a separate sub-account thereof and used for the purposes of paying the principal or redemption price, as applicable, of Refunded Subordinated Bonds when due of the Refunded Subordinated Bonds are not being defeased within the meaning of Section 12.01 of the Subordinated Resolution and paying costs of issuance of the 2017/8 Series X Subordinated Bonds of such Series.

SECTION 11. TRANSFER OF CERTAIN AMOUNTS. In accordance with subsection 6 of Section 5.02 of the Third Supplemental Subordinated Resolution, subject to the provisions of the Subordinated Resolution, simultaneously with the delivery of the 2017/8 Series X Subordinated Bonds of a particular Series, there shall be withdrawn from the Subordinated Indebtedness Fund cash in an amount determined by an Authorized Officer of JEA as being not greater than the amount of Subordinated Debt Service accrued on the Refunded Subordinated Bonds to be refunded through the issuance of the 2017/8 Series X Subordinated Bonds of such Series. Such withdrawal shall, however, not be made unless immediately thereafter (a) such Refunded Subordinated Bonds are deemed to have been paid pursuant to the Subordinated Resolution and (b) the amount remaining in the Subordinated Indebtedness Fund, after giving effect to the issuance of the 2017/8 Series X Subordinated Bonds of such Series and the

refunding of the Refunded Subordinated Bonds being refunded thereby, shall not be less than the amount required to be maintained therein. There shall be transferred to the Escrow Agent, if any, for deposit in the Escrow Account the amount so withdrawn, otherwise, such amount shall be applied together with the funds described in Section 10 (c) above to the payment of the Refunded Subordinated Bonds.

SECTION 12. 2017/8 SERIES X SUBORDINATED BONDS TO CONSTITUTE ADDITIONALLY SECURED BY THE INITIAL SUBORDINATED DEBT SERVICE RESERVE FUND. The payment of the principal or sinking fund redemption price, if any, thereof and interest the 2017/8 Series X Subordinated Bonds shall be secured, in addition to the pledge created pursuant to Section 5.01 of the Subordinated Resolution in favor of the Subordinated Bonds, by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund. In furtherance of the foregoing, simultaneously with the authentication and delivery of any particular Series of the 2017/8 Series X Subordinated Bonds, JEA shall cause to be deposited to the credit of the Initial Subordinated Debt Service Reserve Fund cash from the proceeds of such Series of the 2017/8 Series X Subordinated Bonds, in an amount equal to the difference (if any) between (a) the Subordinated Debt Service Reserve Requirement with respect to the Initial Subordinated Debt Service Reserve Fund calculated immediately after the authentication and delivery of the 2017/8 Series X Subordinated Bonds of such Series and (b) the sum of the amounts then on deposit in the Initial Subordinated Debt Service Reserve Fund and the reserve fund credit instruments credited thereto, if any.

SECTION 13. TAX COVENANTS. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2017/8 Series X Subordinated Bonds under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of each Series of the 2017/8 Series X Subordinated Bonds concerning certain matters pertaining to the use of proceeds of the 2017/8 Series X Subordinated Bonds of such Series, including any and all exhibits attached thereto (the "Tax Certificate"). This covenant shall survive payment in full or defeasance of the 2017/8 Series X Subordinated Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the applicable Series of the 2017/8 Series X Subordinated Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Bond Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the 2017/8 Series X Subordinated Bonds of a Series, the holders of the 2017/8 Series X Subordinated Bonds of such Series shall be entitled to the rights and remedies provided to the

Holders of Subordinated Bonds under the Subordinated Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Subordinated Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of any Subordinated Bonds other than the 2017/8 Series X Subordinated Bonds of the applicable Series shall not be entitled to exercise any right or remedy provided to Holders of Subordinated Bonds under the Subordinated Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the 2017/8 Series X Subordinated Bonds of such Series.

SECTION 14. REDEMPTION OF REFUNDED SUBORDINATED BONDS. 1. The Refunded Subordinated Bonds to be refunded by the 2017/8 Series X Subordinated Bonds are hereby designated for redemption and the Escrow Agent (if any) or the respective Refunded Bonds Paying Agents, as applicable, are hereby directed to redeem such Refunded Subordinated Bonds on the respective dates determined by the Managing Director/CEO pursuant to clause (c) of the second paragraph of Section 5 hereof and at a redemption price equal to the principal amount of the Refunded Subordinated Bonds to be redeemed plus the redemption premium(s) for the applicable redemption date(s) (in each case, together with the interest accrued thereon to the date fixed for redemption).

Such designation for redemption, and such direction to the Escrow Agent (if any) or the respective paying agents for the Refunded Subordinated Bonds, as applicable, shall be, and hereby are declared to be, irrevocable upon the delivery of the 2017/8 Series X Subordinated Bonds to or upon the order of the Underwriters; *provided*, that notice of such redemption as provided below shall be revocable and conditional upon the issuance of the 2017/8 Series X Subordinated Bonds of the applicable Series.

In order to effectuate this designation, on or prior to the applicable Delivery Date, an Authorized Officer of JEA shall give the Escrow Agent or the Subordinated Bond Registrar, as applicable, for any Refunded Subordinated Bonds to be redeemed prior to maturity instructions to mail, postage prepaid, not less than 30 days (or such lesser period as required by the applicable supplemental resolution(s) for the Refunded Subordinated Bonds) prior to the redemption date therefor, to (i) all registered owners of such Refunded Subordinated Bonds at their addresses as they appear of record on the books of the Subordinated Bond Registrar as of 45 days (or such lesser number of days as is permitted pursuant to the applicable supplemental resolution(s) for the Refunded Subordinated Bonds) prior to such redemption date and (ii) the paying agent for such Refunded Subordinated Bonds (or its successor), a notice of redemption in substantially the following form:

REVOCABLE NOTICE OF [PARTIAL] REDEMPTION

JEA

**WATER AND SEWER SYSTEM SUBORDINATED REVENUE BONDS
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding JEA Variable Rate Water and Sewer System Subordinated Revenue Bonds, described below (the "Subordinated Bonds") that the Subordinated Bonds have been called for redemption prior to maturity on _____, 20____ in accordance with their terms at a redemption price of [100 percent of the principal amount thereof, together with accrued interest thereon to _____, 20____]. **[The source of funds to be used for such redemption is certain moneys heretofore deposited with _____, as Escrow Agent.]**

<u>Series</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Interest Rate</u> %	<u>Principal</u> <u>Amount</u> \$	<u>CUSIP</u>
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THIS CALL FOR REDEMPTION IS REVOCABLE AND IS CONDITIONED UPON THE ISSUANCE BY JEA OF ITS SUBORDINATED REFUNDING BONDS TO REFUND SUCH SUBORDINATED BONDS ON OR PRIOR TO _____, 20____. In the event that JEA's refunding bonds are not issued on or prior to _____, 20____, this notice shall be of no further force or effect and the Subordinated Bonds shall continue to bear interest until paid at the same rates they would have borne had this notice not been given. If JEA's refunding bonds are not issued on or prior to _____, 20____, the undersigned, on behalf of JEA, shall give notice forthwith of such fact to the holders of the Subordinated Bonds, and this notice shall thereupon be revoked and shall be of no further force and effect.

Subject to the foregoing, the redemption price of and accrued interest on the Subordinated Bonds shall become due and payable on _____, 20____ and from and after _____, 20____ interest on the Subordinated Bonds shall cease to accrue and be payable.

Holders of the Subordinated Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust offices of [specify names of current Paying Agents].

Dated this ___ day of _____, 20____.

JEA

By: _____
as [Escrow Agent/Registrar]

SECTION 15. AUTHORIZATION AND APPROVAL OF THE NEGOTIATED SALE OF THE 2017/8 SERIES X SUBORDINATED BONDS AND EXECUTION AND DELIVERY OF THE BOND PURCHASE AGREEMENT; DELEGATION OF AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH. The terms and conditions of the bond purchase agreement between JEA and the Underwriters, providing for the negotiated sale and purchase of the 2017/8 Series X Subordinated Bonds of a particular Series, in substantially the form attached as Exhibit A to Resolution No. 2016-23 (the “Bond Purchase Agreement”), are hereby approved. At such time or times as the Managing Director/CEO of JEA shall determine is (are) advantageous to JEA, such officer shall execute and deliver the Bond Purchase Agreement(s) (with such changes as are necessary to reflect, among other things, the terms of the 2017/8 Series X Subordinated Bonds of a particular Series), such determination to be evidenced by the execution and delivery thereof; *provided, however*, that at or prior to the time of the execution and delivery of the Bond Purchase Agreement(s), JEA shall have received from the senior managing underwriter the disclosure statement required pursuant to Section 218.385(6), Florida Statutes. The purchase price of the 2017/8 Series X Subordinated Bonds of such Series to be paid by the Underwriters pursuant to the Bond Purchase Agreement shall be determined as provided in Section 5 hereof, subject to the limitations set forth therein.

SECTION 16. AUTHORIZATION OF AUTHENTICATION. In the event that the Managing Director/CEO shall determine that it is desirable to sell and issue a particular Series of 2017/8 Series X Subordinated Bonds as provided herein, U.S. Bank National Association, as Subordinated Bond Registrar for the 2017/8 Series X Subordinated Bonds, is hereby requested and authorized to authenticate and deliver such 2017/8 Series X Subordinated Bonds in the aggregate principal amount determined for such Series as provided in Section 5 hereof, to or upon the order of the Underwriters, upon payment to JEA of the sum to be specified in the applicable Bond Purchase Agreement.

SECTION 17. APPOINTMENT OF ESCROW AGENT AND AUTHORIZATION AND APPROVAL OF ESCROW DEPOSIT AGREEMENT. The Managing Director/CEO is hereby authorized to appoint U.S. Bank National Association, The Bank of New York Mellon Trust Company, N.A. or any other bank or trust company selected pursuant to JEA’s purchasing code to act as Escrow Agent under an Escrow Deposit Agreement in connection with the refunding of Refunded Subordinated Bonds. One or more Escrow Deposit Agreement(s) are hereby approved in substantially the form attached hereto as Exhibit A. The Escrow Deposit Agreement(s) may be executed and delivered as provided in Section 22 hereof. Pursuant to the Escrow Deposit Agreement(s), the Escrow Agent may be directed to invest the funds held thereunder in the manner provided therein.

In connection with the refunding of the Refunded Subordinated Bonds as provided herein, each Authorized Officer of JEA is hereby authorized, if deemed desirable, to cause proceeds of the 2017/8 Series X Subordinated Bonds and other available amounts, and earnings thereon, to be invested in United States Treasury Securities – State and Local Government Series (“SLGS”) or other obligations permitted to be used to accomplish the defeasance of such Refunded Subordinated Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as any Authorized Officer of JEA shall determine is necessary or desirable; and each such Authorized Officer of JEA and, upon receipt of instructions from an

Authorized Officer of JEA, any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of JEA to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

SECTION 18. APPROVAL OF THE FORM AND USE OF PRELIMINARY OFFICIAL STATEMENT. The form and use of a preliminary official statement for each Series of the 2017/8 Series X Subordinated Bonds, in substantially the form as Exhibit B to Resolution No. 2016-23 (the “Draft Preliminary Official Statement”), is hereby authorized and approved in connection with the offering and sale of the 2017/8 Series X Subordinated Bonds of each Series.

In the event that the Managing Director/CEO shall determine that it is desirable to issue and sell the 2017/8 Series X Subordinated Bonds of one or more Series as provided herein, the Managing Director/CEO is hereby authorized and directed to cause to be prepared a Preliminary Official Statement with respect to such bonds in substantially the form of the Draft Preliminary Official Statement and with such changes thereto as are necessary so that such Preliminary Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and, in such case, to cause such Preliminary Official Statement to be used in connection with the offering and sale of the 2017/8 Series X Subordinated Bonds of such Series and, if applicable, the Managing Director/CEO, the Chief Financial Officer or the Treasurer of JEA are hereby authorized to deem said Preliminary Official Statement final for purposes of Rule 15c2-12. In the event that the Managing Director/CEO shall cause to be prepared a Preliminary Official Statement for such 2017/8 Series X Subordinated Bonds as aforesaid, an Official Statement relating to the 2017/8 Series X Subordinated Bonds of such Series, in substantially the form of said Preliminary Official Statement, with such changes thereto as are necessary (a) to reflect the terms of such 2017/8 Series X Subordinated Bonds of such Series and (b) so that such Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of such 2017/8 Series X Subordinated Bonds. In such event, such Official Statement shall be executed as provided in Section 22 hereof.

SECTION 19. APPROVAL WITH RESPECT TO REGISTRATION OR QUALIFICATION OF THE 2017/8 SERIES X SUBORDINATED BONDS UNDER THE BLUE SKY OR SECURITIES LAWS OF VARIOUS STATES. The Authorized Officers of JEA shall be, and hereby are, authorized in the name and on behalf of JEA, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2017/8 Series X Subordinated Bonds of each Series for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order

to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 20. CONTINUING DISCLOSURE. For the benefit of holders and beneficial owners from time to time of the 2017/8 Series X Subordinated Bonds of each Series, JEA agrees, as an obligated person with respect to the 2017/8 Series X Subordinated Bonds of such Series under Rule 15c2-12, to provide or cause to be provided such financial information and operating data, audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5) of Rule 15c2-12. In order to describe and specify certain terms of JEA's continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Authorized Officers of JEA are, and each of them hereby is, authorized and directed to sign and deliver, in the name and on behalf of JEA, one or more Continuing Disclosure Agreements with respect to the 2017/8 Series X Subordinated Bonds substantially in the form of Appendix C to the Draft Preliminary Official Statement, with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to JEA and that are approved by the Authorized Officer of JEA executing the same on behalf of JEA, all of which shall be conclusively evidenced by the signing of that agreement or amendments to it. The agreement formed, collectively, by this paragraph and that agreement, shall be JEA's continuing disclosure agreement with respect to the 2017/8 Series X Subordinated Bonds for purposes of Rule 15c2-12, and its performance shall be subject to the annual appropriation of any funds that may be necessary to perform it.

The Authorized Officers of JEA are, and each of them hereby is, further authorized and directed to take such actions as shall be necessary to comply with each such continuing disclosure agreement, including timely provision of information and notices. Prior to making any filing in accordance with any such agreement or providing notice of the occurrence of any other events, any such officer of JEA shall consult with and obtain legal advice from, as appropriate, the Office of the General Counsel and bond or other qualified independent special counsel selected by JEA. Any such officer of JEA, acting in the name and on behalf of JEA, shall be entitled to rely upon any such legal advice in determining whether a filing should be made.

SECTION 21. REPRESENTATIONS AND COVENANTS REGARDING THE PLEDGE OF THE SUBORDINATED RESOLUTION. JEA represents that, pursuant to the Act, the Subordinated Resolution creates a valid and binding lien on (i) the amounts on deposit in the Revenue Fund established pursuant to the Resolution as may from time to time be available therefor, including the investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Resolution, including the investments, if any, thereof (collectively, the "Subordinate Lien Pledged Assets"), in each such case, except as described below, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the Resolution and the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, for the benefit of the Holders of the Subordinated Bonds, including the 2017/8 Series X Subordinated Bonds, as security for the payment of the Subordinated Bonds, including the 2017/8 Series X Subordinated Bonds, to the extent set forth therein, enforceable in accordance with the terms thereof; *provided, however*, that such pledge (other than with respect to amounts on deposit in

the Subordinated Bond Construction Fund) is junior and subordinate in all respects to the Bonds as to lien on and source and security for payment from the Revenues.

Except for the pledge and lien created by the Resolution in favor of the holders of the Bonds, JEA has not heretofore made or granted a pledge or assignment of, lien on or security interest in the Subordinate Lien Pledged Assets that ranks on a parity with or prior to the lien and pledge made or granted in the Subordinated Resolution. JEA shall not hereafter make or grant a pledge or assignment of, lien on or security interest in such Subordinate Lien Pledged Assets that ranks prior to or on a parity with the lien and pledge made or granted in the Subordinated Resolution, except as expressly permitted thereby.

SECTION 22. AUTHORIZATION OF THE EXECUTION AND DELIVERY OF 2017/8 SERIES X SUBORDINATED BONDS AND RELATED DOCUMENTS. The Authorized Officers of JEA are hereby authorized to execute the 2017/8 Series X Subordinated Bonds of each Series, the Bond Purchase Agreement(s), the Escrow Deposit Agreement(s), if any, the Continuing Disclosure Agreement(s) and the Official Statement(s), each subject to completion thereof, and with such changes therein as they may approve as necessary and desirable and in the best interest of JEA, such approval to be evidenced by the execution and delivery thereof; *provided, however*, that the 2017/8 Series X Subordinated Bonds shall be executed and delivered pursuant to the Resolution and applicable law. The Secretary of JEA is hereby authorized (but not required) to cause the seal of JEA to be affixed to the 2017/8 Series X Subordinated Bonds and the foregoing documents and to attest the same. Such Authorized Officers of JEA are each hereby authorized to deliver such 2017/8 Series X Subordinated Bonds and documents on behalf of JEA.

SECTION 23. FURTHER ACTIONS. Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all administrative acts and things as may be necessary or desirable in connection with: the approval, execution and delivery of the Bond Purchase Agreement(s), the Escrow Deposit Agreement(s), if any, and the Continuing Disclosure Agreement(s); and the carrying out of their terms and the terms of the Subordinated Resolution and this Eighteenth Supplemental Subordinated Resolution; the issuance, sale, execution and delivery of the 2017/8 Series X Subordinated Bonds and the refunding and redemption of the Refunded Subordinated Bonds; and the use of the Preliminary Official Statement(s) and the Official Statement(s). Without limiting the generality of the foregoing, the Managing Director/CEO is hereby authorized to execute the certificates referred to in Section 5 hereof. In the absence of the Managing Director/CEO for any reason, the authority granted to him in this resolution is hereby delegated to the Vice President and General Manager, Water and Wastewater Systems, the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

SECTION 24. REMAINING AUTHORIZATION UNDER RESOLUTION NO. 2014-10 SUPERSEDED. Any remaining authorization to issue additional debt under Resolution No. 2014-10 adopted by JEA on December 16, 2014 is hereby superseded by this Resolution and repealed. The foregoing shall not affect in any manner the authorization of debt previously issued pursuant to Resolution No. 2014-10.

SECTION 25. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

[Remainder of page intentionally left blank]

SECTION 26. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 20TH DAY OF DECEMBER, 2016.



JEA

By: _____
Name:
Title:

ATTEST:

By: _____
Secretary

Approved as to Form:

By: _____
Office of General Counsel

EXHIBIT A

FORM OF ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

relating to

JEA

**WATER AND SEWER SYSTEM SUBORDINATED REVENUE BONDS,
2017/8 SERIES X**

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 20__ by and between JEA, a public body corporate and politic organized under the laws of the State of Florida and _____, as Escrow Agent;

WITNESSETH:

WHEREAS, JEA has previously authorized and issued obligations of JEA as hereinafter set forth and defined as the "Refunded Obligations," as to which the Aggregate Debt Service (as hereinafter defined) is set forth on Schedule A attached hereto; and

WHEREAS, JEA has determined to provide for refunding of the Aggregate Debt Service of the Refunded Obligations by depositing with the Escrow Agent cash, which will be sufficient to pay the Aggregate Debt Service on the Refunded Obligations; and

WHEREAS, in order to obtain a portion of the funds needed for such purpose JEA has authorized and is, concurrently with the delivery of this Agreement, issuing its Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X; and

WHEREAS, JEA has determined that the amount to be on deposit, from time to time, in the Escrow Account, as defined herein, will be sufficient to pay the Aggregate Debt Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, JEA and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

- (a) "Aggregate Debt Service" means, as of any date, the sum of all present and future Annual Debt Service payments then remaining unpaid with respect to the Refunded Obligations, as set forth on Schedule A attached hereto.
- (b) "Agreement" means this Escrow Deposit Agreement.

(c) "Annual Debt Service" means, in any year, the redemption price of, and interest on, the Refunded Obligations coming due or being redeemed in such year as shown on Schedule A attached hereto.

(d) "Defeasance Securities" has the meaning ascribed to such term in the Resolution.

(e) "Escrow Account" means the Escrow Account identified in Section 2 herein and established and held by the Escrow Agent pursuant to this Agreement in which a portion of the proceeds from the sale of the Bonds and certain other funds will be held for payment of the Refunded Obligations.

(f) "Escrow Agent" means _____ with the power to accept trusts in the State of Florida.

(g) "Escrow Deposit Requirement" means, as of any date of calculation, the principal amount of cash and any Defeasance Securities in the Escrow Account which, together with the interest due on the Defeasance Securities, will be sufficient to pay, as the installments thereof become due, the Aggregate Debt Service.

(h) "Paying Agent" means _____ in its capacity as the paying agent for the Refunded Obligations.

(i) "Redemption Date" means the redemption date for the Refunded Obligations, as set forth in Schedule B hereto.

(j) "Refunded Obligations" means the Water and Sewer System Subordinated Revenue Bonds listed in Schedule B hereto.

(k) "Resolution" means the resolution duly adopted by JEA on May 15, 2003,, as amended and supplemented, and particularly as supplemented by resolutions adopted by JEA authorizing the issuance of the Refunded Obligations.

(l) "2017/8 Subordinated Bonds" means the Water and Sewer System Subordinated Revenue Bonds, 2017/8 Series X of JEA.

SECTION 2. Deposit of Funds. With respect to the Refunded Obligations, JEA hereby deposits \$_____ with the Escrow Agent in immediately available funds (the "Escrow Deposit Amount"), to be held in irrevocable escrow by the Escrow Agent in a separate escrow trust fund (the "Escrow Account") and applied solely as provided in

this Agreement. JEA represents that (i) \$_____ of such funds are derived by JEA from a portion of the proceeds of the 2017/8 Subordinated Bonds and (ii) \$_____ of such funds are derived by JEA from amounts on deposit in the Subordinated Indebtedness Fund established pursuant to the Resolution.

JEA represents, that such funds, when applied pursuant to Section 3 below, will at least equal the Escrow Deposit Requirement as of the date hereof.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in Section 2 and agrees:

(a) hold such sum uninvested in cash unless it receives from JEA written directions to effect settlement of the purchase of Defeasance Securities which mature no later than the Redemption Date or such earlier time as amounts will be needed as described in Schedule A hereto and which are in the aggregate amount of no more than the balance in the Escrow Account;

(b) there will be no investment of funds except as set forth in this Section 3;

(c) to hold the proceeds of all investments in the Escrow Account in such Account in trust (separate from all other funds of the Escrow Agent) for the benefit of the owners of the Refunded Obligations from the date of receipt thereof to the date on which such proceeds are scheduled to be paid out of the Escrow Account and applied only for the purposes thereof, as set forth on Schedule A attached hereto; and

(d) to hold the funds and securities in the Escrow Account in irrevocable escrow during the term of this Agreement;

SECTION 4. Payment of Refunded Obligations.

(a) ***Payment of Refunded Obligations.*** The Escrow Agent shall pay the Paying Agent for the Refunded Obligations, from the cash on hand in the Escrow Account, a sum sufficient to pay the Annual Debt Service coming due on such date with respect to the Refunded Obligations, as shown on Schedule A attached hereto.

(b) ***Surplus.*** On the Redemption Date, after making the payment from the Escrow Account described in Subsection 4(a), the Escrow Agent shall pay to JEA the remaining cash, if any, in the Escrow Account. JEA shall apply the payment made to it hereunder to the payment of the principal of and interest on the 2017/8 Subordinated

Bonds or for other uses permitted under the Resolution, but the Escrow Agent shall have no duty or responsibility to ensure that JEA does so.

(c) *Payments Due on Saturdays, Sundays and Holidays.* If any payment date shall be a legal holiday or a day on which banking institutions in the city in which is located the designated office of the Paying Agent are authorized by law to remain closed, then the Escrow Agent may make the payments required by Subsections 4(a) and 4(b) to the Paying Agent or JEA, as the case may be, on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Securities held hereunder.

(b) At the written request of JEA and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Defeasance Securities acquired hereunder and shall substitute other Defeasance Securities and reinvest any excess receipts in Defeasance Securities. JEA will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which, will cause interest on the 2017/8 Subordinated Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation. Such substitutions and reinvestments may be effected only if (i) an independent certified public accountant selected by JEA shall certify or opine in writing to JEA and the Escrow Agent that the cash and principal amount of Defeasance Securities remaining on hand after the transactions are completed will be not less than the Escrow Deposit Requirement, and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to JEA to the effect that the transactions, in and by themselves, will not cause interest on the 2017/8 Subordinated Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(b) above notwithstanding, cash in excess of the Escrow Deposit Requirement caused by substitution of Defeasance Securities shall, as soon as practicable, be paid to JEA.

SECTION 6. Redemption of Refunded Obligations. JEA has exercised its option to redeem the Refunded Obligations prior to the maturity thereof on the Redemption Date as shown on Schedule B attached hereto.

SECTION 7. Redemption Notice. The Subordinated Bond Registrar for the Refunded Obligations has given notice of redemption of the Refunded Obligations to be redeemed on the Redemption Date, as provided in Section 4.04 of the Resolution as supplemented by the applicable supplemental resolutions relating to the respective Refunded Obligations on behalf of JEA and the Escrow Agent.

SECTION 8. Indemnity. To the extent permitted by applicable law, including but not limited to Section 768.28, Florida Statutes, JEA hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and attorneys' disbursements and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by JEA or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds and securities deposited therein, the purchase of the Defeasance Securities, the retention of the Defeasance Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; *provided, however,* that JEA shall not be required to indemnify the Escrow Agent, its successors, assigns, agents and servants against the negligence or willful misconduct of the Escrow Agent or its successors, assigns, agents and servants. In no event shall JEA or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement. Nothing in this Section contained shall give rise to any liability on the part of JEA in favor of any person other than the Escrow Agent.

SECTION 9. Responsibilities of Escrow Agent; Fees. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the retention of the Defeasance Securities or the proceeds thereof or any investment, payment, transfer, or other application of money or securities by the Escrow Agent in accordance with the

provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties or non-willful misconduct. The Escrow Agent shall, however, be liable to JEA for its negligent acts, omissions or errors or willful misconduct which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. 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 JEA. The fees of the Escrow Agent shall be paid by JEA at the time this Agreement is executed and delivered, such fees to be as set forth on Schedule C attached hereto. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations.

SECTION 11. Amendments. This Agreement is made for the benefit of JEA and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and JEA; *provided, however,* that JEA 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:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, power or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject additional funds, securities or properties to this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of JEA 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 herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be one and the same instrument.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be executed by their duly authorized officers and JEA's official seal to be hereunto affixed and attested as of the date first above written.



JEA

ATTEST:

By: _____
Title:

By: _____
Secretary

Form Approved:

Office of General Counsel

as Escrow Agent

By: _____
Its: _____

**SCHEDULE A
REFUNDED OBLIGATIONS**

The Aggregate Debt Service for the Refunded Obligations is shown in the following table:

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total</u>
	\$	\$		\$

**SCHEDULE B
LIST OF REFUNDED OBLIGATIONS**

The Refunded Bonds will consist of the Water and Sewer System Subordinated Revenue Bonds listed in the following table.

Series	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)	CUSIP*
		\$		%	
Total		_____			

* The CUSIP numbers listed here are provided for the convenience of readers. JEA is not responsible for the accuracy or completeness of such numbers.

**SCHEDULE C
FEES OF ESCROW AGENT**

The fee of the Escrow Agent for its services hereunder shall be \$____; provided, JEA agrees to reimburse the Escrow Agent for its reasonable out-of-pocket expenses at cost.

RESOLUTION NO. 2016-25

A RESOLUTION SUPPLEMENTING A RESOLUTION ENTITLED “ST. JOHNS RIVER POWER PARK SYSTEM SECOND REVENUE BOND RESOLUTION,” PROVIDING FOR THE ISSUANCE IN ONE OR MORE SERIES OF NOT EXCEEDING \$80,000,000 ST. JOHNS RIVER POWER PARK SYSTEM REVENUE BONDS, ISSUE THREE, SERIES X OF JEA AUTHORIZED THEREIN, FOR THE PURPOSES OF PAYING A PORTION OF THE COST OF REFUNDING A PORTION OF THE OUTSTANDING ST. JOHNS RIVER POWER PARK SYSTEM REVENUE BONDS, ISSUE THREE AND PAYING COSTS OF ISSUANCE OF SAID BONDS; FIXING THE DATE AND OTHER DETAILS OF SAID BONDS; DELEGATING THE AUTHORITY TO DETERMINE SERIES DESIGNATION, MATURITIES, INTEREST RATES, SINKING FUND INSTALLMENTS, REDEMPTION PROVISIONS AND CERTAIN OTHER DETAILS FOR EACH SUCH SERIES OF ISSUE THREE BONDS; APPOINTING A PAYING AGENT FOR SAID BONDS; DESIGNATING SUCH ISSUE THREE SERIES X BONDS AS AN “ADDITIONALLY SECURED SERIES”; MAKING CERTAIN COVENANTS AND DESIGNATIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AUTHORIZING THE NEGOTIATED SALE OF SAID BONDS AND APPROVING THE FORM OF, AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS WITH RESPECT TO NEGOTIATED SALES, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; PROVIDING FOR THE REFUNDING OF CERTAIN OUTSTANDING ST. JOHNS RIVER POWER PARK SYSTEM REVENUE BONDS, ISSUE THREE; APPROVING THE FORM OF AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE PREPARATION AND USE OF AN OFFICIAL STATEMENT FOR EACH SERIES OF SAID BONDS; AUTHORIZING THE AUTHENTICATION AND DELIVERY OF EACH SERIES OF SAID ISSUE THREE SERIES X BONDS; PROVIDING FOR THE APPOINTMENT OF AN ESCROW AGENT FOR THE ISSUE THREE BONDS TO BE REFUNDED THROUGH THE ISSUANCE OF EACH SERIES OF SAID ISSUE THREE SERIES X BONDS AND APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT, IF APPLICABLE, BETWEEN JEA AND SUCH ESCROW AGENT; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF EACH SERIES OF SAID ISSUE THREE SERIES X BONDS UNDER THE BLUE SKY LAWS OF VARIOUS STATES; AUTHORIZING CERTAIN OFFICIALS OF JEA TO TAKE OTHER ACTION IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF EACH SERIES OF SAID ISSUE THREE SERIES X BONDS; AGREEING TO PROVIDE CONTINUING DISCLOSURE INFORMATION WITH RESPECT TO SAID BONDS AND PROVIDING FOR THE EXECUTION OF

CONTINUING DISCLOSURE AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR THE NECESSARY INSTRUMENTS AND AGREEMENTS RELATING TO SAID ISSUE THREE SERIES X BONDS; SUPERSEDING AND REPEALING RESOLUTION NO. 2014-12 OF JEA AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, JEA has heretofore, by a resolution entitled “St. Johns River Power Park System Second Revenue Bond Resolution” adopted on February 20, 2007 (the “Second Bond Resolution”), authorized the issuance of St. Johns River Power Park System Revenue Bonds, Issue Three (the “Issue Three Bonds”); and

WHEREAS, JEA deems it in its best interest that not exceeding \$80,000,000 principal amount of St. Johns River Power Park System Revenue Bonds, Issue Three, Series X (the “Issue Three Series X Bonds”) be authorized and sold in one or more Series for the purpose of paying a portion of the cost of refunding the Refunded Bonds (as defined herein); and

WHEREAS, current and anticipated conditions in the market for obligations such as the Issue Three Series X Bonds and the need for flexibility in timing the issuance of each Series of the Issue Three Series X Bonds make it necessary and in the best interest of JEA that the Issue Three Series X Bonds be sold on a negotiated basis, and that the Managing Director/CEO (as defined herein) be delegated the authority to determine certain matters in connection with the sale and issuance of each Series of the Issue Three Series X Bonds, in the manner provided, and subject to the limitations set forth, herein; and

WHEREAS, in order to fix the date, Paying Agent and Bond Registrar, form and certain other details of each Series of the Issue Three Series X Bonds, to designate each Series of the Issue Three Series X Bonds as an “Additionally Secured Series” as such term is defined in the Second Bond Resolution, and to delegate the authority to determine maturities, principal amounts, interest rates, Sinking Fund Installments, redemption provisions and certain other details of each Series of the Issue Three Series X Bonds, it is necessary that this resolution be adopted; and

WHEREAS, JEA may desire to enter into an Escrow Deposit Agreement with the Escrow Agent with respect to a particular Series of the Issue Three Series X Bonds to ensure that the procedure required for the paying and retiring of the Refunded Bonds will be followed.

NOW, THEREFORE, BE IT RESOLVED BY JEA AS FOLLOWS:

**ARTICLE I
DEFINITIONS AND AUTHORITY**

SECTION 1.01 **Definitions.** All terms used but not defined herein shall have the same meanings as specified in the Second Bond Resolution and as used in this resolution. In addition, the following terms shall have the meanings set forth below:

“Advance Refunding Bonds” shall mean Issue Three Series X Bonds of a particular Series, or a portion thereof, that are issued to refund Refunded Bonds that will be paid or redeemed more than 90 days after the Delivery Date.

“Authorized Officer of JEA” shall mean (1) the Chair, the Vice Chair, the Secretary and any Assistant Secretary of JEA, (2) the Managing Director/CEO, the Vice President and General Manager, Electric Systems, the Chief Financial Officer and the Treasurer of JEA (or any officer of JEA hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (3) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by JEA.

“Bond Purchase Agreement” shall have the meaning assigned to such term in Section 4.01 hereof.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement to be delivered by JEA in connection with the issuance of the Issue Three Series X Bonds of a particular Series, a form of which is attached as Appendix C to the Draft Preliminary Official Statement.

“Delivery Date” shall mean the Date of Issuance of a particular Series of the Issue Three Series X Bonds (however such Issue Three Series X Bonds are identified upon initial issuance and delivery pursuant to the certificate referred to in Section 2.03 hereof relating to the Issue Three Series X Bonds of such Series).

“Draft Preliminary Official Statement” shall have the meaning assigned to such term in Section 4.02 hereof.

“DTC” shall mean The Depository Trust Company.

“Escrow Account” shall mean (i) the account by that name created under the Escrow Deposit Agreement or (ii) the trust account by that name established by the Paying Agent for the purposes of Section 1201 of the Second Bond Resolution.

“Escrow Agent” shall mean the bank or trust company appointed as escrow agent under an Escrow Deposit Agreement, and its duly appointed successors, such appointment, with respect to a particular Series of the Issue Three Series X Bonds, to be made in the certificate referred to in Section 2.03 hereof relating to the Issue Three Series X Bonds of such Series.

“Escrow Deposit Agreement” shall mean the escrow deposit agreement between JEA and an Escrow Agent that may be entered into concurrently with the authentication and delivery of the Issue Three Series X Bonds of a particular Series.

“Initial Subaccount” shall mean the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d established pursuant to the Second Bond Resolution.

“Letter of Representations” shall mean the Blanket Issuer Letter of Representations, dated May 6, 2004, from JEA to DTC, providing for the issuance of certain obligations of JEA (including the Issue Three Series X Bonds) in book-entry form through the facilities of DTC.

“Managing Director/CEO” shall mean the Managing Director and Chief Executive Officer of JEA.

“Refunded Bonds” shall mean, for any particular Series of the Issue Three Series X Bonds, the Issue Three Bonds of the Series and maturities (and, if applicable, interest rates within maturities) and in the respective principal amounts to be refunded thereby, as identified by the Managing Director/CEO in the certificate described in Section 2.03 hereof relating to the Issue Three Series X Bonds of such Series.

“Rule” means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“Sale Date” with respect to a particular Series of the Issue Three Series X Bonds shall mean the date on which JEA enters into a Bond Purchase Agreement with respect to such Series of the Issue Three Series X Bonds.

“Underwriters” shall mean any or all of the investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA’s debt named in the Bond Purchase Agreement.

SECTION 1.02 **Authority for this Resolution.** This resolution is adopted pursuant to the provisions of the Acts and Articles II and X of the Second Bond Resolution and shall be and constitute a “Supplemental Resolution” within the meaning of the Second Bond Resolution.

ARTICLE II AUTHORIZATION OF ISSUE THREE SERIES X BONDS

SECTION 2.01 **Principal Amount Designation and Series.** Pursuant to the provisions of the Second Bond Resolution, one or more Series of Bonds entitled to the benefit, protection and security of the Second Bond Resolution are hereby authorized in the aggregate principal amount of not to exceed \$80,000,000; *provided*, that such Series of Bonds be sold pursuant to one or more Bond Purchase Agreements entered into no later than December 31, 2018. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “St. Johns River Power Park System Revenue Bonds, Issue Three, Series X”; *provided*, that the Managing Director/CEO may alter the designation for any Series as he deems appropriate to reflect the other Issue Three Bonds then previously issued by JEA or as he otherwise deems desirable. Such determination shall be set forth in the certificate referred to in Section 2.03 hereof relating to the Issue Three Series X Bonds of such Series. Notwithstanding any such alteration of the Series designation for the Issue Three Series X Bonds, references in this resolution to “Issue Three Series X Bonds” shall include all bonds issued pursuant to the authority contained in this Section 2.01. The actual aggregate principal amount of the Issue Three Series X Bonds of a particular series to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purposes for which the Issue Three Series X Bonds of such Series are being issued, such determination to be set forth in the certificate referred to in Section 2.03 hereof to be executed with respect to the Issue Three Series X Bonds of such Series. Notwithstanding any other

provision of the Second Bond Resolution or this resolution, each such particular Series of the Issue Three Series X Bonds shall be and be deemed to be a separate Series of Bonds for all purposes of the Second Bond Resolution, including (without limitation) for the purpose of determining satisfaction of the conditions to the issuance of the Issue Three Series X Bonds of such Series set forth in Article II of the Second Bond Resolution.

SECTION 2.02 **Purpose.** The Issue Three Series X Bonds shall be issued to provide a portion of the moneys necessary to refund the Refunded Bonds to be refunded thereby and paying the costs of issuance of the Issue Three Series X Bonds.

SECTION 2.03 **Maturities and Interest Rates; Certain Determinations with Respect to the Issue Three Series X Bonds.** The Issue Three Series X Bonds of each Series shall be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof shall be numbered from 1 upward, shall bear interest from their date (payable semiannually thereafter on April 1 and October 1 in each year, commencing on either of the April 1 or October 1 next following the Delivery Date of such Series of Issue Three Series X Bonds, as determined by the Managing Director/CEO) at such rates per annum and shall mature on October 1 in such years and amounts, all as shall be determined by the Managing Director/CEO in the manner hereinafter set forth.

On or prior to the Sale Date for a particular Series of the Issue Three Series X Bonds, as applicable, the Managing Director/CEO shall execute a certificate setting forth the following determinations and the Managing Director/CEO may rely on a certificate from JEA's financial advisor in order to confirm the savings determinations made in clause (f) below:

(a) the aggregate principal amount of the Issue Three Series X Bonds of such Series; *provided*, that, aggregate principal amount of all Issue Three Series X Bonds shall not exceed \$80,000,000;

(b) the number, if any, and any other designation and the Delivery Date for such Series of Issue Three Series X Bonds;

(c) the Refunded Bonds to be refunded through the issuance of the Issue Three Series X Bonds of such Series and the date or dates on which such Refunded Bonds are to be redeemed, which shall be such date or dates as the Managing Director/CEO determines to be the earliest date or dates on which such Refunded Bonds may be redeemed in light of the circumstances then existing; and the identity of the Escrow Agent, if any, for such Refunded Bonds and the Sinking Fund Installments, if any, to which the principal amount of the Refunded Bonds shall be credited;

(d) the principal amounts of the Issue Three Series X Bonds of such Series coming due on any particular date;

(e) the respective dates on which the Issue Three Series X Bonds of such Series shall mature and the principal amount of each such maturity; *provided, however*, (i) that the Issue Three Series X Bonds of each Series shall have a weighted average life no greater than the weighted average life of the Refunded Bonds refunded thereby, plus

one year and (ii) that the final maturity date of the Issue Three Series X Bonds shall be no later than October 1, 2037;

(f) the respective rate or rates of interest to be borne by the Issue Three Series X Bonds of such Series maturing on each such date; *provided, however*, that (1) other than with respect to Advance Refunding Bonds (A) for any Issue Three Series X Bonds maturing on the October 1 next following the Delivery Date of such Series of Issue Three Series X Bonds, such refunding shall result in positive net present value savings for such maturity; (B) for any Issue Three Series X Bonds maturing on an October 1 occurring at least one year and less than three years after the Delivery Date of such Series of Issue Three Series X Bonds, the present value savings shall not be less than 3.00 percent of the aggregate principal amount of such Refunded Bonds; (C) for any Issue Three Series X Bonds maturing on an October 1 occurring at least three years and less than nine years after the Delivery Date of such Series of Issue Three Series X Bonds, the present value savings shall not be less than 4.00 percent of the aggregate principal amount of such Refunded Bonds; (D) for any Issue Three Series X Bonds maturing after on or after the October 1 occurring at least nine years after the Delivery Date of such Series of Issue Three Series X Bonds, the present value savings shall not be less than 5.00 percent of the aggregate principal amount of such Refunded Bonds; or (E) in lieu of complying with the requirements of sub-clauses (A), (B), (C) and (D) above, the present value savings resulting from the issuance of such Issue Three Series X Bonds shall not be less than 5.00 percent of the aggregate principal amount of such Refunded Bonds; and (2) with respect to any Issue Three Series X Bonds that are Advance Refunding Bonds, the present value savings from the issuance of such Issue Three Series X Bonds shall be not less than 7.50 percent of the aggregate principal amount of the Refunded Bonds refunded thereby; *provided, further*, compliance with the foregoing requirements of this clause (f) shall be effected by dividing the issue into its constituent purposes (*i.e.*, refunding of the respective maturities described in subclauses 1(A) through (E) above and issuance of Advance Refunding Bonds) and allocating on a ratable basis (based on the respective issue prices for federal income tax purposes) costs of issuance, underwriting discount, any deposit to the Initial Subaccount and any other items to the purposes that gave rise to such expenses; *provided, however*, that if the Managing Director/CEO determines that some other allocation method will result in a more accurate determination of the present value savings attributable to such constituent purposes (which determination shall be confirmed by JEA's financial advisor), then such other allocation method shall be used in lieu of the foregoing method;

(g) the commencement date of interest payments on the Issue Three Series X Bonds of such Series, which shall be either of the April 1 or October 1 next following the Delivery Date of such Series of Issue Three Series X Bonds;

(h) if the Issue Three Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate are to be subject to redemption prior to maturity as provided in Article IV of the Second Bond Resolution by operation of the Debt Service Fund 2d from mandatory Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments; *provided, however*, that each Sinking Fund Installment due

date shall fall upon an October 1 interest payment date for the Issue Three Series X Bonds;

(i) if the Issue Three Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate are to be subject to optional redemption, the terms upon which such Issue Three Series X Bonds shall be subject to redemption at the election of JEA; *provided, however*, that the highest redemption price at which such Issue Three Series X Bonds may be so redeemed shall not be greater than 101 percent of the principal amount thereof, plus accrued interest to the date of redemption and the first such optional redemption date shall not be less than four years nor more than 10 years from the date of issuance;

(j) the purchase price for the Issue Three Series X Bonds of such Series to be paid by the Underwriters pursuant to the Bond Purchase Agreement; *provided, however*, that such purchase price shall result in compliance with the limitations set forth in this Section 2.03;

(k) the identity of the senior managing underwriter and co-senior managing underwriter, if applicable, for such Series of Issue Three Series X Bonds from any of the Underwriters; and

(l) the amount, if any, of the proceeds of the Issue Three Series X Bonds of such Series to be deposited in the Initial Subaccount, if any.

In the event that one or more Series of Issue Three Series X Bonds are issued on the same day as part of a common plan of finance for the same Bond financing, JEA may demonstrate compliance with the savings requirements set forth in clause (f) above by calculating such savings either on an aggregate basis (e.g., each Series of Issue Three Series X Bonds issued on the same day as part of the same Bond financing are combined into one Series and compliance with the savings criteria is measured using the combined Series) or on a Series by Series basis (e.g., each individual Series that is issued as part of the same Bond financing must satisfy the savings criteria independently of any other Series issued on the same day).

ARTICLE III

ADDITIONAL PROVISIONS RELATING TO ISSUE THREE SERIES X BONDS

SECTION 3.01 Minimum Denomination, Dates, Numbers and Letters. The Issue Three Series X Bonds of each Series shall be issued in fully registered form in the denominations of \$5,000 or any integral multiple of \$5,000. Each Issue Three Series X Bond shall be dated the date of its authentication, except that all Issue Three Series X Bonds issued prior to the first interest payment date shall be dated the applicable Delivery Date thereof. Unless an Authorized Officer of JEA shall otherwise direct, the Issue Three Series X Bonds of each Series shall be numbered, from one upward, preceded by the letter “R” prefixed to the number.

SECTION 3.02 Place of Payment; Appointment of Paying Agent and Bond Registrar. Except as provided in subsection 5 of Section 309 of the Second Bond Resolution

and subsection (3) of Section 3.04 hereof, the principal and Redemption Price of the Issue Three Series X Bonds shall be payable at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (or such other city as may be designated by such bank), and such institution is hereby appointed Paying Agent for the Issue Three Series X Bonds. The principal and Redemption Price of the Issue Three Series X Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Second Bond Resolution. Except as provided in subsection (3) of Section 3.04 of this resolution, the interest on the Issue Three Series X Bonds shall be payable by check or draft of U.S. Bank National Association, as Paying Agent, mailed to the persons entitled thereto at the addresses of such persons shown on the registration books of JEA kept for that purpose at the office of U.S. Bank National Association, and such institution is hereby appointed Bond Registrar for the Issue Three Series X Bonds.

SECTION 3.03 Designation of Issue Three Series X Bonds as an Additionally Secured Series. In accordance with the provisions of subsection 1 of Section 509 of the Second Bond Resolution, the Issue Three Series X Bonds shall be additionally secured by amounts on deposit in the Initial Subaccount and, as such, shall be Initial Subaccount Additionally Secured Bonds.

SECTION 3.04 Designation of the Issue Three Series X Bonds as Book Entry Bonds; Appointment of Securities Depository for the Issue Three Series X Bonds.

(1) Except as provided in subsection (4) below, the Issue Three Series X Bonds are hereby authorized to be and shall be issued as Book Entry Bonds within the meaning of and subject to Section 309 of the Second Bond Resolution.

(2) DTC is hereby appointed as the initial Securities Depository for the Issue Three Series X Bonds.

(3) The Issue Three Series X Bonds of each Series shall be issued initially in the form of a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of such Series. So long as DTC serves as Securities Depository for a particular Series of the Issue Three Series X Bonds, the registered holder of all Issue Three Series X Bonds of such Series shall be, and each of the Issue Three Series X Bonds of such Series shall be registered in the name of Cede & Co. (“Cede”), as nominee of DTC. Upon delivery by DTC to JEA or the Bond Registrar for the Issue Three Series X Bonds of such Series of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Second Bond Resolution, the word “Cede” in this resolution shall refer to such new nominee of DTC. Notwithstanding any other provisions of the Second Bond Resolution or this resolution to the contrary, so long as any Issue Three Series X Bond of a particular series is registered in the name of Cede, as nominee of DTC in its capacity as Securities Depository for the Issue Three Series X Bonds of such Series, all payments with respect to the principal or Redemption Price of, and interest on, such Issue Three Series X Bond of such Series and all notices with respect to such Issue Three Series X Bond of such Series shall be made or given, as the case may be, to DTC as provided in DTC’s Operational Arrangements (as defined in the Letter of Representations); *provided, however*, that if a substitute securities depository shall be appointed, all payments with respect to the principal or Redemption Price of, and interest on, the Issue Three Series X Bonds

of such Series and all notices with respect to the Issue Three Series X Bonds of such Series shall be made and given, respectively, to such substitute securities depository (or any nominee thereof) as provided in the procedures of such substitute securities depository.

(4) (a) DTC may determine to discontinue providing its services as Securities Depository for a particular Series of the Issue Three Series X Bonds at any time by giving reasonable notice thereof to JEA or the Paying Agent and the Bond Registrar for the Issue Three Series X Bonds of such Series. Upon the discontinuance of the services of DTC as Securities Depository for the Issue Three Series X Bonds of such Series pursuant to the preceding sentence, JEA may within 90 days thereafter appoint a substitute securities depository which, in the opinion of JEA, is willing and able to undertake the functions of Securities Depository under the Second Bond Resolution upon reasonable and customary terms. In such event, and subject to the transfer provisions of the Second Bond Resolution, the word “DTC” in this resolution shall refer to such substitute securities depository and the word “Cede” in this resolution shall refer to the nominee, if any, of such substitute securities depository (or, if there shall be no such nominee, then the word “Cede” in this resolution shall refer to such substitute securities depository). If no such successor can be found within such period, the Issue Three Series X Bonds of such Series no longer shall be restricted to being registered in the registration books kept by the Bond Registrar for the Issue Three Series X Bonds of such Series in the name of a Securities Depository.

(b) In the event that the Issue Three Series X Bonds of a Series no longer shall be restricted to being registered in the registration books kept by the Bond Registrar for the Issue Three Series X Bonds of such Series in the name of a Securities Depository as provided in paragraph (a) of this subsection (4), (i) JEA shall execute and such Bond Registrar for the Issue Three Series X Bonds of such Series shall authenticate and deliver, upon presentation and surrender of the Issue Three Series X Bonds of such Series bond certificates as requested by the Securities Depository therefor of like Series, aggregate principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners’ beneficial ownership interests in the Issue Three Series X Bonds of such Series, and (ii) such Bond Registrar shall notify the Paying Agents for the Issue Three Series X Bonds of such Series that the Issue Three Series X Bonds of such Series no longer are restricted to being registered in the registration books kept by such Bond Registrar in the name of a Securities Depository.

SECTION 3.05 Redemption Prices and Terms. (1) If the Managing Director/CEO determines that the Issue Three Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate shall be subject to redemption prior to maturity as provided in Article IV of the Second Bond Resolution by operation of the Debt Service Fund 2d to satisfy the Sinking Fund Installments, and such determination is set forth in the certificate referred to in Section 2.03 hereof relating to such Series of the Issue Three Series X Bonds, then the Issue Three Series X Bonds of such Series maturing on such date and bearing interest at such rate shall be subject to redemption prior to maturity as provided in Article IV of the Second Bond Resolution, on the respective dates and in the respective amounts set forth in such certificate, in each such case, at a Redemption Price equal to 100 percent of the principal amount thereof, together with accrued interest to the redemption date.

(2) If the Managing Director/CEO determines that the Issue Three Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate shall be subject to optional redemption, such Issue Three Series X Bonds shall be subject to redemption prior to maturity at the election of JEA, as a whole or in part, at any time on and after the initial date on which such Issue Three Series X Bonds may be so redeemed set forth in the certificate referred to in Section 2.03 hereof relating to such Series of the Issue Three Series X Bonds, in either such case, at the respective Redemption Prices set forth in such certificate, in each case, together with accrued interest to the redemption date.

SECTION 3.06 **Application of Proceeds of Issue Three Series X Bonds.** In accordance with Article II of the Second Bond Resolution, the proceeds of the Issue Three Series X Bonds of such Series shall be applied simultaneously with the delivery of such Series of the Issue Three Series X Bonds as follows:

(a) There shall be delivered to the Escrow Agent or the Paying Agent, as applicable, simultaneously with the delivery of the Issue Three Series X Bonds of each Series, for deposit in the Escrow Account, an amount determined by an Authorized Officer of JEA as being equal to the amount necessary, when combined with the moneys, if any, transferred to the Escrow Account as provided in Section 3.07 hereof, to purchase such securities as are permitted by Section 1201 of the Second Bond Resolution, the principal of and interest to be received on which, together with any initial cash balance, will provide moneys which will be, or if such amount is to be held uninvested, the amount which will be sufficient to pay when due the principal or Redemption Price, as applicable, of the Refunded Bonds being refunded thereby on the respective maturity dates of such Refunded Bonds or the respective dates such Refunded Bonds are to be called for redemption, as applicable, and the interest to become due on such Refunded Bonds on and prior to such respective maturity or redemption dates, as the case may be;

(b) There shall be deposited in the Initial Subaccount an amount equal to the difference, if any, between (i) the Debt Service Reserve Requirement for the Initial Subaccount calculated immediately after the authentication and delivery of the Issue Three Series X Bonds of such Series and (ii) the sum of the amounts then on deposit in the Initial Subaccount, valued as provided in Section 604 of the Second Bond Resolution; and

(c) The remaining balance of the proceeds shall be deposited in the Construction Fund 2d in order to pay (i) the costs and expenses of issuing the Issue Three Series X Bonds of such Series and (ii) if the Issue Three Series X Bonds of such Series are being issued to refund any Refunded Bonds that are not being defeased within the meaning of Section 1201 of the Second Bond Resolution, the principal of or Redemption Price, as applicable, of such Refunded Bonds when due.

SECTION 3.07 **Transfer of Certain Amounts.** (a) Subject to the provisions of subsection 5 of Section 507 of the Second Bond Resolution, simultaneously with the delivery of each Series of the Issue Three Series X Bonds, there shall be transferred from the Debt Service Account in the Debt Service Fund 2d to the Escrow Agent or Paying Agent, as applicable, for deposit in the Escrow Account, moneys in an amount determined by an Authorized Officer of

JEA as not being greater than the Debt Service accrued on the Refunded Bonds being refunded thereby to the date of delivery of such Issue Three Series X Bonds. Such withdrawal shall, however, not be made if and to the extent that the effect thereof would cause the amount remaining on deposit in the Debt Service Account to be less than the Accrued Aggregate Debt Service calculated immediately after the issuance of such Issue Three Series X Bonds.

(b) Subject to the provisions of subsection 5 of Section 508 of the Second Bond Resolution, simultaneously with the delivery of each Series of the Issue Three Series X Bonds, there shall be withdrawn from the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d for transfer to the Escrow Agent or Paying Agent, as applicable, for deposit in the Escrow Account, moneys in an amount determined by an Authorized Officer of JEA. Such withdrawal shall, however, not be made if and to the extent that the effect thereof would cause the amount remaining on deposit in Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund to be less than the Debt Service Reserve Requirement calculated immediately after the issuance of such Issue Three Series X Bonds.

SECTION 3.08 **Authorization of Refunding.** There is hereby authorized the refunding of the Refunded Bonds in the manner provided herein.

SECTION 3.09 **Redemption of Refunded Bonds.** (1) In the case of any Refunded Bonds to be refunded by a Series of the Issue Three Series X Bonds that are to be redeemed prior to maturity, such Refunded Bonds are hereby designated for redemption and the Escrow Agent (if any) or the respective Paying Agents therefor, as applicable, are hereby directed to redeem such Refunded Bonds on the respective dates determined by the Managing Director/CEO pursuant to clause (b) of the second paragraph of Section 2.03 hereof at a Redemption Price equal to the principal amount of the Refunded Bonds to be redeemed plus the redemption premium(s) for the applicable redemption date(s) (in each case, together with accrued interest thereon to the date fixed for redemption).

(2) The designation for redemption set forth in the foregoing subsection (1), and the direction to the Escrow Agent (if any) or the respective Paying Agents for the Refunded Bonds, as applicable, set forth therein, shall be, and hereby are declared to be, irrevocable upon the original issuance of the applicable Series of the Issue Three Series X Bonds.

(3) In order to effectuate such designation, on or prior to the applicable Delivery Date, an Authorized Officer of JEA shall give the Escrow Agent or the Bond Registrar, as applicable, for any Refunded Bonds to be redeemed prior to maturity instructions to mail, postage prepaid, not less than 30 days (or such lesser number of days as is permitted pursuant to the applicable supplemental resolution(s) for the Refunded Bonds) prior to the redemption date therefor, to all registered owners of such Refunded Bonds at their last addresses appearing on the registry books of JEA kept by the Bond Registrar therefor, a notice of redemption in substantially the following form:

[REVOCABLE]¹ NOTICE OF [FULL] [PARTIAL] REDEMPTION

JEA

**ST. JOHNS RIVER POWER PARK SYSTEM REVENUE BONDS, ISSUE THREE
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding JEA St. Johns River Power Park System Revenue Bonds, Issue Three described below (the "Bonds") that the Bonds have been called for redemption prior to maturity on _____, 20__ in accordance with their terms at a redemption price of _____ percent of the principal amount thereof [, together with accrued interest thereon to _____, 20__]. **[The source of funds to be used for such redemption is certain moneys heretofore deposited with [_____, as Escrow Agent.][_____, as Paying Agent.]**

<u>Series</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Interest Rate</u> _____%	<u>Principal Amount</u> \$____	<u>CUSIP</u>
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[THIS CALL FOR, REDEMPTION IS REVOCABLE AND IS CONDITIONED UPON THE ISSUANCE BY JEA OF ITS REFUNDING BONDS ON OR PRIOR TO _____, 20__. In the event that JEA's refunding bonds are not issued on or prior to _____, 20__, this notice shall be of no further force or effect and the Bonds shall continue to bear interest until paid at the same rates they would have borne had this notice not been given. If JEA's refunding bonds are not issued on or prior to _____, 20__, the undersigned, on behalf of JEA, shall give notice forthwith of such fact to the holders of the Bonds, and this notice shall thereupon be revoked and shall be of no further force and effect.]

[Subject to the foregoing, t] [T]he redemption price of [and accrued interest on] the Bonds shall become due and payable on _____, 20__ and from and after _____, 20__ interest on the Bonds shall cease to accrue and be payable. [Interest will be paid in the usual manner.]

Holders of the Bonds will receive payment of the redemption price [and accrued interest] to which they are entitled upon presentation and surrender thereof at the principal corporate trust offices of [specify names of current Paying Agents].

Dated this ___ day of _____, 20__.

JEA

By: _____
as [Escrow Agent/ Bond Registrar]

¹ To be included in any redemption notice given prior to the Delivery Date of the Issue Three Series X Bonds of the Series issued to refund such Refunded Bonds.

SECTION 3.10 Tax Covenants. (1) JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Issue Three Series X Bonds of such Series under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate, to be executed and delivered on the Date of Issuance of any Series of the Issue Three Series X Bonds concerning certain matters pertaining to the use of proceeds of the Issue Three Series X Bonds of such Series, including any and all exhibits attached thereto (the “Tax Certificate”). This covenant shall survive payment in full or defeasance of the Issue Three Series X Bonds.

(2) Notwithstanding any provisions of this Section, if JEA shall obtain a Counsel’s Opinion that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on any Series of the Issue Three Series X Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

(3) Notwithstanding any other provision of the Second Bond Resolution to the contrary, (a) upon JEA’s failure to observe or refusal to comply with the above covenants with respect to any Series of the Issue Three Series X Bonds, the Holders of the Issue Three Series X Bonds of such Series shall be entitled to the rights and remedies provided to Holders of Bonds under the Second Bond Resolution, other than the right (which is hereby abrogated solely in regard to JEA’s failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Issue Three Series X Bonds of such Series then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of any Issue Three Bonds other than the Issue Three Series X Bonds of such Series shall not be entitled to exercise any right or remedy provided to Holders under the Second Bond Resolution based upon JEA’s failure to observe, or refusal to comply with, the above covenants with respect to Issue Three Series X Bonds of such Series.

SECTION 3.11 Representations and Covenants Regarding the Pledge of the Second Bond Resolution. JEA represents that, pursuant to the Acts, the Second Bond Resolution creates a valid, binding and irrevocable pledge of (a) the proceeds of the sale of the Issue Three Series X Bonds of each particular Series, (b) the Revenues and (c) all Funds and Accounts established by the Second Bond Resolution (other than the Debt Service Reserve Account in the Debt Service Fund 2d and the Renewal and Replacement Fund 2d), including the investments and investment income, if any, thereof (collectively, the “Trust Estate”), in each such case, prior to all other liens or encumbrances on the Trust Estate, subject only to the provisions of the Second Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Second Bond Resolution, for the benefit of the Holders of the Bonds, including the Issue Three Series X Bonds, as security for the payment of the Bonds, including the Issue Three Series X Bonds, to the extent set forth therein, enforceable in accordance with the terms thereof.

JEA has not heretofore made or granted a pledge or assignment of, lien on or security interest in the Trust Estate that ranks on a parity with or prior to the pledge made or granted in the Second Bond Resolution. JEA shall not hereafter make or grant a pledge or assignment of, lien on or security interest in the Trust Estate that ranks prior to or on a parity with the pledge made or granted in the Second Bond Resolution, except as expressly permitted thereby.

SECTION 3.12 **Form of Bonds.** The form of the Issue Three Series X Bonds and the Bond Registrar's Certificate of Authentication thereon shall be substantially as set forth as Exhibit A hereto, with such variations, omissions and insertions, not inconsistent with the provisions of the Second Bond Resolution, as shall be approved by the Managing Director/CEO, such approval to be conclusively evidenced by his execution of the instruments necessary to issue the Issue Three Series X Bonds.

ARTICLE IV
SALE OF THE ISSUE THREE SERIES X BONDS; OFFICIAL STATEMENT;
ESCROW DEPOSIT AGREEMENT; CONTINUING DISCLOSURE

SECTION 4.01 **Negotiated Sale.** For the reasons stated in the recitals to this resolution, it is necessary and in the best interests of JEA to sell the Issue Three Series X Bonds of each Series on a negotiated basis. The terms and conditions of the bond purchase agreement between JEA and the Underwriters, providing for the negotiated sale and purchase of the Issue Three Series X Bonds of a particular Series, in substantially the form attached hereto as Exhibit B (the "Bond Purchase Agreement"), are hereby approved. At such time or times as the Managing Director/CEO shall determine is (or are) advantageous to JEA, such officer shall execute and deliver the Bond Purchase Agreement (with such changes as are necessary to reflect, among other things, the terms of the Issue Three Series X Bonds of the particular Series) as provided in Section 5.01 hereof, such determination to be evidenced by the execution and delivery thereof; *provided, however*, that at or prior to the time of the execution and delivery of the Bond Purchase Agreement, JEA shall have received from the senior managing underwriter(s) the disclosure statement required pursuant to Section 218.385(6), Florida Statutes. The purchase price of the Issue Three Series X Bonds to be paid by the Underwriters pursuant to the applicable Bond Purchase Agreement shall be determined as provided in Section 2.03 of this resolution, subject to the limitations set forth therein.

SECTION 4.02 **Preliminary Official Statement and Official Statement.** The form and use of a preliminary official statement for the Issue Three Series X Bonds, in substantially the form attached hereto as Exhibit C (the "Draft Preliminary Official Statement"), is hereby authorized and approved in connection with the offering and sale of the Issue Three Series X Bonds of each Series.

In the event that the Managing Director/CEO shall determine that it is desirable to issue and sell the Issue Three Series X Bonds of one or more Series as provided in Section 4.01 or Section 4.02 hereof, the Managing Director/CEO is hereby authorized and directed to cause to be prepared a Preliminary Official Statement with respect to such bonds substantially in the form of the Draft Preliminary Official Statement and with such changes thereto as are necessary (a) to reflect, among other things, the terms of such Issue Three Series X Bonds and the security and sources of payment therefor and (b) so that such Preliminary Official Statement will not contain

any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, and, in such case, to cause such Preliminary Official Statement to be used in connection with the offering and sale of such Issue Three Series X Bonds and, if applicable, the Treasurer of JEA, the Chief Financial Officer or the Managing Director/CEO is hereby authorized to deem said Preliminary Official Statement final for purposes of the Rule. In the event that the Managing Director/CEO shall cause to be prepared a Preliminary Official Statement for such Issue Three Series X Bonds as aforesaid, an Official Statement relating to such Issue Three Series X Bonds, in substantially the form of said Preliminary Official Statement, with such changes as are necessary (a) to reflect, among other things, the terms of such Issue Three Series X Bonds and the security and sources of payment therefor and (b) so that such Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of such Issue Three Series X Bonds.

SECTION 4.03 Appointment of the Escrow Agent and Authorization and Approval of the Escrow Deposit Agreement; Authorization to Purchase SLGS and Other Investments. The Managing Director/CEO is hereby authorized to appoint U.S. Bank National Association, The Bank of New York Mellon Trust Company, N.A. or any other bank or trust company selected pursuant to JEA's procurement code to act as Escrow Agent with respect to a particular Series of the Issue Three Series X Bonds. An Escrow Deposit Agreement is hereby approved in substantially the form attached hereto as Exhibit D, with such changes thereto as are necessary to reflect, among other things, the terms of the relevant transaction. Pursuant to the Escrow Deposit Agreement, the Escrow Agent shall be directed to invest the funds held thereunder in the manner provided therein.

In connection with the refunding of the Refunded Bonds as provided herein, each Authorized Officer of JEA is hereby authorized, if deemed desirable, to cause proceeds of the Issue Three Series X Bonds and other available amounts, and earnings thereon, to be invested in United States Treasury Securities - State and Local Government Series ("SLGS") or other obligations permitted to be used to accomplish the defeasance of such Refunded Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as any Authorized Officer of JEA shall determine is necessary or desirable; and each such Authorized Officer of JEA and, upon receipt of instructions from an Authorized Officer of JEA, any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of JEA to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

SECTION 4.04 Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Issue Three Series X Bonds of a particular Series, JEA agrees, as an obligated person with respect to the Issue Three Series X Bonds of such Series under the Rule, to provide or cause to be provided such financial information and operating data, audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5) of the Rule. In order to describe and specify certain terms of JEA's continuing

disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Authorized Officers of JEA are, and each of them hereby is, authorized and directed to sign and deliver, in the name and on behalf of JEA, a Continuing Disclosure Agreement with respect to the Issue Three Series X Bonds of such Series substantially in the form of Appendix C to the Draft Preliminary Official Statement, with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to JEA and that are approved by the officer of JEA executing the same on behalf of JEA, all of which shall be conclusively evidenced by the signing of that agreement or amendments to it. The agreement formed, collectively, by this paragraph and that agreement, shall be JEA's continuing disclosure agreement with respect to the Issue Three Series X Bonds of such Series for purposes of the Rule, and its performance shall be subject to the annual appropriation of any funds that may be necessary to perform it.

The Authorized Officers of JEA are, and each of them hereby is, further authorized and directed to take such actions as shall be necessary to comply with each such continuing disclosure agreement, including timely provision of information and notices. Prior to making any filing in accordance with any such agreement or providing notice of the occurrence of any other events, an Authorized Officer of JEA shall consult with and obtain legal advice from, as appropriate, the General Counsel and bond or other qualified independent special counsel selected by JEA. Any Authorized Officer of JEA, acting in the name and on behalf of JEA, shall be entitled to rely upon any such legal advice in determining whether a filing should be made.

ARTICLE V OTHER PROVISIONS

SECTION 5.01 Authorization of the Execution and Delivery of Any Series of Issue Three Series X Bonds and Related Documents; Authorization of Authentication. The Authorized Officers of JEA are hereby authorized to execute the Issue Three Series X Bonds of any Series, the Bond Purchase Agreements, the Escrow Deposit Agreements, if any, the Continuing Disclosure Agreements, and the Official Statements on behalf of JEA, each subject to completion thereof, and with such changes therein as they may approve as necessary and desirable and in the best interest of JEA, such approval to be evidenced by the execution and delivery thereof; *provided, however*, that the Issue Three Series X Bonds of each Series shall be executed and delivered pursuant to the Second Bond Resolution and applicable law. The Secretary or an Assistant Secretary of JEA is hereby authorized (but not required) to cause the seal of JEA to be affixed to the Issue Three Series X Bonds of each Series and the foregoing documents and to attest the same. Such Authorized Officers of JEA are each hereby authorized to deliver such Bonds and documents on behalf of JEA.

In the event that the Managing Director/CEO shall determine that it is desirable to sell and issue the Issue Three Series X Bonds of a particular Series as provided in this resolution, U.S. Bank National Association, as Bond Registrar for the Issue Three Series X Bonds, is hereby requested and authorized to authenticate and deliver the Issue Three Series X Bonds of such Series in the aggregate principal amount for such Series determined as provided in this resolution, to or upon the order of the Underwriters, upon payment to JEA of the sum to be specified in the Bond Purchase Agreement with respect to such Issue Three Series X Bonds and pursuant to the terms of the Second Bond Resolution and such Bond Purchase Agreement.

SECTION 5.02 **Further Actions.** Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all administrative acts and things as may be necessary or desirable in connection with the adoption of this resolution and the approval, execution and delivery of the Bond Purchase Agreements, the Escrow Deposit Agreements, if any, and the Continuing Disclosure Agreements, the carrying out of the terms of the Second Bond Resolution and this resolution; the issuance, sale, execution and delivery of the Issue Three Series X Bonds of each Series; and the use of the Preliminary Official Statements and the Official Statements. Without limiting the generality of the foregoing, the Managing Director/CEO is hereby authorized to execute the certificates referred to in Section 2.03 of this resolution, in order to evidence the determinations referred to in Sections 2.01, 4.01 and 4.02 hereof. In the absence of the Managing Director/CEO of JEA for any reason, the authority granted to him in this resolution is hereby delegated to the Vice President and General Manager, Electric Systems of JEA, the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

SECTION 5.03 **Approval with Respect to Registration or Qualification of the Issue Three Series X Bonds Under the Blue Sky or Securities Laws of Various States.** The Authorized Officers of JEA shall be, and hereby are, authorized in the name and on behalf of JEA, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the Issue Three Series X Bonds of a Series for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 5.04 **Severability.** If any one or more provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

ARTICLE VI
REPEAL OF RESOLUTION NO. 2014-12

SECTION 6.01 **Repeal of Resolution No. 2014-12.** Resolution No. 2014-12 adopted by JEA on December 16, 2014 and the authorization of the issuance of St. Johns River Power Park System Revenue Bonds, Issue Three, Series X thereunder are hereby superseded by this Resolution and said Resolution No. 2014-12 is hereby repealed.

[Remainder of page intentionally left blank]

**ARTICLE VII
EFFECTIVE DATE**

SECTION 7.01
immediately upon its adoption.

Effective Date. This resolution shall take effect

ADOPTED THIS 20TH DAY OF DECEMBER, 2016.



JEA

By: _____
Name:
Title:

ATTEST:

Secretary

Approved as to Form:

By: _____
Office of General Counsel

EXHIBIT A

FORM OF BONDS

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT C

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT D

FORM OF ESCROW DEPOSIT AGREEMENT

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, (A) THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF AND (B) A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

No. R-[]

\$000,000,000

UNITED STATES OF AMERICA
STATE OF FLORIDA
JEA
ST. JOHNS RIVER POWER PARK SYSTEM REVENUE BONDS
ISSUE THREE, SERIES X

<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
[]%	October 1, 20[]	[], 20[]	46613Q[]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: [] DOLLARS

JEA, a body politic and corporate and an independent agency of the City of Jacksonville, Florida (the "City"), acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner or registered assigns set forth above on the Maturity Date set forth above, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (such bank and any successors thereto being herein called the "Paying Agent"), the Principal Sum set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay

to the Registered Owner hereof interest on such Principal Sum in like coin or currency, from the date hereof until JEA's obligation with respect to the payment of such Principal Sum shall be discharged, at the rate of interest per annum set forth above, payable on the first days of April and October in each year, commencing [April/October] 1, 20[____]. Interest payments shall be made by check or draft of the Paying Agent, mailed to the person in whose name this bond is registered at such person's address as it appears on the registration books maintained by U.S. Bank National Association (the "Bond Registrar") on behalf of JEA at the close of business on the 15th day of the month (whether or not a business day) next preceding the applicable interest payment date (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date, unless JEA shall default in the payment of interest due on such interest payment date. In the event of any such default in the payment of interest, such defaulted interest shall be payable to the person in whose name this bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Bond Registrar on behalf of JEA to the registered owner (as of the fifth calendar day preceding such mailing) of this bond not less than 15 calendar days preceding such special record date. However, so long as this bond and the issue of which it is one are held in book entry form pursuant to the Resolution (hereinafter referred to), the provisions of the Resolution governing such book entry form shall govern repayment of the principal or redemption price of, and interest on, such bonds.

This bond is one of a duly authorized issue of bonds of JEA designated "St. Johns River Power Park System Revenue Bonds, Issue Three" (hereinafter called the "Issue Three Bonds"), and is part of the Series of such Issue Three Bonds in the principal amount of \$[_____] designated as "Issue Three, Series X" (the "Series X Bonds"). This bond is issued under and in full compliance with the Constitution and laws of the State of Florida, and particularly Chapter 80-513, Laws of Florida, and Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof (the "Acts"), and under and pursuant to a resolution of JEA adopted by the Governing Body of JEA on February 20, 2007, entitled "St. Johns River Power Park System Second Revenue Bond Resolution" and approved by Ordinance 2006-793-E of the Council of the City enacted on September 26, 2006 and Ordinance No. 2009-11-E of the Council of the City enacted on February 10, 2009 and Resolution No. 2016-25 of JEA adopted on December 20, 2016, supplemental to the Resolution, authorizing the Series X Bonds ("Resolution No. 2016-25") (said Resolution as supplemented and amended being herein collectively called the "Resolution").

The Series X Bonds are being issued (a) to provide a portion of the moneys necessary to refund \$[_____] aggregate principal amount of certain of JEA's St. Johns River Power Park System Revenue Bonds, Issue Three (the "Refunded Bonds"), previously issued to finance JEA's 80 percent undivided ownership interest in the St. Johns River Power Park (the "Power Park"), a coal- and pet coke-fired, steam electric generating station currently rated at 1,276 MW, net, located in the northeast section of the City that is jointly-owned by JEA and Florida Power & Light Company ("FPL") and (b) to pay the costs of issuance of the Bonds.

As provided in the Resolution, the Series X Bonds and all other bonds issued under the Resolution on a parity with the Issue Three Bonds (herein collectively called the "bonds") are direct and special obligations of JEA payable solely from and secured as to payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by (a) the proceeds of the sale of the bonds, (b) the Revenues (as defined in the Resolution), and (c) all funds and accounts established by the Resolution (other than the Debt Service Reserve Account in the Debt Service Fund 2d and the Renewal and Replacement Fund 2d (as defined in the Resolution)) including the investments and investment income, if any, thereof, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Copies of the Resolution are on file at the office of JEA and at the above-mentioned office of the Bond Registrar, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof

and to the Acts is made for a description of the security interest, pledge and covenants securing the bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the bonds with respect thereto, the terms and conditions upon which the bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and all covenants, agreements and obligations of JEA under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if moneys or certain specified securities shall have been deposited with the Bond Registrar, and for the other terms and provisions thereof.

The Series X Bonds maturing on or prior to October 1, 20[___] are not subject to redemption. The Series X Bonds maturing on October 1, 20[___] will be redeemable at the election of JEA on and after October 1, 20[___], at any time, as a whole or in part, at the redemption price of 100 percent of the principal amount of the Series X Bonds so to be redeemed, together with accrued interest to the redemption date. The Series X Bonds maturing on October 1, 20[___] at an interest rate of [_____] % will be redeemable at the election of JEA on and after October 1, 20[___], at any time, as a whole or in part, at the redemption price of 100 percent of the principal amount of the Series X Bonds so to be redeemed, together with accrued interest to the redemption date.

The Series X Bonds maturing on October 1, 20[___], as set forth in the table below, are subject to mandatory redemption by lot prior to maturity on October 1 in the years and amounts shown below at par (plus accrued interest to the redemption date) from Sinking Fund Installments required to be paid in such years and amounts:

Series X Bonds	
Maturing on October 1, 20[___]	
<u>Year</u>	<u>Principal Amount</u>
	\$

*

* Final Maturity.

Such Sinking Fund Installments shall be applied to the redemption of the applicable Series X Bonds on October 1 of each of the applicable years set forth above, and may also be so applied on the immediately preceding April 1.

The Resolution requires JEA to mail a notice of any redemption of the Series X Bonds by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date to the Holders of any Series X Bonds or portions thereof which are to be redeemed, at their last address, if any, appearing upon the registry books but failure to do will not affect the validity of the proceedings for the redemption of any other Bonds. The notice will provide that it can be revoked in accordance with its terms.

As provided in the Resolution, bonds may be issued from time to time pursuant to supplemental resolutions in one or more issues, and in one or more Series of an issue, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by JEA, with the written consent of the holders of not less than a majority in principal amount of the bonds affected by such modification or amendment then outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any bonds of any specified like Series and maturity remain outstanding, the consent of the holders of such bonds shall not be required and such bonds shall not be deemed to be outstanding for the purpose of any calculation of outstanding bonds pursuant to the Resolution. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the holder of such bond, or shall reduce the percentages or otherwise affect the classes of bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Bond Registrar or of any Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Resolution, only upon the books of JEA kept for that purpose at the above-mentioned office of the Bond Registrar by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney, and thereupon a new bond or bonds, of the same issue, Series and maturity, and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. JEA, the Bond Registrar and any Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Series X Bonds are issuable in the form of fully registered bonds without coupons. Subject to the conditions and upon the payment of the charges provided in the Resolution, the registered owner of any bond or bonds may surrender the same (together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of bonds of the same issue, Series and maturity of any other authorized denominations.

The principal or redemption price of, and interest on, the Series X Bonds are payable solely from the Revenues (as defined in the Resolution) and other funds pledged therefor under the Resolution and neither the State of Florida nor any political subdivision thereof, other than JEA, is obligated to pay the principal or redemption price of, or interest on, this bond and the issue of which it is one and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision thereof is pledged to the payment of the principal or redemption price of, or interest on, this bond or the issue of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the issue of bonds of which this is one, together with all other indebtedness of JEA, complies in all respects with the applicable laws of the State of Florida.

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar of the Bond Registrar's Certificate of Authentication hereon.

IN WITNESS WHEREOF, JEA has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chair, and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary, and this bond to be dated [_____], 20[___].

JEA



By: _____
Chair

ATTEST:

Secretary

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds delivered pursuant to the within mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By: _____
Authorized Signatory

Date of Authentication: [_____], 20[___]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

[PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

the within bond and does hereby irrevocably constitute and appoint the Registrar as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed: _____

Registered Owner: _____

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guaranty program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program (MSP), a member firm of the New York Stock Exchange or a commercial bank or a trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name or names of the Transferee(s), unless the signature(s) to this assignment correspond(s) with the name or names as it/they appear(s) upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification. Numbers of the Transferee(s) is/are supplied.

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	as tenants in common	UNIF GIF MIN ACT _____ (Cust.)
-		
TEN ENT	as tenants by the entireties	Custodian for _____ (Minor)
-		
JT TEN	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gifts to Minors Act of _____ (State)

Additional abbreviations may also be used although not listed above.

BOND PURCHASE AGREEMENT

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida 32202

Re: \$000,000,000 JEA St. Johns River Power Park Revenue Bonds, Issue Three,
Series X

Ladies and Gentlemen:

The Underwriters (as defined below) jointly and severally hereby propose to purchase all (but not less than all) of the Bonds (as defined below) from JEA, a public body corporate and politic organized and existing under the laws of the State of Florida, and to make a public offering of the Bonds subject to the acceptance of this proposal by JEA on or before 5:00 p.m. local time then prevailing in Jacksonville, Florida, on _____, 20__, and subject to the following provisions:

Section 1. Definitions. The following terms shall have the following meanings in this Agreement unless another meaning is plainly intended:

“Series X Bonds” means JEA’s St. Johns River Power Park Revenue Bonds, Issue Three, Series X in the aggregate principal amount of \$000,000,000, with maturities, amounts, interest rates and yields set out in Annex A hereto and as further described in the Final Official Statement.

“Accountants” means Ernst & Young LLP, independent certified public accountants.

“Agreed Upon Procedures Letter” means the letter from the Accountants to the governing body of JEA and the Representative in a form acceptable to JEA and the Representative and with the procedures described therein to be applied at least through _____, 20__, the date of the last meeting of the Board of JEA prior to the Closing.

“Agreement” means this Bond Purchase Agreement between the Representative, acting on behalf of the Underwriters and JEA.

“Annual Report” means the document entitled “Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2015” of JEA dated as of April 19, 2016 [or any later version] included by reference in the Official Statements to the extent described under the caption “INTRODUCTION – Inclusion of Information” therein.

“Bond Counsel” means _____, _____, _____.

“Bond Registrar” means _____ or its corporate successor, in its capacity as Bond Registrar and Paying Agent for the Bonds under the Resolution.

“Bonds” means, the Series X Bonds.

“City” means the City of Jacksonville, Florida.

“Closing” refers to the transaction at which the Bonds are delivered by JEA to or on behalf of the Underwriters, and paid for by the Underwriters, pursuant to this Agreement.

“Closing Date” means the date specified in Section 7 hereof, or such other date as is mutually agreeable to the Representative and JEA pursuant to Section 7 hereto.

“Closing Documents” means the documents described in Section 8 hereof and required to be delivered to the Underwriters at the Closing.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Continuing Disclosure Agreement” means the agreement of JEA to be dated the Closing Date in substantially the form set forth in Appendix C to the Preliminary Official Statement, which JEA hereby agrees to provide to assist the Underwriters in complying with Rule 15c2-12.

“DTC” means The Depository Trust Company.

“Electric System Resolution” means the resolution of JEA adopted on March 30, 1982, as supplemented, amended and restated authorizing the issuance of bonds to finance improvements to the Electric System (as defined in the Preliminary Official Statement), particularly as supplemented by Resolution No. 2016-21 adopted on December 20, 2016.

“Escrow Agent” means _____.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement, to be delivered in connection with the issuance of the Bonds, between JEA and the Escrow Agent relating to the refunding of the Refunded Bonds.

“Final Official Statement” means the final Official Statement of JEA relating to the Bonds, substantially in the form of the Preliminary Official Statement, with such changes as may be approved by the Representative, to be delivered pursuant to Section 6 hereof.

“First Power Park Resolution” means the resolution of JEA adopted on March 30, 1982, as supplemented and amended authorizing the issuance of bonds to finance and refinance the cost of acquisition and construction of the System.

“FPL” means Florida Power & Light Company, a Florida corporation.

“JEA’s Counsel” means the Office of General Counsel of the City.

“Joint Ownership Agreement” means the Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park, Coal Units #1 and #2, dated as of April 2, 1982, between JEA and FPL, as amended.

“Letter of Representations” means the Blanket Issuer Letter of Representations dated May 6, 2004 from JEA to DTC.

“Official Statements” means the Preliminary Official Statement and the Final Official Statement.

“Preliminary Official Statement” means the Preliminary Official Statement of JEA relating to the Bonds, dated _____, 20__, including the cover page and appendices thereto and the information included by reference therein.

“Refunded Bonds” means JEA’s outstanding St. Johns River Power Park System Revenue Bonds, Issue Three, Series _____, all as described as Annex E hereto.

“Representative” means _____, as representative of the Underwriters.

“Resolution” means the resolution of JEA adopted on February 20, 2007, as amended and supplemented, authorizing the issuance of the Bonds, particularly as supplemented by Resolution No. 2016-25 of JEA adopted December 20, 2016.

“Underwriters” means _____, acting for and on behalf of themselves and such other securities dealers, if any, as may from time to time be designated by JEA or the Underwriters.

“Underwriters’ Counsel” means _____, _____, _____.

[“Verification Agent” means _____.]

[“Verification Report” means the report dated the date of Closing of the Verification Agent to the effect that such Verification Agent has verified the accuracy of (a) the adequacy of the maturing principal of and interest on certain federal securities to be held under the Escrow Deposit Agreement, together with other moneys held under the Escrow Deposit Agreement, to pay when due or upon earlier redemption, the principal or redemption price of and interest on the Refunded Bonds, and (b) certain mathematical computations supporting the conclusion that the Bonds are not “arbitrage bonds” under the Code.]

Section 2. Purchase Price. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriters shall purchase and JEA shall sell all, but not less than all, of the Bonds at an aggregate purchase price of \$_____ (representing the aggregate principal amount of the Bonds of \$000,000,000, less Underwriters' discount of \$_____ [plus/minus net] original issue [premium/discount] of \$_____).

Section 3. Public Offering. The Underwriters have made a bona fide public offering of the Bonds at prices not in excess of the initial offering price or prices (or at yields not lower than the yield or yields) set forth in Annex A hereto. The Underwriters represent that, based on prevailing market conditions, they have no reason to believe that any of the Bonds will be initially sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices (or yields lower than the yields) in Annex A hereto. The Underwriters reasonably expected to sell at least 10 percent of the Bonds of each maturity to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown in Annex A hereto or in the case of discount obligations sold on a yield basis, at yields not lower than the yields shown in Annex A hereto. The Underwriters reserve the right to change such public offering prices as the Underwriters deem necessary in connection with the marketing of the Bonds. In connection with the public offering of the Bonds, the Underwriters have delivered to JEA a letter containing the information required by Section 218.385, Florida Statutes in the form attached as Annex D.

JEA acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between JEA and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of JEA, (iii) the Underwriters have not assumed a fiduciary responsibility in favor of JEA with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising JEA on other matters) or any other obligation to JEA except the obligations expressly set forth in this Agreement, (iv) the Underwriters have financial interests that differ from those of JEA and are not acting as municipal advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended) and (v) JEA has consulted with its own legal and financial advisors to the extent it deemed it appropriate in connection with the offering of the Bonds.

Section 4. Good Faith Deposit. Delivered to JEA herewith is a check payable to the order of JEA in the amount of \$_____ (the "Good Faith Deposit") as security for the performance by the Underwriters of their obligation to accept and pay for the Bonds on the Closing Date in accordance with the provisions hereof. JEA shall hold such check uncashed until the Closing Date. In the event of the Underwriters' compliance with their obligations hereunder, the Good Faith Deposit shall be returned to the Representative on the Closing Date upon payment to JEA as provided in Section 7 hereof of the purchase price of the Bonds. In the event JEA does not accept this offer, or upon the failure of JEA to deliver the Bonds on the Closing Date, or if JEA shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Agreement, or if such obligations of the Underwriters shall be terminated for any reason permitted by this Agreement except for the reasons set forth in Section 10 hereof, the Good Faith Deposit shall immediately be returned to the Representative. If the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Bonds

upon tender thereof by JEA on the Closing Date as herein provided, the Good Faith Deposit shall be retained by JEA as and for full and agreed upon liquidated damages, and not as a penalty, to JEA for such failure, and the retention of the Good Faith Deposit shall constitute a full release and discharge of all claims and damages for such failure and of any and all defaults hereunder on the part of the Underwriters.

Section 5. Representations of JEA. JEA represents to the Underwriters that: (a) the Preliminary Official Statement has been “deemed final” by JEA as of its date for the purpose of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”); (b) as of their respective dates and on the date hereof the statements and information contained in the Official Statements are, and on the Closing Date the statements and information contained in the Final Official Statement will be, true and complete in all material respects, and the Preliminary Official Statement, as of its date, did not and the Final Official Statement, as of its date, does not on the date hereof, and will not on the Closing Date, contain any untrue statement of a material fact or omit any statement or information which is required to be stated therein or necessary to make the statements and information therein, in light of the circumstances under which they are made, not misleading; (c) the Preliminary Official Statement, as of its date, did not and does not on the date hereof, and the Final Official Statement, as of its date did not and does not on the date hereof, and will not on the Closing Date, omit any information with respect to JEA or its business, properties and affairs which might in a material respect adversely or unfavorably affect the transactions contemplated by the Preliminary Official Statement or the Final Official Statement; (d) JEA has full title to the Electric System (as defined in the Annual Report) and the power and authority to operate the same and collect the Revenues (as defined in the Electric System Resolution) therefrom; (e) the resolution or resolutions of, or other appropriate actions taken by, JEA establishing the rates and charges for services of the Electric System described in the Annual Report and the Official Statement have been duly adopted or taken and are in full force and effect; (f) JEA owns an undivided 80% interest in the Joint Facilities (as defined in the Resolution) and FPL owns an undivided 20% interest in the Joint Facilities pursuant to the provisions of the Joint Ownership Agreement; (g) JEA’s obligation to make payments from the Electric System with respect to the System, including debt service on the Bonds is a “Contract Debt” payable as a “Cost of Operation and Maintenance” of the Electric System; (h) the Electric System Resolution, the First Power Park Resolution and the Resolution have been duly adopted and are in full force and effect and JEA is not in default in the performance of its obligations thereunder; (i) the Joint Ownership Agreement is in full force and effect and no default or event which with the passage of time on giving of notice would constitute a default has occurred and is continuing thereunder; (j) when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of JEA of the character referred to in the Final Official Statement, in conformity with, and entitled to the benefit and security of, the Resolution; (k) JEA is empowered and has been duly authorized to enter into this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Letter of Representations and to adopt the Resolution; (l) the execution and delivery of this Agreement, the Continuing Disclosure Agreement, the Letter of Representations[, the Escrow Deposit Agreement] and the Bonds and compliance with the provisions thereof, under the circumstances contemplated herein and therein, will not in any material respect conflict with or constitute on the part of JEA a breach of or default under any agreement or other instrument to which JEA is a party, or any existing law, administrative

regulation, court order or consent decree to which JEA is subject; (m) no litigation or proceeding (to which JEA is a party) is pending or to the best of JEA's knowledge is threatened against or affecting JEA to restrain or enjoin the issuance or delivery of the Bonds or other indebtedness of JEA relating to its electric utility functions or in any way contesting or affecting the authority for the issuance of the Bonds or other indebtedness of JEA relating to its electric utility functions or the validity of the Bonds or other indebtedness of JEA, the Electric System Resolution, the First Power Park Resolution, the Resolution, the Joint Ownership Agreement, this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] or the Letter of Representations or in any way contesting the corporate existence or the powers of JEA; (n) except as may be disclosed in the Official Statements, no litigation or proceeding (to which JEA is a party) is pending or, to the best of its knowledge, is threatened against or affecting JEA or involving any of the business, property or affairs of JEA which involves the possibility of any judgment or liability which may result in any material adverse change in the property, business or assets or in the condition, financial or otherwise, of JEA relating to its electric utility functions; (o) JEA has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon; (p) subsequent to the date of the last audited financial statements included by reference in the Official Statements there have been no material adverse changes in the assets, liabilities or condition of JEA related to its electric utility functions, financial or otherwise, except as disclosed in or contemplated by the Official Statements, and neither the business, the properties, nor the affairs of JEA related to its electric utility functions have been adversely affected in any substantial way as the result of any fire, explosion, accident, strike, riot, flood, windstorm, earthquake, embargo, war or act of God or of the public enemy; (q) the Joint Ownership Agreement is in full force and effect and JEA is not in default of any of its obligations thereunder and, to the best of JEA's knowledge, FPL is not in default of any of its obligations thereunder; (r) all permits or licenses which JEA is required to maintain in order to operate the Electric System, the Power Park and the Scherer 4 Project (as such terms are defined in the Annual Report) are in full force and effect; (s) the proceeds of the Bonds will be used by JEA to redeem all of the Refunded Bonds within 90 days of the Closing; (t) other than as disclosed in the Preliminary Official Statement, JEA has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under the Rule; and (u) JEA has not been in default any time after December 31, 1975 as to principal or interest with respect to any of its debt obligations.

Section 6. Final Official Statement; Public Offering. JEA shall prepare, and shall deliver to the Underwriters as promptly as practicable but, in any event, not later than seven business days after the acceptance by JEA of this Agreement and in sufficient time to allow the Underwriters to deliver copies thereof to purchasers of the Bonds at least two business days prior to the Closing, copies of the Final Official Statement in sufficient quantity to comply with the Rule and the rules of the Municipal Securities Rulemaking Board and in form and substance satisfactory to the Representative and JEA, executed on behalf of JEA by its Managing Director and Chief Executive Officer. JEA agrees that the Preliminary Official Statement, the Final Official Statement, and copies of the Resolution, the Electric System Resolution, the Annual Report and audited financial statements, if any, prepared by or on behalf of JEA may be used by the Underwriters in the public offering of the Bonds and that it will cooperate with the Underwriters if the Underwriters decide to qualify the Bonds under the securities laws of any state; provided, however, JEA shall not be required to register as a dealer or broker in any such

state or to qualify to do business in connection with any such qualification of the Bonds for sale in any state. To the extent required by MSRB Rules, JEA confirms that it does not object to the distribution of the Official Statements in electronic form. The Final Official Statement shall be provided in a "designated electronic format" (as defined in MSRB Rule G-32). The term "designated electronic format" is defined in MSRB Rule G-32 to mean portable document format, with files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. For files submitted to the Electronic Municipal Market Access system operated by the MSRB on or after January 1, 2010, documents in designated electronic format must be word searchable (without regard to diagrams, images and other non-textual elements).

JEA further agrees to provide the Underwriters with copies of the Escrow Deposit Agreement and any other advance refunding documents (as defined in MSRB Rule G-32) in a word-searchable pdf format as described in the MSRB's Rule G-32 and shall provide such electronic copy of the word-searchable pdf format of such advance refunding documents to the Underwriters no later than four business days after the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

JEA authorizes the Representative to file, to the extent required by applicable SEC or MSRB rule, and the Representative agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB's Electronic Municipal Market Access System ("EMMA")) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If a supplement to the Final Official Statement is prepared in accordance with Section 11 hereof during the "primary offering disclosure period," and if required by applicable SEC or MSRB rule, the Representative shall also make the required submission of the supplement to the Final Official Statement to EMMA. The "primary offering disclosure period" is used as defined in MSRB Rule G-32 and shall end on the 25th day after the Closing.

Section 7. Closing, Delivery and Payment. The Bonds shall be printed or reproduced in definitive form as fully registered Bonds and shall be registered initially in the name of Cede & Co., as nominee of DTC, shall be in the denominations of the aggregate par amount of the Bonds of each series and maturity of each series (and, if applicable, each interest rate within a maturity) and shall be made available to, or on behalf of, DTC, 55 Water Street, New York, New York, which shall act as securities depository for the Bonds not less than one business day prior to the closing. The Representative may inspect the Bonds prior to the Closing.

The Closing shall be held beginning at 9:00 a.m. on _____, 20__ at the offices of JEA, 21 West Church Street, Jacksonville, Florida, or at such other time and other place as is mutually agreeable to the Representative and JEA. At the Closing and subject to the conditions contained herein, the Representative shall accept the delivery of the Bonds from JEA and shall make payment therefor as provided herein in federal funds or other immediately available funds upon (i) tender by JEA of the definitive Bonds to or on behalf of DTC on behalf of the Underwriters; and (ii) the delivery by JEA to the Underwriters of all the Closing Documents.

Section 8. Closing Documents. The Closing Documents shall consist of the following, each properly executed, certified or otherwise verified, dated as of the Closing Date

except as otherwise provided below, and in such form as may be satisfactory to Bond Counsel, the Representative and Underwriters' Counsel, including, but not limited to, the matters hereinafter set forth:

- (a) Certified copies of the Resolution;
- (b) JEA's closing certificate confirming (i) the representations made by JEA herein; (ii) the application of the proceeds of the sale of the Bonds and certain other amounts as described in the Final Official Statement; (iii) the adoption and present effectiveness of all resolutions considered necessary, in the opinion of Bond Counsel, in connection with the transactions contemplated hereby, together with copies of said resolutions; (iv) that the Electric System Resolution, the First Power Park Resolution and the Resolution have not been amended since the date of this Agreement, except as may have been consented to in writing by the Representative; and (v) that, except as described in the Official Statements, no material adverse change has occurred with respect to the Electric System, the Power Park and the Scherer 4 Project (all as defined therein), including, without limitation, the financial condition thereof, for the period from September 30, 20[15] through the Closing Date;
- (c) The approving opinion of Bond Counsel, dated the Closing Date, in substantially the form attached to the Preliminary Official Statement as Appendix D;
- (d) The supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriters in substantially the form set forth as Annex B hereto;
- (e) An opinion of JEA's Counsel to the effect that (i) JEA is a public body corporate and politic and an independent agency of the City, duly organized and validly existing under the laws of the State of Florida and has all the necessary power and authority to issue the Bonds and enter into this Agreement and the Continuing Disclosure Agreement; (ii) the Electric System Resolution and the Resolution have been duly adopted by JEA and this Agreement, the Letter of Representations, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Bonds have been duly authorized, executed and delivered by JEA and such documents and the Electric System Resolution and the Resolution constitute legal, valid and binding obligations of JEA enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights generally, and no opinion need be expressed as to the availability of any discretionary equitable remedy; (iii) JEA has approved the distribution of the Preliminary Official Statement and the Final Official Statement and the execution and delivery of the Final Official Statement to the purchasers of the Bonds; (iv) the ordinances of the city council of the City approving the issuance of the Bonds were duly enacted by the City; (v) the execution and delivery of the Bonds, this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] and the Letter of Representations, the adoption of the Electric System Resolution and the Resolution and the issuance of the Bonds pursuant to the Resolution and compliance with the provisions of the Electric System Resolution and the Resolution under the circumstances contemplated thereby and hereby, do not and will not in any

material respect conflict with or constitute on the part of JEA a breach of or default under any existing law, regulation, court order or consent decree to which JEA is subject; (vi) nothing has come to such counsel's attention which would lead such counsel to believe that the Final Official Statement (with the exception of the tax treatment of interest on the Bonds, Blue Sky or other securities registration matters, and financial and statistical information, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact required or necessary to be stated therein to make the statements therein, in light of the circumstances under which they were made, not misleading; (vii) no litigation or proceeding (to which JEA or the City is a party) is pending or to the best of such counsel's knowledge is threatened against or affecting JEA or the City to restrain or enjoin the issuance or delivery of the Bonds or the refunding of the Refunded Bonds or in any way contesting or affecting the authority for the issuance of the Bonds, or the validity of the Bonds or this Agreement, the Continuing Disclosure Agreement[, the Escrow Deposit Agreement] or the Letter of Representations, the Electric System Resolution, the First Power Park Resolution or the Resolution or in any way contesting the corporate existence or the powers of JEA; (viii) except as may be disclosed in the Preliminary Official Statement and the Final Official Statement, no litigation or proceeding (to which JEA or the City is a party) is pending or to the best of such counsel's knowledge is threatened against or affecting JEA or involving any of the business, property or affairs of JEA which involves the possibility of any judgment or liability which may result in any material adverse change in the financial condition of JEA relating to its electric utility functions; and (ix) JEA has obtained the consents, approvals, authorizations or other orders of all municipal, state or regulatory authorities required for the consummation of the transaction contemplated hereby;

(f) The opinion of Underwriters' Counsel, dated the Closing Date, in substantially the form attached hereto as Annex C;

(g) An executed copy of the Agreed Upon Procedures Letter, dated no later than one business day prior to the Closing Date;

(h) A consent, manually signed by the Accountants, to the use of their report in the Annual Report and to the references to their firm therein and in the Official Statements, dated the business day prior to the Closing Date;

(i) Appropriate arbitration certifications and tax covenants with respect to the Bonds by JEA in form and substance satisfactory to Bond Counsel and Underwriters' Counsel;

(j) Appropriate evidence that the Bonds have been assigned ratings of “__” by Fitch, Inc. (“Fitch”), “__” by Moody's Investors Service, Inc. (“Moody's”) and “__” by Standard & Poor's (“S&P”);

(k) A certificate of the Bond Registrar and Paying Agent as to the incumbency of its officers and its power to serve as Bond Registrar and Paying Agent in form and substance acceptable to Bond Counsel and Underwriters' Counsel;

(l) A certificate of the Escrow Agent, dated the Closing Date as to (i) the incumbency of its officers, (ii) that the Escrow Agent is a banking corporation, duly organized and validly existing under the laws of the United States of America or the state of its incorporation and authorized to do business in the State, (iii) that the Escrow Agent has duly accepted its duties under the Escrow Deposit Agreement, and (iv) that the Escrow Agent has taken all necessary corporate action required to act as escrow agent under the Escrow Deposit Agreement and to perform its duties thereunder;

(m) A certified copy of the Letter of Representations;

(n) An executed counterpart of the Continuing Disclosure Agreement;

(o) An executed counterpart of the Escrow Deposit Agreement;

(p) The Verification Report; and

(q) Such additional legal opinions, certificates, instruments and other documents and such multiple copies of the above listed documents as the Underwriters, Underwriters' Counsel or Bond Counsel may reasonably request to evidence compliance by JEA with legal requirements; the truth and accuracy, as of the Closing Date, of the respective representations contained herein and in the Final Official Statement; and the due performance or satisfaction by JEA of all agreements to be performed by it and all conditions to be satisfied by it at or prior to the Closing.

Section 9. Termination by Underwriters. This Agreement may be terminated in writing prior to the Closing by the Representative acting on behalf of the Underwriters if any of the following shall occur subsequent to the execution hereof: (i) this Agreement shall not have been accepted by JEA within the time herein provided; (ii) the copies of the Final Official Statement shall not have been provided within the time required by this Agreement; (iii) the Bonds and all of the Closing Documents shall not have been delivered to the Underwriters as of 2:00 p.m. on the Closing Date; (iv) the Joint Ownership Agreement shall have been amended subsequent to the date hereof without the consent of the Representative; (v)(a) legislation shall have been enacted by the Congress, or introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (b) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (c) an order, ruling, regulation or communication (including a press release) shall have been issued by the Treasury Department of the United States, the Internal Revenue Service or the Securities and Exchange Commission, or (d) any action shall be taken or statement made by or on behalf of the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, which indicates or implies that interest on the Bonds may not be excludable from gross income for federal income tax purposes or that legislation will be introduced in the next scheduled session of the United States Congress, in each case referred to in clauses (a), (b), (c) and (d), with the purpose or effect, directly or indirectly, of (y) imposing federal income taxation

upon interest to be received by any holders of the Bonds or (z) requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933 or the Resolution to be qualified as an indenture under the Trust Indenture Act of 1939; (vi) there shall exist any event or circumstance which, in the opinion of the Representative, either makes untrue or incorrect in a material respect any statement or information contained in the Final Official Statement, or any event or circumstance is not reflected in the Final Official Statement but should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in a material respect; (vii) there shall have occurred any outbreak of hostilities (or the escalation of any hostilities existing on the date hereof) or other national or international calamity or crisis, the effect of such outbreak or escalation, calamity or crisis on the financial markets of the United States of America being such as, in the opinion of the Representative, would make it impracticable for the Underwriters to sell the Bonds, including an effect generally on the market which affects the marketability of the Bonds; (viii) there shall be in force a general suspension of trading on the New York Stock Exchange, or any other major United States stock exchange, or minimum or maximum prices for trading shall have been fixed and be in force; (ix) in the judgment of the Representative, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be adversely affected because: (a) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (b) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters; (x) a general banking moratorium shall have been declared by either federal, New York or Florida authorities having jurisdiction, and shall be in force, or there shall occur any other material disruption in commercial banking or securities settlement or clearance services in the United States; (xi) after the execution and delivery of this Agreement (a) the rating on the Bonds shall have been suspended, withdrawn or downgraded by any of the three rating agencies referred to in paragraph (j) of Section 8 hereof, or (b) any of such rating agencies shall have placed the Bonds on negative credit watch or the like, or (c) there shall have occurred any change in or particularly affecting JEA, the Electric System Resolution, the First Power Park Resolution or the Resolution or the revenues of the System as the foregoing matters are described in the Preliminary Official Statement which in the reasonable judgment of the Representative materially impairs the investment quality of the Bonds.

Section 10. Termination by JEA. In the absence of a termination of this Agreement by the Representative as permitted by Section 9 hereof, this Agreement may be terminated in writing by JEA in the event that the Underwriters shall fail to accept delivery and pay the purchase price of the Bonds at the Closing upon (i) tender thereof to or on behalf of the Underwriters by JEA and (ii) delivery to the Underwriters of all of the Closing Documents, all as provided in Section 8 hereof, and in such event JEA shall retain the Good Faith Deposit as provided in Section 4 hereof.

Section 11. Changes Affecting the Final Official Statement After the Closing. After the Closing, and so long as the Underwriters or any participating dealer shall be offering Bonds which constitute the whole or a part of their unsold participations, but in no event later than 90 days after the Closing, JEA will not adopt any amended or supplement to the Final

Official Statement except with the written consent of the Representative, which consent shall not be unreasonably withheld; and during such period of time, if any event relating to or affecting JEA shall occur the result of which shall make it necessary, in the reasonable opinion of (i) JEA and (ii) the Representative or Underwriters' Counsel, to amend or supplement the Final Official Statement in order to make it misleading in the light of the circumstances existing at that time, JEA shall forthwith prepare and furnish to the Underwriters, at JEA's expense, a reasonable number of copies of an amendment of or supplement to the Final Official Statement in form and substance satisfactory to the Representative, so that it then will not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading.

Section 12. Expenses. The Underwriters shall pay their own out-of-pocket expenses, the fees and expenses of Underwriters' Counsel, and the fees and expenses in connection with the preparation of the Blue Sky Memorandum and the registration of the Bonds for "Blue Sky" purposes.

JEA acknowledges that it has had an opportunity to consult with its financial advisor in order to evaluate and consider the fees and expenses being incurred as a part of the issuance of the Bonds. JEA shall pay all of the other costs and expenses in connection with the financing contemplated by this Agreement, including, but not limited to: (i) the fees and expenses of Bond Counsel and JEA's Counsel and the expenses of JEA, if any; (ii) any fees and expenses incurred for filing fees; (iii) the fees and expenses of any experts or consultants; (iv) the fees and expenses of the Bond Registrar and Paying Agent, the Escrow Agent and any verification report; (v) the cost of preparation and printing of the Bonds; (vi) the cost of printing and duplication for the Official Statements and any amendments or supplements thereto; (vii) the fees and expenses of the Accountants; and (viii) bond rating agencies fees. JEA acknowledges that a portion of the Underwriters' expenses are intended to reimburse the Underwriters for incidental expenses (including, but not limited to, transportation, lodging and meals of JEA and Underwriters personnel) incurred by the Underwriters (on their own behalf or on behalf of JEA personnel), as applicable, in connection with the transaction contemplated by this Agreement.

Section 13. Notices. Any notice or other communication to be given to JEA under this Agreement may be given by delivering the same in writing to the address set forth above; and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Underwriters in care of _____, _____, _____, _____, Attention: _____.

Section 14. Authority of Representative. The Representative has been duly authorized to execute this Agreement and, pursuant to an agreement among the Underwriters, has been duly authorized to act hereunder by and on behalf of the Underwriters.

Section 15. Parties and Interests; JEA's Undertaking; Survival of Representations. This Agreement is made solely for the benefit of JEA and the Underwriters, including the successors and assigns of the Underwriters, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof except as provided in Section 11 hereof. All representations and agreements by JEA in this Agreement

shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriters, and shall survive the delivery of and payment for the Bonds.

Section 16. Truth-In-Bonding Statement. For purposes of subsections (2) and (3) of Section 218.385, Florida Statutes, as amended, the following Truth in Bonding Statement is made with respect to the Bonds:

JEA is proposing to issue \$_____ of the Bonds. The Bonds are to be issued for the purposes of refunding the Refunded Bonds and paying cost of issuance of the Bonds. The Bonds are expected to be repaid over a period of approximately ____ years. At the interest rates set out in Annex A hereto (being a true interest cost of _____%), total interest paid over the life of the Bonds will be \$_____.

The source of repayment or security for the Bonds is primarily the revenues of the St. Johns River Power Park System derived from the revenues of the JEA's Electric System. Issuing the Bonds finances the items described in the preceding paragraph. Authorizing this debt will result in an average annual debt service payment of approximately \$_____ from St. Johns River Power Park System revenues, which will not otherwise be available to finance the other services or expenditures of JEA each year for approximately ____ years.

Section 17. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which taken together shall constitute one instrument.

Section 18. Entire Agreement Clause. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Bond Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

[Remainder of page intentionally left blank; signature page follows]

Very truly yours,

_____,
as Representative of the Underwriters

By: _____
Name:
Title:

Accepted by JEA on _____, 20__

By: _____
Name:
Title:

FORM APPROVED:

Office of General Counsel

ANNEX A

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

\$000,000,000 St. Johns River Power Park System Revenue Bonds, Issue Three, Series X

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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\$ _____ % Term Bond Due October 1, 20__ - Yield _____ %

Redemption Provisions

[to come]

ANNEX B

[Form of Supplemental Opinion of Bond Counsel]

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida

[Underwriters]

c/o _____

Re: 000,000,000 JEA St. Johns River Power Park Revenue Bonds, Issue Three,
Series X (the "Series X Bonds")

Ladies and Gentlemen:

We have served as Bond Counsel to JEA in connection with the issuance of the above-captioned Series X Bonds (the "Bonds"). This letter is addressed to the underwriters addressed above (the "Underwriters"), pursuant to Section 8(d) of the Bond Purchase Agreement, dated _____, 20__ (the "Bond Purchase Agreement"), between _____, as Representative of the Underwriters, and JEA, providing for the purchase of the Bonds. The Bonds are issued pursuant to the Constitution and laws of the State of Florida, including, in particular, Article 21 of the Charter of the City of Jacksonville, Florida (the "City"), as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof, and other applicable provisions of law and, under and pursuant to a resolution of JEA adopted on February 20, 2007, as supplemented and amended (the "Resolution"), including as supplemented by Resolution No. 2016-25 of JEA adopted on December 20, 2016. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution, or, if not defined in the Resolution, in the Bond Purchase Agreement.

On the date hereof, we have delivered our approving opinions (the "Bond Counsel Opinion") concerning the validity of the Bonds and certain other matters to JEA. The opinions and conclusions expressed herein are subject to the same qualifications, limitations and reliances as stated in the Bond Counsel Opinion. The Underwriters may rely on the Bond Counsel Opinion as though such opinions were addressed to them.

In connection with our role as Bond Counsel, we have reviewed the Bond Purchase Agreement; a certified copy of the Resolution; a certified copy of Ordinance 2006-793-E enacted by the Council of the City September 26, 2006 and Ordinance No. [2009-11-E] enacted by the Council of the City [February 10, 2009] approving, among other things, the issuance and sale by

JEA of the Bonds, the Continuing Disclosure Agreement; the Official Statement of JEA, dated _____, 20__, relating to the Bonds, including those portions of the Annual Disclosure Report (as defined therein) which are included by reference therein (the “Official Statement”); the Tax Certificate executed and delivered by JEA on the date hereof in connection with the issuance of the Bonds (the “Tax Certificate”); an opinion of the Office of General Counsel of the City, attorney for JEA; certificates of JEA and others; and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based upon an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than JEA. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof (except that we have not relied on any such legal conclusions that are to the same effect as the opinions or conclusions set forth herein). We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Second Power Park Resolution, the Tax Certificate, the Continuing Disclosure Agreement and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against bodies politic and corporate of the State of Florida. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. JEA is a public body corporate and politic and an independent agency of the City, duly created and existing under the Constitution and laws of the State of Florida.
2. All conditions precedent to the issuance of the Bonds have been fulfilled, including, without limitation, all necessary approvals of the City.
3. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Second Power Park Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

4. The statements contained in the Official Statement under the captions “REFUNDING PLAN,” “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES X BONDS,” “DESCRIPTION OF THE SERIES X BONDS,” and “TAX MATTERS” and the statements contained in Appendix A to the Annual Disclosure Report, “Summary of Certain Provisions of the Electric System Resolution” in Appendix B to the Annual Disclosure Report, “Summary of Certain Provisions of the First Power Park Resolution,” in Appendix D to the Annual Disclosure Report, “Summary of Certain Provisions of the Second Power Park Resolution,” in Appendix E to the Annual Disclosure Report, and “Summary of Certain Provisions of the Power Park Joint Ownership Agreement” in Appendix G to the Annual Disclosure Report, insofar as such statements expressly summarize certain provisions of the Electric System Resolution, the First Power Park Resolution, the Second Power Park Resolution, the Power Park Joint Ownership Agreement (as defined in the Annual Disclosure Report), and our Bond Opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects.

5. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 4 above), completeness or fairness of any of the statements contained in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as Bond Counsel in connection with the issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of JEA, representatives of Public Financial Management, Inc., JEA’s Financial Advisor, representatives of Ernst & Young LLP, independent certified public accountants, JEA’s auditors, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in the above-referenced conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates, opinions and matters herein mentioned (as set forth above), subject to the limitations on our role as Bond Counsel, we advise you as a matter of fact and not opinion that no facts came to the attention of the attorneys in our firm rendering legal services in connection with such issuance which caused us to believe that the Official Statement as of its date and as of the date hereof (except for any CUSIP numbers, financial, statistical, economic or engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion (other than our opinions relating to the Bonds), any information about book-entry or DTC and the information contained in Appendices A, B and C to the Official Statement and in Schedule 1 and Appendices A, C, F, H and I to the Annual Disclosure Report, included or referred to therein, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any 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.

6. The Continuing Disclosure Agreement has been duly executed and delivered by JEA and is a valid and binding agreement of JEA, enforceable in accordance with its terms. No opinion regarding the adequacy of the Continuing Disclosure Agreement for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1934, as amended, may be inferred from this opinion.

This letter is furnished by us as Bond Counsel to JEA. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. This letter is delivered to you as Underwriters of the Bonds, is solely for your benefit as such Underwriters and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

ANNEX C

[Form of Underwriters' Counsel Opinion]

_____, 20__

[Underwriters]

c/o

Re: \$000,000,000 JEA St. Johns River Power Park System Revenue Bonds,
Issue Three, Series X

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriters") in connection with the purchase by the Underwriters from JEA of the captioned obligations designated (the "Bonds"). As such counsel, we have examined the Official Statement, dated _____, 20__, relating to the Bonds (the "Official Statement"), the Bond Purchase Agreement, dated _____, 20__, by and between _____, as Representative of the Underwriters named therein and JEA, with respect to the Bonds (the "Bond Purchase Agreement"), the Resolution (as defined in the Bond Purchase Agreement), the Continuing Disclosure Agreement (as defined in the Bond Purchase Agreement), and such other matters as we have deemed necessary; and we have participated in discussions and conferences with members of JEA and its staff, bond counsel, JEA's financial advisor, and the independent certified public accountants with respect to matters contained and included by reference in the Official Statement.

From such examination, we are of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

We are not passing upon, do not assume responsibility for, and have not independently verified the accuracy, completeness, or fairness of the statements contained or included by reference in the Official Statement. In addition, we are not experts in evaluating the business, operations, or financial condition of public power authorities in general or JEA in particular. As your counsel we have participated in the preparation of the Official Statement and in the discussions referred to above with respect to the Official Statement. In the course of such preparation, discussions and review nothing has come to our attention which leads us to believe that the Official Statement (except for the appendices thereto and references to such appendices and the graphic, engineering, financial and statistical information, any information about book-entry or DTC (as such term is defined in the Official Statement), as to which we express no view) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

We are further of the opinion that the Continuing Disclosure Agreement satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule.

We are furnishing this letter to you pursuant to Section 8(f) of the Bond Purchase Agreement solely for your benefit as Underwriters. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

ANNEX D

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida 32202

Re: \$000,000,000 JEA St. Johns River Power Park System Revenue Bonds,
Issue Three, Series X

Ladies and Gentlemen:

In connection with the proposed issuance by JEA (the “Issuer”) of \$000,000,000 in aggregate principal amount of St. Johns River Power Park System Revenue Bonds, Issue Three, Series X (the “Bonds”), [Underwriters] (collectively, the “Underwriters”) are preparing to underwrite a public offering of the Bonds. Arrangements for underwriting the Bonds will be pursuant to a Bond Purchase Agreement between the Issuer and the Underwriters.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, as amended, certain information in respect of the arrangements contemplated for the underwriting of the Bonds as follows:

- (a) The nature and estimated amounts of expenses to be incurred by the Underwriters in connection with the purchase and reoffering of the Bonds are set forth in Schedule I attached hereto.
- (b) Based upon representations of the Underwriters, there are no “finders,” as defined in Section 218.386, Florida Statutes, as amended, connected with the issuance of the Bonds.
- (c) The underwriting spread (*i.e.*, the difference between the price at which the Bonds will be initially offered to the public by the Underwriters and the price to be paid to the Issuer for the Bonds) will be \$_____ per \$1,000 bond or \$_____.
- (d) The Underwriters will charge no management fee.
- (e) There is no other fee, bonus or other compensation to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters, except as specifically enumerated as expenses referred to in paragraph (a) above to be incurred by the Underwriters as set forth in Schedule I attached hereto.

(f) The names and addresses of the Underwriters are:

We understand that you do not require any further disclosure from the Underwriters pursuant to Section 218.385(6), Florida Statutes, as amended.

Very truly yours,

[Underwriters]

By: _____
Name:
Title:

SCHEDULE I

ESTIMATED UNDERWRITERS' FEE AND EXPENSES

<u>Underwriters' Fee</u>	<u>Dollar Amount</u>	<u>Per \$1,000 Bond</u>
Average Takedown	\$ _____	\$ _____
Expenses:		
Underwriters' Counsel	_____	_____
Dalcomp	_____	_____
Dalnet	_____	_____
CUSIP	_____	_____
DTC	_____	_____
Total Fees and Expenses	<u> </u> \$ _____	<u> </u> \$ _____

ANNEX E

REFUNDED BONDS

[Insert name(s) of Series]

PRELIMINARY OFFICIAL STATEMENT DATED _____, 20__

NEW ISSUE — BOOK-ENTRY ONLY

In the opinion of Bond Counsel, under existing law and assuming compliance by JEA with the tax covenants described herein, and the accuracy of certain representations and certifications made by JEA described herein, interest on the Series X Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. See "TAX MATTERS" herein regarding certain other tax considerations.



\$000,000,000*
St. Johns River Power Park System
Revenue Bonds
Issue Three, Series X

Dated: Date of Delivery**Due: October 1, as shown on the inside cover page**

The St. Johns River Power Park System Revenue Bonds, Issue Three, Series X (the "Series X Bonds") will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Series X Bonds. Individual purchases of the Series X Bonds will be made in book-entry form only, in principal amounts of \$5,000 or any integral multiple thereof. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto. Interest on the Series X Bonds is payable on [April/October] 1, 20[___] and semiannually thereafter on April 1 and October 1 of each year.

The Series X Bonds are subject to redemption prior to maturity as described herein.

The Series X Bonds are being issued to (a) provide a portion of the funds required to refund certain of the Outstanding St. Johns River Power Park System Revenue Bonds, Issue Three as described herein (the "Refunded Bonds") and (b) pay costs of issuance of the Series X Bonds. See "REFUNDING PLAN" herein.

The Series X Bonds, together with any additional bonds which may be issued under the Second Power Park Resolution (as defined herein), and the interest thereon, are payable solely from and are secured by a pledge of and lien on all payments made from JEA from its Electric System into the Revenue Fund 2d and other available funds pledged under the Second Power Park Resolution. Payments from JEA's Electric System for the debt service on the Series X Bonds issued under the Second Power Park Resolution will be made as "Contract Debts" which are payable as a "Cost of Operation and Maintenance" of the Electric System.

The Series X Bonds shall not constitute general obligations of either JEA or the City of Jacksonville, Florida within the meaning of any constitutional, statutory or charter provision or limitation. JEA has no power to levy taxes for any purpose. The City of Jacksonville shall never be required to levy ad valorem taxes on any property of JEA or property of or in the City of Jacksonville to pay the principal or redemption price of, or interest on, any such Bonds.

MATURITY SCHEDULE — See Inside Front Cover

The Series X Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by [____], Bond Counsel. Certain legal matters will be passed upon for JEA by JEA's counsel, the Office of General Counsel of the City of Jacksonville, Florida, and for the Underwriters by [____], Counsel to the Underwriters. It is expected that the Series X Bonds in definitive form will be available for delivery to DTC in New York, New York on or about [____], 20[___].

[UNDERWRITERS]

[____], 20[___]

AMOUNTS, MATURITIES, INTEREST RATES, PRICES OR
YIELDS AND CUSIP NUMBERS**†

\$000,000,000*†
St. Johns River Power Park System
Revenue Bonds, Issue Three, Series X

Dated: Date of Delivery Due: October 1, as shown below

<u>Amount</u> \$	<u>Maturity</u> <u>(October 1)</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> †
---------------------	---------------------------------------	--------------------------------	--------------	----------------

\$00,000,000*† [_____] % TERM BOND DUE OCTOBER 1, 20[_____] – YIELD [_____] % CUSIP† [_____]

(Without Accrued Interest)

* Preliminary, subject to change.

† The CUSIP numbers listed herein are provided for the convenience of bondholders. JEA is not responsible for the accuracy or completeness of such numbers.

JEA
21 W. CHURCH STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(www.jea.com)

JEA OFFICIALS

BOARD MEMBERSHIP¹

Chair
Vice Chair
Secretary

Tom F. Petway III
Edward E. Burr
Delores P. Kesler
Husein A. Cumber
Kelly Flanagan
G. Alan Howard

MANAGEMENT

Managing Director and Chief Executive Officer
Vice President and General Manager, Electric Systems
Vice President and General Manager, Water and Wastewater Systems
Chief Financial Officer
Chief Audit, Risk and Compliance Officer
Chief Customer Officer
Chief Human Resources Officer
Chief Information Officer
Chief Legal Officer
Chief Public Affairs Officer
Treasurer

Paul E. McElroy
Michael I. Brost
Brian J. Roche
Melissa H. Dykes
Ted E. Hobson
Monica Whiting
Angelia R. Hiers
Paul J. Cosgrave
Jody Brooks
Michael Hightower
Joseph E. Orfano

GENERAL COUNSEL

Jason R. Gabriel
General Counsel of the City of Jacksonville
Jacksonville, Florida

INDEPENDENT AUDITORS

Ernst & Young, LLP
Jacksonville, Florida

BOND COUNSEL

[_____]
 [_____]

FINANCIAL ADVISOR

Public Financial Management, Inc.
Philadelphia, Pennsylvania

**REGISTRAR AND PAYING AGENT/
SUBORDINATED BOND REGISTRAR AND PAYING AGENT**

U.S. Bank National Association
Jacksonville, Florida

¹ There is currently one vacancy on the JEA Board due to the resignation of Warren A. Jones.

No dealer, broker, salesman or any other person has been authorized by JEA to give any information or to make any representations, other than as contained in this Official Statement or included herein by specific reference, and if given or made, such other information or representations must not be relied upon as having been authorized by JEA or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series X Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale in such jurisdiction.

THE SERIES X BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE SECOND POWER PARK SYSTEM RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

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 respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion set forth herein or included herein by specific reference 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 affairs of JEA since the date hereof.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intent,” “believe” and similar expressions are intended to identify forward-looking statements. A number of factors affecting JEA’s business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

IN CONNECTION WITH THIS OFFERING OF THE SERIES X BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Except as specifically provided herein, none of the information on JEA’s website is included by reference herein.

The CUSIP numbers listed herein are provided for the convenience of bondholders. JEA is not responsible for the accuracy or completeness of such numbers.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY JEA FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

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OFFICIAL STATEMENT

Relating to



\$000,000,000*
St. Johns River Power Park System
Revenue Bonds
Issue Three, Series X

[_____], 20[___]

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and inside cover page hereof, the appendices hereto and the information included by reference herein, is to provide information concerning the proposed issuance by JEA of \$000,000,000* aggregate principal amount of JEA's St. Johns River Power Park System Revenue Bonds, Issue Three, Series X (the "Series X Bonds").

The Series X Bonds are being offered to provide funds to (a) provide a portion of the funds required to refund certain of the St. Johns River Power Park System Revenue Bonds, Issue Three as described herein (the "Refunded Bonds") and (b) pay costs of issuance of the Series X Bonds. See "REFUNDING PLAN" herein.

On March 30, 1982, JEA adopted a resolution (as amended and supplemented, the "First Power Park Resolution") for the purpose of authorizing the issuance of bonds in order to finance and refinance the cost of acquisition and construction of the Power Park (as defined herein). The First Power Park Resolution remains in effect, and JEA expects to continue to issue bonds thereunder. On February 20, 2007, JEA adopted a resolution entitled the "St. Johns River Power Park System Second Revenue Bond Resolution" (the "Second Power Park Resolution") for the purpose of authorizing the issuance of bonds (the "Issue Three Bonds") to finance the acquisition and construction of additional capital improvements to the St. Johns River Power Park (the "Power Park"), a two-unit coal- and pet coke-fired, steam electric generating station currently rated at 1,276 megawatts ("MW"), net.

As of the date of this Official Statement, \$[_____] aggregate principal amount of the Issue Two Bonds issued pursuant to the First Power Park Resolution (the "Issue Two Bonds") were outstanding. As of the date of this Official Statement, there are \$[_____] St. Johns River Power Park System Revenue Bonds outstanding under the Second Power Park Resolution (as defined herein). As more fully described under the caption "FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS — Debt Relating to Electric Utility Functions — *Power Park Issue Two Bonds*" and "*Power Park Issue Three Bonds*" in the Annual Disclosure Report referred to herein,

* Preliminary, subject to change.

JEA's obligation to make payments from the Electric System (as defined herein) with respect to the Power Park, including its share of debt service on the Issue Two Bonds and debt service on the Issue Three Bonds (as defined herein), is a "Contract Debt" payable as a "Cost of Operation and Maintenance" of the Electric System. Florida Power & Light Company ("FPL") is also obligated to pay a share of the debt service on the Issue Two Bonds. FPL has no obligation to make payments on debt service on the Issue Three Bonds.

Additionally, as of the date of this Official Statement, \$[_____] aggregate principal amount of BPSS Bonds (hereinafter defined) are outstanding. As more fully described under the caption "FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS — Debt Relating to Electric Utility Functions — *Bulk Power Supply System Bonds*" in the Annual Disclosure Report referred to herein, JEA's obligation to make payments from the Electric System with respect to Scherer Unit 4 (hereinafter defined), including its share of debt service on the BPSS Bonds, is a "Contract Debt" payable as a "Cost of Operation and Maintenance" of the Electric System. All Contract Debt payments are payable on a parity basis.

The description herein of the Series X Bonds and the descriptions herein and in the Annual Disclosure Report referred to under "Inclusion of Information" below of the documents authorizing and securing the same and of the other debt of JEA and of the documents authorizing, securing and relating to the same do not purport to be comprehensive or definitive. All references herein and in the Annual Disclosure Report to such documents are qualified in their entirety by reference to such documents.

Unless otherwise defined herein, all capitalized terms in this Official Statement shall have the same meanings as given to them in the Second Power Park Resolution referred to below or, if not defined therein, in the Annual Disclosure Report.

JEA

General. JEA is a body politic and corporate organized and existing under the laws of the State of Florida and is an independent agency of the City of Jacksonville, Florida (the "City"). JEA was established in 1968 to own and manage the electric utility which had been owned by the City since 1895 (as more particularly defined in the Annual Disclosure Report included by reference herein, the "Electric System"). In 1997, the City transferred to JEA the City's combined water and wastewater (sewer) utilities system (the "Water and Sewer System"). In 2004, the City authorized JEA to create a local district energy system and JEA established such a system (the "District Energy System") and transferred to it the chilled water production and distribution assets formerly held as part of the Electric System.

Electric System. In 2015, the latest year for which such information is available, JEA was the eighth largest municipally-owned electric utility in the United States in terms of number of customers. During its Fiscal Year ended September 30, 2016, the Electric System served an average of 451,788 customer accounts in a service area which covers virtually the entire City. JEA also sells electricity to retail customers and an electric system in neighboring counties. JEA's total energy sales in its Fiscal Year ended September 30, 2016, net of off-system sales and the energy sold by JEA to Florida Power & Light Company, a Florida corporation ("FPL") pursuant to the FPL-Power Park Sale (see "ELECTRIC UTILITY SYSTEM — FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS — Debt Relating to Electric Utility Functions — *Power Park Issue Two Bonds*" and "ELECTRIC UTILITY SYSTEM — *ELECTRIC UTILITY FUNCTIONS* — St. Johns River Power Park — *Ownership*" in the Annual Disclosure Report included by reference herein), were approximately 12.6 billion kWh. Total revenues, including investment income, for the Electric System for the Fiscal

Year ended September 30, 2016, net of the revenues received by JEA from the FPL-Power Park Sale, were approximately \$1,243,966,000.

Bulk Power Supply. Pursuant to Chapter 80-513, Laws of Florida, Special Acts of 1980 (as amended and supplemented, the “Bulk Power Act”), JEA is authorized to acquire, own and operate as a separate bulk power supply utility or system, electric generating plants and transmission lines within the City and within and outside of the State of Florida. In accordance with the Bulk Power Act, JEA has acquired a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant (“Scherer Unit 4”), a coal-fired steam electric generating unit currently rated at 846 megawatts (“MW”), net, located near Forsyth, Georgia and proportionate ownership interests in associated common facilities and an associated coal stockpile (such ownership interests are referred to herein as the “Scherer 4 Project”). See “ELECTRIC UTILITY SYSTEM — ELECTRIC UTILITY FUNCTIONS — The Scherer 4 Project” in the Annual Disclosure Report.

St. Johns River Power Park System. Pursuant to the Bulk Power Act, JEA has also acquired and constructed, and operates, an 80 percent undivided ownership interest in the St. Johns River Power Park (the “Power Park”), a two-unit, coal- and pet coke-fired, steam electric generating station currently rated at 1,276 MW, net, located in the northeast section of the City that is jointly-owned by JEA and FPL. See “ST. JOHNS RIVER POWER PARK” herein and “ELECTRIC UTILITY SYSTEM — ELECTRIC UTILITY FUNCTIONS — St. Johns River Power Park” in the Annual Disclosure Report.

Water and Sewer System. The Water and Sewer System is owned and operated by JEA as a combined utilities system, separate and apart from JEA’s Electric System. Accordingly, information relating to the Water and Sewer System is not relevant to the debt of JEA relating to JEA’s Electric System.

District Energy System. The District Energy System is owned and operated by JEA as a distinct utilities system, separate and apart from the Electric System and the Water and Sewer System. Accordingly, information relating to the District Energy System is not relevant to the debt of JEA relating to the Power Park.

Inclusion of Information. JEA previously has prepared a document entitled “Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 20[___]”, dated as of April [___], 20[___] (the “Annual Disclosure Report”). The Annual Disclosure Report sets forth certain information concerning JEA, its outstanding debt, the Electric System, its interest in the Power Park and the Scherer 4 Project (as defined herein). **As more fully described under the caption “Inclusion of Information” below, certain information contained in the Annual Disclosure Report is included by reference in this Official Statement.** Copies of the Annual Disclosure Report may be obtained in the manner and from the sources described under the caption “Inclusion of Information” below.

The Series X Bonds

The Series X Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly the Bulk Power Act, Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof and other applicable provisions of law and the Second Power Park Resolution. A summary of certain provisions of the Second Power Park Resolution is included as Appendix E to the Annual Disclosure Report. As of the date of this Official Statement, there are \$[_____] St. Johns River Power Park System Revenue Bonds

outstanding under the Second Power Park Resolution. The Series X Bonds and any additional bonds hereafter issued pursuant to the Second Power Park Resolution are referred to herein collectively as the "Series X Bonds." Pursuant to the Second Power Park Resolution and the laws of Florida, the amount of Series X Bonds that may be issued by JEA is not limited. The Second Power Park Resolution is available for viewing and downloading on JEA's website (<http://www.jea.com>) by selecting "About," at the top of the home page, then selecting "Investor Relations" under "Company Info," then selecting "Bonds" and then selecting "St. Johns River Power Park System Second Revenue Bond Resolution" under the heading "JEA Bond Resolutions."

Inclusion of Information

In accordance with the provisions of Rule 15c2-12, as amended ("Rule 15c2-12"), promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended, on April [__], 20[__], JEA caused the document entitled "Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 20[__]" to be filed with Municipal Securities Rulemaking Board (the "MSRB"), through the MSRB's Electronic Municipal Market Access ("EMMA") website, currently located at <http://emma.msrb.org>. The Annual Disclosure Report sets forth certain information concerning JEA, its outstanding debt, the Electric System, its interest in the Power Park and the Scherer 4 Project.

There is hereby included in this Official Statement by this reference the information contained in the Annual Disclosure Report, which information should be read in its entirety in conjunction with this Official Statement. In addition, reference is made to the information in this Official Statement under the caption "RECENT DEVELOPMENTS," which information updates and supplements certain of the information contained in the Annual Disclosure Report.

Copies of the Annual Disclosure Report may be obtained online from EMMA (<http://emma.msrb.org>). Copies of the Annual Disclosure Report also may be obtained via JEA's website as described below.

The JEA Annual Disclosure Report is available for viewing and downloading from JEA's website (<http://www.jea.com>) by selecting "About," at the top of the home page, then selecting "Investor Relations" under "Company Info," then selecting "Financial Reports," and then selecting "20[__] Annual Disclosure Report for Electric Utility System as filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA)" under the heading "Annual Disclosure Reports." (Please note that there also are available from JEA's website separate documents entitled "20[__] Annual Report" under the heading "Annual Reports" and under the heading "Annual Disclosure Reports" entitled "20[__] Annual Disclosure Report for Water and Sewer and District Energy System as filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA)"; these documents are not the Annual Disclosure Report included by reference herein, and are not included by reference herein.) *Furthermore, except for the Annual Disclosure Report, none of the other information contained on JEA's website is included by reference in this Official Statement.* Included in the Annual Disclosure Report are the financial statements of JEA for its Fiscal Years 20[__] and 20[__] (which consist of statements of net position of JEA as of September 30, 20[__] and 20[__] and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended and the notes thereto; such financial statements are hereinafter referred to as "JEA's 20[__] Financial Statements"), together with the report of Ernst & Young LLP, independent auditors, on the financial statements as of September 30, 20[__] and 20[__] and for the years then ended, certain supplemental data as of September 30, 20[__] and 20[__] and for the years then ended (which consist of combining statements of net position, combining statements of revenues, expenses, and changes in net position and

combining statements of cash flows) and certain statements of bond compliance information (which consist of schedules of debt service coverage for the years ended September 30, 20[___] and 20[___] for the Electric System, the Power Park and the Water and Sewer System), together with the reports of Ernst & Young LLP, independent auditors, on such schedules for the years ended September 30, 20[___] and 20[___]. All such statements, information, data and schedules should be read in conjunction with the notes to JEA's 20[___] Financial Statements, which are an integral part of the financial statements.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Except as specifically provided herein, such web sites and the information or links contained therein, including specifically (but not limited to) the information on JEA's website and the City's website, are not included by reference herein, and are not part of this official statement for purposes of, and as that term is defined in, Rule 15c2-12.

The First Power Park Resolution is referred to in the Annual Disclosure Report as the "Power Park Resolution," the Issue Two Bonds (as defined herein) are referred to in the Annual Disclosure Report as the "Power Park Issue Two Bonds," and the Issue Three Bonds (as defined herein) are referred to in the Annual Disclosure Report as the "Power Park Issue Three Bonds."

Continuing Disclosure Undertakings

Pursuant to a Continuing Disclosure Agreement to be executed by JEA simultaneously with the issuance of the Series X Bonds (the "Continuing Disclosure Agreement"), JEA will covenant for the benefit of the holders and beneficial owners of the Series X Bonds to provide certain financial information and operating data relating to JEA by not later than the June 1 following the end of each of JEA's Fiscal Years, commencing with the report for the Fiscal Year ending September 30, 20[___] (the "JEA Annual Information"), and to provide notices of the occurrence of certain specified events with respect to the Series X Bonds. The JEA Annual Information will be filed by or on behalf of JEA with EMMA. The notices of such specified events will be filed by or on behalf of JEA with EMMA. The specific nature of the information to be contained in the JEA Annual Information or the notices of specified events is set forth in the form of the Continuing Disclosure Agreement attached hereto as APPENDIX C.

The covenants described in the preceding paragraph have been made in order to assist the Underwriters in complying with paragraph (b)(5) of Rule 15c2-12.

As provided in the Continuing Disclosure Agreement, if JEA fails to make a filing required under the Continuing Disclosure Agreement, any holder or beneficial owner of the Series X Bonds may institute and maintain, or cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by JEA of such obligation. In addition, as provided in the Continuing Disclosure Agreement, if JEA fails to perform any other obligation under the Continuing Disclosure Agreement, the holders or beneficial owners of not less than 10 percent in principal amount of the Series X Bonds then outstanding or a trustee appointed by the holders or beneficial owners of not less than 25 percent in principal amount of the Series X Bonds then outstanding may institute and maintain, or cause to be instituted and maintained, such proceedings (including any proceedings that contest the sufficiency of any pertinent filing) as may be authorized at law or in equity to obtain the specific performance by JEA of such obligation. IF ANY PERSON SEEKS TO CAUSE JEA TO COMPLY WITH ITS OBLIGATIONS UNDER THE CONTINUING DISCLOSURE AGREEMENT, IT IS THE RESPONSIBILITY OF SUCH PERSON TO DEMONSTRATE THAT IT IS A BENEFICIAL OWNER WITHIN THE MEANING OF THE CONTINUING

DISCLOSURE AGREEMENT. A failure by JEA to comply with the provisions of the Continuing Disclosure Agreement does not constitute a default under the Second Power Park Resolution.

As of the date of this Official Statement, JEA has not failed to comply, in any material respect, with any previous continuing disclosure undertakings made by it pursuant to the provisions of Rule 15c2-12 in connection with the issuance of its bonds. Nonetheless, issues have been discovered with regard to certain of JEA’s filings as described below. JEA inadvertently failed to timely file a notice relating to generally available information about the upgrade by S&P Global Ratings, a division of Standard and Poor’s Financial Services LLC (“Standard & Poor’s”) of the ratings of Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.) (“AGM”) from “AA-” to “AA” in March of 2014 as it relates to certain Electric System bonds insured by AGM. Such notice was filed on May 23, 2014.

As described under “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto, upon initial issuance, the Series X Bonds will be issued in book-entry only form through the facilities of The Depository Trust Company, New York, New York (“DTC”), and the ownership of one or more fully registered Series X Bonds for each maturity, in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. For a description of DTC’s procedures with respect to the enforcement of bondholders’ rights, see “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

REFUNDING PLAN

The Series X Bonds are being issued (a) to provide a portion of the funds required to refund certain of JEA’s St. Johns River Power Park System Revenue Bonds, Issue Three, Series ___ listed in the table below (the “Refunded Bonds”) and (b) to pay costs of issuance of the Series X Bonds.

Maturity Date (October 1)	Interest Rate	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)
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JEA will select the particular maturities of the Issue Three, Series [_____] Bonds to be refunded through the issuance of the Series X Bonds at or about the time of the pricing of the Series X Bonds and such selection will be based upon, among other things, market conditions existing at such time. No assurance can be given as to which maturities will be finally selected for refunding, and the Issue Three, Series [_____] Bonds, finally selected may not include all of the Issue Three, Series [_____] Bonds shown above.

The proceeds of the Series X Bonds will be used to refund the Refunded Bonds, and will be deposited with U.S. Bank National Association, as paying agent under the Resolution, so that sufficient

moneys will be available to pay, on the redemption date, principal of and interest accrued on the Refunded Bonds to the redemption date.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Series X Bonds are estimated to be as follows:

Sources:	
Principal Amount of Series X Bonds.....	\$
Less: Original Issue Discount (net of Premium).....	_____
TOTAL.....	\$ <u> </u>
Uses:	
Deposit to the Paying Agent for the Refunded Bonds	\$
Underwriters' Discount.....	_____
Costs of Issuance.....	_____
TOTAL.....	\$ <u> </u>

ST. JOHNS RIVER POWER PARK

General

The Power Park, a coal- and petcoke-fired steam electric generating station, consists of two units, each having a current average net capability of 638 MW (1,276 MW total). The Power Park is jointly owned and operated by JEA and FPL pursuant to the provisions of the Joint Ownership Agreement (hereinafter defined). JEA owns an undivided 80 percent interest in the Power Park and FPL owns the other 20 percent interest. JEA and FPL each fund a corresponding share of ongoing costs and are entitled to a corresponding share of the generating capacity of the Power Park and related energy.

Under the terms of the Joint Ownership Agreement:

FPL is contractually obligated to purchase, on a take-or-pay basis, 37.5 percent of JEA’s 80 percent share of the generating capacity of the Power Park and related energy (resulting in each utility receiving 50 percent of the Power Park’s generating capacity and related energy) until the Joint Ownership Agreement expires in 2022, subject to the limitation on FPL’s right to receive such capacity and related energy described under the caption “Joint Ownership Agreement” below.

After expiration of the Joint Ownership Agreement, JEA will be entitled to receive the generating capacity and related energy produced from its full 80 percent ownership interest in the Power Park, while FPL will be entitled to receive the generating capacity and related energy produced from its 20 percent ownership interest.

For further information regarding the Power Park, see “ELECTRIC UTILITY FUNCTIONS — St. Johns River Power Park” in the Annual Disclosure Report.

Power Park Operations

The Power Park is the largest generating facility in the JEA system. Recent Power Park operating highlights include:

Calendar year 20[___] availability factor: [____] percent v. U.S. average of [____] percent.

Calendar year 20[___] forced outage rate: [____] percent v. U.S. average of [____] percent.

(Note: the statistics shown regarding U.S. averages are for coal units between [___] and [___] MW in size as reported in the Generating Availability Report published by the North American Electric Reliability Corporation for the calendar years 20[___]-20[___].)

For further information regarding the operating history of the Power Park, see “ELECTRIC UTILITY FUNCTIONS — St. Johns River Power Park — *Operation*” in the Annual Disclosure Report.

Joint Ownership Agreement

Pursuant to the Agreement for Joint Ownership, Construction and Operation of the St. Johns River Power Park Coal Units #1 and #2, dated as of April 2, 1982, between JEA and FPL, as amended (the “Joint Ownership Agreement”), JEA has agreed to sell, and FPL has agreed to purchase, on a “take-or-pay” basis (that is, whether or not the Power Park is operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of the Power Park for any reason), 37.5 percent of JEA’s 80 percent share of the generating capacity of the Power Park and related energy until the Joint Ownership Agreement expires in 2022, subject to the limitation that FPL’s right to receive such capacity and related energy shall be suspended if and when the receipt by FPL of any additional amount of energy from such sale would result in FPL having received energy from such sale in excess of 25 percent of the product of (a) the nameplate capacity of JEA’s ownership interest in the Power Park, without any reduction for reserves or other unutilized capacity, and (b) the number of years (including fractions) from the date FPL first took energy pursuant to such sale until the latest maturity date of the Issue Two Bonds (such sale is referred to herein as the “FPL-Power Park Sale”). In April 1983, FPL obtained a ruling from the Internal Revenue Service that permitted JEA to finance its entire ownership interest in the Power Park (including the capacity sold to FPL pursuant to the FPL-Power Park Sale) with the proceeds of tax-exempt bonds so long as the foregoing limitation is not exceeded.

As of September 30, 20[___], approximately [___] percent of the term of the FPL-Power Park Sale had passed. JEA has computed that FPL had received as of September 30, 20[___] approximately [___] percent of the capacity and related energy to which it is entitled over the entire term of such sale.

JEA can make no predictions as to the manner in which FPL will schedule its right to receive the capacity and related energy being sold to it pursuant to the FPL-Power Park Sale over the remaining term of such sale. In the event that FPL continues to schedule such capacity and energy in the same manner as it has through September 30, 20[___], FPL’s right to receive such capacity and energy would be suspended on a date that is substantially earlier than the date on which the term of such sale expires, with the effect that FPL no longer would be entitled to receive such capacity and energy, but still would remain obligated to pay its share of the debt service on the Issue Two Bonds and the administrative fees and expenses incurred under the First Power Park Resolution.

The respective obligations of FPL and of JEA with respect to the Power Park are several and not joint. Thus, JEA’s ability to provide for the operation of its interest in the Power Park is dependent upon the financial ability of JEA and FPL to provide the necessary funds to pay the costs thereof. Accordingly, JEA’s ability to collect revenues sufficient to enable it to cause all of the obligations with respect to the Power Park, including debt service on the Issue Two Bonds and Issue Three Bonds, to be paid is dependent, in part, on the ability of FPL to make the payments due under its “take-or-pay”

contract for the purchase of part of the generating capacity of JEA's interest in the Power Park. JEA cannot give any assurance as to the ability of FPL to abide by its obligation under its "take-or-pay" contract for the purchase of part of the generating capacity of JEA's interest in the Power Park. However, JEA currently has no knowledge of any facts or events that would cause FPL to be unable, or to fail, to comply with its obligations under the Power Park Joint Ownership Agreement.

Payments required to be made by FPL according to the Power Park Joint Ownership Agreement are not subject to any increase to make up for any deficiency in the payments made by JEA from the Electric System into the Revenue Fund established under the First Power Park Resolution. In the event of any failure by FPL to make when due any payment required by the Power Park Joint Ownership Agreement, JEA shall make available to the Electric System the energy and capacity of the Power Park which FPL was entitled to receive prior to its default, and JEA shall use its best efforts to sell to other utilities such Power Park output previously available to FPL and not taken for the account of the Electric System. Payments required to be made by JEA from the Electric System are not subject to any increase to make up for any deficiency in the payments to be made by FPL, except to the extent that the Electric System shall be able to use and shall take a portion of the energy and capacity of the Power Park which FPL was entitled to receive prior to its failure to make any payment.

In the event of a default by either JEA or FPL in any of their obligations under the Power Park Joint Ownership Agreement, the defaulting party has no right to take any of the capacity and associated energy of the Power Park. The non-defaulting party may take all of the Power Park's capacity and associated energy to which the defaulting party would otherwise be entitled; such a taking by the non-defaulting party will not relieve the defaulting party of its liability for such default, except in minor part as described in the Power Park Joint Ownership Agreement. If either JEA or FPL remains in default for a period of 365 days, the non-defaulting party has, among other rights, the right to purchase in full or in part the defaulting party's ownership interest in the Power Park at a price determined according to the Power Park Joint Ownership Agreement.

After expiration of the Joint Ownership Agreement or the earlier expiration of FPL's right to capacity related energy pursuant to the FPL-Power Park Sale, JEA will be entitled to receive the capacity and related energy produced from its full 80 percent ownership interest in the Power Park, while FPL will be entitled to receive the capacity and related energy produced from its 20 percent ownership interest.

As more fully described under "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES X BONDS — Source of Payment" herein, all payments made by FPL to JEA under the provisions of the Joint Ownership Agreement shall not be included in the calculation of "Revenues" as defined in the Second Power Park Resolution. FPL has no obligation to make payments on debt service in respect of the Issue Three Bonds.

For a more complete description of the Joint Ownership Agreement, see "SUMMARY OF CERTAIN PROVISIONS OF THE POWER PARK JOINT OWNERSHIP AGREEMENT" in Appendix H to the Annual Disclosure Report.

Power Park Capital Improvements

For a discussion of JEA's projected capital expenditures at the Power Park for the five-year period ending Fiscal Year 20[___] see "ELECTRIC UTILITY FUNCTIONS — St. Johns River Power Park — Capital Program" in the Annual Disclosure Report.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES X BONDS

The Series X Bonds will be issued pursuant to the Constitution and laws of the State of Florida, particularly the Bulk Power Act, other applicable provisions of law and the Second Power Park Resolution. For a more extensive discussion of the terms and provisions of the Second Power Park Resolution, the levels at which the funds and accounts established thereby are to be maintained, the flow of funds under the Second Power Park Resolution and the purposes to which moneys in such funds and accounts may be applied, see “SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION” in Appendix E to the Annual Disclosure Report.

Source of Payment

The payment of the principal, and interest on the Issue Three Bonds will be secured by a pledge of and a lien on (a) the proceeds of sale of the Issue Three Bonds, (b) the Revenues (as defined in the Second Power Park Resolution) and (c) all funds and accounts established by the Second Power Park Resolution (other than the Debt Service Reserve Account and the Renewal and Replacement Fund 2d). The term “Revenues” is defined in the Second Power Park Resolution to mean (i) so long as the First Power Park Resolution has not been satisfied and discharged, (a) all payments made by JEA from its Electric System into the Revenue Fund 2d (x) pursuant to subsection 1 of Section 712 in the Second Power Park Resolution and (y) as may be required to comply with the requirements of subsection 1 of Section 710 of the Second Power Park Resolution (the rate covenant) and (b) amounts received or to be received as described in sub-clause (z) of clause (ii) below and (ii) after the First Power Park Resolution has been satisfied and discharged, in addition to the payment received pursuant to the sub-sub-clause (x) and (y) of sub-clause (a) of clause (i) above, (x) all revenues, income, rents and receipts derived or to be derived by JEA from or attributable or relating to the ownership and operation of the Power Park, including all revenues attributable or relating to the Power Park or to the payment of the costs thereof received or to be received by JEA from FPL under Section Eight of the Joint Ownership Agreement (relating to the sale of electric capability to FPL) or otherwise payable to it for the sale of the output, capacity, use of service of the Power Park or any part thereof or otherwise with respect to the Power Park, including all payments made by JEA from its Electric System into the Revenue Fund 2d pursuant to subsection 1 of Section 712 of the Second Power Park Resolution, (y) the proceeds of any insurance covering business interruption loss relating to the Power Park derived or to be derived by JEA and (z) (A) interest received or to be received on any moneys or securities (other than moneys or securities in the Construction Fund 2d) held pursuant to the Second Power Park Resolution and required to be paid into the Revenue Fund 2d and (B) any amounts received under any hedging instrument transaction (including a Designated Swap Obligation) entered into relating to indebtedness issued pursuant to the Second Power Park Resolution. Revenues do not include (I) any income, fees, charges, receipts, profits or other moneys derived by JEA from its ownership or operation of the Electric System (except that payments made by JEA into the Revenue Fund 2d from the Electric System pursuant to Section 712 of the Second Power Park Resolution, as referred to in the preceding sentence, shall become Revenues when and to the extent such payments are actually made) or of any other separate bulk power supply utility or system (including the Scherer 4 Project (as defined below)) of the nature referred to in the last sentence of the definition of System in the Second Power Park Resolution, or (II) any payments by FPL to JEA for transmission service under Section 6.17 of the Joint Ownership Agreement. JEA owns a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant, a coal-fired, steam electric generating unit currently rated at 841 MW, net, located near Forsyth, Georgia and proportionate ownership interests in associated common facilities and an associated coal stockpile (such ownership interests are referred to herein as the “Scherer 4 Project”).

Subsection 1 of Section 712 of the Second Power Park Resolution provides that JEA will allocate to and make available for the account of the Electric System in each year that portion of the output, capacity, use and service of the Power Park which is in excess of the output, capacity, use and service of the Power Park sold to FPL pursuant to Section Eight of the Joint Ownership Agreement. Subsection 1 of Section 712 also provides that JEA will make payments from the Electric System which will provide: (i) in each month, Revenues equal to: (a) Operation and Maintenance Expenses due and payable during such month (but with no duplication for amounts paid therefor pursuant to the First Power Park Resolution); (b) the amount, if any, to be set aside in the Revenue Fund 2d (other than amounts required to be paid into such Fund out of the proceeds of Issue Three Bonds) as a general reserve for Operation and Maintenance Expenses or as a reserve for the acquisition of fuel in accordance with the then current Annual Budget, (c) the Monthly Debt Service Deposit for such month, (d) the amount, if any, to be paid during such month into the Debt Service Reserve Account in the Debt Service Fund 2d (other than amounts required to be paid into such Account out of the proceeds of Issue Three Bonds), (e) to the extent not paid into the revenue fund established pursuant to the First Power Park Resolution, all other direct and indirect costs of operating and maintaining the Power Park, if any, which are not payable under subsection 1(i)(a) of Section 712 of the Second Power Park Resolution, but which are required to be paid by JEA under the Joint Ownership Agreement, including but not limited to (X) all costs, expenses, liabilities and charges which constitute “Costs of Operation” under the Joint Ownership Agreement and (Y) all losses, costs, damages and expenses payable to FPL under Section 13.6 of the Joint Ownership Agreement, and (f) all other charges or liens (other than Costs of Acquisition and Construction of Initial Facilities or any Additional Facilities) whatsoever payable out of Revenues during such month including payment of damages awarded pursuant to judgment of any court; and (ii) in each 12-month period ending September 30, the Renewal and Replacement Requirement for such period.

For a discussion of JEA’s payment obligations with respect to the use by the Electric System of the output, capacity, use or service of the Power Park, see “SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION” in Appendix E to the Annual Disclosure Report.

The payments from the Electric System in respect of the Power Park are “Contract Debts” payable as a “Cost of Operation and Maintenance” (both terms as defined in the Electric System Resolution) of the Electric System. Debt service on the Issue Three Bonds is a Contract Debt of the Electric System. Such Contract Debt payments are payable from the revenues of the Electric System prior to any payments from such revenues for indebtedness not constituting a Contract Debt issued for the Electric System, including the Electric System Bonds and the Subordinated Electric System Bonds, and are payable on a parity with Contract Debt payments from the Electric System made with respect to the Issue Two Bonds, the BPSS Bonds and any other separate bulk power supply utilities or systems that JEA may establish in the future and any other Contract Debt payments including bulk electric power purchase agreements. See “Contract Debts” below and “FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS — Debt Relating to Electric Utility Functions — *Electric System Contract Debts*” in the Annual Disclosure Report. See also “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION” in Appendix B to the Annual Disclosure Report. ***For a description of certain proposed amendments to the foregoing provisions, see “Proposed Amendments to the Electric System Resolution” below.***

The lien of the Issue Three Bonds on the Revenues and other funds pledged therefor is prior and superior to all other liens or encumbrances on such Revenues and funds, subject only to the provisions of the Second Power Park Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Second Power Park Resolution.

Debt Service Reserve Account

There is created within the Debt Service Reserve Account in the Debt Service Fund 2d established pursuant to the Second Power Park Resolution a subaccount designated as the “Initial Subaccount” for the benefit of the Series X Bonds and other Issue Three Bonds designated to be secured thereby. The resolution supplemental to the Second Power Park Resolution authorizing the Series X Bonds specifies that the Series X Bonds shall be additionally secured by amounts on deposit in the Initial Subaccount.

If on any day on which the principal or interest on the Series X Bonds shall be due, the amount on deposit in the Debt Service Account in the Debt Service Fund 2d (exclusive of amounts, if any, set aside in said Account from the proceeds of the Issue Three Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund 2d) for the payment of interest on the Issue Three Bonds on a future date) shall be less than the amount required to pay such principal, Redemption Price or interest, then JEA shall apply amounts from each separate subaccount in the Debt Service Reserve Account to the extent necessary to cure the deficiency that exists with respect to the Additionally Secured Series (as defined in the Second Power Park Resolution) secured thereby.

Pursuant to the Second Power Park Resolution, JEA is required to maintain on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d an amount equal to the Debt Service Reserve Requirement related thereto. The term “Debt Service Reserve Requirement” is defined in the Second Power Park Resolution to mean, with respect to each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d, unless otherwise specified in the Supplemental Resolution establishing such subaccount, as of any date of calculation, an amount equal to the maximum amount of interest to accrue on the Additionally Secured Series secured thereby during the then current, or any future, Fiscal Year (assuming, for this purpose, that all Additionally Secured Series secured thereby that bear interest at a variable or floating rate shall bear interest during such period at the greater of (i) the actual rate of interest then borne by such Bonds or (ii) the Certified Interest Rate applicable thereto). For a definition of the term “Certified Interest Rate,” see “SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION” in Appendix E to the Annual Disclosure Report.

As of the date of this Official Statement, the Debt Service Reserve Requirement for the Initial Subaccount in the Debt Service Reserve Account is \$[_____]. As a result of the issuance of the Series X Bonds and the refunding of the Refunded Bonds, the Debt Service Reserve Requirement for the Initial Subaccount in the Debt Service Reserve Account will be equal to \$[_____].

JEA may, by resolution supplemental to the Second Power Park Resolution, create within the Debt Service Reserve Account one or more additional subaccounts, for the benefit of such series of Issue Three Bonds as may be specified in, or determined pursuant to, such supplemental resolution. In lieu of maintaining moneys or investments in any such subaccount, JEA at any time may cause to be deposited into such subaccount for the benefit of the Holders of bonds of the Additionally Secured Series secured thereby an irrevocable surety bond, an insurance policy or a letter of credit satisfying the requirements set forth in such supplemental resolution in an amount equal to the difference between the Debt Service Reserve Requirement for such subaccount and the sum of moneys or value of Authorized Investments then on deposit therein, if any. Any such additional subaccount hereafter established will not additionally secure the Series X Bonds.

No Pledge of Credit or Taxing Power

The Series X Bonds shall not constitute general obligations of either JEA or the City within the meaning of any constitutional, statutory or charter provision or limitation. The City shall never be required or compelled to levy ad valorem taxes on any property of JEA or property of or in the City to pay the principal or redemption price of, and interest on, the Series X Bonds, or to make any of the sinking fund, reserve or other payments required under the Second Power Park Resolution. JEA has no power to levy taxes for any purpose. The Series X Bonds shall not constitute a lien upon any of the property of JEA or the property of or in the City but shall constitute a lien only upon special funds created by the Second Power Park Resolution in the manner provided therein.

Contract Debts

Contract Debts, a component of the Electric System's Cost of Operation and Maintenance, is defined in the Electric System Resolution to mean any obligations of JEA under a contract, lease, installment sale agreement, bulk electric power purchase agreement or otherwise to make payments out of the revenues of the Electric System for property, services or commodities whether or not the same are made available, furnished or received, but shall not include (a) payments required to be made in respect of (i) debt service on any obligations incurred by JEA in connection with the financing of any separate bulk power supply utility or system undertaken by JEA and any additional amounts relating to "debt service coverage" with respect thereto and (ii) deposits into any renewal and replacement or other similar fund or account established with respect to any such separate bulk power supply utility or system (in each such case, other than (X) the Power Park and (Y) the Scherer 4 Project) and (b) payments required to be made in respect of any other arrangement(s) for the supply of power and/or energy to the Electric System for resale as may be determined by JEA to be payable on a parity with Subordinated Bonds that may be issued in accordance with the provisions of the Electric System Resolution. For a further discussion of Contract Debts, see "FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS — Debt Relating to Electric Utility Functions — Electric System Contract Debts" in the Annual Disclosure Report. See also "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION" in Appendix B to the Annual Disclosure Report. *For a description of certain proposed amendments to the foregoing provisions, see "Proposed Amendments to the Electric System Resolution" below.*

Rate Covenants

Power Park Rate Covenant. For a description of the rate covenant made by JEA in the Second Power Park Resolution, see "SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION — Particular Covenants as to Rates, Fees and Charges — *Rate Covenant*" in Appendix E to the Annual Disclosure Report attached hereto. For a description of the rate covenant made by JEA in the First Power Park Resolution, see "SUMMARY OF CERTAIN PROVISIONS OF THE FIRST POWER PARK RESOLUTION — Particular Covenants of JEA — Rate Covenant" in Appendix D to the Annual Disclosure Report.

Electric System Rate Covenant. For a description of the rate covenant made by JEA in the Electric System Resolution, see "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION — Rate Covenant" in Appendix B to the Annual Disclosure Report. Pursuant to the Second Power Park Resolution, the rate covenant made by JEA in the Electric System Resolution will remain in force and effect after the payment of all the Electric System Bonds so that the rates established by JEA for the Electric System must remain at a level sufficient to pay the Contract Debts of the Electric System, including JEA's debt service on the Series X Bonds. See "SUMMARY OF

CERTAIN PROVISIONS OF THE FIRST POWER PARK RESOLUTION — Particular Covenants with Respect to the Electric System” in Appendix D to the Annual Disclosure Report.

Bulk Power Supply System Rate Covenant. The Bulk Power Supply System Resolution (the “BPSS Resolution”) contains a covenant on the part of JEA to collect rates and charges during each bond year for the use or the sale of output, capacity and use of the Scherer 4 Project (and other projects that may be financed thereunder) which shall be at least equal to the greater of (i) 115 percent of the Aggregate Debt Service (as defined in the BPSS Resolution) for such bond year; provided, however, that any Principal Installment (as defined in the BPSS Resolution) which is a Refundable Principal Installment (as defined in the BPSS Resolution) may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such principal installment from sources other than Revenues (as defined in the BPSS Resolution), and (ii) the amount which, together with other available funds, shall be sufficient for the payment of: (a) the amount to be paid during such bond year into the Debt Service Account in the Debt Service Fund established pursuant to the BPSS Resolution (other than amounts required to be paid into such account out of the proceeds of bonds, subordinated indebtedness or other evidences of indebtedness of JEA); (b) the amount, if any, to be paid during such bond year into each separate subaccount in the Debt Service Reserve Account in said Debt Service Fund (other than amounts required to be paid into any such subaccount out of the proceeds of bonds, subordinated indebtedness or other evidences of indebtedness of JEA); (c) the amount, if any, to be paid during such bond year into the Subordinated Indebtedness Fund established pursuant to the BPSS Resolution (other than amounts required to be paid into such fund out of the proceeds of bonds, subordinated indebtedness or other evidences of indebtedness of JEA); (d) the amount, if any, to be paid during such bond year into the Renewal and Replacement Fund established pursuant to the BPSS Resolution (other than amounts required to be paid into such fund out of the proceeds of bonds, subordinated indebtedness or other evidences of indebtedness of JEA); (e) if any decommissioning funds shall have been established pursuant to the BPSS Resolution, the amount, if any, to be paid during such bond year into each decommissioning fund (other than amounts required to be paid into any such fund out of the proceeds of bonds, subordinated indebtedness or other evidences of indebtedness of JEA); and (f) all other charges and liens whatsoever payable out of revenues (as defined in the BPSS Resolution) during such bond year.

The BPSS Resolution is available for viewing and downloading on JEA’s website (<http://www.jea.com>) by selecting “About,” at the top of the home page, then selecting “Investor Relations” under “Company Info,” then selecting “Bonds” and then selecting “Restated and Amended Bulk Power Supply System Revenue Bond Resolution” under the heading “JEA Bond Resolutions.”

Additional Bonds

Additional Issue Three Bonds. JEA may issue one or more issues of additional Issue Three Bonds for the purpose of providing funds to pay for Additional Facilities thereof. JEA may also issue refunding Issue Three Bonds to refund Outstanding Issue Three Bonds, Subordinated Indebtedness or bonds issued under the First Power Park Resolution. Any additional Issue Three Bonds or refunding Issue Three Bonds will be entitled to a lien on the Revenues (as defined in the Second Power Park Resolution) and other funds pledged pursuant to the Second Power Park Resolution equal to the lien of the Outstanding Issue Three Bonds. For a description of the provisions of the Second Power Park Resolution relating to the issuance of additional Issue Three Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION” in Appendix E to the Annual Disclosure Report.

Additional Issue Two Bonds. JEA may issue one or more issues of additional Issue Two Bonds for the purpose of providing funds to pay all or a portion of the Cost of Acquisition and Construction of any Additional Facilities. JEA may also issue refunding Issue Two Bonds to refund outstanding Issue Two Bonds. Any additional Issue Two Bonds or refunding Issue Two Bonds will be Contract Debts of the Electric System, entitled to a lien on the Revenues (as defined in the First Power Park Resolution) and other funds pledged pursuant to the First Power Park Resolution equal to the lien of the outstanding Issue Two Bonds. For a description of the provisions of the First Power Park Resolution relating to the issuance of additional Issue Two Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE FIRST POWER PARK RESOLUTION — Additional Power Park Bonds” in Appendix D to the Annual Disclosure Report. JEA does not currently anticipate that additional Issue Two Bonds will be required to provide additional funds for JEA’s interest in the initial facilities of the Power Park or any Additional Facilities of the Power Park. JEA may issue additional Issue Two Bonds to refund outstanding Issue Two Bonds from time to time as it deems economical or advantageous.

Additional Bulk Power Supply System Bonds. The BPSS Resolution permits JEA to issue one or more series of BPSS Bonds for any lawful purpose of JEA related to the Scherer 4 Project (and any other projects that may be financed thereunder). The BPSS Resolution also permits JEA to issue refunding BPSS Bonds to refund any outstanding BPSS Bonds from time to time as it deems economical or advantageous.

Additional Electric System Bonds. JEA has covenanted in the Electric System Resolution to issue no obligations payable from Net Revenues (as defined in the Electric System Resolution), nor to create voluntarily or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Electric System Bonds except as provided in the Electric System Resolution. For a description of the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION — Issuance of Additional Electric System Bonds” in Appendix B to the Annual Disclosure Report.

Proposed Amendments to the Electric System Resolution

On May 19, 1998, JEA adopted a resolution (as amended, the “Amending Resolution”) for the purpose of making certain material amendments to the Electric System Resolution. In addition to certain amendments to the Electric System Resolution that heretofore have become effective, the Amending Resolution provides for the amendment of the Electric System Resolution relating to the priority of payments from the Electric System with respect to the Power Park, in a manner requiring (i) the consent of FPL, (ii) the consent of the holders of 60 percent or more in principal amount of the Issue Two Bonds outstanding and (iii) the consent of the Holders of a majority in principal amount Issue Three Bonds Outstanding.

These amendments to the Electric System Resolution amend the provisions of the Electric System Resolution relating to the priority of payments with respect to the Power Park to provide that payments with respect to (i) debt service on obligations issued by JEA with respect to the Power Park (including the Issue Two Bonds and the Issue Three Bonds) and any additional amounts relating to “debt service coverage” with respect thereto and (ii) deposits into any renewal and replacement or similar fund with respect to the Power Park will no longer constitute a portion of the Cost of Operation and Maintenance, but will be payable on a parity with Subordinated Bonds (as defined in the Electric System Resolution) that may be issued in accordance with the provisions of the Electric System Resolution, including the Subordinated Electric System Bonds (as defined in the Annual Disclosure Report). The amendments to the Electric System Resolution described in this paragraph will become effective upon

the satisfaction of the conditions to the effectiveness thereof described above. To date, JEA has not solicited any consents to such amendments and currently has no intention of soliciting any such consents in the future.

Additional Provisions Relating to the Series X Bonds

With respect to the requirements of the Internal Revenue Code of 1986 relating to the Series X Bonds, JEA has covenanted in the Supplemental Resolution of JEA adopted on December 20, 2016 authorizing the issuance of the Series X Bonds as follows:

“Tax Covenants” (a) JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series X Bonds under Section 103 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the Date of Issuance of the Series X Bonds concerning certain matters pertaining to the use of proceeds of the Series X Bonds, including any and all exhibits attached thereto (the “Tax Certificate”). This covenant shall survive payment in full or defeasance of the Series X Bonds.

(b) Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Series X Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

(c) Notwithstanding any other provision of the Second [Power Park] Resolution to the contrary, (i) upon JEA’s failure to observe or refusal to comply with the above covenants, the holders of the Series X Bonds shall be entitled to the rights and remedies provided to Bondholders under the Second [Power Park] Resolution, other than the right (which is hereby abrogated solely in regard to JEA’s failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Series X Bonds then outstanding, and the interest accrued thereon, to be due and payable and (ii) the holders of any Bonds under the Second [Power Park] Resolution other than the Series X Bonds shall not be entitled to exercise any right or remedy provided to Bondholders under the Second [Power Park] Resolution based upon JEA’s failure to observe, or refusal to comply with, the above covenants.”

DESCRIPTION OF THE SERIES X BONDS

General

The Series X Bonds will be dated and bear interest at the rates and mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series X Bonds will be payable on [April/October] 1, 20[17/8] and semiannually on each April 1 and October 1

thereafter by U.S. Bank National Association, Bond Registrar and Paying Agent. The Series X Bonds will be issuable only in fully registered form in the principal amount of \$5,000 or any integral multiple thereof. The Series X Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the Series X Bonds and the ownership of one or more fully registered Series X Bond for each maturity as set forth on the inside cover page of this Official Statement, in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

Registration and Transfer

Payment of the semiannual interest on the Series X Bonds shall be made by check or draft mailed to the person in whose name the Series X Bond is registered at the person’s address as it appears on the registration books maintained by the Bond Registrar on behalf of JEA at the close of business on the 15th day of the month (whether or not a business day) next preceding each interest payment date (the “Record Date”), irrespective of any transfer or exchange of such Series X Bond subsequent to the Record Date and prior to such interest payment date, unless JEA shall default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Series X Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Bond Registrar on behalf of JEA to the registered owners of the Series X Bonds not less than 15 calendar days preceding such special record date. Such notice shall be mailed to the persons in whose names the Series X Bonds are registered at the close of business on the fifth calendar day preceding the date of mailing.

For so long as a book-entry system is used for determining beneficial ownership of the Series X Bonds, such interest shall be payable to DTC or its nominee. Disbursement of such payments to the Direct Participants (as defined in APPENDIX A hereto) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners (as defined in APPENDIX A hereto) of the Series X Bonds is the responsibility of the Direct Participants or the Indirect Participants (as defined in APPENDIX A hereto).

The Series X Bonds may be exchanged or transferred without charge to the owners thereof, except for any tax, fee or other governmental charge imposed in connection with said exchange or transfer.

Redemption

Optional Redemption. The Series X Bonds maturing prior to October 1, 20[___] are not subject to redemption. The Series X Bonds maturing after October 1, 20[___] will be redeemable at the election of JEA on and after October 1, 20[___], at any time, as a whole or in part, at the redemption price of [___] percent of the principal amount of the Series X Bonds so to be redeemed, together with accrued interest to the redemption date.

Mandatory Redemption. The Series X Bonds maturing on October 1, 20[___]*, as set forth in the table below, are subject to mandatory redemption by lot prior to maturity on October 1 in the years and amounts shown below at par (plus accrued interest to the redemption date) from Sinking Fund Installments required to be paid in such years and amounts:

* Preliminary, subject to change.

Series X Bonds
Maturing on October 1, 20[___]*

<u>Year</u>	<u>Principal Amount</u>
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\$

* Preliminary, subject to change.

Such Sinking Fund Installments shall be applied to the redemption of the applicable Series X Bonds on October 1 of each of the applicable years set forth above, and may also be so applied on the immediately preceding April 1.

Selection of Series X Bonds to be Redeemed. For so long as the Series X Bonds are subject to the book-entry only system of registration and transfer described in APPENDIX A hereto, in the event that less than all of the Series X Bonds are to be redeemed, the particular Beneficial Owner(s) to receive payment of the redemption price with respect to beneficial ownership interests in the Series X Bonds shall be selected by DTC and the Direct Participants and/or Indirect Participants. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

Notice of Redemption. The Second Power Park Resolution requires JEA to mail a notice of any redemption of the Series X Bonds by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date to the Holders of any Series X Bonds or portions thereof which are to be redeemed, at their last address, if any, appearing upon the registry books but failure to do will not affect the validity of the proceedings for the redemption of any other Bonds. The notice will provide that it can be revoked in accordance with its terms.

For so long as a book-entry only system of registration is in effect with respect to the Series X Bonds, JEA will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants, any failure of Direct Participants to convey such notice to any Indirect Participants or any failure of Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency or the validity of the redemption of Series X Bonds. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

**DEBT SERVICE REQUIREMENTS FOR
THE ISSUE THREE BONDS**

Set forth in APPENDIX B hereto is a table showing the debt service requirements for the Issue Three Bonds to be Outstanding after the issuance of the Series X Bonds and the refunding of the Refunded Bonds to be refunded with the proceeds thereof.

RECENT DEVELOPMENTS

The following information updates and supplements certain of the information contained in the Annual Disclosure Report included by reference herein:

[Insert Updates to Annual Disclosure Report]

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

For a discussion of pension and other post-employment benefit matters, see “INTRODUCTION — Management and Employees” in the Annual Disclosure Report, as

supplemented under the caption “RECENT DEVELOPMENTS — Management and Employees” herein and notes [12 and 14] to JEA’s Financial Statements set forth in APPENDIX A attached to the Annual Disclosure Report.

LITIGATION

The Office of General Counsel of the City is not aware of any pending or threatened litigation contesting the validity of the Series X Bonds or the right of JEA to issue the Series X Bonds. In the opinion of the Office of General Counsel of the City, other than as set forth in the Annual Disclosure Report and the footnotes to the financial statements of JEA included in the Annual Disclosure Report, there is no pending litigation or proceedings that may result in any material adverse change in the financial condition of JEA relating to the Electric System. For a discussion of certain pending proceedings relating to environmental matters, see “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Environmental Matters” in the Annual Disclosure Report.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Series X Bonds and certain other legal matters are subject to the approving opinion of [____], Bond Counsel (“Bond Counsel”). A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX D hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for JEA by the Office of General Counsel of the City, attorneys for JEA. Certain legal matters will be passed upon for the Underwriters by [____], Counsel to the Underwriters.

TAX MATTERS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series X Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series X Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series X Bonds. Pursuant to Resolution No. 2016-25, adopted by JEA on December 20, 2016, authorizing the Series X Bonds (the “Supplemental Resolution”) and the Tax Certificate executed in connection with the delivery of the Series X Bonds (the “Tax Certificate”), JEA has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series X Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, JEA has made certain representations and certifications in the Supplemental Resolution and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by JEA described above, interest on the Series X Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series X Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Series X Bonds over the price at which a substantial amount of such maturity of the Series X Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series X Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series X Bonds sold at prices in excess of their principal amounts are “Premium Bonds”. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which 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 over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series X Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series X Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series X Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series X Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series X Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those opinions described in the opinion attached as APPENDIX D hereto. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series X Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series X Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series X Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series X Bonds from gross income for federal or state income tax purposes, or otherwise. We note that each year since 2011, President Obama released legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Series X Bonds) for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series X Bonds may occur. Prospective purchasers of the Series X Bonds should consult their own tax advisors regarding the impact of any change in law on the Series X Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series X Bonds may affect the tax status of interest on the Series X Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series X Bonds, or the interest thereon, if any action is taken with respect to the Series X Bonds or the proceeds thereof upon the advice or approval of other counsel.

RATINGS

JEA has received ratings on the Series X Bonds of “[_____]” from Fitch, “[_____]” from Moody’s, and “[_____]” from Standard & Poor’s. An explanation of the significance of any ratings may be obtained only from the rating agency furnishing the same at the following addresses: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody’s Investors Service, 7 World Trade Center, New York, New York 10007, and from Standard & Poor’s at 55 Water Street, New York, New York 10004. JEA has furnished to each rating agency rating the Series X Bonds information, including information not included in this Official Statement, about JEA and the Issue Three Bonds. Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on independent investigations, studies and assumptions made by such rating agencies. There can be no assurance that such ratings will be in effect for any given period of time or that they will not be revised upward or downward or withdrawn entirely by such rating agencies if, in the judgment of such agencies, circumstances so warrant. Those circumstances may include, among other things, changes in or unavailability of information relating to JEA or the Issue Three Bonds. Any such downward revision or withdrawal of any ratings may have an adverse effect on the market price of the Series X Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY LAW

Section 517.051(1), Florida Statutes, requires that JEA make full and fair disclosure of any of its bonds or other debt obligations that have been in default as to payment of principal or interest at any time after December 31, 1975. JEA has not been, since December 31, 1975, in default as to payment of principal or interest on any of its bonds or other debt obligations.

UNDERWRITING

The Underwriters (with [_____] as senior book-running manager) have jointly and severally agreed, subject to certain customary conditions to closing, to purchase the Series X Bonds from JEA at an aggregate underwriting discount of \$[_____] from the initial public offering prices of the Series X Bonds. Such Underwriters will be obligated to purchase all the Series X Bonds if any such Series X Bonds are purchased. The public offering prices may be changed, from time to time, by the Underwriters. The bond purchase agreement obligates such Underwriters to sell a substantial portion of the Series X Bonds of each maturity at not less than the initial offering prices therefor.

[Specific disclosures to be inserted]

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, commercial and investment banking services for JEA, for which they received or will receive customary fees and expenses. JEA intends to use a portion of the proceeds from this offering to refund the Refunded Bonds. Certain of the Underwriters for this offering or their affiliates may hold certain of the Refunded Bonds and, as a result, may receive a portion of the proceeds of this offering in connection with the redemption of the Refunded Bonds by JEA.

In the ordinary course of their various business activities, the Underwriters and their respective 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 may involve securities and instruments of JEA.

MISCELLANEOUS

Legal Investments

The Series X Bonds are legal investments for savings banks, trust companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency or instrumentality of the State of Florida, or of any county, municipality, or other political subdivisions of the State of Florida. The Series X Bonds are also eligible as security for deposits of state, county, municipal and other public funds.

References to Documents

The summaries of or references to the Second Power Park Resolution, the First Resolution and the Electric System Resolution and proposed amendments thereto and certain statutes and other ordinances and documents included in this Official Statement or in the document included by specific reference herein do not purport to be comprehensive or definitive, and such summaries and references are qualified in their entirety by references to each such resolution, statute, ordinance, law and document. Copies of all such documents may be obtained from JEA, provided that a reasonable charge may be imposed for the cost of reproduction.

Authorization of Official Statement

The dissemination and use of this Official Statement have been duly authorized by the JEA Board.

JEA

By: _____
Managing Director and Chief Executive Officer

BOOK-ENTRY ONLY SYSTEM

The Series X Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the Series X Bonds. The Series X 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 or more fully-registered bond certificates will be issued for the Series X Bonds of each maturity (and, if applicable, each interest rate within a maturity), in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, 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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) 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"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series X Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series X Bonds on DTC's records. The ownership interest of each actual purchaser of each Series X Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect 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 Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series X Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series X Bonds, except in the event that use of the book-entry system for the Series X Bonds is discontinued.

SO LONG AS CEDE & CO. (OR ANY OTHER NOMINEE REQUESTED BY DTC) IS THE REGISTERED OWNER OF THE SERIES X BONDS AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OR OWNERS OF THE SERIES S BONDS SHALL MEAN CEDE & CO. (OR SUCH OTHER NOMINEE), AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

To facilitate subsequent transfers, all Series X 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 Series X 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 Series X Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

JEA and the Bond Registrar and Paying Agent for the Series X Bonds may treat DTC (or its nominee) as the sole and exclusive owner of the Series X Bonds registered in its name for the purpose of: payment of the principal or redemption price of or interest on the Series X Bonds selecting Series X Bonds and portions thereof to be redeemed; giving any notice permitted or required to be given to Holders under the Second Power Park Resolution including any notice; registering the transfer of Series X Bonds; obtaining any consent or other action to be taken by Holders; and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. JEA, the Bond Registrar and Paying Agent for the Series X and the Underwriters (other than in their capacity, if any, as Direct Participants or Indirect Participants) shall not have any responsibility or obligation to any Direct Participant, any person claiming a beneficial ownership interest in the Series X Bonds under or through DTC or any Direct Participant, or any other person which is not shown on the registration books of JEA (kept by the Bond Registrar) as being a Holder, with respect to: the accuracy of any records maintained by DTC or any Direct or Indirect Participant regarding ownership interests in the Series X Bonds; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal or redemption price of or interest on the Series X Bonds; the delivery to any Direct or Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to Holders under the Second Power Park Resolution, including any notice; or any consent given or other action taken by DTC as a Holder of the Series X Bonds.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series X Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 securities, such as the Series X Bonds, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Except as described below, neither DTC nor Cede & Co. nor any other nominee of DTC will take any action to enforce covenants with respect to any security registered in the name of Cede & Co. or any other nominee of DTC. Under its current procedures, on the written instructions of a Direct Participant given in accordance with DTC's Procedures, DTC will cause Cede & Co. to sign a demand to exercise certain bondholder rights. In accordance with DTC's current procedures, Cede & Co. will sign such document only as record holder of the quantity of securities referred to therein (which is to be specified in the Direct Participant's request to DTC for such document) and not as record holder of all the securities of that issue registered in the name of Cede & Co. Also, in accordance with DTC's current procedures, all factual representations to the issuer, the trustee or any other party to be made by Cede & Co. in such document must be made to DTC and Cede & Co. by the Direct Participant in its request to DTC.

For so long as the Series X Bonds, are issued in book-entry form through the facilities of DTC, any Beneficial Owner desiring to cause JEA to comply with any of its obligations with respect to the Series X Bonds, must make arrangements with the Direct Participant or Indirect Participant through

whom such Beneficial Owner's ownership interest in the Series X Bonds, is recorded in order for the Direct Participant in whose DTC account such ownership interest is recorded to make the request of DTC described above.

NEITHER JEA NOR THE BOND REGISTRAR AND PAYING AGENT FOR THE SERIES X BONDS NOR THE UNDERWRITERS (OTHER THAN IN THEIR CAPACITY, IF ANY, AS DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND THE PERSONS FOR WHOM THEY ACT RELATING TO THE MAKING OF ANY DEMAND BY CEDE & CO. AS THE REGISTERED OWNER OF THE SERIES X BONDS THE ADHERENCE TO SUCH PROCEDURES OR ARRANGEMENTS OR THE EFFECTIVENESS OF ANY ACTION TAKEN PURSUANT TO SUCH PROCEDURES OR ARRANGEMENTS.

Principal or redemption price of and interest on the Series X Bonds will be paid 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 JEA or the Paying Agent on payable 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, JEA or the Paying Agent for the Series X Bonds, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent for the Series X Bonds, 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 Direct and Indirect Participants.

As long as the book-entry system is used for the Series X Bonds, JEA, will give or cause to be given any notice required to be given to Holders of Series X Bonds, only to DTC.

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 Series X Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series X Bonds such as defaults and proposed amendments to the Second Power Park Resolution. For example, Beneficial Owners of Series X Bonds may wish to ascertain that the nominee holding the Series X Bonds, for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

NEITHER JEA NOR THE BOND REGISTRAR AND PAYING AGENT FOR THE SERIES X BONDS NOR THE UNDERWRITERS (OTHER THAN IN THEIR CAPACITY, IF ANY, AS DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS) WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.

For every transfer and exchange of a beneficial ownership interest in the Series X Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Discontinuation of the Book-Entry-Only System. DTC may discontinue providing its services as depository with respect to the Series X Bonds at any time by giving reasonable notice to JEA or the Bond Registrar and Paying Agent for the Series X Bonds. In addition, if JEA determines that (i) DTC is unable to discharge its responsibilities with respect to the Series X Bonds or (ii) continuation of the system of book-entry-only transfers through DTC is not in the best interests of the Beneficial Owners of the Series X Bonds or of JEA, JEA may, upon satisfaction of the applicable procedures of DTC with respect thereto, terminate the services of DTC with respect to the Series X Bonds. Upon the resignation of DTC or determination by JEA that DTC is unable to discharge its responsibilities, JEA may, within 90 days, appoint a successor depository. If no such successor is appointed or JEA determines to discontinue the book-entry-only system, Series X Bond certificates will be printed and delivered. Transfers and exchanges of Series X Bonds shall thereafter be made as provided in the Second Power Park Resolution.

If the book-entry only system is discontinued with respect to the Series X Bonds, the persons to whom Series X Bonds are delivered will be treated as “Bondholders” for all purposes of the Second Power Park Resolution, including without limitation the payment of principal, premium, if any, and interest on Series X Bonds, and the giving to JEA, the Bond Registrar or Paying Agent for the Series X Bonds, of any notice, consent, request or demand pursuant to the Second Power Park Resolution, for any purpose whatsoever. In such event, interest on the Series X Bonds will be payable by check or draft of the Paying Agent therefore mailed to such Bondholders at the addresses shown on the registration books maintained on behalf of JEA, and the principal and redemption price of all Series X Bonds will be payable at the principal corporate trust office of the Paying Agent for the Series X Bonds as described under the heading “DESCRIPTION OF THE SERIES X BONDS – Registration and Transfer” in the Official Statement to which this APPENDIX A is attached.

Portions of the foregoing concerning DTC and DTC’s book-entry system are based on information furnished by DTC to JEA. No representation is made herein by JEA or the Underwriters as to the accuracy, completeness or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date of the Official Statement to which this APPENDIX A is attached.

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APPENDIX B

DEBT SERVICE REQUIREMENTS FOR THE ISSUE THREE BONDS

Fiscal Year Ending September 30th	Debt Service on Outstanding Issue Three Bonds ⁽³⁾⁽⁴⁾	Less: Debt Service on Refunded Bonds			Plus: Debt Service on Series X Bonds			Debt Service on Issue Three Bonds to be Outstanding After Issuance of the Series X Bonds
		<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	
	\$							
Total	\$							

- (1) Row and column totals may not add due to rounding.
- (2) In addition to the Issue Three Bonds, JEA also has issued, and as of the date of the Official Statement to which this APPENDIX B is attached there are outstanding, \$[_____] aggregate principal amount of Issue Two Bonds. Payments with respect to JEA's share of the debt service on the Issue Two Bonds constitute Contract Debts, payable as a Cost of Operation and Maintenance of the Electric System and are payable prior to the payment of debt service on the Electric System Bonds and the Subordinated Electric System Bonds.
- (3) Excludes debt service paid on or prior to [_____], 20[____].
- (4) Reflects total interest on the Series Four Build America Bonds and is not net of the 35 percent cash subsidy payments that JEA expects to receive from the United States Treasury with respect to such Bonds.

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PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

Upon the delivery of the Series X Bonds, JEA proposes to enter into a Continuing Disclosure Agreement with respect to such Bonds in substantially the following form:

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”) dated [____], 20[___] is made by JEA, Jacksonville, Florida, an independent agency of the City of Jacksonville, Florida duly organized and existing under the Constitution and laws of the State of Florida (“JEA”), for the benefit of the holders and beneficial owners from time to time of JEA’s \$[_____] St. Johns River Power Park System Revenue Bonds, Issue Three, Series X, dated the date hereof (the “Bonds”), under the circumstances summarized in the following recitals (with each capitalized term used but not defined in this Agreement having the meaning assigned to it in the Supplemental Resolution of JEA adopted on December 20, 2016, authorizing the issuance of the Bonds (the “Supplemental Resolution”)):

A. JEA, by adoption of the Supplemental Resolution, has determined to issue the Bonds to provide funds for JEA purposes, and the Underwriters have agreed to provide those funds to JEA by purchasing the Bonds.

B. JEA understands that the Underwriters will sell and deliver Bonds to other holders and beneficial owners; that the Underwriters would not purchase the Bonds from JEA, and JEA would not be assured of the availability of funds required for its purposes, if the Underwriters were not able to sell and deliver the Bonds; and that the Bonds will be transferred from time to time from holders and beneficial owners to other holders and beneficial owners who may rely upon the continuing disclosure agreement made by JEA in the Supplemental Resolution and this Agreement.

C. As a condition to the purchase of the Bonds from JEA and the sale of Bonds to holders and beneficial owners, the Underwriters are required to reasonably determine that JEA has made an agreement for the benefit of holders and beneficial owners of the Bonds in accordance with paragraph (b)(5)(i) of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”).

D. JEA made an agreement in the Supplemental Resolution, certain terms of which were to be further described and specified in a Continuing Disclosure Agreement, to provide or cause to be provided such financial information and operating data, financial statements and notices, in such manner, as may be required for purposes of paragraph (b)(5)(i) of the Rule.

NOW, THEREFORE, in consideration of the purchase of the Bonds from JEA by the Underwriters and the contemplated sale of the Bonds to, and transfer of Bonds between, holders and beneficial owners from time to time, JEA hereby sets forth, pursuant to Section 4.04 of the Supplemental Resolution, certain terms of its continuing disclosure agreement made for purposes of the Rule and formed, collectively, by said Section 4.04 and this Agreement for the benefit of the holders and beneficial owners from time to time of the Bonds, as follows:

Section 1. Provision of Annual Information; Audited Financial Statements; and Notices of Events. JEA shall provide or cause to be provided:

(a) to the Municipal Securities Rulemaking Board (“MSRB”), (i) not later than the June 1 following the end of each JEA fiscal year ending on or after September 30, 20[1_], annual financial information and operating data for such fiscal year of the type described in Section 2 (“Annual Information”), and (ii) when and if available, audited JEA financial statements for each such fiscal year; and

(b) to the MSRB, notice of (i) any Specified Event described in Section 2 in a timely manner not in excess of 10 business days after the occurrence of such Specified Event, (ii) JEA’s failure to provide the Annual Information on or prior to the date specified above, and (iii) any change in the accounting principles applied in the preparation of its annual financial statements, any change in its fiscal year, and of this Agreement’s termination.

Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made in electronic format through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>, accompanied by such identifying information as is prescribed by the MSRB.

JEA expects that audited annual JEA financial statements will be prepared and that such statements will be available together with the Annual Information. Each of the financial statements will be prepared in accordance with generally accepted accounting principles described in note 1 to the financial statements included by reference through the inclusion of the Annual Disclosure Report in the Official Statement of JEA, dated [_____], 20[___], relating to the Bonds.

Section 2. Annual Information and Specified Events.

(a) “Annual Information” to be provided by JEA shall consist of the following information and data of the type included in JEA’s Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 20[1_]:

(1) The information in the second sentence of the sixth paragraph under the caption “FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS — Debt Relating to Electric Utility Functions — *Power Park Issue Two Bonds*;

(2) The table under the caption “ELECTRIC UTILITY FUNCTIONS — Electric System — *Electric System Generating Facilities*;

(3) The table under the caption “ELECTRIC UTILITY FUNCTIONS — Electric System — *Largest Customers*;

(4) The table under the caption “ELECTRIC UTILITY FUNCTIONS — St. Johns River Power Park — *Operation*;

(5) The table under the caption “ELECTRIC UTILITY FUNCTIONS — Scherer 4 — *Operation*;

(6) The table under the caption “ELECTRIC UTILITY FUNCTIONS — Resource Requirements — *System Load*,” and

(7) The financial information and operating data referred to under the caption “FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS.”

If the audited financial statements of JEA for the fiscal year are provided contemporaneously with the Annual Information, information and data set forth in such audited financial statements may be incorporated by reference.

(b) “Specified Events” shall include the occurrence of the following events, within the meaning of the Rule, with respect to the Bonds, as applicable:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related default, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) 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 security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of owners of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of JEA;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of JEA, 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; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the Specified Event identified in Section 2(b)(12) above, the Specified Event is considered to occur when any of the following occur: (A) the appointment of a receiver, fiscal agent or similar officer for JEA 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 JEA or (B) 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 (C) 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 JEA.

(c) Each notice given pursuant to this Section 2 shall be captioned “Material Event Notice” and shall prominently state the date, title and CUSIP numbers of the Bonds.

Section 3. Amendments. JEA reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of JEA, or type of business conducted by JEA. Any such amendment or waiver shall not be effective unless this Agreement (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until JEA shall have received either (a) a written opinion of bond or other qualified independent special counsel selected by JEA that the amendment or waiver would not materially impair the interests of holders or beneficial owners, or (b) the written consent to the amendment or waiver of the holders of the same percentage in principal amount of the Bonds then outstanding that is required with respect to the approval of any material modification or amendment of the Bond Resolution at such time. Annual Information containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided.

Section 4. Remedy for Breach. This Agreement shall be solely for the benefit of the holders and beneficial owners from time to time of the Bonds. A failure by JEA to comply with the provisions hereof does not constitute a default under the Bond Resolution. The exclusive remedy for any breach of this Agreement by JEA shall be limited, to the extent permitted by law, to a right of holders and beneficial owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by JEA of its obligations under this Agreement. Any individual holder or beneficial owner may institute and maintain, or cause to be instituted and maintained, such proceedings to require JEA to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any such proceedings to require JEA to perform any other obligation under this Agreement (including any proceedings that contest the sufficiency of any pertinent filing) shall be instituted and maintained only by a trustee appointed by the holders or beneficial owners of not less than 25% in principal amount of the Bonds then outstanding or by holders or beneficial owners of not less than 10% in principal amount of the Bonds then outstanding.

Section 5. Termination. The obligations of JEA under this Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and JEA remains an obligated person with respect to the Bonds within the meaning of the Rule. The obligation of JEA to provide the Annual Information and notices of the events described above shall terminate if and when JEA no longer remains such an obligated person.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, JEA has caused this Agreement to be duly signed and delivered to the Underwriters, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Underwriters, on its behalf by its official signing below, all as of the date set forth above, and the holders and beneficial owners from time to time of the Bonds shall be deemed to have accepted JEA's continuing disclosure undertaking, as contained in Section 4.04 of the Supplemental Resolution and further described and specified herein, made in accordance with the Rule.

JEA

By: _____
Name:
Title:

PROPOSED FORM OF OPINION OF BOND COUNSEL

ESCROW DEPOSIT AGREEMENT

relating to

**JEA
ST. JOHNS RIVER POWER PARK SYSTEM
REVENUE BONDS
ISSUE THREE, SERIES X**

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 20__ by and between JEA, a public body corporate and politic organized under the laws of the State of Florida and _____, as Escrow Agent;

WITNESSETH:

WHEREAS, JEA has previously authorized and issued obligations of JEA as hereinafter set forth and defined as the “Refunded Obligations,” as to which the Aggregate Debt Service (as hereinafter defined) is set forth on Schedule A attached hereto; and

WHEREAS, JEA has determined to provide for refunding of the Aggregate Debt Service of the Refunded Obligations by depositing with the Escrow Agent cash, which will be sufficient to pay the Aggregate Debt Service on the Refunded Obligations; and

WHEREAS, in order to obtain a portion of the funds needed for such purpose JEA has authorized and is, concurrently with the delivery of this Agreement, issuing its St. Johns River Power Park System Revenue Bonds, Issue Three, Series X; and

WHEREAS, JEA has determined that the amount to be on deposit, from time to time, in the Escrow Account, as defined herein, will be sufficient to pay the Aggregate Debt Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, JEA and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

- (a) “Aggregate Debt Service” means the sum of all present and future Annual Debt Service payments then remaining unpaid with respect to the Refunded Obligations through the Redemption Date, as set forth on Schedule A attached hereto.

- (b) "Agreement" means this Escrow Deposit Agreement.
- (c) "Annual Debt Service" means, in any year, the redemption price of, and interest on, the Refunded Obligations coming due or being redeemed on the respective Redemption Date, as set forth on Schedule A attached hereto.
- (d) "Defeasance Securities" means securities permitted by Section 101 of the Resolution.
- (e) "Escrow Account" means the Escrow Account identified in Section 2 herein and established and held by the Escrow Agent pursuant to this Agreement in which a portion of the proceeds from the sale of the Bonds and certain other funds will be held for payment of the Refunded Obligations.
- (f) "Escrow Agent" means _____ with the power to accept trusts in the State of Florida.
- (g) "Escrow Deposit Requirement" means, as of any date of calculation, the principal amount of cash and any Defeasance Securities in the Escrow Account which will be sufficient to pay, as the installments thereof become due, the Aggregate Debt Service.
- (h) "Paying Agent" means _____ in its capacity as the paying agent for the Refunded Obligations.
- (i) "Redemption Date" means the redemption date for the Refunded Obligations, as set forth in Schedule B hereto.
- (j) "Refunded Obligations" means the St. Johns River Power Park System Revenue Bonds, Issue Three listed in Schedule B hereto.
- (k) "Resolution" means the resolution entitled the "St. Johns River Power Park System Second Revenue Bond Resolution" duly adopted by JEA on February 20, 2007, as amended and supplemented, and particularly as supplemented by resolutions adopted by JEA authorizing the issuance of the Refunded Obligations.
- (l) "Series X Bonds" means JEA's St. Johns River Power Park System Revenue Bonds, Issue Three, Series X.

SECTION 2. Deposit of Funds. With respect to the Refunded Obligations, JEA hereby deposits \$_____ with the Escrow Agent in immediately available funds (the "Escrow Deposit Amount"), to be held in irrevocable escrow by the Escrow Agent in a separate escrow trust fund (the "Escrow Account") and applied solely as provided in this Agreement. JEA represents that (i) \$_____ of such funds are derived by JEA from a portion of the proceeds of the Series X Bonds and (ii) \$_____ of such funds are derived by JEA from amounts on deposit in the Debt Service Fund 2d established pursuant to the Resolution.

JEA represents, that such funds, when applied pursuant to Section 3 below, will at least equal the Escrow Deposit Requirement as of the date hereof.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in Section 2 and agrees:

(a) hold such sum uninvested in cash unless it receives from JEA written directions to effect settlement of the purchase of Defeasance Securities which mature no later than the Redemption Date or such earlier time as amounts will be needed as described in Schedule A hereto and which are in the aggregate amount of no more than the balance in the Escrow Account;

(b) there will be no investment of funds except as set forth in this Section 3;

(c) to hold the proceeds of all investments in the Escrow Account in such Account in trust (separate from all other funds of the Escrow Agent) for the benefit of the owners of the Refunded Obligations from the date of receipt thereof to the date on which such proceeds are scheduled to be paid out of the Escrow Account and applied only for the purposes thereof, as set forth on Schedule A attached hereto; and

(d) to hold the funds and securities in the Escrow Account in irrevocable escrow during the term of this Agreement;

SECTION 4. Payment of Refunded Obligations.

(a) *Payment of Refunded Obligations.* The Escrow Agent shall pay the Paying Agent for the Refunded Obligations, from the cash on hand in the Escrow Account, a sum sufficient to pay the Annual Debt Service coming due on such date with respect to the Refunded Obligations, as shown on Schedule A attached hereto.

(b) *Surplus.* On the Redemption Date, after making the payment from the Escrow Account described in Subsection 4(a), the Escrow Agent shall pay to JEA the remaining cash, if any, in the Escrow Account. JEA shall apply the payment made to it hereunder to the payment of the principal of and interest on the Series X Bonds or for other uses permitted under the Resolution, but the Escrow Agent shall have no duty or responsibility to ensure that JEA does so.

(c) *Payments Due on Saturdays, Sundays and Holidays.* If any payment date shall be a legal holiday or a day on which banking institutions in the city in which is located the designated office of the Paying Agent are authorized by law to remain closed, then the Escrow Agent may make the payments required by Subsections 4(a) and 4(b) to the Paying Agent or JEA, as the case may be, on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Securities held hereunder.

(b) At the written request of JEA and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Defeasance Securities acquired hereunder and shall substitute other Defeasance Securities and reinvest any excess receipts in Defeasance Securities. JEA will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which, will cause interest on the Series X Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation. Such substitutions and reinvestments may be effected only if (i) an independent certified public accountant selected by JEA shall certify or opine in writing to JEA and the Escrow Agent that the cash and principal amount of Defeasance Securities remaining on hand after the transactions are completed will be not less than the Escrow Deposit Requirement, and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to JEA to the effect that the transactions, in and by themselves, will not cause interest on the Series X Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(b) above notwithstanding, cash in excess of the Escrow Deposit Requirement

caused by substitution of Defeasance Securities shall, as soon as practicable, be paid to JEA.

SECTION 6. Redemption of Refunded Obligations. JEA has exercised its option to redeem the Refunded Obligations prior to the maturity thereof on the Redemption Date as shown on Schedule B attached hereto.

SECTION 7. Redemption Notice. The Bond Registrar for the Refunded Obligations has given notice of redemption of the Refunded Obligations to be redeemed on the Redemption Date, as provided in Section 402 of the Resolution as supplemented by the applicable supplemental resolutions relating to the respective Refunded Obligations on behalf of JEA and the Escrow Agent.

SECTION 8. Indemnity. To the extent permitted by applicable law, including but not limited to Section 768.28, Florida Statutes, JEA hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and attorneys' disbursements and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by JEA or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds and securities deposited therein, the purchase of the Defeasance Securities, the retention of the Defeasance Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; *provided, however,* that JEA shall not be required to indemnify the Escrow Agent, its successors, assigns, agents and servants against the negligence or willful misconduct of the Escrow Agent or its successors, assigns, agents and servants. In no event shall JEA or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement. Nothing in this Section contained shall give rise to any liability on the part of JEA in favor or any person other than the Escrow Agent.

SECTION 9. Responsibilities of Escrow Agent; Fees. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the retention of

the Defeasance Securities or the proceeds thereof or any investment, payment, transfer, or other application of money or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties or non-willful misconduct. The Escrow Agent shall, however, be liable to JEA for its negligent acts, omissions or errors or willful misconduct which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. 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 JEA. The fees of the Escrow Agent shall be paid by JEA at the time this Agreement is executed and delivered, such fees to be as set forth on Schedule C attached hereto. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations.

SECTION 11. Amendments. This Agreement is made for the benefit of JEA and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and JEA; *provided, however*, that JEA 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:

(a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, power or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject additional funds, securities or properties to this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of JEA 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 herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be one and the same instrument.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be executed by their duly authorized officers and JEA's official seal to be hereunto affixed and attested as of the date first above written.



JEA

ATTEST:

By: _____
Title:

By: _____
Secretary

Form Approved:

Office of General Counsel

as Escrow Agent

By: _____
Its: _____

**SCHEDULE A
REFUNDED OBLIGATIONS**

The Aggregate Debt Service for the Refunded Obligations is shown in the following table:

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total</u>
	\$	\$		\$

**SCHEDULE B
LIST OF REFUNDED OBLIGATIONS**

The Refunded Bonds will consist of the St. Johns River Power Park Revenue Bonds, Issue Three listed in the following table.

Issue Three	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)	CUSIP*
		\$		%	

Total

* The CUSIP numbers listed here are provided for the convenience of readers. JEA is not responsible for the accuracy or completeness of such numbers.

SCHEDULE C
FEES OF ESCROW AGENT

The fee of the Escrow Agent for its services hereunder shall be \$____; provided, JEA agrees to reimburse the Escrow Agent for its reasonable out-of-pocket expenses at cost.