Bond Ratings: S&P: "BBB-" (Underlying); "AA" (Insured, Expected)
Fitch: "BBB-" (Underlying)
Kroll: "BBB" (Underlying); "AA+" (Insured, Expected)

See "RATINGS" herein.

Assuming the accuracy of the certifications of Florida Development Finance Corporation (the "Issuer") and Brightline Trains Florida LLC ("Project Owner") and their continued compliance with their respective covenants in the Indenture, the Loan Agreement and with the Tax Certificate (each, as defined herein) pertaining to the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), Greenberg Traurig, P.A., Miami, Florida ("Bond Counsel") is of the opinion that (i) interest on the Bonds (as defined herein) is excludable from gross income for purposes of federal income taxation under existing laws as enacted and construed on the date hereof (except for interest on any Bonds while held by a "substantial user" of the Project (as defined herein) or a "related person," as those terms are defined in Section 147(a) of the Code) and (ii) interest on the Bonds is a preference item for purposes of determining federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on "applicable corporations" (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is also of the opinion that the Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein. See "TAX MATTERS."

\$2,219,280,000

FLORIDA DEVELOPMENT FINANCE CORPORATION



Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt)



Dated: Date of Delivery Due: As shown on the inside cover

The Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt) (the "Bonds") will be issued by the Issuer pursuant to an Indenture of Trust, to be dated as of the Closing Date (as defined herein) (the "Indenture") between the Issuer and Deutsche Bank National Trust Company, as trustee (the "Trustee"). The net proceeds of the Bonds are being loaned to Project Owner pursuant to a senior loan agreement, to be dated as of the Closing Date (the "Loan Agreement"), between the Issuer and Project Owner. The net proceeds of the Bonds are being used, together with a portion of the net proceeds from the Project Owner Credit Facility (as defined herein) and other indebtedness or preferred equity to be raised by indirect parent or member entities of Project Owner and other available funds, to (i) finance or refinance a portion of the costs of the Project (as defined herein) (including through the refunding or refinancing of the Prior Indebtedness (as defined herein) or reimbursement of Project Owner and/or one or more of its affiliates for expenditures for the Project), (ii) fund interest on the Bonds due on each interest payment date through July 1, 2025, (iii) fund other reserves and (iv) pay certain costs of issuance. See "ESTIMATED SOURCES AND USES OF FUNDS."

The Bonds will bear interest at the rates and mature on the dates set forth on the inside cover page hereof. Interest on the Bonds will be payable on each January 1 and July 1, commencing July 1, 2024. The Bonds are subject to redemption prior to maturity as described herein. The Bonds are being issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. When issued, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company of New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form only, and purchasers will not receive certificates representing their interests in the Bonds except as described herein.

Investing in the Bonds involves certain risks. See "RISK FACTORS" for additional information. Investors should read this Official Statement in its entirety (including all Appendices hereto and any information incorporated by reference herein) before making an investment decision. Investors must rely on their own examination of Project Owner, the Issuer, the Project and the terms of this offering, including the merits and risks involved.

The scheduled payments of principal of, and interest on, a portion of the Bonds identified on the inside cover page hereof (the "Insured Bonds") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer"). See "BOND INSURANCE."



THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE FROM AND SECURED SOLELY BY, THE TRUST ESTATE (AS DEFINED HEREIN) AND THE COLLATERAL (AS DEFINED HEREIN). THE BONDS DO NOT CONSTITUTE INDEBTEDNESS OF THE ISSUER, THE STATE OF FLORIDA (THE "STATE"), THE COUNTIES OF MIAMI-DADE, BROWARD, PALM BEACH, BREVARD, ORANGE, OSCEOLA OR HILLSBOROUGH (COLLECTIVELY, THE "COUNTIES"), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE STATE, THE COUNTIES, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT OF THE ISSUER NOR THE FULL FAITH AND CREDIT OR THE TAXING POWER OF THE STATE, THE COUNTIES, OR ANY OTHER POLITICAL SUBDIVISION OF THE TAXING POWER OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS OR THE INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL OF THE ISSUER EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered when, as and if issued by the Issuer and delivered and accepted by the Underwriters (as defined herein) and subject to prior sale and to the opinions on certain legal matters of Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Issuer by its special counsel, Nelson Mullins Riley & Scarborough LLP, Attorneys at Law, Orlando, Florida; for Project Owner by its counsel, Skadden, Arps, Slate, Meagher & Flom LLP and Greenberg Traurig, P.A., Miami, Florida; and for the Underwriters by their special counsel, Mayer Brown LLP. It is expected that the delivery of the Bonds will be made through the facilities of DTC on or about May 9, 2024.

Morgan Stanley

Credit Agricole Securities **Jefferies**

Stifel

SMBC Nikko

Wells Fargo Securities

Maturities, Amounts, Rates, Prices or Yields and CUSIP[†] Numbers

\$2,219,980,000 Florida Development Finance Corporation Revenue Bonds

(Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt)

Maturity		Interest		
(July 1)	Principal Amount	Rate	Yield	CUSIP [†]
2034	\$16,315,000	5.00%	4.190%*	340618DS3
2035	21,765,000	5.00	$4.270\%^{*}$	340618DL8
2036	33,715,000	5.00	$4.340\%^{*}$	340618DM6
2037	43,790,000	5.00	$4.470\%^{*}$	340618DN4
2038	52,525,000	5.00	$4.560\%^*$	340618DP9

\$218,625,000 5.00% Term Bond due July 1, 2041, Yield 4.820%* CUSIP†: 340618DQ7 \$213,210,000 5.25% Term Bond due July 1, 2047, Yield 5.000%* CUSIP†: 340618DU8 \$485,895,000 5.50% Term Bond due July 1, 2053, Yield 5.150%* CUSIP†: 340618DT1 \$326,350,000 5.00% Term Bond (Insured) due July 1, 2044**, Yield 4.450%* CUSIP†: 340618DR5 \$213,180,000 5.25% Term Bond (Insured) due July 1, 2047**, Yield 4.500%* CUSIP†: 340618DW4 \$593,910,000 5.25% Term Bond (Insured) due July 1, 2053**, Yield 4.650%* CUSIP†: 340618DV6

correction in the CUSIP numbers printed herein.

nor is there any duty or obligation on any of their part to, update this Official Statement to reflect any change or

† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed

^{*} Yield to the first optional redemption date at par of July 1, 2032.

^{**} Insured Bonds.

on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. The CUSIP numbers herein are not intended to create a database and do not serve in any way as a substitute for CUSIP service. The CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, Project Owner, the Trustee or the Underwriters and are included solely for the convenience of the Bondholders (as defined herein). None of the Issuer, Project Owner, the Trustee or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth above. After the issuance of the Bonds, the CUSIP numbers are subject to being changed as a result of various actions, including, but not limited to, a refunding in whole or in part of the Bonds. None of the Issuer, Project Owner, the Trustee or the Underwriters have agreed to,

TABLE OF CONTENTS

NOTICE TO INVESTORS	v
FORWARD-LOOKING STATEMENTS	xi
FINANCIAL STATEMENTS	xii
INDUSTRY AND MARKET DATA	
INTRODUCTORY STATEMENT	1
SUMMARY STATEMENT	3
DESCRIPTION OF THE BONDS	19
REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE	25
SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS	28
BOND INSURANCE	34
BOND INSURANCE RISK FACTORS	36
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	27
BUSINESS	
MANAGEMENT	
PASSENGER RIDERSHIP ESTIMATES FOR THE PROJECT	
THE ISSUERTHE ISSUER	
PROJECT ACCOUNTS AND FLOW OF FUNDS	
CAPITALIZATION	
ESTIMATED SOURCES AND USES OF FUNDS	
KEY ASSUMPTIONS	
PROJECTIONS	
RISK FACTORS	
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	
CONTINUING DISCLOSURE OF INFORMATION	
EXPERTS	
INDEPENDENT AUDITORS	
LEGAL MATTERS	
TAX MATTERS	
RATINGS	
UNDERWRITING	
MISCELLANEOUS	
FINANCIAL STATEMENTS EXHIBIT AUDITED FINANCIAL STATEMENTS OF BRIGHTLINE	
TRAINS FLORIDA LLCAPPENDIX A BOOK-ENTRY-ONLY SYSTEM	
APPENDIX B FORM OF BOND COUNSEL OPINIONAPPENDIX C WSP USA SOLUTIONS BRING DOWN LETTER AND RIDERSHIP AND REVENUE	B-1
REPORT APRIL 2022	C 1
APPENDIX D WSP USA SOLUTIONS BRING DOWN LETTERS AND PROJECT OPERATIONS	C-1
	D 1
AND MAINTENANCE AND ANCILLARY REVENUE REPORT	
APPENDIX F FORM OF INDENTUREAPPENDIX F FORM OF LOAN AGREEMENT	
APPENDIX F FORM OF LOAN AGREEMENT APPENDIX G FORM OF COLLATERAL AGENCY, INTERCREDITOR AND ACCOUNTS	r-1
AGREEMENT	C 1
AGREEMENT APPENDIX H FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT	
APPENDIX I SPECIMEN MUNICIPAL BOND INSURANCE POLICY	
ALTENDIA I STECHMEN MUNICIFAL DOND INSUKANCE FULICI	1-1

NOTICE TO INVESTORS

No dealer, broker, salesman or other person has been authorized by Project Owner, the Issuer, any Underwriter or any other person described herein to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by Project Owner, the Issuer or the Underwriters or any such other person. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be (i) any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale or (ii) any offer, solicitation or sale to any person to whom it is unlawful to make such offer, solicitation or sale. The information set forth herein concerning DTC has been furnished by DTC, and no representation is made by Project Owner, the Issuer or the Underwriters as to the completeness or accuracy of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sales made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of Project Owner or DTC (or any other information) since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Neither the Issuer, nor its attorneys or advisors, has prepared or assisted in the preparation of this Official Statement except the statements made under the heading "THE ISSUER" herein, and, except as noted above, and neither the Issuer, nor its attorneys or advisors, is responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Bonds, neither the Issuer, nor its attorneys or advisors, has otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except as aforesaid, the Issuer, on behalf of itself and its attorneys and advisors, disclaims responsibility for the disclosures set forth in this Official Statement or otherwise made in connection with the offer, sale and distribution of the Bonds.

The Bonds have not been registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"). Neither the SEC nor any state securities commission has approved or disapproved of the Bonds or passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

Investing in the Bonds involves certain risks. Investors must rely on their own examination of Project Owner, the Project, the security for the Bonds and the terms of this offering, including the merits and risks involved. None of Project Owner, the Issuer or the Underwriters nor any of their representatives or affiliates is making any representation regarding the legality of an investment in the Bonds under applicable investment or similar laws. Prospective investors should not construe anything in this Official Statement as legal, business or tax advice and prospective investors should consult with their own advisors as to legal, tax, business, financial and related aspects of the Bonds.

The order and placement of information in this Official Statement, including the Appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the Appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience of reference only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section of this Official Statement.

This Official Statement contains summaries of and references to documents that Project Owner believes to be accurate; however, reference is made to the actual documents for complete information. All such summaries and references are qualified in their entirety by such reference. Copies of such documents may be obtained during the sale period from the principal offices of Morgan Stanley & Co. LLC in New York, New York and thereafter, executed copies may be obtained from the principal office of the Trustee in New York City, New York.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

ALL CAPITALIZED TERMS USED HEREIN BUT NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE RESPECTIVE MEANINGS ASCRIBED TO THEM IN THE DEFINITIONS SET FORTH IN THE APPLICABLE FINANCING DOCUMENTS REFERENCED HEREIN.

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

Notice to Investors in Australia

No placement document, offering memorandum, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to this offering. This Official Statement does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the Bonds may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the Bonds without disclosure to investors under Chapter 6D of the Corporations Act.

The Bonds applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under this offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act.

Any person acquiring securities must observe such Australian on-sale restrictions. This Official Statement contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this Official Statement is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters

Notice to Prospective Investors in Canada

The Bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal, that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Official Statement (including any amendment thereto) contain a misrepresentation; provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable

provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering. Upon receipt of this Official Statement, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only.

Notice to Investors in South Korea

The Bonds have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "FSCMA"), and the Bonds have been and will be offered in Korea as a private placement under the FSCMA. None of the Bonds may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (collectively, the "FETL"). The Bonds have not been listed on any securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the Bonds shall comply with all applicable regulatory requirements (including, but not limited to, requirements under the FETL) in connection with the purchase of the Bonds. By the purchase of the Bonds, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Bonds pursuant to the applicable laws and regulations of Korea.

Notice to Investors in the European Economic Area

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"), (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPS Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. This Official Statement has been prepared on the basis that any offer of Bonds in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Bonds. This Official Statement is not a prospectus for the purposes of the Prospectus Regulation.

Notice to Investors in the United Kingdom

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA") or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation")

for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation. This Official Statement has been prepared on the basis that any offer of Bonds in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Bonds. This Official Statement is not a prospectus for the purposes of the UK Prospectus Regulation.

In addition, in the UK, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in Article 2 of the UK Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the UK by persons who are not relevant persons. In the UK, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Investors in Hong Kong

No underwriter nor any of their affiliates (i) have offered or sold, or will offer or sell, in Hong Kong, by means of any document, the Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance or (ii) have issued or had in its possession for the purposes of issue, or will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to our securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Notice to Investors in Israel

This Official Statement does not constitute a prospectus under the Israeli Securities Law, 5728-1968 (the "Israeli Securities Law"), and has not been filed with or approved by the Israel Securities Authority. In the State of Israel, this document is being distributed only to, and is directed only at, and any offer of the Bonds hereunder is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum (the "Addendum"), to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Notice to Investors in Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and the Underwriters will not offer or sell any of the Bonds directly or indirectly in Japan or to, or for the benefit of, any Japanese person or to others, for re-offering or re-sale directly or

indirectly in Japan or to any Japanese person, except in each case pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and any other applicable laws and regulations of Japan. For purposes of this paragraph, "Japanese person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Investors in Singapore

This Official Statement or any other offering material relating to the Bonds has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS"). Accordingly, this Official Statement and any other document or material in connection with the offer or sale, or invitation for the subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "SFA"), under Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) of the SFA, the Underwriters have determined, and hereby notify all relevant persons (as defined by Section 309A of the SFA) that the Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Investors in Taiwan

The Bonds have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate this offering and sale of the Bonds in Taiwan.

Notice to Prospective Investors in the Dubai International Financial Centre

This Official Statement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This Official Statement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Official Statement nor taken steps to verify the information set forth herein and has no responsibility for this Official Statement. The Bonds to which this Official Statement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Bonds should conduct their own due diligence on the Bonds. If you do not understand the contents of this Official Statement you should consult an authorized financial advisor.

Notice to Prospective Investors in the United Arab Emirates

The Bonds have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Official Statement does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Official Statement has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Notice to Prospective Investors in Switzerland

This Official Statement is not intended to constitute an offer or solicitation to purchase or invest in the Bonds. The Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Official Statement nor any other offering or marketing material relating to the Bonds constitutes a prospectus pursuant to the FinSA, and neither this Official Statement nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by Project Owner or any consultant, that are not purely historical, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "targets," "projects," "contemplates" or the negative terms or other comparable words, or by discussions of strategy, plans or intentions. Examples of forward-looking statements are statements that concern Project Owner's or the Project's future plans, strategies, revenues, costs, projections and liquidity. The forward-looking statements contained herein are based on Project Owner's expectations and are necessarily dependent upon assumptions, estimates and data that Project Owner believes are reasonable as of the date made but that may be incorrect, incomplete or imprecise or not reflective of actual results. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. In particular, the consequences of the impact of a pandemic, such as the COVID-19 pandemic, to economic conditions and the travel and tourism industry in general and the future financial position and operating results of Project Owner may be material and cannot be predicted. Project Owner does not undertake to update or revise any of the forwardlooking statements contained herein, irrespective of whether the forward-looking statements contained herein will be realized.

THE PROJECTIONS CONTAINED HEREIN (THE "PROJECTIONS") WERE NOT PREPARED WITH A VIEW TO PUBLIC DISCLOSURE OF PUBLISHED GUIDELINES ESTABLISHED BY THE SEC OR THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REGARDING PROJECTIONS. NEITHER PROJECT OWNER NOR ITS INDEPENDENT AUDITORS ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION. IN ADDITION, BECAUSE THE PROJECTIONS ARE BASED ON A NUMBER OF ASSUMPTIONS AND ESTIMATES THAT, WHILE PRESENTED WITH NUMERICAL SPECIFICITY AND CONSIDERED REASONABLE BY PROJECT OWNER WHEN TAKEN AS A WHOLE. ARE INHERENTLY SUBJECT TO MANY SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES BEYOND PROJECT OWNER'S CONTROL, AND THERE CAN BE NO ASSURANCE THAT THE PROJECTIONS WILL BE REALIZED; ACTUAL RESULTS MAY BE HIGHER OR LOWER THAN ESTIMATED. THE UNCERTAINTY OF THE PROJECTIONS IS PARTICULARLY HEIGHTENED BY THE FACT THAT PROJECT OWNER HAS A LIMITED OPERATING HISTORY AND CORRESPONDINGLY LIMITED HISTORICAL FINANCIAL STATEMENTS AND TRACK RECORD ON WHICH TO BASE THE PROJECTIONS. NEITHER PROJECT OWNER'S AUDITORS NOR ANY OTHER INDEPENDENT ACCOUNTANTS HAVE COMPILED, EXAMINED OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE PROJECTIONS, NOR HAVE THEY EXPRESSED AN OPINION OR ANY OTHER FORM OF ASSURANCE ON SUCH INFORMATION OR ITS ACHIEVABILITY, AND ASSUME NO RESPONSIBILITY FOR AND DISCLAIM ANY ASSOCIATION WITH THE PROJECTIONS CONTAINED HEREIN.

IN LIGHT OF THE FOREGOING, PROJECT OWNER DOES NOT UNDERTAKE, AND HEREBY DISCLAIMS ANY OBLIGATION TO, UPDATE THE PROJECTIONS. THE PROJECTIONS CONSTITUTE "FORWARD-LOOKING STATEMENTS." THERE CAN BE NO ASSURANCE THAT PROJECT OWNER CAN MEET ANY PROJECTIONS OR EXPECTATIONS CONTAINED IN THIS OFFICIAL STATEMENT. SEE "RISK FACTORS—RISKS RELATED TO THE BUSINESS OF PROJECT OWNER—PROJECT OWNER IS RELYING ON ESTIMATES OF THIRD-PARTY CONSULTANTS, DATA SOURCES AND MANAGEMENT ESTIMATES REGARDING THE FUTURE RIDERSHIP AND REVENUE, OPERATIONS AND MAINTENANCE COSTS AND ANCILLARY REVENUE OF ITS PASSENGER RAIL SERVICE TO BUILD ITS PROJECTIONS, AND THESE ESTIMATES MAY PROVE TO BE INACCURATE. ACTUAL RESULTS COULD DIFFER FROM THE PROJECTIONS AND OTHER ESTIMATES CONTAINED IN THIS OFFICIAL STATEMENT."

When considering forward-looking statements, prospective investors should keep in mind the cautionary statements and other factors described in the section titled "RISK FACTORS" and elsewhere in this Official Statement. The cautionary statements referred to in this section should also be considered in connection with any subsequent written or oral forward-looking statements that may be issued by Project Owner or persons acting on its or their behalf. Project Owner undertakes no duty to update these forward-looking statements, even though its situation may change in the future. Furthermore, Project Owner cannot guarantee future results, events, levels of activity, performance or achievements.

FINANCIAL STATEMENTS

The audited financial statements of Brightline Trains Florida LLC, including the historical audited balance sheets as of December 31, 2023 and 2022 and the related statements of operations and comprehensive loss, changes in member's equity and cash flows for the years ended December 31, 2023, 2022 and 2021, are incorporated by reference into this Official Statement. Such financial statements should be read in conjunction with the information included herein under the headings "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS," "ESTIMATED SOURCES AND USES OF FUNDS" and "PROJECTIONS." See "RISK FACTORS—Risks Related to the Business of Project Owner—Project Owner's current limited revenue and cash flows and limited history operating a passenger railroad make evaluating its business and future prospects difficult, and may increase the risk of investment. There can be no guarantee that Project Owner will generate sufficient revenues to achieve profitability and generate positive operating cash flow in the future." The audited financial statements of Brightline Trains Florida LLC are available on the MSRB's EMMA website at https://emma.msrb.org/MarketActivity/ContinuingDisclosureDetails/P21355312. The audited financial statements of Brightline Trains Florida LLC, including the notes attached thereto, contain important information about Project Owner and its business, results of operations and financial condition. Prospective investors are encouraged to read these audited financial statements, incorporated by reference in this Official Statement, prior to making an investment in the Bonds and complete their own examination of Project Owner and the Project before making an investment decision.

INDUSTRY AND MARKET DATA

Project Owner obtained the market and competitive position data used in this Official Statement from its own research, surveys or studies prepared by third parties and industry or general publications, including the 2022 Ridership and Revenue Study (as defined herein) and the Operations and Maintenance and Ancillary Revenue Report (as defined herein) each prepared by WSP USA Solutions, formerly Louis Berger ("WSP"). WSP delivered bring down letters, dated February 7, 2023, September 12, 2023, December 12, 2023, February 28, 2024, April 2, 2024, April 15, 2024 and April 22, 2024, respectively, confirming that no additional information has been brought to WSP's attention that would lead WSP to believe that there would be a material change in the findings, estimates, conclusions and analyses reflected in the 2022 Ridership and Revenue Study, other than the change in timing of opening the Orlando station as described in the WSP Supplement (as defined herein). WSP delivered bring down letters, dated February 28, 2020, August 11, 2020, November 9, 2020, August 5, 2022, February 7, 2023, September 12, 2023, December 12, 2023, March 8, 2024, April 2, 2024, April 15, 2024 and April, 22, 2024, respectively, confirming that no additional information has been brought to WSP's attention that would lead WSP to believe that there would be a material change in the findings, estimates, conclusions and analyses reflected in the Operations and Maintenance and Ancillary Revenue Report. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While Project Owner believes that each of these studies and publications is reliable, neither Project Owner nor the Underwriters have independently verified such data and neither Project Owner nor the Underwriters make any representation as to the accuracy of such information. Neither the Issuer nor its attorneys or advisors make any representations regarding such data and information. Similarly, Project Owner believes its internal research is reliable, but it has not been verified by any independent sources.

In addition, this Official Statement contains a discussion of certain conclusions and analyses contained in the 2022 Ridership and Revenue Study and the Operations and Maintenance and Ancillary Revenue Report, each of which was commissioned by Project Owner. Project Owner based its ridership and ancillary revenue expectations for the system comprising the Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach and Orlando stations on the 2022 Ridership and Revenue Study. Project Owner has made certain adjustments to the conclusions, analyses and estimates in the 2022 Ridership and Revenue Study and the Operations and Maintenance and Ancillary Revenue Report. For the fare projections, which were provided in constant dollars in the 2022 Ridership and Revenue Study, Project Owner assumed an approximately 2.8% average annual increase in fares. To arrive at these estimates, the management team applied an annual fare growth utilizing a combination of WSP's estimated 0.8% real growth and Project Owner's assumed approximately 2.0% nominal inflation growth to WSP's 2021 dollar base rates provided in the 2022 Ridership and Revenue Study.

In addition, Project Owner provided three ramp-up scenarios for estimated ridership and fares to reflect (i) the actual September 22, 2023 opening of the Orlando service compared to the assumed January 1, 2023 opening in the 2022 Ridership and Revenue Study and (ii) examples of different service adoption rates Project Owner may experience, for the 2024 to 2026 period, illustrating the potential for different adoption rates, consistent with the experience of other new high speed rail operations globally. Project Owner also adjusted the distribution of origination/destination pairs for projected short-distance ridership to reflect actual experience since opening the Aventura and Boca Raton stations in December 2022. See "KEY ASSUMPTIONS" for more information concerning the adjustments to the 2022 Ridership and Revenue Study and Operations and Maintenance and Ancillary Revenue Report made by Project Owner. These market estimates are calculated by using independent industry publications, government publications and third-party projections, and analysis of actual Brightline service results in conjunction with Project Owner's assumptions about its markets. Neither Project Owner nor WSP has independently verified such third-party information. While Project Owner is not aware of any misstatements or omissions regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the heading "RISK FACTORS" in this Official Statement.

The information in or accessible through any websites for which hyperlinks are included in this Official Statement is not incorporated by reference into, and is not considered a part of, this Official Statement, unless expressly incorporated by reference herein.

Official Statement

\$2,219,280,000
Florida Development Finance Corporation
Revenue Bonds
(Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue,
Series 2024 (Tax-Exempt)

INTRODUCTORY STATEMENT

The Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt) (the "Bonds") will be issued by the Florida Development Finance Corporation (the "Issuer") pursuant to an Indenture of Trust, to be dated as of the Closing Date (as defined herein) (the "Indenture") between the Issuer and Deutsche Bank National Trust Company, as trustee (the "Trustee"). The net proceeds of the Bonds are being loaned to Brightline Trains Florida LLC ("Project Owner") pursuant to a senior loan agreement, to be dated as of the Closing Date (the "Loan Agreement"), between the Issuer and Project Owner. The net proceeds of the Bonds are being used, together with a portion of the net proceeds from the Project Owner Credit Facility and other indebtedness or preferred equity to be raised by indirect parent or member entities of Project Owner and other available funds, to (i) finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of Project Owner and/or one or more of its affiliates for expenditures for the Project), (ii) fund interest on the Bonds due on each interest payment date through July 1, 2025, (iii) fund other reserves and (iv) pay certain costs of issuance. The "Prior Indebtedness" consists of (i) the Issuer's Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019A, Series 2019A-1, Series 2019A-2 and Series 2019B (Green Bonds) (collectively, the "Series 2019 Bonds"), (ii) Project Owner's 8.000% Senior Secured Notes due 2028 (Green Notes), (iii) Project Owner's term loans outstanding under the Credit Agreement, initially dated as of September 24, 2021, among Project Owner, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, as amended from time to time, (iv) Project Owner's term loans outstanding under the Credit Agreement, initially dated as of April 21, 2022, among Project Owner, the lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and Sumitomo Mitsui Banking Corporation, as green loan coordinator, as amended from time to time, (v) Project Owner's term loans outstanding under the Credit Agreement, initially dated as of March 31, 2023, among Project Owner, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, as amended from time to time, (vi) Project Owner's term loans outstanding under the Credit Agreement, initially dated as of May 31, 2023, among Project Owner, the lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and Sumitomo Mitsui Banking Corporation, as green loan coordinator, as amended from time to time, (vii) Project Owner's mortgage loan outstanding under the Loan Agreement, initially dated as of March 29, 2023, between Project Owner and City National Bank of Florida, as amended from time to time, and (viii) the second amended and restated subordinated promissory note, dated October 3, 2023, made to BL Florida LLC. See "ESTIMATED SOURCES AND USES OF FUNDS" and "REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE."

The Bonds are authorized pursuant to the constitution and laws of the State of Florida (the "State"), including Chapter 288, Part VIII, Florida Statutes, as amended (being the Florida Development Finance Corporation Act of 1993), Chapter 159, Part II, Florida Statutes, as amended (being the Florida Industrial Development Financing Act), and other applicable provisions of law (collectively, the "Act"), by appropriate action duly taken by the Board of Directors of the Issuer, and in furtherance of the purposes of the Act, and will be issued pursuant to the Indenture. Morgan Stanley & Co. LLC is expected to be appointed representative of the Underwriters set forth on the cover page hereof (collectively, the "Underwriters") for the Bonds. See "UNDERWRITING."

From the date the Bonds are issued in accordance with the Indenture (the "Closing Date"), the Bonds will be secured by the Collateral. See "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS."

Investors must rely on their own examination of Project Owner, the Issuer, the Project and the terms of the Bonds before making an investment decision.

Brief descriptions of, among other things, Project Owner, the Project, the Indenture, the Loan Agreement, the Bonds and the Issuer are included in this Official Statement. The descriptions herein of the Bonds, the Indenture and the Loan Agreement are qualified in their entirety by reference to each document. Forms of these documents are attached as Appendices to this Official Statement. Executed copies will be available for inspection at the principal office of the Trustee.

The information under the caption "INTRODUCTORY STATEMENT" is qualified by reference to this entire Official Statement and is only a brief description and a full review of this entire Official Statement, as well as the documents summarized or described herein, should be made.

SUMMARY STATEMENT

This Summary Statement is not a complete description of the Bonds or the Project and does not contain all of the information prospective investors should consider before making an investment decision with respect to the Bonds. Prospective investors should read the entire Official Statement, including the Appendices attached hereto, the Financing Documents (including the Security Documents) (or the forms thereof) referenced herein and complete their own examination of Project Owner, the Project and the terms of the Bonds before making an investment decision. In addition, this Official Statement contains discussions of certain conclusions and analyses contained in the 2022 Ridership and Revenue Study and the Operations and Maintenance and Ancillary Revenue Report. Any discussion herein of such 2022 Ridership and Revenue Study and such Operations and Maintenance and Ancillary Revenue Report, or their conclusions or analyses, are expressly qualified by reference to the full text of each such report. Prospective investors should read carefully the 2022 Ridership and Revenue Study and the Operations and Maintenance and Ancillary Revenue Report, which are included elsewhere in this Official Statement as Appendices C and D hereto, respectively. Prospective investors should read the more detailed information appearing or incorporated by reference in this Official Statement and the documents summarized, described or referenced herein for a more complete understanding about the Project, this offering and the terms of and security and sources of payment for the Bonds. Terms used in this Summary Statement and not defined in this Summary (or elsewhere in this Official Statement) are defined in the Financing Documents (including the Security Documents) referenced herein.

THE BONDS

Bonds	The Bonds will be issued in the aggregate principal amount of \$2,219,280,000. The Bonds are being issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof.
	The Bonds will constitute senior secured obligations of Project Owner, will be secured on a senior lien basis by the Collateral on a <i>pari passu</i> basis with any Permitted Additional Senior Indebtedness incurred in the future and will be effectively senior in right of payment to all of Project Owner's future unsecured indebtedness to the extent of the value of the Collateral, subject to Permitted Security Interests (as defined in the Loan Agreement). The Bonds will be senior in right of payment to any future subordinated indebtedness and will be structurally senior to any existing or future indebtedness or preferred equity of any of its indirect parent or member entities and the Fortress Investment (as defined herein). See "DESCRIPTION OF THE BONDS." The Loan Agreement does not permit Project Owner to have subsidiaries or, with limited exceptions, other equity investments.
Interest	The Bonds will bear interest at the interest rates shown on the inside cover page hereof. Interest will be calculated on the basis of a 360-day year of twelve 30-day months.
Interest Payment Dates	Interest on the Bonds will be payable on January 1 and July 1 of each year, commencing July 1, 2024 (each such day, an "Interest Payment Date").
Maturity Dates	The Bonds will mature on the dates set forth on the inside cover page hereof.
Make-Whole Redemption	The Bonds are subject to redemption at the option of Project Owner, in whole or in part, at any time prior to July 1, 2032, at a redemption price equal to the Make-Whole Redemption Price (as defined herein), plus interest accrued to but not including the redemption date.

Optional Redemption

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of Project Owner, on or after July 1, 2032, as a whole or in part, in such order of maturity or sinking fund installments, if any, as directed by Project Owner, at a redemption price equal to the principal amount redeemed, plus accrued interest to but not including the redemption date.

Extraordinary Mandatory
Redemption.....

The Bonds are subject to extraordinary mandatory redemption from certain loss proceeds as described under the heading "DESCRIPTION OF THE BONDS—Redemption of Bonds Prior to Maturity—Extraordinary Mandatory Redemption."

Mandatory Sinking Fund
Redemption.....

The Bonds (that do not have the benefit of the Policy) maturing July 1, 2041, July 1, 2047 and July 1, 2053 and the Insured Bonds maturing July 1, 2044, July 1, 2047 and July 1, 2053 are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount redeemed, plus accrued and unpaid interest to, but not including, the redemption date, on July 1 of the years and in the aggregate principal amounts set forth herein under the heading "DESCRIPTION OF THE BONDS—Redemption of Bonds Prior to Maturity—Mandatory Sinking Fund Redemption."

Bond Insurance.....

The scheduled payment of principal of and interest on all or such portion of the Bonds identified on the inside cover page hereof (the "Insured Bonds") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of such Insured Bonds by Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer"). See "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS."

Ratings.....

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign an underlying rating of "BBB-" to the Bonds, without taking into account the Policy (as defined herein). S&P is expected to assign a rating of "AA" to the Insured Bonds, at the time of delivery of the Bonds based upon the issuance and delivery of the Policy by AGM. Fitch Ratings, Inc. ("Fitch") is expected to assign an underlying rating of "BBB-" to the Bonds, without taking into account the Policy. Kroll Bond Rating Agency, Inc. ("Kroll") is expected to assign an underlying rating of "BBB" to the Bonds, without taking into account the Policy. Kroll is expected to assign a rating of "AA+" to the Insured Bonds, at the time of delivery of the Bonds based upon the issuance and delivery of the Policy by AGM. See "RATINGS."

Book-Entry-Only System

DTC will act as the securities depository for the Bonds. The Bonds are being issued as fully-registered securities in the name of Cede & Co. (DTC's nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered Bond certificates will be deposited with DTC for each maturity of the Bonds.

Special, Limited Obligations......

The Bonds are special, limited obligations of the Issuer payable from and secured solely by the Trust Estate pursuant to the Indenture and the Collateral. Except for revenues received pursuant to the Loan Agreement as described in the following sentence, the owners of the Bonds and any Additional Parity Bonds (as defined herein) (the "Bondholders") may not look to any assets, revenues or other sources of payment of the Issuer for repayment of the Bonds. The only sources of repayment of the Bonds are

payments provided by Project Owner to the Issuer pursuant to the Loan Agreement and the security interests in the Trust Estate and the Collateral. The Bonds do not constitute an indebtedness of the Issuer, the State, the Counties, or any other political subdivision of the State, within the meaning of any State constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Issuer, the State, the Counties, or any other political subdivision of the State, and neither the full faith and credit of the Issuer nor the full faith and credit or taxing power of the State, the Counties, or any other political subdivision of the State is pledged to the payment of the principal of or interest on the Bonds. The Issuer has no taxing power. No covenant or agreement contained in the Bonds or the Indenture shall be deemed to be a covenant or agreement of any member of the governing board of the Issuer nor shall any official executing such Bonds be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds. Project Owner will be the sole revenue source for the repayment of the Bonds. No affiliate or equity holder of Project Owner will have any liabilities with respect to the Bonds and neither their credit nor their assets, other than the membership interests in Project Owner pledged by BLTF Holdings LLC, the direct parent of Project Owner (the "Pledgor"), will support the Bonds. Project Owner will operate as a special purpose entity and will have no business or assets except in connection with the Project as described herein.

Financing Documents.....

For purposes of this Official Statement, "Financing Documents" means the following:

- Indenture of Trust, to be dated as of the Closing Date (the "Indenture"), between the Issuer and Deutsche Bank National Trust Company, as trustee (the "Trustee") with respect to the Bonds;
- Senior Loan Agreement, to be dated as of the Closing Date (the "Loan Agreement"), between the Issuer and Project Owner with respect to the loan to Project Owner of the proceeds of the Bonds;
- Collateral Agency, Intercreditor and Accounts Agreement, to be dated as of the Closing Date (the "Collateral Agency Agreement"), among Project Owner, the Trustee, Deutsche Bank National Trust Company, as collateral agent (the "Collateral Agent"), Deutsche Bank National Trust Company, as securities intermediary and account bank (the "Account Bank"), and each other secured party that becomes a party thereto;
- Security Agreement, to be dated as of the Closing Date (the "Security Agreement"), between Project Owner and the Collateral Agent;
- Pledge Agreement, to be dated as of the Closing Date (the "Pledge Agreement"), between the Pledgor and the Collateral Agent;
- Mortgages (as defined herein); and
- any other security agreement, account control agreement or instrument or other document to be executed or filed pursuant to the Collateral Agency Agreement or any other document governing the

Bonds, any Additional Parity Bonds, any Permitted Additional Senior Indebtedness (as defined herein) or the Security Agreement or otherwise to create or perfect in favor of the Collateral Agent, on behalf of the secured parties, a security interest in Collateral (collectively with the Collateral Agency Agreement, the Security Agreement, the Pledge Agreement and the Mortgages, the "Security Documents").

Continuing Disclosure

Pursuant to the requirements of SEC Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12), Project Owner will agree in a disclosure dissemination agent agreement, to be dated as of the Closing Date (the "Disclosure Dissemination Agent Agreement"), between Project Owner and Digital Assurance Certification, L.L.C. ("DAC"), to be executed with respect to the Bonds, to provide certain financial information, other operating data and notice of material events for the benefit of the Bondholders. See "CONTINUING DISCLOSURE OF INFORMATION."

THE PROJECT AND RELATED PARTIES

The Pro	iect
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As used herein, the "Project" consists of a privately owned and operated express intercity passenger rail system extending from Miami to Tampa, Florida, with stations located or potentially located in Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach, Brevard County, the Treasure Coast Region, Orange County and Tampa, Florida, and elsewhere along the hereinafter described rail corridor. The portion of the Project from Miami to Orlando, Florida (the "Miami-Orlando Project") is in operation. The Miami-Orlando Project is owned by Project Owner.

Project Owner has developed an express intercity passenger rail system to connect the key business, leisure and residential centers of Southeast and Central Florida. The segment between Miami and West Palm Beach, Florida (the "South Segment") commenced operations in 2018 and the service to the station in the Orlando International Airport (the "North Segment") began on September 22, 2023. The additional in-line stations at Aventura and Boca Raton (the "Additional In-Line Stations") opened for service in December 2022. On March 4, 2024, Project Owner announced its plans to build a new in-line Treasure Coast station in Stuart in Martin County, with the goal of opening the station for service by the end of 2026. The station is expected to be supported by a \$45 million dollar contribution from the City of Stuart and Martin County, which Project Owner expects will fully fund the capital expenditure related to the new station. Additionally, on March 12, 2024, Project Owner announced plans for a Cocoa station in Brevard County, with the construction timeline still to be determined. Project Owner is reviewing further options for additional future in-line stations within the Miami-Orlando Project, all of which would be owned or leased by Project Owner upon completion. See "BUSINESS-Expansion Plans-Additional In-Line Stations."

The initial South Segment stations are located in the densely populated downtown centers of Miami, Fort Lauderdale and West Palm Beach, all of which are near government/business locations and major travel destinations and have multiple connections to public and private ground transportation, as well as local transit services. Project Owner's ridership and ticket revenue for the year ended December 31, 2023 is substantially higher than in the comparable

period in 2022. Ridership for the year ended December 31, 2023 was 2,053,893 and passenger ticket revenue was \$65.1 million for the same period, up 67% and 164%, respectively, compared to those in 2022. For the period ended February 29, 2024, ridership was 464,401 and ticket revenue was \$24.8 million, which represented an increase of 51% and 245% respectively, over the comparable period in 2023. For the period ended March 31, 2024, ridership was 258,307 and ticket revenue was \$15.0 million, which represented an increase of 44% and 218%, respectively, over March 2023, total revenue was \$18.1 million and we generated positive earnings before interest, taxes, depreciation and amortization ("EBITDA") for the month. Project Owner expects operating results to further improve significantly as people continue to adopt its service and as it continues to ramp up its long-distance service to Orlando. See "BUSINESS—Overview of the Project."

Service to Orlando International Airport began on September 22, 2023 and as of such date, the Miami-Orlando Project and the Additional In-Line Stations were fully operational, including stations in Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach and Orlando. The total cost of the Miami-Orlando Project was approximately \$6 billion.

In collaboration with the local business community and government partners, Brightline Tampa LLC ("Brightline Tampa"), an affiliate of Project Owner, is developing the portion of the Project which will consist of all potential stops west of the Orlando International Airport (the "Orlando-Tampa Project"). Currently, there are two intermediate stops planned to serve the Orange County Convention Center and the major theme parks in Central Florida, and an additional planned stop in the Tampa area. The Orlando-Tampa Project is owned by Brightline Tampa and will not secure the Bonds or any other indebtedness of Project Owner. Brightline Tampa plans to develop the Orlando-Tampa Project to the point where it is has received final National Environmental Policy Act ("NEPA") permitting and achieved at least 60% design. Once this has been achieved, Project Owner will have the option to repurchase the Orlando-Tampa Project for \$500 million. If Project Owner does not exercise its repurchase option, Brightline Tampa may independently finance, construct and operate the Orlando-Tampa Project. Project Owner expects that ultimately, the entire Miami to Tampa system will be owned and operated by Project Owner. Any acquisition of the Orlando-Tampa Project or financing with Project Owner debt in connection with such ownership and operation would require either a Rating Confirmation (as defined herein) or a refinancing of the Bonds.

See "BUSINESS."

Commuter Access Rights

An affiliate of Project Owner is currently developing the South Florida Commuter Rail Project (as defined herein) to expand convenient access to Project Owner's intercity passenger rail service, to drive increased long-distance ridership and to generate high-quality cash flow through payments from Miami-Dade, Broward and Palm Beach Counties.

Certain affiliates of Brightline Holdings LLC ("Brightline Holdings"), an indirect member of Project Owner, acquired the commuter access rights (the "Commuter Access Rights") in segments of the portion of Project Owner's existing Miami to Cocoa, Florida rail corridor, including those in Miami-Dade, Broward and Palm Beach Counties. The net proceeds received by

Project Owner in exchange for the transfer of the Commuter Access Rights were applied to the costs of the Project.

The South Florida Commuter Rail Project consists of the Miami-Dade County commuter service project (the "MDC Commuter Project"), which would enable Miami-Dade County to provide commuter rail service access to up to five new stations between the MiamiCentral and Aventura stations, the Broward County commuter service project (the "Broward Commuter Project"), which would extend commuter service northward from Miami-Dade County approximately 25 additional miles, from Aventura to the north end of Broward County and the Palm Beach County commuter service (the "PBC Commuter Project"), historically identified by Palm Beach County as the Coastal Link Project, which would include the addition of three commuter stations between Boca Raton and West Palm Beach and three commuter stations between West Palm Beach and Jupiter. The MDC Commuter Project, Broward Commuter Project and PBC Commuter Project are collectively referred to as the "South Florida Commuter Rail Project." The South Florida Commuter Rail Project is not owned by Project Owner and will not secure the Bonds or any other indebtedness of Project Owner.

The Issuer previously issued \$985 million aggregate principal amount of its Revenue Bonds (Brightline Florida Passenger Rail Expansion Project), Series 2023A and Series 2023C (the "Commuter Bonds"), the net proceeds of which were loaned to Brightline Florida Holdings LLC, an indirect member entity of Project Owner. The Commuter Bonds are expected to remain outstanding after the closing of the transactions described herein under the heading "REFINANCING TRANSACTIONS AND **ORGANIZATIONAL** STRUCTURE." The proceeds from the refinancing transactions described herein will not be used to refund or refinance any portion of the Commuter Bonds. The Commuter Bonds are structurally subordinated to the Bonds and the other indebtedness incurred in the refinancing transactions described herein. The net proceeds of any monetization of the Commuter Access Rights are required to be used to effect a mandatory tender of the Commuter Bonds. Project Owner expects to benefit from increased long-distance ridership from the development of the Commuter Access Rights but will not be responsible for capital costs related to the development of such Commuter Access Rights.

See "CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS" and "REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE."

FINANCING FOR THE PROJECT

Financing Overview.....

As of April 2, 2024, Project Owner had \$2.7 billion of tax-exempt indebtedness and \$1.1 billion of taxable indebtedness outstanding, all of which is secured by substantially all of the assets that will constitute Collateral. With the recent completion of the Miami-Orlando Project, the transactions described herein are designed to recapitalize the operating business with a longer-term capital structure and establish an organizational structure to pursue the Orlando-Tampa Project.

Immediately after the offering of the Bonds, Project Owner is also expected to enter into a credit agreement with Citizens Bank, N.A., as lender and administrative agent, providing for a senior secured revolving loan credit facility in an aggregate principal amount of up to \$25 million (the "Project Owner Credit Facility"). The outstanding amounts and other obligations of Project Owner under the Project Owner Credit Facility will be secured by the Collateral on a *pari passu* basis with the Bonds and will be effectively senior in right of payment to all of Project Owner's future unsecured indebtedness to the extent of the value of the Collateral, subject to certain permitted security interests. Project Owner is also expected to obtain additional debt commitments of up to \$20 million on the Closing Date.

Concurrently with the offering of the Bonds described herein, Brightline East LLC ("Parent") is expected to issue or assume senior secured notes (the "Parent Notes") pursuant to an indenture to be dated as of the Closing Date and incur approximately \$80 million of unsecured indebtedness to refinance approximately \$80 million of indebtedness of Project Owner (such additional indebtedness of Parent, the "Parent Subordinated Debt" and, together with the Parent Notes, the "Parent Offerings"). Parent intends to contribute a portion of the net proceeds from the Parent Offerings through Pledgor to Project Owner.

Additionally, the Issuer is expected to issue Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) AAF Operations Holdings LLC Issue, Series 2024 (Tax-Exempt) (the "HoldCo Bonds"). The net proceeds of the HoldCo Bonds are expected to be loaned to AAF Operations Holdings LLC ("HoldCo"), pursuant to a senior loan agreement, to be dated as of the Closing Date. Concurrently with the offering of the Bonds described herein, HoldCo is expected to issue preferred equity (the "New HoldCo Preferred Equity"), such that the total capitalization of HoldCo will be approximately \$1.7 billion on the Closing Date. HoldCo intends to contribute through Parent and the Pledgor a portion of the net proceeds of the offering of the HoldCo Bonds and the New HoldCo Preferred Equity to Project Owner.

Project Owner will use the funds from the Bonds, together with a portion of the net proceeds of the Project Owner Credit Facility, Parent Notes, the Parent Subordinated Debt, the HoldCo Bonds, the New HoldCo Preferred Equity and other available funds, to (i) finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of Project Owner and/or one or more of its affiliates for expenditures for the Project), (ii) fund interest on the Bonds due on each interest payment date through July 1, 2025, (iii) fund other reserves and (iv) pay certain costs of issuance.

See "ESTIMATED SOURCES AND USES OF FUNDS."

Immediately after the Closing Date of the Bonds, after giving effect to the transactions described herein under the heading "REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE," the total indebtedness of Project Owner is expected to be \$2.2 billion, comprised solely of the Bonds offered hereby and the Project Owner Credit Facility.

At the Closing Date, Project Owner expects the Trustee and the Collateral Agent to hold funded interest, debt service and Project-related reserves of \$560 million. As a result of the funding of the Series 2024 Funded Interest Account (as defined in the Indenture), Project Owner will not have any net interest payments due from Project Revenues (as defined in the Collateral Agency Agreement) until January 1, 2026. Including the funds expected to be deposited in the Senior DSR Sub-Account (as defined in the Collateral Agency Agreement), the Ramp-Up Reserve Account (as defined in the Collateral Agency Agreement) and the Project Reserve Account (as defined in the Collateral Agency Agreement) on the Closing Date, Project Owner will have prefunded interest to cover debt service through July 1, 2025, plus an additional \$366 million in reserve funds. Therefore, the Senior Restricted Payment Conditions and the Senior Subordinated Restricted Payment Conditions (each as defined herein) are expected to be satisfied initially to permit Project Owner to pay dividends or make other distributions, including distributions for the purpose of paying debt service on indebtedness or preferred equity of its indirect parent or member entities. See "-SECURITY FOR THE BONDS-Senior Restricted Payment Conditions and Senior Subordinated Restricted Payment Conditions."

Bonds			
Donas	 	 	

The proceeds of the Bonds will be loaned to Project Owner pursuant to the Loan Agreement between Project Owner and the Issuer, and will be applied, together with other available funds, to finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness and reimbursement for prior expenditures for the Project), to fund certain reserves and to pay certain costs of issuance. Pursuant to the Loan Agreement, Project Owner will agree to make payments to the Trustee in the amounts and on the dates required to pay the principal of and interest on the Bonds and will agree to comply with various covenants for the benefit of the Trustee and the Bondholders.

Equity Contributions.....

As of April 2, 2024, Fortress Investment Group LLC and its affiliates, including Florida Investment Holdings LLC ("FIH"), a member of Brightline Holdings have contributed approximately \$2.2 billion of equity in cash and assets to finance the Project (the "Fortress Investment"). The Fortress Investment would represent approximately 32% of Project Owner's expected capital structure following the completion of its plan of finance, as set forth below under the heading "USE OF PROCEEDS."

In connection with the transactions described herein under the heading "REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE," in January 2024, HoldCo issued \$245 million of preferred equity (the "Initial HoldCo Preferred Equity" and, together with the New HoldCo Preferred Equity, the "HoldCo Preferred Equity") to BLH Investment LLC, an affiliate of Project Owner (the "HoldCo Preferred Equity Issuance"), the net proceeds of which were provided to Project Owner, and in April 2024, HoldCo incurred \$35 million of debt ("Holdco Debt").

Concurrently with the offering of the Bonds described herein, HoldCo is expected to issue the New HoldCo Preferred Equity, such that the total capitalization of HoldCo will be approximately \$1.7 billion on the Closing Date.

The Bonds will be structurally senior to any existing or future indebtedness or preferred equity of any of its direct or indirect parent or member entities and the Fortress Investment.

Tampa Assets

On January 2, 2024, Project Owner sold the assets associated with the Orlando-Tampa Project to Brightline Tampa, including the contracts with architects, surveyors and consultants related to the design and development of the Orlando-Tampa Project (collectively, the "Tampa Assets"). The Tampa Assets are not assets of Project Owner and are not subject to a lien or available to service the Bonds. On April 1, 2024, Project Owner obtained from Brightline Tampa certain rights which will allow for a connection with the Orlando SunRail (as defined herein) corridor providing access to and from downtown Orlando. See "BUSINESS—Affiliate Expansion Plans—Orlando-Tampa Project."

Use of Proceeds

Project Owner will use the net proceeds from the offering of the Bonds, together with a portion of the net proceeds from the Project Owner Credit Facility and other indebtedness or preferred equity to be raised by indirect parent or member entities of Project Owner and other available funds, to (i) finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of Project Owner and/or one or more of its affiliates for expenditures for the Project), (ii) fund interest on the Bonds due on each interest payment date through July 1, 2025, (iii) fund other reserves and (iv) pay certain costs of issuance. See "ESTIMATED SOURCES AND USES OF FUNDS."

In connection with this offering of the Bonds, Project Owner will undertake the transactions described under "—FINANCING OVERVIEW," "—EQUITY CONTRIBUTIONS" and "—TAMPA ASSETS."

See "ESTIMATED SOURCES AND USES OF FUNDS" and "REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE."

Permitted Additional Senior Indebtedness The Loan Agreement will permit Project Owner to incur certain additional indebtedness payable and secured pro rata with the Bonds, including (a) all indebtedness incurred to refund, refinance, extend, renew or replace the Bonds or any indebtedness incurred pursuant to this clause (a) so long as (i) the principal amount of such indebtedness is not increased to any amount greater than the sum of (A) the outstanding principal amount of such thenexisting indebtedness at the time of such refunding, refinancing, extension, renewal or replacement and (B) an amount necessary to pay any interest, fees and expenses, including premiums, or to fund any reserve or prefunded interest accounts, in each case related to such refunding, refinancing, extension, renewal or replacement and (ii) such refunding, refinancing, extension, renewal or replacement indebtedness is not projected to adversely impact the Total Senior DSCR in any year through July 1, 2053, as determined by Project Owner in good faith, (b) indebtedness incurred as one or more revolving credit, term loan or other financings incurred to finance the working capital needs of Project Owner, and indebtedness incurred to refund, extend, renew, refinance or replace any such indebtedness, in an aggregate principal amount outstanding at any time that does not exceed \$25,000,000 and (c) additional indebtedness so long as, in connection with the incurrence thereof, Project Owner obtains (i) a Rating Confirmation and (ii) an opinion of counsel as to the non-consolidation of Project Owner with any one or more of its affiliates under a bankruptcy proceeding (collectively, "Permitted Additional Senior Indebtedness"). See "DESCRIPTION OF THE BONDS—Additional Indebtedness." The amount of additional debt that Project Owner may incur, however, will be limited by instruments governing its indirect parent or member entities' indebtedness. See "DESCRIPTION OF THE BONDS—Additional Indebtedness—Additional Limitations on Indebtedness."

Other Permitted Indebtedness......

In addition to Permitted Additional Senior Indebtedness, the Loan Agreement will permit Project Owner to incur certain other additional indebtedness, including indebtedness in an aggregate principal amount outstanding at any time that does not exceed \$25,000,000, which may be incurred for any purpose (the "General Debt Basket"). Subject to the availability of a Permitted Security Interest, the additional indebtedness may be secured. See "DESCRIPTION OF THE BONDS—Additional Indebtedness."

SECURITY FOR THE BONDS

Security Interests

The payment of the Bonds and any Additional Parity Bonds as defined in and that may be issued in the future under the Indenture ("Additional Parity Bonds") will be secured by the Trust Estate and a senior lien on the assets and other property of Project Owner and the Pledgor that will be pledged as collateral to secure payment of the Bonds, any Additional Parity Bonds and any Permitted Additional Senior Indebtedness (collectively, "Senior Secured Obligations") pursuant to the Collateral Agency Agreement and the other Security Documents (collectively, the "Collateral"). See "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Indenture—Trust Estate."

The Collateral includes (i) certain real property interests of Project Owner to be mortgaged on the Closing Date, as set forth in "SECURITY FOR THE BONDS—Mortgages," (ii) substantially all personal property of Project Owner, whether now owned or hereafter acquired, including rolling stock, the Project Revenues and the Project Accounts (as defined in the Collateral Agency Agreement), but excluding Excluded Assets (as defined herein) and (iii) a pledge of the membership interests in Project Owner by the Pledgor. See "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Collateral Generally." The Distribution Account (as defined herein) and any amounts on deposit therein will not constitute Collateral. See "PROJECT ACCOUNTS AND FLOW OF FUNDS."

Mortgages.....

Project Owner will be required to deliver mortgages, leasehold mortgages or other documents creating and evidencing a security interest on real property to secure the Senior Secured Obligations (the "Mortgages") in favor of the Collateral Agent on the following real property interests: (i) Project Owner's easement interest in Florida East Coast Railway, LLC's ("FECR") existing Miami to Cocoa rail corridor (the "Shared Corridor"), (ii) Project Owner's owned real property comprising (a) the stations located in Fort Lauderdale and West Palm Beach, built on Project Owner's fee-owned land, (b) Project Owner's station located in Miami built within Project Owner's owned air rights, (c) the West Palm Beach running repair facility, (d) undeveloped land located in and around Cocoa and (e) the parking garage used in connection with the Fort Lauderdale station, (iii) Project Owner's leasehold interest in (a) all or a portion of the parking garages used in connection with the Miami and West Palm Beach stations, (b) in real property constituting a portion of the rail track corridor from Cocoa to Orlando International Airport and (c) grounds for

the vehicle maintenance facility and premises for the station in the terminal located at the Orlando International Airport, (iv) Project Owner's easement interests in real property constituting the rail track corridor at the Orlando International Airport granted by the Greater Orlando Aviation Authority ("GOAA") pursuant to the terms of that certain Amended and Restated Rail Line Easement Agreement, effective date of July 19, 2021 (as amended, the "GOAA Agreement"), (v) Project Owner's easement interests in real property constituting a portion of the rail track corridor from Cocoa to Orlando International Airport granted by CFX (as defined herein) and (vi) Project Owner's other fee, leasehold, license and easement interests in real property constituting the rail track corridor from and around Cocoa to Orlando, Florida.

Such Mortgages are expected to be delivered on the Closing Date. With respect to any Mortgages or title insurance-related requirements that are not in place on the Closing Date, Project Owner will agree to have such requirements satisfied within 180 days after the Closing Date; provided that any failure of Project Owner to have such requirements satisfied within such 180-day period will not constitute an event of default if Project Owner is diligently pursuing the satisfaction of such requirements. Notwithstanding the foregoing, Project Owner's failure to record any Mortgage in the applicable recording office as of the date that is 270 days after the Closing Date shall constitute an event of default under the Loan Agreement. See "RISK FACTORS—Risks Related to this Offering and Project Owner's Indebtedness—Rights of Bondholders in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral" and "Title insurance policies will only be obtained with respect to certain real property interests."

In addition, within 90 days of the date of acquisition or lease of any real property or the substantial completion of development of any real property used in connection with the development or construction of a Capital Project on the rail corridor between and including Orlando and Miami, having an estimated fair market value or development cost (as determined by Project Owner in good faith) in excess of \$5,000,000 as of the date of such acquisition, lease or substantial completion of development (a "Material Real Property Interest"), Project Owner will be required to deliver to the Collateral Agent a first-priority mortgage, or a spread of the existing mortgage, subject only to permitted security interests, to encumber Project Owner's interests in such Material Real Property Interest, unless and other than to the extent such Material Real Property Interest constitutes an Excluded Asset. "Capital Project" means (i) an extension of Project Owner's intercity passenger rail system beyond the Orlando International Airport, (ii) any third-party commuter rail service on the corridor comprising the Project, (iii) any additional station beyond those stations in operation on the Closing Date or (iv) any permitted activity that is a physical expansion of, or improvement to, the Project, that would expand the scope of construction or operation of the Project in a manner that would materially change the nature of Project Owner's business as of the Closing Date. See "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Mortgages."

Funded Interest Account.....

The Trustee will create the Series 2024 Funded Interest Account. The Series 2024 Funded Interest Account will be funded on the Closing Date. Moneys on deposit in the Series 2024 Funded Interest Account will be applied by the Trustee, prior to the application of any other funds in the Debt Service Fund (as defined herein), to pay interest on the Bonds through the interest payment due on July 1, 2025.

Senior Restricted Payment
Conditions and Senior
Subordinated Restricted
Payment Conditions

Project Owner's ability to pay debt service on Permitted Subordinated Indebtedness (as defined herein), transfer Project Revenues to the Capital Projects Account (as defined in the Collateral Agency Agreement) or make voluntary repayments or redemptions of indebtedness is subject to the "Senior Restricted Payment Conditions": (i) the payment of due and payable fees, expenses and Senior Secured Obligations, and the funding of all reserve accounts to the levels required by the Collateral Agency Agreement, (ii) either (x) the Total Senior DSCR being at least equal to 1.30:1.00, and the Total Senior DSCR for the following 12-month period, taking into account the requested payment, being projected by Project Owner to be at least equal to 1.30:1.00 or (y) the aggregate amount held in the Project Reserve Account, the Major Maintenance Reserve Account and the Ramp-Up Reserve Account (each as defined herein), after giving effect to all prior transfers of the Flow of Funds (as defined in the Collateral Agency Agreement), being at least \$50,000,000 in excess of the Project Reserve Required Balance (as defined herein) as of the date of such payment, a sum that is expected to be in place at the Closing Date and (iii) a requirement that no default shall have occurred and be outstanding under the Financing Documents and other Senior Secured Indebtedness Documents (as defined in the Collateral Agency Agreement) or result from such payment or transfer.

"Total Senior DSCR" is defined as the ratio of Free Cash Flow to all scheduled principal and interest payments on account of Senior Obligations (as defined in the Collateral Agency Agreement) then outstanding (with adjustments for principal payments of balloon indebtedness and amounts held in prefunded principal or interest accounts), and "Free Cash Flow" is defined as (a) all Project Revenues received by Project Owner and deposited to the Revenue Account (as defined herein) during such period (excluding any equity contributions and any proceeds of indebtedness, and for the avoidance of doubt, excluding any moneys from the Equity Lock-Up Account (as defined in the Collateral Agency Agreement) transferred to the Revenue Account pursuant to the Collateral Agency Agreement), plus (b) releases from the Rolling Stock Reserve Account (as hereinafter defined), the Major Maintenance Reserve Account and the Ramp-Up Reserve Account used to pay O&M Expenditures or Major Maintenance Costs (each, as defined in the Collateral Agency Agreement) during such period (excluding any releases to the extent the funds so released were originally funded into such reserve accounts from equity contributions, proceeds of indebtedness or moneys from the Equity Lock-Up Account transferred to the Revenue Account pursuant to the Collateral Agency Agreement), less (c) all O&M Expenditures and Major Maintenance Costs to the extent paid during such period (excluding any amounts for Major Maintenance Costs paid out of the Capital Projects Account), less (d) deposits to the Rolling Stock Reserve Account, the Major Maintenance Reserve Account and the Ramp-Up Reserve Account during such period (excluding, in each case, the initial funding of any such account or to the extent such deposits were funded from equity contributions, proceeds of indebtedness or moneys from the Equity Lock-Up Account transferred to the Revenue Account pursuant to the Collateral Agency Agreement). Total Senior DSCR is calculated for a 12-month period ending on the first day of a month (a "Calculation Date") or, if prior to the first anniversary of the Closing Date, any shorter period from the Closing Date annualized for a 12-month period.

Project Owner's ability to pay dividends or make other distributions, including distributions for the purpose of paying debt service on indebtedness or preferred equity of its indirect parent or member entities, is subject to the

"Senior Subordinated Restricted Payment Conditions": (i) the payment of due and payable fees, expenses, Senior Secured Obligations and obligations with respect to Permitted Subordinated Indebtedness, and all reserve accounts must be funded to the levels required by the Collateral Agency Agreement, (ii) the Total Senior DSCR being at least equal to 1.30:1.00, and the Total Senior DSCR for the following 12-month period, taking into account the requested dividend or other distribution, is required to be projected by Project Owner to be at least equal to 1.30:1.00, (iii) the Total DSCR being at least equal to 1.10:1.00, and the Total DSCR for the following 12-month period, taking into account the requested dividend or other distribution, being projected by Project Owner to be at least equal to 1.10:1.00 and (iv) no default shall have occurred and be outstanding under the Financing Documents, Permitted Subordinated Indebtedness Documents and other senior or subordinated indebtedness documents or result from such dividend or other distribution. "Total DSCR" is defined as the ratio of Free Cash Flow to all scheduled principal and interest payments on account of all senior financing obligations then outstanding (with adjustments for principal payments of balloon indebtedness and amounts held in prefunded principal or interest accounts). Total DSCR is calculated for a 12month period ending on a Calculation Date or, if prior to the first anniversary of the Closing Date, any shorter period from the Closing Date annualized for a 12-month period. See "PROJECT ACCOUNTS AND FLOW OF FUNDS."

Limited Obligations of the Florida
Development Finance
Corporation.....

THE BONDS DO NOT CONSTITUTE INDEBTEDNESS OF THE ISSUER, THE STATE, THE COUNTIES OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL **PROVISION** OR STATE **STATUTORY** LIMITATION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE STATE, THE COUNTIES, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT OF THE ISSUER NOR THE FULL FAITH AND CREDIT OR THE TAXING POWER OF THE STATE, THE COUNTIES, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS OR THE INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL OF THE ISSUER EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS THE ISSUER HAS NO TAXING POWER.

PROJECT ACCOUNTS AND FLOW OF FUNDS

Project Accounts.....

Operating Accounts. On the third business day prior to the fifteenth day of each month (each, a "Transfer Date"), Project Owner's operating accounts (the "Operating Accounts") will be funded from the account into which Project Revenues are required to be deposited (the "Revenue Account") in accordance with the Flow of Funds in an amount that results in the balance in the Operating Accounts equaling the projected O&M Expenditures (as defined in the Collateral Agency Agreement) for the period ending on the immediately succeeding Transfer Date.

Rebate Funds. On each Transfer Date, any payments then due and payable by Project Owner to the "Series 2024 Rebate Fund" as defined in the Indenture (the "Rebate Fund") and any similar rebate fund established with respect to any future tax-exempt borrowings comprising secured obligations of Project Owner (collectively, the "Rebate Funds") will be funded from the Revenue Account in accordance with the Flow of Funds.

Senior Secured Bonds Interest Sub-Account. A "Senior Secured Bonds Interest Sub-Account" will be established with the Collateral Agent pursuant to the Collateral Agency Agreement and funded in accordance with the Flow of Funds from the Revenue Account on each Transfer Date for any interest account for Permitted Additional Senior Indebtedness and Purchase Money Debt (as defined in the Collateral Agency Agreement) with an amount equal to one-sixth of the amount of interest payable on the Bonds and any Additional Parity Bonds on the next Interest Payment Date; provided that, no such transfers to the Senior Secured Bonds Interest Sub-Account will be required to be made with respect to the Bonds to the extent amounts on deposit in the Series 2024 Funded Interest Account are sufficient to pay interest on such Interest Payment Date.

Senior Secured Bonds Principal Sub-Account. A "Senior Secured Bonds Principal Sub-Account" will be established with the Collateral Agent pursuant to the Collateral Agency Agreement and funded in accordance with the Flow of Funds from the Revenue Account on each Transfer Date for any principal payment account established for Permitted Additional Senior Indebtedness and Purchase Money Debt) with an amount equal to one-twelfth of the amount of principal due on the Bonds and any Additional Parity Bonds on any date that a principal payment is due (each, a "Principal Payment Date") occurring within 12 months following such Transfer Date.

Bonds Debt Service Reserve Account. A "Senior DSR Sub-Account" will be established with the Collateral Agent and initially funded with an amount equal to the amount of interest and principal due and payable on the Bonds on any Interest Payment Date or Principal Payment Date occurring within 12 months following the Closing Date, with future funding requirements from Project Revenues in accordance with the Flow of Funds. Moneys on deposit in the Senior DSR Sub-Account will be used by the Collateral Agent for payment of interest or principal due and payable on the Bonds to the extent other funds are not available for such purpose, as described more fully in the Collateral Agency Agreement.

Ramp-Up Reserve Account. A "Ramp-Up Reserve Account" will be established with the Collateral Agent and initially funded with an amount equal to \$175,000,000. Moneys on deposit in the Ramp-Up Reserve Account will be used by Project Owner to pay O&M Expenditures and senior debt service to the extent other funds are not available for such purpose, as described more fully in the Collateral Agency Agreement.

Project Reserve Account. A "Project Reserve Account" will be established with the Collateral Agent and initially funded with an amount equal to \$75,000,000, with future funding requirements from Project Revenues in accordance with the Flow of Funds such that the balance therein, when combined with the amounts in the Ramp-Up Reserve Account and the Major Maintenance Reserve Account equals the Project Reserve Required Balance. If the Senior Restricted Payment Conditions are not satisfied as of any Transfer

Date, the Project Reserve Account will be funded with any remaining funds from Project Revenues after all prior Project Accounts in the Flow of Funds have been funded in full. Moneys on deposit in the Project Reserve Account will be used by Project Owner to pay Project Costs (as defined in the Collateral Agency Agreement), O&M Expenditures and senior debt service, as described more fully in the Collateral Agency Agreement.

Major Maintenance Reserve Account. A "Major Maintenance Reserve Account" will be established with the Collateral Agent (but not initially funded), with future funding requirements from Project Revenues in accordance with the Flow of Funds such that the balance therein equals to the Major Maintenance Costs reasonably estimated to be due on a rolling four fiscal quarter forward-looking basis. Moneys on deposit in the Major Maintenance Reserve Account will be used by Project Owner for Major Maintenance Costs, as described more fully in the Collateral Agency Agreement.

Rolling Stock Reserve Account. A "Rolling Stock Reserve Account" will be established with the Collateral Agent and initially funded with an amount equal to \$60,000,000, with future funding requirements from Project Revenues in accordance with the Flow of Funds such that it holds an increasing required balance (determined by a sculpted schedule), less the aggregate amount of funds previously spent from the Rolling Stock Reserve Account on rolling stock costs. Moneys on deposit in the Rolling Stock Reserve Account will be used by Project Owner for payment of rolling stock costs, with the required balance in the Rolling Stock Reserve Account dropping to zero from and after the date that Project Owner has purchased 60 passenger coaches, as described more fully in the Collateral Agency Agreement.

Distribution Account. A "Distribution Account" will be established with the Collateral Agent and will be funded in accordance with the Flow of Funds in the Collateral Agency Agreement, solely to the extent that the applicable Restricted Payment Conditions are satisfied on the date of any such transfer. Project Owner will have the exclusive right to withdraw or otherwise dispose of funds on deposit in the Distribution Account to any other account or to such other person as directed by Project Owner in its sole discretion, and the Distribution Account (and any amounts on deposit therein) will not constitute Collateral, as described more fully in the Collateral Agency Agreement.

Certain other accounts for payments of principal and interest on Secured Obligations and any Purchase Money Debt (each as defined in the Collateral Agency Agreement) and accounts for loss proceeds, mandatory prepayments, capital projects and other reserves will be established pursuant to the Collateral Agency Agreement; such accounts will be funded from the Revenue Account and other accounts in accordance with the Flow of Funds and used for the purposes outlined therein. See "PROJECT ACCOUNTS AND FLOW OF FUNDS."

ADVISOR REPORTS

2022 Ridership and Revenue Study.....

WSP was engaged to prepare a report dated April 2022 (the "2022 Ridership and Revenue Study") in its capacity as an independent ridership and revenue advisor in relation to the Project. In February 2024, WSP issued a supplement to the 2022 Ridership and Revenue Study (the "WSP Supplement"), which

updates its projections to reflect the actual opening of the Orlando station in September 2023. Updates to the projections affect the years 2023 through 2026. after which time WSP projects the change in assumed opening date no longer impacts the original projections. The 2022 Ridership and Revenue Study, inclusive of the WSP Supplement, is included as APPENDIX C to this Official Statement. Matters addressed in the 2022 Ridership and Revenue Study are based on various assumptions and methodologies and are subject to certain qualifications. WSP was previously engaged to prepare a report dated December 2017 (the "2018 Ridership and Revenue Study") in its capacity as an independent ridership and revenue advisor in relation to the Project. In November 2020, WSP prepared a supplement to the 2018 Ridership and Revenue Study (the "2020 Ridership and Revenue Study Supplement") for the purposes of incorporating Project Owner's expansion plans into the 2018 Ridership and Revenue Study. Reference is hereby made to the entire 2022 Ridership and Revenue Study for such important opinions, projections, qualifications and assumptions. WSP delivered bring down letters, dated February 7, 2023, September 12, 2023, December 12, 2023, February 28, 2024, April 2, 2024, April 15, 2024 and April 22, 2024, respectively, confirming that no additional information has been brought to WSP's attention that would lead WSP to believe that there would be a material change in the findings, estimates, conclusions and analyses reflected in the 2022 Ridership and Revenue Study, other than the change in timing of opening the Orlando station as described in the WSP Supplement. See "APPENDIX C—WSP USA SOLUTIONS BRING DOWN LETTER AND RIDERSHIP AND REVENUE REPORT APRIL 2022."

Operations and Maintenance and Ancillary Revenue Report....

WSP was also engaged to prepare a report dated March 10, 2019 (the "Operations and Maintenance and Ancillary Revenue Report") in its capacity as an independent operations and maintenance and ancillary revenue advisor in relation to the Project. The Operations and Maintenance and Ancillary Revenue Report is included as APPENDIX D to this Official Statement. Matters addressed in the Operations and Maintenance and Ancillary Revenue Report are based on various assumptions and methodologies and are subject to certain qualifications. Reference is hereby made to the entire Operations and Maintenance and Ancillary Revenue Report for such important opinions, projections, qualifications and assumptions. WSP delivered bring down letters, dated February 28, 2020, August 11, 2020, November 9, 2020, August 5, 2022, February 7, 2023, September 12, 2023, December 12, 2023, March 8, 2024, April 2, 2024, April 15, 2024 and April 22, 2024, respectively, confirming that no additional information has been brought to WSP's attention that would lead WSP to believe that there would be a material change in the findings, estimates, conclusions and analyses reflected in the Operations and Maintenance and Ancillary Revenue Report. See "APPENDIX D—WSP USA SOLUTIONS BRING DOWN LETTERS AND PROJECT OPERATIONS AND MAINTENANCE AND ANCILLARY REVENUE REPORT."

DESCRIPTION OF THE BONDS

General

The Bonds are being issued by the Issuer in an aggregate principal amount of \$2,219,280,000, pursuant to the Indenture.

The Bonds will be dated the date of delivery thereof and will bear interest from such date at the rates set forth on the inside cover page hereof, payable on January 1 and July 1 of each year, commencing July 1, 2024. The Bonds will mature on July 1 in the years and respective principal amounts set forth on the inside cover page hereof. The Bonds will be issuable as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be issued in book-entry form pursuant to the book-entry-only system described herein. Owners of beneficial interests in the Bonds will not receive physical delivery of any Bond certificates. See "—Book-Entry-Only System" below.

Investing in the Bonds involves certain risks. See "RISK FACTORS" for a detailed description of risk factors and investment considerations. Investors should read this Official Statement in its entirety before making an investment decision. Investors must rely on their own examination of Project Owner, the Issuer and the Project and the terms of the offering, including the merits and risks involved.

Redemption of Bonds Prior to Maturity

The Bonds are subject to redemption prior to their stated maturity, in accordance with the terms and provisions of the Indenture, as follows:

Make-Whole Redemption

The Bonds are subject to redemption at the option of Project Owner, in whole or in part, at any time prior to July 1, 2032 (the "First Par Call Date"), at a redemption price equal to the Make-Whole Redemption Price, plus interest accrued to but not including the redemption date.

The "Make-Whole Redemption Price" is equal to the sum of:

- (a) the principal amount of the Bonds to be redeemed; and
- (b) an amount equal to the sum of the remaining unpaid payments of interest to be paid on such Bonds to be redeemed from and including the date of redemption to the First Par Call Date of such Bonds, discounted to the date on which the Bonds are to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the applicable MMD Rate (as defined in the Indenture) plus 20 basis points, less accrued and unpaid interest on the Bonds to be redeemed to, but excluding, the redemption date.

The Make-Whole Redemption Price of the Bonds described above will be determined by an independent accounting firm, investment banking firm or financial advisor (which accounting firm, investment banking firm or financial advisor shall be retained by Project Owner at the expense of Project Owner to calculate such Make-Whole Redemption Price) and such independent accounting firm's, investment banking firm's or financial advisor's determination of the Make-Whole Redemption Price shall be final and binding in the absence of manifest error. The Trustee and Project Owner may conclusively rely on such accounting firm's, investment banking firm's or financial advisor's determination of such redemption price and shall bear no liability for such reliance.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of Project Owner, on or after July 1, 2032, as a whole or in part, in such order of maturity or sinking fund installments, if any, as directed by Project Owner, at a redemption price equal to the principal amount redeemed, plus accrued interest to but not including the redemption date.

Extraordinary Mandatory Redemption

The Bonds are subject to extraordinary mandatory redemption, pro rata with any other senior indebtedness in accordance with the applicable Financing Documents, from net amounts of Loss Proceeds (as defined in the Collateral Agency Agreement) received by Project Owner to the extent that (i) such Loss Proceeds exceed the amount required to Restore (as defined in the Collateral Agency Agreement) the Project or any portion thereof to the condition existing prior to the applicable loss event and are not otherwise used by Project Owner to improve or further develop, design, acquire, construct, install, equip, own, operate, maintain or administer the portion of the Project from Miami to the Orlando International Airport or (ii) the affected property cannot be restored to permit operation of the Project on a commercially feasible basis and upon delivery to the Collateral Agent of an officer's certificate of Project Owner certifying to the foregoing. Such redemption will be in whole or in part, within such maturities as selected by Project Owner (provided that Bonds may be redeemed only in authorized denominations), at a redemption price of par plus accrued interest to, but not including, the redemption date.

Mandatory Sinking Fund Redemption

The Bonds (that do not have the benefit of the Policy) maturing July 1, 2041, July 1, 2047 and July 1, 2053 and the Insured Bonds maturing July 1, 2044, July 1, 2047 and July 1, 2053 are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount redeemed, plus accrued and unpaid interest to, but not including, the redemption date, on July 1 of the years and in the aggregate principal amounts set forth below:

Term Bond	(Not Insured)) due Jul	y 1, 2041

Redemption Dates	•
(July 1)	Principal Amount
2039	\$62,315,000
2040	72,860,000
2041^{*}	83,450,000
* Maturity.	

Term Bond (Not Insured) due July 1, 2047

Redemption Dates	· · · · ·
<u>(July 1)</u>	Principal Amount
2045	\$67,470,000
2046	71,005,000
2047^{*}	74,735,000
* Maturity.	

Term Bond (Not Insured) due July 1, 2053

Redemption Dates	
(July 1)	Principal Amount
2048	\$70,790,000
2049	74,585,000
2050	78,580,000
2051	82,795,000
2052	87,235,000
2053*	91,910,000
* Maturity.	

Term Bond (Insured) due July 1, 2044

Redemption Dates	
<u>(July 1)</u>	Principal Amount
2042	\$95,570,000
2043	108,325,000
2044*	122,455,000
* Maturity.	

Term Bond (Insured) due July 1, 2047

Redem	otion	Dates	
recuein	Duon	Dates	

<u>(July 1)</u>	Principal Amount
2045	\$67,455,000
2046	71,000,000
2047^{*}	74,725,000
* Maturity.	

Term Bond (Insured) due July 1, 2053

Redemption Dates	· •
(July 1)	Principal Amount
2048	\$86,520,000
2049	91,160,000
2050	96,050,000
2051	101,200,000
2052	106,630,000
2053*	112,350,000

* Maturity

Payment of the Bonds

The principal and redemption price of, and interest on, the Bonds will be payable only to the Bondholder thereof appearing on the registration books maintained by the Trustee pursuant to the Indenture.

Pursuant to the Indenture, the principal of and the redemption premium, if any, on all Bonds shall be payable (i) by check or draft, (ii) if the aggregate principal amount of the Bonds held by any Bondholder exceeds \$1,000,000, by wire transfer to an account designated by such Bondholder, (iii) in the case of Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in the Bonds in book-entry form will be made in accordance with the procedures of DTC or (iv) by such other method as mutually agreed in writing between the Bondholder of a Bond and the Trustee at maturity or upon earlier redemption to the Bondholders in whose names such Bonds are registered on the bond register maintained by the Trustee at the maturity date or redemption date thereof, upon the presentation and surrender of such Bonds at the Designated Payment Office of the Trustee. The interest payable on each Bond on any Interest Payment Date shall be paid (i) by check or draft sent on or prior to the appropriate date of payment, by the Trustee to the address of the Bondholder appearing in the registration books on the Record Date (as defined herein), (ii) in the case of Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in the Bonds in book-entry form will be made in accordance with the procedures of DTC or (iii) by such other method as mutually agreed in writing between the Bondholder of the Bonds and the Trustee. The "Record Date" for the Bonds is the 15th day of the month preceding each Interest Payment Date.

The Indenture provides that any interest not timely paid will cease to be payable to the Bondholder thereof at the close of business on the Record Date and will be payable to the person who is the Bondholder thereof at the close of business on a new record date for the payment of such defaulted interest (a "Special Record Date"). Such Special Record Date will be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date will be given by the Trustee to the Bondholders, not less than ten days prior to the Special Record Date, by certified or first-class mail to each such Bondholder as shown on the Trustee's registration records (or by electronic delivery in accordance with DTC's procedures) on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

While the Bonds are held under the book-entry system, the principal of, interest on and redemption price of the Bonds will be paid by wire transfer to DTC, as securities depository, or its nominee.

Notice of Redemption

Notice of redemption identifying the Bonds or portions thereof to be redeemed and specifying the terms of such redemption, will be given by the Trustee by sending a copy of the redemption notice by United States first-class mail (or by electronic delivery in accordance with DTC's procedures), at least 10 days and not more than 60 days prior to

the date fixed for redemption, to the Bondholder of each Bond to be redeemed at the address as it last appears on the registration records of the Trustee; provided, however, that failure to give any such notice, or any defect therein, shall not affect the validity of any proceedings of any Bonds as to which no such failure has occurred.

The Indenture provides that, if at the time of sending of notice of any optional redemption of Bonds at the option of Project Owner, there will not have been deposited with the Trustee moneys sufficient to pay the redemption price of all the Bonds to be redeemed, such notice will state that it is conditional upon the deposit with the Trustee of an amount equivalent to the full amount of the moneys for such purpose not later than the opening of business on the redemption date specified in the redemption notice, and such redemption notice will be of no effect unless such redemption moneys are so deposited.

Any redemption notice sent as provided in the Indenture shall be conclusively deemed to have been duly given, whether or not the Bondholder receives the notice. Notice of optional redemption may, at Project Owner's option and discretion, be subject to one or more conditions precedent and may be subject to rescission at the option of Project Owner. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice will state that, in Project Owner's discretion, the date fixed for redemption may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the date fixed for redemption, or by such date so delayed.

So long as DTC is effecting book-entry transfers of the Bonds, the Trustee will provide the redemption notices specified herein to DTC. It is expected that DTC will, in turn, notify its Direct Participants (as defined herein) and that the Direct Participants, in turn, will notify or cause to be notified the owners of beneficial interests in the Bonds. Any failure on the part of DTC or a Direct Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been sent notice from the Trustee, DTC, a Direct Participant or otherwise) to notify the owner of beneficial interests in the Bonds so affected, will not affect the validity of the redemption of such Bond.

Selection of Bonds Subject to Redemption

If less than all the Bonds of a series, subseries or maturity are subject to redemption, the particular Bonds of such series, subseries or maturity or portions thereof to be redeemed will be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee, provided that so long as the Bonds are held in bookentry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect. See "APPENDIX A—BOOK-ENTRY-ONLY SYSTEM."

Book-Entry-Only System

The Bonds will be registered in the name of Cede & Co., as nominee for DTC. Purchases of beneficial interests in the Bonds will be made only in book-entry form. Purchasers of beneficial interests in the Bonds will not receive physical delivery of certificates representing their interest in the Bonds. Interest on the Bonds, together with principal of the Bonds, will be paid by the Trustee directly to DTC, so long as DTC or its nominee is the registered owner of the Bonds. The final disbursement of such payments to owners of beneficial interests in the Bonds will be the responsibility of DTC's Direct and Indirect Participants, all as defined and more fully described herein. See "APPENDIX A—BOOK-ENTRY-ONLY SYSTEM."

The Indenture and the Loan Agreement

The Bonds will be issued under the Indenture and secured pursuant to the Indenture, the Loan Agreement and the other Security Documents. The Indenture specifies the duties of the Trustee, contains provisions for amendments and supplements to the Indenture and the Loan Agreement and specific events of default and remedies and provides for the discharge of the Indenture under certain circumstances. See "—Default Provisions; Remedies" below, "APPENDIX E—FORM OF INDENTURE" and "APPENDIX F—FORM OF LOAN AGREEMENT."

The Indenture and the Loan Agreement contain certain representations and covenants of the Issuer, the Trustee and Project Owner, including compliance with applicable rules and regulations relating to the tax-exempt status of interest on the Bonds. See "TAX MATTERS."

Permitted Asset Sales

The Loan Agreement provides that Project Owner will not sell, assign or dispose of or direct the Collateral Agent, as applicable, to sell, assign or dispose of, any material assets of the Project in excess of \$15,000,000 per year except for Permitted Sales and Dispositions (as defined in the Loan Agreement). See "APPENDIX F—FORM OF LOAN AGREEMENT."

Permitted Security Interests

The Loan Agreement provides that Project Owner will not create, incur, assume or permit to exist any security interest on any property or asset, including its revenues (including accounts receivable) or rights in respect of any thereof, now owned or hereafter acquired by it, except for Permitted Security Interests (as defined in the Loan Agreement). See "APPENDIX F—FORM OF LOAN AGREEMENT."

Additional Indebtedness

The Loan Agreement provides that the Issuer may issue Additional Parity Bonds pursuant to the Indenture, on request and consent of Project Owner, and Project Owner may issue Permitted Additional Senior Indebtedness, in each case without consent of the Bondholders, which Additional Parity Bonds and Permitted Additional Senior Indebtedness will be payable pro rata with and may be secured by the Collateral on an equal and ratable basis with Project Owner's obligations with respect to the Bonds and any other Permitted Additional Senior Indebtedness. Project Owner will be permitted to incur as Additional Parity Bonds or Permitted Additional Senior Indebtedness:

- (a) indebtedness incurred to refund, refinance, extend, renew or replace the Bonds or any indebtedness incurred pursuant to this clause (a), so long as (i) the principal amount of such indebtedness is not increased to any amount greater than the sum of (A) the outstanding principal amount of such then-existing indebtedness at the time of such refunding, refinancing, extension, renewal or replacement and (B) an amount necessary to pay any interest, fees and expenses, including premiums, or to fund any reserve or prefunded interest accounts, in each case related to such refunding, refinancing, extension, renewal or replacement and (ii) such refinancing, extension, renewal or replacement indebtedness is not projected to adversely impact the Total Senior DSCR in any year through July 1, 2053, as determined by Project Owner in good faith;
- (b) indebtedness incurred as one or more revolving credit, term loan or other financings incurred to finance the working capital needs of Project Owner, and all indebtedness incurred to refund, extend, renew, refinance or replace any such indebtedness, in an aggregate principal amount outstanding at any time that does not exceed \$25,000,000; and
- (c) additional indebtedness so long as, in connection with the incurrence thereof, Project Owner obtains (i) a written confirmation from each of the nationally recognized rating agencies then rating the Bonds (a "Rating Confirmation") (which shall require, in any event, written confirmation from at least one nationally recognized rating agency) that either (x) such contemplated action would not result in a downgrade of a credit rating assigned to the Bonds by such nationally recognized rating agency or (y) after giving effect to such contemplated action, the Bonds would maintain an investment grade rating from such nationally recognized rating agency, in each case without giving effect to the Policy and (ii) an opinion of counsel as to the non-consolidation of Project Owner with any one or more of its affiliates under a bankruptcy proceeding.

The Loan Agreement will also permit Project Owner to incur other Permitted Indebtedness (as defined in the Loan Agreement), including indebtedness subordinate to the Bonds and all Permitted Additional Senior Indebtedness in accordance with the Collateral Agency Agreement ("Permitted Subordinated Indebtedness"), Purchase Money Debt (as defined in the Collateral Agency Agreement) (subject to certain conditions and limitations) and other indebtedness in an aggregate principal amount outstanding at any time that does not exceed \$25,000,000, which may be incurred for any purpose (the "General Debt Basket"). See "APPENDIX F—FORM OF LOAN AGREEMENT."

Additional Limitations on Indebtedness

Certain indirect parent or member entities of Project Owner intend to incur indebtedness and/or issue preferred equity in connection with this offering. The instruments governing such indebtedness will limit the amount of additional debt that Project Owner may incur.

Restrictions on Use of Project Revenues

The Loan Agreement provides that, unless a Rating Confirmation is obtained with respect thereto, (i) Project Owner will not use Project Revenues or any of its other funds in excess of \$1,000,000 in any fiscal year to finance the development, construction, operation or maintenance of (x) any extension of Project Owner's express intercity passenger rail system beyond Orlando or (y) any third-party commuter rail service on the corridor comprising the Project, (ii) Project Owner will not use any Project Revenues or funds in any Project Account (other than the Capital Projects Account) on the Closing Date to finance (x) the development, construction, operation or maintenance of any extension of Project Owner's express intercity passenger rail system beyond Orlando, (y) the development, construction, operation or maintenance of any commuter rail service on the corridor comprising the Project or (z) the development or construction of any additional station beyond those stations in operation on the Closing Date, unless in each case, such Project Revenues were transferred from the Capital Projects Account in accordance with the Collateral Agency Agreement and (iii) Project Owner will not use any Project Revenues or other funds to expand the scope of construction or operation of the Project in any manner that would materially change the nature of Project Owner's business as of the Closing Date. See "APPENDIX F—FORM OF LOAN AGREEMENT."

Default Provisions; Remedies

Upon the occurrence of certain events specified in the Indenture, including (i) the events of default described in the Loan Agreement and (ii) failure to pay any portion of the principal of or interest on any outstanding Bonds (or any Additional Parity Bonds) when due and payable, an event of default will occur under the Indenture. Upon the occurrence and continuance of an event of default under the Indenture, the Bonds shall bear interest at a rate equal to the interest rate per annum that would otherwise be in effect, plus 2.0% per annum. If an event of default under the Indenture has occurred and is continuing, the holders of a majority of the aggregate principal amount of the then outstanding Bonds (and any Additional Parity Bonds) (the "Majority Bondholders") shall have the right to give the Trustee one or more enforcement directions directing the Trustee to take on behalf of the Bondholders of the Bonds (and any Additional Parity Bonds), subject to the terms of the Indenture, whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Bondholders of the Bonds (and any Additional Parity Bonds). All remedies and rights of action in an event of default under the Indenture are vested in the Trustee, who shall under certain conditions declare all outstanding principal of the Bonds (or any Additional Parity Bonds) to be immediately due and payable. The Trustee may also pursue any other available remedies to enforce payment of the principal of and interest on the Bonds. The Majority Bondholders shall have the right at any time to direct the method and place of the Trustee's pursuit of remedies in an event of default as provided in the Indenture. Notwithstanding the foregoing, the rights and remedies of the Bondholders of the Bonds (and any Additional Parity Bonds) and the Trustee will be limited by and subject to the intercreditor provisions of the Collateral Agency Agreement. See "PROJECT ACCOUNTS AND FLOW OF FUNDS."

REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE

In connection with this offering of the Bonds, Project Owner and certain of its affiliates are expected to consummate the following transactions:

Sources

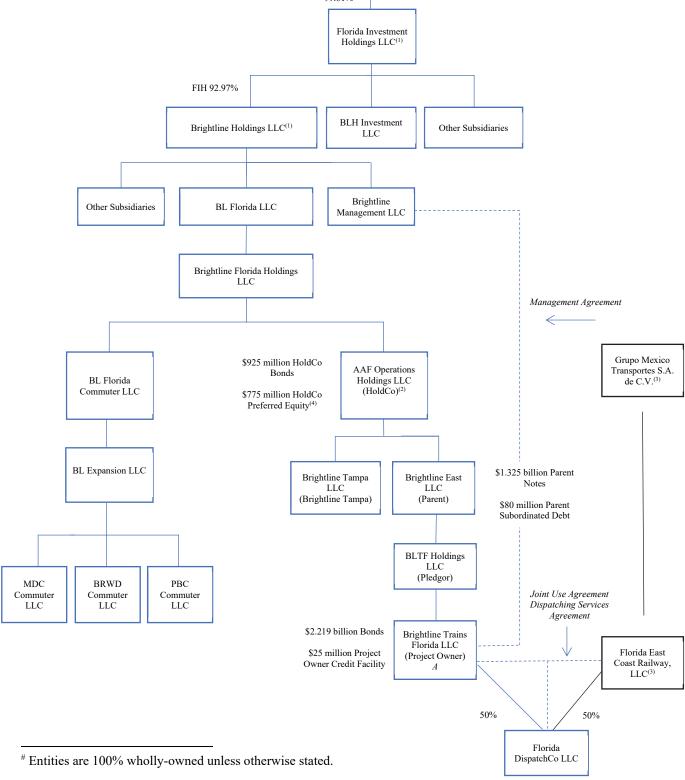
- Project Owner is expected to borrow \$2,219,280,000 (the proceeds of the Bonds) from the Issuer pursuant to the Loan Agreement.
- Project Owner is expected to borrow \$25,000,000 under the Project Owner Credit Facility.
- Project Owner is expected to receive \$2,269,203,333 in contributions from its indirect parent or member entities from incurrence of indebtedness and/or preferred equity.

Uses

• Project Owner is expected to repay or redeem the Prior Indebtedness in full, fund reserve accounts and pay transaction fees.

See "ESTIMATED SOURCES AND USES OF FUNDS."

Immediately following the refinancing transactions described above, the organizational structure and debt and preferred equity outstanding is expected to look like the below#: Funds managed by an affiliate of Fortress Investment Group LLC 99.81% Florida Investment Holdings LLC⁽¹⁾ FIH 92.97% BLH Investment Brightline Holdings LLC(1) Other Subsidiaries LLC Brightline Other Subsidiaries BL Florida LLC Management LLC



26

- (1) There are other equity holders with minority interests at this entity.
- (2) There are preferred equity holders that hold a minority interest in this entity.
- (3) Grupo Mexico Transportes S.A. de C.V. and Florida East Coast Railway, L.L.C. are not Project Owner affiliates.
- (4) Includes \$245 million of Initial HoldCo Preferred Equity, \$499 million of New HoldCo Preferred Equity and \$31 million of paid-in-kind interest and fees.

A: Borrower of the proceeds of the Bonds and under the Project Owner Credit Facility.

SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS

Sources of Payment Generally

The Bonds are being issued pursuant to the Act and the Indenture, and will be secured under Security Documents. The Bonds are special, limited obligations of the Issuer and will be solely payable from and secured by the Trust Estate and the Collateral.

Project Owner will be obligated under the Loan Agreement to pay or cause to be paid to the Trustee amounts sufficient to pay, when due, the principal of and interest on the Bonds and other amounts required by the Indenture. The principal of and interest on the Bonds will be payable from amounts on deposit in the Revenue Account under the Collateral Agency Agreement, except that (i) interest on the Bonds payable each Interest Payment Date through the interest payment due on July 1, 2025 will be paid from the Series 2024 Funded Interest Account, (ii) debt service on the Bonds may be payable from the Senior DSR Sub-Account under the Collateral Agency Agreement and (iii) debt service on the Bonds, any Additional Parity Bonds, any Permitted Additional Senior Indebtedness or any Purchase Money Debt may be payable from certain other reserve accounts under the Collateral Agency Agreement to the extent sufficient funds are not otherwise available to pay such debt service. Project Owner's obligations to make such payments are secured by the grant of a lien on and security interest in the Collateral described below, which includes the funds and accounts established under the Collateral Agency Agreement. See "—Collateral Generally" below. Project Owner may incur additional indebtedness secured by the Collateral, subject to certain restrictions set forth in the Loan Agreement. See "DESCRIPTION OF THE BONDS—Additional Indebtedness" above.

Special and Limited Obligations

Except for revenues received pursuant to the Trust Estate, the Bondholders may not look to any assets, revenues or other sources of payment of the Issuer for repayment of the Bonds. The only sources of repayment of the Bonds are payments provided by Project Owner to the Issuer pursuant to the Loan Agreement and the security interests in the Trust Estate and the Collateral.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE FROM AND SECURED SOLELY BY THE TRUST ESTATE AND THE COLLATERAL. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE STATE, THE COUNTIES OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE STATE, THE COUNTIES, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT OF THE ISSUER NOR THE FULL FAITH AND CREDIT OR TAXING POWER OF THE STATE, THE COUNTIES, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS OR THE INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUER HAS NO TAXING POWER.

Project Owner will be the sole revenue source for the repayment of the Bonds. No affiliate or equity holder of Project Owner will have any liabilities with respect to the Bonds and neither their credit nor their assets, other than the membership interests in Project Owner pledged by the Pledgor, will support the Bonds. Project Owner operates as a special purpose entity and has no business or assets except as described herein.

Indenture

General

The Bonds are being issued pursuant to the Indenture. For additional information relating to the terms of the Indenture, see "APPENDIX E—FORM OF INDENTURE."

Trust Estate

The Issuer, in order to secure the payment of the Bonds and any Additional Parity Bonds (collectively, the "Senior Bonds"), will pledge and assign to the Trustee pursuant to the terms of the Indenture and the Loan Agreement subject to the Security Documents, for the benefit of the Bondholders, all of the following (collectively, the "Trust Estate"):

- (a) all right, title and interest of the Issuer (except for Reserved Rights (as defined in the Indenture)) in and to the Loan Agreement and any Additional Parity Bonds Loan Agreement (as defined in the Indenture) (if executed), the present and continuing right of the Issuer to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed), to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer is entitled to do under such Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed);
- (b) all moneys from time to time held by the Trustee under the Indenture in any fund or account other than (i) the Rebate Fund and any similar fund established with respect to any Additional Parity Bonds, (ii) any Defeasance Escrow Account (as defined in the Indenture) and (iii) any other fund or account specifically excluded from the Trust Estate pursuant to the terms of a supplemental indenture;
- (c) any right, title or interest of the Issuer (except for Reserved Rights) in and to any security interest granted to the Collateral Agent for the benefit of the Trustee (as Secured Debt Representative (as defined in the Collateral Agency Agreement)) on behalf of the Bondholders under the Security Documents or otherwise, including, without limitation, the Collateral pledged thereunder, and the present and continuing right of the Collateral Agent on behalf of the Trustee (as Secured Debt Representative) to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Security Documents, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Collateral Agent on behalf of the Trustee (as Secured Debt Representative) is entitled to do under such Security Documents;
- (d) subject to the Collateral Agency Agreement, any right, title or interest of the Issuer (except for Reserved Rights) in and to all funds deposited from time to time and earnings thereon in the Project Accounts (as defined in the Collateral Agency Agreement), any and all other accounts established from time to time pursuant to the Collateral Agency Agreement, and any and all subaccounts created thereunder, each held by the Collateral Agent under the Collateral Agency Agreement; and
- (e) any and all other property, revenues, rights or funds from time to time by delivery or by writing of any kind specifically granted, assigned or pledged as and for additional security for any of the Senior Bonds, the Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed) in favor of the Trustee (as Secured Debt Representative) or the Collateral Agent on behalf of the Trustee (as Secured Debt Representative), including any of the foregoing granted, assigned or pledged by Project Owner or any other person on behalf of Project Owner, and the Trustee or the Collateral Agent on behalf of the Trustee (as Secured Debt Representative) is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Funds and Accounts to be Established under the Indenture

Various funds and accounts will be created under the Indenture, including for the payment of principal of and interest on the Bonds when due. Such funds and accounts include the Debt Service Fund and the Rebate Fund described below Project Owner.

Debt Service Fund. The Trustee will create the "Debt Service Fund" under the Indenture with an "Interest Account," a "Principal Account," a "Redemption Account" and the "Series 2024 Funded Interest Account." Moneys will be transferred to the Debt Service Fund pursuant to the Indenture and the Collateral Agency Agreement. Moneys on deposit in the Debt Service Fund will be used solely for the payment (within each account) of the principal and purchase price of and interest on and the redemption price of the Bonds and any Additional Parity Bonds.

If on any Interest Payment Date the funds on deposit in the Interest Account are not sufficient to pay the interest payment in full on such Interest Payment Date, the Trustee shall transfer moneys from the Principal Account sufficient to make such payment. If on any debt service payment date there exists both (i) funds on deposit in the Interest Account in excess of the amount necessary to pay the interest payment due on such date and (ii) insufficient funds on deposit in the Principal Account to make the principal payment due on such date in full, the Trustee shall transfer all or such portion of such excess funds on deposit in the Interest Account to the Principal Account as necessary to provide for such principal payment in full.

Funded Interest Account. The Trustee will create the Series 2024 Funded Interest Account. The Series 2024 Funded Interest Account will be funded on the Closing Date. Moneys on deposit in the Series 2024 Funded Interest Account will be applied by the Trustee, prior to the application of any other funds in the Debt Service Fund, to pay interest on the Bonds through the interest payment due on July 1, 2025.

Rebate Fund. The Rebate Fund will be created under the Indenture for the sole benefit of the United States of America and will not be subject to the claim of any other person, including, without limitation, the Bondholders. The Rebate Fund is established for the purpose of complying with section 148 of the Code and the regulations promulgated pursuant thereto. The money deposited in the Rebate Fund, together with all investments thereof and investment income therefrom, will be held in trust and applied solely as provided in the Indenture. The Rebate Fund is not a portion of the Trust Estate and is not subject to any lien under the Indenture.

Additional Parity Bonds

Pursuant to the Indenture and subject to certain restrictions set forth therein and upon request by Project Owner, the Issuer may issue Additional Parity Bonds, which will be ratably and equally secured by the Trust Estate and the Collateral, upon execution of a supplemental indenture, without consent of the Bondholders pursuant to the Indenture. See "DESCRIPTION OF THE BONDS—Additional Indebtedness" above.

Collateral Generally

Project Owner's obligations with respect to the Bonds and under the Loan Agreement will constitute direct, senior secured and unconditional obligations of Project Owner, which will rank *pari passu* and ratably without any preference or priority among themselves, any Additional Parity Bonds, and any Permitted Additional Senior Indebtedness and will rank senior in priority to any Permitted Subordinated Indebtedness and all obligations of Project Owner not secured by the Collateral to the extent of the value of the Collateral; and will be secured by (i) certain real property interests of Project Owner to be mortgaged on the Closing Date, as set forth in "—Mortgages" below, (ii) substantially all personal property of Project Owner, whether now owned or hereafter acquired, including rolling stock, the Project Revenues and the Project Accounts, but excluding Excluded Assets (as defined herein) and (iii) a pledge of the membership interests in Project Owner by the Pledgor.

Security Agreement

Project Owner and the Collateral Agent will enter into a security agreement (the "Security Agreement"), pursuant to which Project Owner will grant to the Collateral Agent, for the benefit of the holders of the Bonds, any Additional Parity Bonds, and any Permitted Additional Senior Indebtedness (such holders, the "Senior Secured Parties"), a security interest in substantially all of its personal property, whether now owned or hereafter existing or acquired, other than Excluded Assets, in order to secure the timely payment in full when due of the Senior Secured Obligations. Such Collateral includes Project Owner's right, title and interest in and to all Project Revenues, moneys in all Project Accounts (subject to the provisions of the Collateral Agency Agreement), securities accounts, deposit accounts, accounts, general intangibles (including payment intangibles), instruments, equipment (including rolling stock), inventory, other goods, investment property, chattel paper, commercial tort claims, documents, letter-of-credit rights, letters of credit, money, oil, gas and other minerals, agreements, contracts, tangible and intangible property, fixtures, governmental approvals, proceeds of insurance policies and other associated proceeds and profits, as further detailed in the Security Agreement, except to the extent that any such property constitutes an Excluded Asset. Additionally, certain debt service reserve accounts and mandatory prepayment sub-accounts established for payment (or prepayment) of the Bonds, any Additional Parity Bonds, and any Permitted Additional Senior Indebtedness may be pledged solely as collateral to secure obligations to the holders of such indebtedness and will be held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of such holders.

"Excluded Assets" means the collective reference to: (a) any property or other asset (including any agreement or contract) (i) that by its terms validly prohibits the creation by Project Owner of a security interest therein, (ii) to the extent that any law prohibits the creation of a security interest therein or any governmental approval would be required to create such security interest or (iii) that would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Collateral (in each case, other than to the extent that any such term or restriction would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC), (b) any permit or other governmental approval that by its terms or by operation of law would become void, voidable, terminable or revocable if mortgaged, pledged or assigned under the Security Agreement or if a security interest therein were granted under the Security Agreement, (c) (i) the Rebate Funds, (ii) the Distribution Account and (iii) any other account or subaccount excluded from the Collateral pursuant to Section 5.14 of the Collateral Agency Agreement, (d) property subject to any permitted security interests securing Purchase Money Debt so long as the documents governing such security interests do not permit any other security interests on such property; provided that immediately upon the ineffectiveness, lapse or termination of any such restriction (after giving effect to all permitted refinancings of the indebtedness secured by such security interests), such property will cease to be "Excluded Assets," (e) any applications for trademarks filed in the United States Patent and Trademark Office pursuant to 15 U.S.C. §1051 Section 1(b) on the basis of Project Owner's intent-to-use such trademark unless and until evidence of use of the trademark has been filed with, and accepted by, the United States Patent and Trademark Office, pursuant to Section 1(c) or 1(d) of the Lanham Act (15 U.S.C. §1051 et seq.) and (f) any deposit, securities and/or similar account (including any securities entitlement) holding funds consisting solely of cash, cash equivalents or other assets that are comprised solely of (i) tax, employee benefit, escrow, fiduciary and/or trust funds or (ii) any other funds provided as cash collateral to the extent such cash collateral is subject to a Permitted Security Interest (as defined in the Loan Agreement); provided, however, that "Excluded Assets" will not include any proceeds, substitutions or replacements of any Excluded Assets referred to above (unless such proceeds, substitutions or replacements would constitute Excluded Assets).

Pledge Agreement

The Pledgor and the Collateral Agent will enter into a pledge agreement (the "Pledge Agreement"), pursuant to which the Pledgor will pledge to the Collateral Agent, for the benefit of the Senior Secured Parties, a security interest in (i) all of its right, title and interest in Project Owner, including its limited liability company interests, (ii) all accounts, chattel paper, instruments, letters of credit and payment intangibles owed to the Pledgor by Project Owner from time to time, (iii) all proceeds of the foregoing and (iv) all books and records relating to any of the foregoing, in order to secure the timely payment in full when due of the Senior Secured Obligations.

Mortgages

Project Owner will be required to deliver the Mortgages in favor of the Collateral Agent on the following real property interests: (i) Project Owner's easement interest in the Shared Corridor, (ii) Project Owner's owned real property comprising (a) the stations located in Fort Lauderdale and West Palm Beach, built on Project Owner's fee-owned land, (b) Project Owner's station located in Miami built within Project Owner's owned air rights, (c) the West Palm Beach running repair facility, (d) undeveloped land located in and around Cocoa, Florida and (e) the parking garage used in connection with the Fort Lauderdale station, (iii) Project Owner's leasehold interest in (a) all or a portion of the parking garages used in connection with the Miami and West Palm Beach stations, (b) in real property constituting a portion of the rail track corridor from Cocoa, Florida to Orlando International Airport and (c) grounds for the vehicle maintenance facility and premises for the station in the terminal located at the Orlando International Airport granted by the GOAA pursuant to the terms of the GOAA Agreement, (v) easement interests in real property constituting a portion of the rail track corridor from Cocoa, Florida to Orlando International Airport granted by Central Florida Expressway Authority ("CFX") and (vi) Project Owner's other fee, leasehold, license and easement interests in real property constituting the rail track corridor from an around Cocoa to Orlando, Florida.

Such Mortgages are expected to be delivered on the Closing Date. With respect to any other Mortgage and title insurance-related requirements that are not in place at closing, Project Owner will agree to have such requirements satisfied within 180 days of the Closing Date; provided that any failure of Project Owner to have such requirements satisfied within such 180-day period will not constitute an event of default if Project Owner is diligently pursuing the satisfaction of such requirements. Notwithstanding the foregoing, Project Owner's failure to record any Mortgage in the applicable recording office as of the date that is 270 days after the Closing Date shall constitute an event of default under the Loan Agreement. See "RISK FACTORS—Risks Related to this Offering and Project Owner's Indebtedness—Rights of Bondholders in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral" and "Title insurance policies will only be obtained with respect to certain real property interests."

In addition, within 90 days of the date of acquisition, lease or substantial completion of development of any Material Real Property Interest, Project Owner will be required to deliver to the Collateral Agent a first-priority mortgage, or a spread of the existing mortgage, subject only to permitted security interests, to encumber Project Owner's interests in such Material Real Property Interest, unless and other than to the extent such Material Real Property Interest constitutes an Excluded Asset. The lien of such mortgage over the Material Real Property Interest will be required to be insured by a title insurance policy issued by a nationally recognized title insurance company (the "Title Company") or an endorsement to an existing title insurance policy issued by the Title Company, which title insurance policy or endorsement shall (i) increase the amount of title insurance to include the estimated fair market value or development cost (as determined by Project Owner in good faith) as of the date of the acquisition, lease or substantial completion of development of such Material Real Property Interest if not already covered by the policy; (ii) name the Collateral Agent for the benefit of the Senior Secured Parties as the insured thereunder; and (iii) contain no exceptions which would result in a material adverse effect. In addition, within 90 days of the date of the acquisition, lease or substantial completion of development of such Material Real Property Interest, Project Owner will be required to deliver to the Collateral Agent surveys, certified to the Collateral Agent and Title Company, and/or obtain waivers from the Title Company, sufficient to (A) delete or modify any general survey exception in the title insurance policy or endorsement insuring the lien of the mortgage on such Material Real Property Interest or (B) provide similar affirmative coverage as to such matters in such title insurance policy. Project Owner will be required to pay (a) the premium for all title policies and endorsements thereto that are required to be delivered pursuant to this paragraph, (b) the cost of recording the mortgages and/or spreaders and modifications thereto, and (c) all documentary, transfer or recordation taxes, if any, due in connection with the recording of such mortgages and/or spreaders and modifications.

Collateral Agency Agreement

Project Owner, the Collateral Agent, the Trustee, and the Account Bank will enter into the Collateral Agency Agreement in connection with the issuance of the Bonds.

Pursuant to the terms of the Collateral Agency Agreement, Deutsche Bank National Trust Company will be appointed as collateral agent with respect to the liens in and to the Collateral and the rights and remedies granted pursuant to the Security Documents. Pursuant to the Collateral Agency Agreement, certain Project Accounts will be

established at the Account Bank. Project Owner will pledge and grant to the Collateral Agent, for the benefit of the applicable secured parties, a security interest in and lien on such Project Accounts and the funds and investments on deposit therein, subject to the provisions of the Collateral Agency Agreement. All revenues from the operation of the Project will be deposited into certain Project Accounts, and Project Owner may authorize the Collateral Agent to credit funds to or deposit funds in, and to withdraw and transfer funds from, each Project Account, in each case subject to the requirements set forth in the Collateral Agency Agreement. See "PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts" for a further description of the Project Accounts and "APPENDIX G—FORM OF COLLATERAL AGENCY, INTERCREDITOR AND ACCOUNTS AGREEMENT."

BOND INSURANCE

Information contained under this heading relates to the Bond Insurer for certain Bonds, as further described below. Such information has been obtained from the Bond Insurer for use in this Official Statement. No representation is made by Project Owner or the Underwriters as to the accuracy or completeness of this information.

Bond Insurance Policy

Concurrently with the issuance of the Insured Bonds, Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer") will issue its Municipal Bond Insurance Policy for the Insured Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix I to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the United States and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P, "AA+" (stable outlook) by Kroll and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On April 30, 2024, Moody's announced it had affirmed AGM's insurance financial strength rating of "A1" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On October 20, 2023, Kroll announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that Kroll may take.

On July 13, 2023, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AGM

At December 31, 2023:

- The policyholders' surplus of AGM was approximately \$2,646 million.
- The contingency reserve of AGM was approximately \$876 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,077 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and net deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on February 28, 2024 that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Insured Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE–Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

BOND INSURANCE RISK FACTORS

In the event Project Owner fails to make regularly scheduled payments of principal of and interest on any Insured Bonds when the same become due, the Trustee on behalf of owners of such Insured Bonds shall have the right to make a claim under the Policy for such payments. There can be no assurance that the Bond Insurer will have sufficient claims paying resources to enable it to make timely payments on such Insured Bonds. The Policy does not insure payments on the Insured Bonds coming due by reason of acceleration, optional redemption, extraordinary redemption or mandatory redemption (other than mandatory sinking fund redemption), nor does it insure the payment of any redemption premium available upon the optional redemption of the Insured Bonds.

So long as the Insured Bonds are outstanding and the Bond Insurer is not in default under the Policy, the Bond Insurer shall be deemed the owner of the Insured Bonds for purposes of all actions relating to the Insured Bonds which require or permit the consent, direction or request of the owners of the Insured Bonds.

In the event that the Bond Insurer does not make scheduled payments of principal and interest on the Insured Bonds as such payments become due, such Insured Bonds will be payable solely from the moneys received by the Trustee pursuant to the Indenture. See "APPENDIX I—SPECIMEN MUNICIPAL BOND INSURANCE POLICY" for further information concerning the Bond Insurer and the Policy.

The ratings on the Insured Bonds are dependent in part on the ratings of the Bond Insurer. The Bond Insurer's current ratings are predicated upon, among other things, a level of reserves in excess of the levels required by the various state agencies regulating insurance companies and an assessment by rating agencies of potential future claims and the adequacy of reserves to meet these claims, which levels of reserves and assessments could change over time and this could result in a downgrading or withdrawal of the ratings on the Insured Bonds. The Bond Insurer is not contractually bound to maintain its present level of reserves in the future or to increase them in order to maintain its present ratings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain information contained in the following discussion and analysis, including information with respect to our plans, strategy, projections and expected timeline for our business and related financing, includes forward-looking statements. Forward-looking statements are estimates based upon current information and involve a number of risks and uncertainties. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. Investors should read "Risk Factors" and "Forward-Looking Statements' elsewhere in this Official Statement and our audited financial statements and related notes thereto, for the years ended December 31, 2023 and 2022, incorporated by reference in this Official Statement, for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). This information is intended to provide investors with an understanding of our past performance and our current financial condition and is not necessarily indicative of our future performance. Unless the context otherwise requires, for purposes of this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, references to "we," "us" and "our" refer to Project Owner.

Overview

We are in the business of owning and operating an express intercity passenger rail system connecting major population centers in Florida, with plans to expand operations further in Florida. We operate between Miami and Orlando, and commenced service to and from Miami and West Palm Beach in 2018. Additionally in December 2022, we opened new in-line stations in Boca Raton and Aventura and began service to the station in the Orlando International Airport on September 22, 2023. We operate stations located in the heart of downtown cities and major transit hubs in Miami, Fort Lauderdale, West Palm Beach and Orlando and now operate on 235 miles of track between Miami and Orlando. Florida.

With the extension to Orlando complete, we are reviewing and developing options for additional future in-line stations. On March 4, 2024, we announced plans to build a new in-line Treasure Coast station in Stuart in Martin County, with the goal of opening the station for service by the end of 2026. The station is expected to be supported by a \$45 million dollar contribution from the City of Stuart and Martin County, which Project Owner expects will fully fund the capital expenditure related to the new station. Additionally, on March 12, 2024, we announced plans for a Cocoa station in Brevard County, which would serve the growing space tourism and cruise industries located at and around Port Canaveral.

Principal Factors and Trends Affecting Our Results of Operations

Revenues

Our revenues are driven primarily by ridership on our passenger trains, per passenger fares and per passenger ancillary spending for food and beverage, parking, baggage, merchandise and other on-board and in-station products. We define ridership as the number of one-way trips. Ridership drives ticket revenue as well as passenger ancillary spending. Ticket revenue primarily consists of single-day tickets, round-trip tickets, monthly passes and other packaged ticket products. Revenue from these ticket products is generally recognized on the date of ridership. We also earn revenue from advertising and sponsorship activities, grants and affiliate agreements.

Average Fare per Passenger

We calculate average fare per passenger as total ticket revenue divided by total ridership. Average fare per passenger is primarily driven by ticket pricing, the ticket product mix (including the impact of passes), and the mix of short vs. long-distance trips, among other factors. Ticket prices are demand-driven and based on the day and time of departure and purchase date.

Average Passenger Ancillary Revenue per Passenger

We calculate average passenger ancillary revenue per passenger as total passenger ancillary revenue divided by total ridership. Passenger ancillary revenue includes food and beverage, parking, baggage, merchandise and other onboard and in-station products. Passenger ancillary spending is primarily driven by product offerings, pricing and the mix of guests (as long-distance guests typically generate higher ancillary revenue per passenger spending than short distance guests and pass holders), among other factors.

Average Fare per Passenger and Passenger Ancillary Revenue per Passenger are key performance metrics that we use to assess the operating performance of our business on a per passenger basis and to make strategic operating decisions. We believe the presentation of these performance metrics is useful and relevant for investors as it provides investors the ability to review operating performance in the same manner as our management and provides investors with a consistent methodology to analyze revenue between periods on a per guest basis. In addition, investors, lenders, financial analysts and rating agencies have historically used similar per passenger related performance metrics to evaluate companies in the industry.

See further discussion in the "—Results of Operations" below and in Note 2 – Summary of Significant Accounting Policies to our audited financial statements incorporated by reference into this Official Statement.

Ridership

The level of ridership on our trains is a function of many factors, including ticket price, the opening of new stations, events, marketing and sales efforts, product awareness, weather, and global and regional economic conditions.

Costs and Expenses

The principal costs of our operations are labor costs, driven partly by staffing levels, maintenance of way and maintenance of equipment, insurance, fuel, marketing and advertising, and information technology costs. Factors that affect our costs and expenses include fixed operating costs, competitive wage pressures, commodity prices, costs for maintenance and repairs, train schedules and frequency, new station openings, new guest offerings, events, ridership levels, supply chain issues, and inflationary pressures, among other factors.

Seasonality

Project Owner's results of operations have historically fluctuated and may continue to fluctuate due to seasonality and other factors associated with the tourism industry in Florida given that there is greater travel to Florida during the winter and spring months. As a result, we expect our revenues to continue to be stronger in the first and fourth quarters of the year than revenues in the second and third quarters of the year, which are periods of lower travel demand in Florida. While we expect our results of operations will generally reflect this seasonality, they may also be affected by numerous other factors that are not necessarily seasonal, including, among others, extreme or severe weather, natural disasters, general economic conditions and other factors.

Results of Operations

The following discussion provides an analysis of our operating results for the years ended December 31, 2023, 2022 and 2021. This discussion should also be read in conjunction with our audited financial statements and related notes thereto, for the years ended December 31, 2023, 2022 and 2021, incorporated by reference into this Official Statement.

Comparison of the Year Ended December 31, 2023 to the Year Ended December 31, 2022

The following table presents key operating and financial information for the years ended December 31, 2023 and 2022:

(Dollars in thousands, except ridership and per passenger data)		Ended ber 31,	Variance			
	2023	2022	\$	0/0		
Revenue						
Passenger ticket	\$ 65,117	\$ 24,643	\$ 40,474	164.2%		
Passenger ancillary	11,223	4,875	6,349	130.2%		
Other	11,322	2,453	8,869	361.6%		
Total revenue	87,662	31,971	55,692	174.2%		
Operating expenses:						
Train operating expenses	176,053	134,980	41,073	30.4%		
Train operating loss	(88,391)	(103,009)	14,618	-14.2%		
Corporate, general and administrative	48,871	59,587	(10,716)	-18.0%		
Expansion	19,520	9,118	10,402	114.1%		
Operating loss	(156,782)	(171,714)	14,932	-8.7%		
Other expenses:						
Total other expense	149,898	87,874	62,023	70.6%		
Net loss and comprehensive loss	\$ (306,680)	\$ (259,588)	\$ (47,091)	18.1%		
Other data:						
Total ridership	2,053,893	1,230,494	823,399	66.9%		
Average fare per passenger	\$ 31.70	\$ 20.03	\$ 11.68	58.3%		
Average passenger ancillary revenue per passenger	\$ 5.46	\$ 3.96	\$ 1.50	37.9%		

Passenger ticket revenue

Passenger ticket revenue for the year ended December 31, 2023 increased \$40.5 million, or 164.2%, to \$65.1 million as compared to \$24.6 million for the year ended December 31, 2022. The increased passenger ticket revenue is primarily a result of ridership, which increased 66.9% from the prior year. The increase in ridership is primarily a result of an increase in awareness of the product and continued adoption by passengers in the south Florida market, the opening of two additional stations in Boca Raton and Aventura in December 2022, and the opening of our station at Orlando International Airport on September 22, 2023. In addition to the increase in ridership, passenger ticket revenue also increased due to an increase in the average fare per passenger, which increased 58.3% from an average of \$20.03 for the year ended December 31, 2022 to an average of \$31.70 for the year ended December 31, 2023. Average fare per passenger increased primarily due to the opening of long-distance service to Orlando and ticket yield management strategies. The opening of the Orlando station resulted in 306,131 long-distance rides and \$26.1 million in ticket revenue at an average fare per passenger of \$85.34 in its 101 days of operation in 2023.

Passenger ancillary revenue

Passenger ancillary revenue for the year ended December 31, 2023 increased \$6.3 million, or 130.2%, to \$11.2 million as compared to \$4.9 million for the year ended December 31, 2022. The increased passenger ancillary revenue is primarily due to increases in food and beverage revenue, which increased \$3.0 million, and parking revenue, which increased \$1.8 million, for the year ended December 31, 2023 as compared to the year ended December 31, 2022. The increases in food and beverage revenue and parking revenue are primarily the result of opening the Orlando International Airport station with related long-distance ridership, as well as technology upgrades and pricing strategies to increase such revenue.

Other revenue

Other revenue for the year ended December 31, 2023 increased \$8.9 million, or 361.6%, to \$11.3 million as compared to \$2.5 million for the year ended December 31, 2022. The increase is primarily due to an increase of \$5.3 million in revenue related to rights provided to affiliates. Sponsorship and advertising agreements also generated approximately \$1.9 million of additional revenue for the year ended December 31, 2023 as compared to the year ended December 31, 2022. In addition, Project Owner began recognizing grant income upon the opening of the Boca Raton and Aventura stations in December 2022, resulting in \$1.7 million of revenue for the year ended December 31, 2023.

Train operating expenses

Train operating expenses for the year ended December 31, 2023 increased \$41.1 million, or 30.4%, to \$176.1 million as compared to \$135.0 million for the year ended December 31, 2022. The increase is primarily attributable to depreciation and amortization expenses, which increased \$28.2 million mostly due to placing the north segment rail infrastructure assets into service upon the opening of the Orlando International Airport station, and ongoing investments in our infrastructure. Also, labor costs increased \$6.7 million due to new station openings and increased ridership. In addition, equipment maintenance costs increased \$6.5 million primarily related to our rolling stock maintenance contract due to increased equipment usage in 2023. These increases were offset by a decrease of \$7.6 million in facilities and other operating expenses primarily due a \$10.1 million decrease in Brightline+ service contracts, and a \$3.0 million decrease in marketing costs, offset by a \$4.9 million increase in variable passenger costs such as food, beverage and merchant service fees.

Corporate, general and administrative

Corporate, general and administrative expenses for the year ended December 31, 2023 decreased \$10.7 million, or 18.0%, to \$48.9 million as compared to \$59.6 million for the year ended December 31, 2022. The decrease is primarily attributable to lower information technology costs, which decreased approximately \$7.7 million, and corporate labor costs, which decreased \$5.1 million (including non-cash share based compensation expense), offset by a \$3.1 million increase in insurance expense.

Expansion expenses

Expansion expenses for the year ended December 31, 2023 increased \$10.4 million, or 114.1%, to \$19.5 million as compared to \$9.1 million for the year ended December 31, 2022. The increase is primarily due to pre-opening expenses incurred for the Orlando station, including \$3.8 million in additional marketing and promotion costs, \$3.7 million in maintenance of way, and \$2.3 million of maintenance of equipment costs.

Total other expenses

Total other expenses for the year ended December 31, 2023 increased \$62.0 million, or 70.6%, to \$149.9 million as compared to \$87.9 million for the year ended December 31, 2022. The increase is primarily related to higher interest expense of \$66.6 million due to a \$23.4 million reduction in capitalized interest upon placing the north segment assets in service and increased borrowings to fund expansion activities, offset by a \$4.7 million reduction in nonrecurring charges primarily related to the Orlando SunRail corridor.

Comparison of the Year Ended December 31, 2022 to the Year Ended December 31, 2021

The following table presents key operating and financial information for the years ended December 31, 2022 and 2021:

(Dollars in	thousands,	except	ridership	and p	er passeng	er
data						

data)	Year ended December 31,					Variance		
		2022		2021		\$	%	
Revenue								
Passenger ticket	\$	24,643	\$	1,806	\$	22,837	1264.7%	
Passenger ancillary		4,875		692		4,183	603.9%	
Other		2,453		649		1,804	278.2%	
Total revenue		31,971		3,147		28,824	916.0%	
Operating expenses:								
Train operating expenses		134,980		76,043		58,937	77.5%	
Train operating loss		(103,009)		(72,896)		(30,113)	41.3%	
Corporate, general and administrative		59,587		47,700		11,887	24.9%	
Expansion		9,118		8,586		532	6.2%	
Operating loss		(171,714)		(129,182)		(42,532)	32.9%	
Other (income) expenses:								
Total other expense		87,874		79,433		8,441	10.6%	
Net loss and comprehensive loss	\$	(259,588)	\$	(208,615)	\$	(50,973)	24.4%	
Other data:								
Total ridership		1,230,494	_	159,474	_	1,071,020	671.6%	
Average fare per passenger	\$	20.03	\$	11.32	\$	8.70	76.9%	
Average passenger ancillary revenue per passenger.	\$	3.96	\$	4.34	\$	(0.38)	-8.8%	

Passenger ticket revenue

Passenger ticket revenue for the year ended December 31, 2022 increased \$22.8 million, or 1,264.7%, to \$24.6 million as compared to \$1.8 million for the year ended December 31, 2021. The increased passenger ticket revenue is primarily a result of ridership, which increased 671.6% from the prior year. The increase in ridership is a result of resumption of operations in November 2021, following the suspension of service due to the COVID-19 global pandemic. Additionally, ridership increased due to increasing awareness of the product and its continued adoption, as well as the December 2022 opening of additional in-line stations in Boca Raton and Aventura. In addition to the increase in ridership, passenger ticket revenue also increased due to the increase in average fare per passenger, which increased 76.9% from an average of \$11.32 for the year ended December 31, 2021 to an average of \$20.03 for the year ended December 31, 2022.

Passenger ancillary revenue

Passenger ancillary revenue for the year ended December 31, 2022 increased \$4.2 million, or 603.9%, to \$4.9 million as compared to \$0.7 million for the year ended December 31, 2021. The increased passenger ancillary revenue is primarily due to increases in food and beverage revenue which increased \$2.6 million, and parking revenue, which increased \$1.2 million, for the year ended December 31, 2022 as compared to the year ended December 31, 2021. The increases in food and beverage revenue and parking revenue are primarily the result of the increase in ridership as compared to the prior year, as well as technology upgrades and pricing strategies to increase such revenue. The decrease in average passenger ancillary revenue per passenger was primarily due to the significant seasonal sales

during November and December 2021 (the only months of service in 2021) compared to a full year of ridership and ancillary revenue during 2022.

Other revenue

Other revenue for the year ended December 31, 2022 increased \$1.8 million, or 278.2%, to \$2.5 million as compared to \$0.6 million for the year ended December 31, 2021. This increase is primarily due to \$1.6 million in revenue for the year ended December 31, 2022 related to access rights provided to affiliates.

Train operating expenses

Train operating expenses for the year ended December 31, 2022 increased \$58.9 million, or 77.5%, to \$135.0 million as compared to \$76.0 million for the year ended December 31, 2021. The increase is primarily attributable to an increase of \$32.8 million in facility and other operating costs, including a \$13.1 million increase in Brightline+ service costs, a \$7.0 million increase in marketing costs, and a \$6.9 million increase in general facility operating costs such as security and janitorial services. Additionally, labor costs increased approximately \$13.1 million, depreciation and amortization expense increased \$6.4 million, and fuel costs increased approximately \$4.8 million. Train operating costs were significantly lower for the year ended December 31, 2021 as compared to the year ended December 31, 2022 as a result of Project Owner suspending its revenue service from March 2020 to November 2021 due to the COVID-19 pandemic.

Corporate, general and administrative

Corporate, general and administrative expenses for the year ended December 31, 2022 increased \$11.9 million, or 24.9%, to \$59.6 million as compared to \$47.7 million for the year ended December 31, 2021. The increase is primarily attributable to higher information technology costs, which increased approximately \$8.6 million, and a \$8.6 million increase in general corporate costs including professional fees, contract labor, and consulting services. These increases were offset by a decrease in corporate labor costs by approximately \$6.1 million primarily due to share-based compensation expense.

Expansion expenses

Expansion expenses for the year ended December 31, 2022 increased \$0.5 million, or 6.2%, to \$9.1 million as compared to \$8.6 million for the year ended December 31, 2021. Expansion costs represent expenses incurred in connection with activities unrelated to current operations and includes costs associated with expanding to Orlando International Airport, extensions of the south Florida network including additional in-line stations and costs for developing stations expected to serve the Orlando theme parks, the Orange County Convention Center and Tampa. The increase in expansion costs in 2022 is primarily due to costs associated with the new in-line stations in Boca Raton and Aventura, and the station at Orlando International Airport.

Total other expenses

Total other expenses for the year ended December 31, 2022 increased \$8.4 million, or 10.6%, to \$87.9 million as compared to \$79.4 million for the year ended December 31, 2021. The increase is primarily related to a nonrecurring charge in 2022 related to the Orlando SunRail corridor.

Liquidity and Capital Resources

Overview

Generally, our principal sources of liquidity are funds from borrowings, contributions from certain indirect parent or member entities of Project Owner, ticket sales and existing cash on hand. Our principal uses of cash include funding capital projects and working capital obligations, and debt service. Service to the Orlando International Airport was opened on September 22, 2023, and we expect to continue to make capital investments to further expand our capacity. Throughout 2023, we saw a return to normalized ridership and significant growth in ridership and fares, including the

impact of opening new in-line stations and our long-distance service to Orlando, which we expect to continue to have a positive impact on our operating cash flow.

We have various indebtedness and other obligations coming due within one year. While we do not currently have the liquid funds necessary to repay the indebtedness and meet such other obligations as they come due, management believes it is probable we will: (i) consummate one or more additional capital raises, in the form of newly issued senior secured indebtedness, subordinated secured indebtedness, unsecured indebtedness and/or obtain additional equity contributions from Brightline Holdings and/or certain indirect parent or member entities of Project Owner and their affiliates, and (ii) obtain additional extension(s) of such indebtedness prior to the maturity date. We believe it is probable we will meet our obligations as they come due for a minimum of one year.

Comparison of the Year Ended December 31, 2023 to the Year Ended December 31, 2022

The following table presents a summary of our cash flows provided by (used in) operating, investing, and financing activities for the years ended December 31, 2023 and 2022:

		ear Ended ber 31,	Variance		
	2023 2022			<u>%</u>	
(Dollars in thousands)					
Net cash (used in) provided by operating activities	\$ (80,808)	\$ 316,177	\$ (396,985)	-125.6%	
Net cash used in investing activities	(469,519)	(943,891)	474,372	50.3%	
Net cash provided by financing activities	368,528	499,629	(131,101)	-26.2%	
Net change in cash, cash equivalents and restricted cash	\$ (181,799)	\$ (128,085)	\$ (53,714)	41.9%	

Cash Flows from Operating Activities

Net cash from operating activities for year ended December 31, 2023 decreased \$397.0 million, or 125.6%, to cash used in operating activities of \$80.8 million as compared to \$316.2 million cash provided by operating activities for the year ended December 31, 2022. The decrease in net cash from operating activities was primarily the result of the receipt of \$419.7 million in 2022 related to the sale of access rights to an affiliate.

Cash Flows from Investing Activities

Net cash used in investing activities for the year ended December 31, 2023 decreased \$474.4 million, or 50.3%, to \$469.5 million as compared to \$943.9 million for the year ended December 31, 2022. The decrease is primarily attributable to lower capital expenditures in 2023 as compared to 2022 relating to the north segment expansion to the Orlando International Airport, and the new in-line stations at Boca Raton and Aventura, which were completed in December 2022.

Cash Flows from Financing Activities

Net cash provided by financing activities for the year ended December 31, 2023 decreased \$131.1 million, or 26.2%, to \$368.5 million as compared to \$499.6 million for the year ended December 31, 2022. The decrease is primarily attributable to a decrease in equity contributions from certain indirect parent or member entities of Project Owner of \$472.6 million and an increase in finance lease payments of \$20.7 million. Those impacts were offset by an increase in net proceeds from short-term borrowings including a new \$365.0 million credit facility entered into on May 31, 2023 and a new \$50.0 million bank term loan entered into on March 31, 2023, offset by the repayment of our \$75.0 million revolving credit facility. See Note 9 – Debt to our audited financial statements for further details related to our debt, incorporated by reference into this Official Statement.

Comparison of the Year Ended December 31, 2022 to the Year Ended December 31, 2021

The following table presents a summary of our cash flows provided by (used in) operating, investing, and financing activities for the years ended December 31, 2022 and 2021:

	Year ended December 31,		Varia	nce
	2022	2021	\$	%
(Dollars in thousands)				
Net cash provided by (used in) operating activities	\$ 316,177	\$ (160,590)	\$ 476,767	296.9%
Net cash used in investing activities	(943,891)	(778,774)	(165,117)	21.2%
Net cash provided by financing activities	499,629	548,982	(49,353)	-9.0%
Net change in cash, cash equivalents and restricted cash	\$ (128,085)	\$ (390,382)	\$ 262,297	-67.2%

Cash Flows from Operating Activities

Net cash from operating activities for the year ended December 31, 2022 increased \$476.8 million, or 296.9%, to \$316.2 million cash provided by operating activities as compared to \$160.6 million used in operating activities for the year ended December 31, 2021. The increase in net cash from operating activities was primarily the result of the receipt of \$419.7 million in 2022 related to the sale of access rights to an affiliate.

Cash Flows from Investing Activities

Net cash used in investing activities for the year ended December 31, 2022 increased \$165.1 million, or 21.2%, to \$943.9 million as compared to \$778.8 million for the year ended December 31, 2021. The increase is primarily attributable to higher capital expenditures in 2022 as compared to 2021 related to the North Segment expansion to the Orlando International Airport, and the new in-line stations at Boca Raton and Aventura which were completed in December 2022. The increase in capital expenditures was offset by a \$30.6 million increase in grant proceeds received from municipalities in 2022.

Cash Flows from Financing Activities

Net cash provided by financing activities for the year ended December 31, 2022 decreased \$49.4 million, or 9.0%, to \$499.6 million as compared to \$549.0 million for the year ended December 31, 2021. The decrease is primarily attributable to \$541.2 million less debt financing received in 2022 than 2021, offset by \$492.7 million in equity contributions from certain indirect parent or member entities of Project Owner in 2022 and nil in 2021. See Note 9 – Debt to our audited financial statements for further details related to our debt, incorporated by reference into this Official Statement.

Our Indebtedness and Covenant Compliance

As of December 31, 2023 and 2022, we were in compliance with all applicable debt covenants in Project Owner's debt agreements. Our indebtedness consists of senior loan agreements with the Florida Development Finance Corporation (Series 2019A, 2019A-1, 2019A-2 and 2019B bonds), senior secured notes, and other term loan credit facilities. See Note 9 – Debt to our audited financial statements for further details related to our debt and related debt covenants, incorporated by reference into this Official Statement.

Contractual Obligations

Our principal commitments consist of obligations for repayment of debt, as well as the associated interest expense. Project Owner also has commitments associated with service agreements, lease agreements, and land easements. See Note 11 – Commitments and Contingencies and Other to our audited financial statements for further details related to our contractual obligations, incorporated by reference into this Official Statement.

In the first quarter of 2023, Project Owner assigned to a third-party our right to purchase 20 of the passenger coaches that it had previously ordered for a total cost of \$96 million, and entered into an operating lease pursuant to which it will lease the coaches from the purchaser after the assets are completed and delivered.

There have been no material changes to the contractual obligations from those previously disclosed in Project Owner's audited financial statements and related notes thereto, for the years ended December 31, 2023, 2022 and 2021, incorporated by reference into this Official Statement.

Critical Accounting Policies and Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. We review and evaluate our assumptions and estimates on an on-going basis. Changes in estimates are recorded in the period in which they become known. Actual results may materially differ from the reported amounts under different assumptions and estimates. For further details regarding our critical accounting policies and estimates, see Note 2 – Summary of Significant Accounting Policies to our audited financial statements for the years ended December 31, 2023, 2022 and 2021, incorporated by reference into this Official Statement.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various financial risks that, if left unmanaged, could adversely impact current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorized separately according to their different generic risk characteristics and include inflation risk and interest rate risk.

Inflation Risk

The impact of inflation has affected, and will continue to affect, our operations significantly. The costs of food, merchandise and other revenues are influenced by inflation and fluctuations in global commodity prices. In addition, other costs, such as the costs of fuel, construction, repairs and maintenance, labor, freight, utilities and insurance are all subject to inflationary pressures.

Interest Rate Risk

We are exposed to market risks from fluctuations in interest rates. We manage interest rate risk primarily by managing the amount, sources and duration of our debt funding. At December 31, 2023, approximately \$550 million of our outstanding long-term debt represents variable-rate debt. Assuming all variable rate debt remains outstanding, a hypothetical 100 bps increase in secured overnight financing rate ("SOFR") would increase our annual interest expense by approximately \$5.5 million.

Off-Balance Sheet Arrangements

We had an outstanding undrawn irrevocable letter of credit commitment, fully collateralized by restricted cash, with an aggregate face amount of \$10.0 million as of December 31, 2022. The letter of credit was cancelled and the related cash was released from restrictions during the fourth quarter of 2023.

Recently Issued Financial Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) to increase transparency and comparability among organizations related to their leasing arrangements. ASC 842 requires lessees to recognize lease assets representing the right to use an underlying asset ("ROU asset") and lease liabilities representing the obligation to make lease payments over the lease term, measured on a discounted basis, and requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Project Owner adopted ASC 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which requires Project Owner to apply

ASC 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with ASC 840.

Adoption of ASC 842 resulted in the recording of ROU assets and lease liabilities related to Project Owner's operating leases of approximately \$200.3 million and \$202.5 million respectively, on January 1, 2022. The adoption of the new lease standard did not materially impact our net income or cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings. For more details regarding this new standard and Project Owner's policy elections related to it, see "Recently Adopted Accounting Standards" in Note 2 – Summary of Significant Accounting Policies to our audited financial statements for the years ended December 31, 2023, 2022 and 2021, incorporated by reference into this Official Statement.

There have been no recent accounting pronouncements or changes in accounting pronouncements since the recent accounting pronouncements described in our 2023 audited financial statements incorporated by reference into this Official Statement, that are of significance, or potential significance, to Project Owner based on our current operations.

BUSINESS

Project Owner has provided the following information regarding certain of its affiliates and the Project, and certain other pertinent information, for inclusion in this Official Statement relating to the Bonds. Unless otherwise indicated, the source of the information set forth herein is Project Owner's records. <u>Unless the context otherwise requires, for purposes of this "BUSINESS" section, references to "we," "us," "our" and the "Company" refer to Project Owner.</u>

Overview of the Project

We own and operate a high-speed passenger rail system connecting major populations in Florida. Our system runs a total of approximately 235 miles from Miami to Orlando, one of the largest and most congested travel corridors in the U.S., serving a total of six stations in the heart of downtown cities and major transit hubs, including the Orlando International Airport. We operate up to 36 one-way trains daily that are capable of speeds of up to 125 miles per hour. We believe our passenger rail system offers travel that is faster, safer, more eco-friendly, more reliable, less expensive, more productive and more enjoyable than travel by car or air.

We are primarily owned, indirectly, by funds managed by an affiliate of Fortress Investment Group ("Fortress"). Fortress is a global investment manager that oversees more than \$46 billion of assets under management and has a long history of investing across the transportation and infrastructure space. To date, Fortress-managed funds and their affiliates have invested approximately \$2.2 billion into the Company.

We provide high-speed "intercity" passenger rail transportation, which is characterized as service operating within medium-distance travel corridors, generally between 200 to 300 miles, that connect large population centers and experience high and increasing volumes of travelers. Intercity passenger rail services in the U.S. and globally are typically highly profitable. Such services have the ability to offer faster travel times with greater convenience at a lower cost when compared to other available modes of travel in their markets (such as car and air). Examples of these intercity rail services comparable to our business include Amtrak's Acela service in the northeastern U.S. and several privately owned European services, such as the Eurostar service operating between London and Paris, and Italo, which operates between several major cities in Italy.

We built and own or control our entire 235-mile rail system, including our track and systems, land, trains, stations and maintenance facilities. On September 22, 2023, we completed construction and opened our Orlando station, culminating years of development and representing the investment of approximately \$6.2 billion in total capital (funded with debt and equity). We currently have stations in Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach and Orlando. On March 4, 2024, we announced plans to build a new in-line Treasure Coast station in Stuart in Martin County, with the goal of opening the station for service by the end of 2026. The station is expected to be supported by a \$45 million dollar contribution from the City of Stuart and Martin County, which Project Owner expects will fully fund the capital expenditure related to the new station. On March 12, 2024, we announced plans for a Cocoa station in Brevard County. Additionally, we are reviewing and developing further options for additional future in-line stations that have the potential to increase operating cash flow. See "-Expansion Plans-Additional In-Line Stations." An affiliate of Project Owner is developing the South Florida Commuter Rail Project to expand convenient access to our intercity passenger rail service to drive increased long-distance ridership. See "-South Florida Commuter Rail Project" below. In collaboration with the local business community and government partners, our affiliate, Brightline Tampa, is also developing the Orlando-Tampa Project. Currently, there are two planned intermediate stops expected to serve the Orange County Convention Center and the major theme parks in Central Florida, and a planned stop in the Tampa area. See "—Affiliate Expansion Plans—Orlando-Tampa Project." Once fully complete, our system, combined with the extension to Tampa being developed by Brightline Tampa will connect the three major economic centers of Florida (Southeast Florida, Central Florida and Tampa) with a rail system convenient to approximately 70% of the population of the nation's third largest state and proximate to airports serving over 150 million passengers annually.

We commenced rail operations between Fort Lauderdale and West Palm Beach, Florida in January 2018 and expanded our West Palm Beach—Fort Lauderdale operations to include Miami in May 2018, operating 110 weekly departures at the time of commencement. Over time, we increased the frequency of our train schedule, reaching 226

weekly departures in October 2019. We carried over one million passengers in our first full year of operations in 2019, which was in line with the 2018 Ridership and Revenue Study's first full year ridership projection, adjusted for the timing of the system reaching full operability. The 2018 Ridership and Revenue Study forecasted we would carry 1.1 million passengers in the first full year of train operations, representing 40% of the forecasted stabilized ridership for the South Segment of 2.9 million passengers versus 34% that we actually carried. We subsequently suspended service from March 2020 until November 2021 due to the impact of the COVID-19 pandemic on the general travel market and to focus efforts on the construction of the Project and the development of the South Florida Commuter Rail Project.

Since reopening full South Segment service for our Miami, Fort Lauderdale and West Palm Beach stations in November 2021, we have experienced a rapid return of ridership. Full year 2023 ridership surpassed 2022 by 67%, average fares were up 58% compared to 2022 and ticket revenue was up 164% versus 2022. By December 2023, active passholders had increased 1% compared to December 2022. Rides by passholders for the full year 2023 were 93% higher than in full year 2022. Comparisons continue to improve and accelerate as our repeat ridership base grows and as we see results from the Additional In-line Stations in Boca Raton and Aventura that opened in December 2022. In February 2024, ridership increased by 50%, average fares were up 127% and ticket revenue was up 241%, compared with that in February 2023. In February 2024, we had a total of 1,321 active commuter passes and corporate ridership of 11,291 passengers, up 3% and 8%, respectively, compared with those in February 2023. In March 2024, ridership was 258,307, which represents an increase of 44% over March 2023. Average fare was up 121% and ticket revenue increased 218% over the comparable period in 2023. Currently, the Company is limiting the number of seats made available for short-distance trips until additional passenger coaches are delivered in mid-2024. March 2023 shortdistance ridership was 179,576, approximately 55,000 higher than March 2024 short-distance ridership of 124,379. Pro forma for the additional seat capacity being added in 2024, management estimates that March 2024 total ridership would have been approximately 325,000. In March 2024, over half of our trains reached load factors of 80% or more and approximately one in three trains had load factors of 90% or more.

We anticipate a high level of demand for our intercity passenger rail service given the large number of travelers within the Miami-Orlando corridor and the current lack of convenient, reliable, uncongested and cost-effective travel alternatives. The trip between Orlando and Miami is "too long to drive, too short to fly" demonstrating the characteristics of other similar corridors globally that are served by intercity rail. Total travel time by airplane is disproportionately long for the distance, given airport security and delays. Roadway congestion could make the trip unpleasant and unpredictably long. Travel time by car can range from 3.5 to 5 hours, depending on traffic. According to the 2022 INRIX Global Traffic Scorecard, American drivers lost an average of 51 hours in congestion, which costs \$81 billion annually in time, an average of \$869 per driver. In 2022, Miami was ranked as the fifth worst urban area in the United States for congestion. On average, Miami drivers lost 105 hours in traffic in 2022, up 39 hours or 59% compared to 2021. In 2021, I-95 Express North in Miami from I-195 to 51st St. was the eighth worst corridor in the country for delays at peak hour. The average speed of I-95 local lanes directly north of Miami has decreased from 46 mph in 2012 to 32 mph in 2019. Travel volumes on key highways connecting Central and Southeast Florida are expected to exceed capacity by 2030, resulting in further delays and more unpredictability. Other than our service between Miami and Orlando, there is currently no express passenger rail service as an alternative to travel by car or bus.

In addition, Florida continues to be a strong economic environment, demonstrating positive demographic and business trends. Florida's unemployment rate in December 2023 was 3.0%, up 0.3% from a year prior, compared to a U.S. unemployment rate of 3.7% in December 2023. Florida has shown and continues to show strong population growth. Between July 1, 2021 and July 1, 2022, Florida claimed seven of the top 10 and 11 of the top 20 Metropolitan Statistical Areas in the United States by population growth. From 2020 through 2022, Florida was the number one

¹ Source: Inrix 2021 Global Traffic Scorecard.

Source: U.S. Bureau of Labor Statistics https://www.bls.gov/charts/state-employment-and-unemployment/state-unemployment-rates-map.htm.

Source: US Census Bureau, Annual Resident Population Estimates for Metropolitan and Micropolitan Statistical Areas and Their Geographic Components for the Unites States: April 1, 2020 to July 1, 2022 (CBSA--EST2022). Release date May 2023.

state people moved to in the United States⁴, with an average of approximately 950 people per day moving to Florida in 2022.⁵ Florida has made it a priority to maintain a low-tax and pro-business environment, which is proving to attract companies from other states. Miami's Mayor Francis Suarez, in particular, has made it a priority to attract businesses and technology companies to the area. Florida added more new technology companies in 2021 than any other state in the United States and over the past couple of years, numerous high-profile businesses have opened offices in Southeast Florida, including Goldman Sachs, Citadel, Arch Investments and Blackstone.⁶ As of the fourth quarter of 2022, Florida had the fourth highest gross domestic product ("GDP") in the United States and has seen population growth of over 35% between 2012 and 2022.⁷

We believe these are attractive conditions for the operation of our express intercity passenger rail system from Miami to Orlando. With trains that are qualified to operate at track speeds of up to 125 mph, the Project provides a fast, dependable transportation option that can offer travel time savings of approximately 25% to 50% when compared to existing surface modes (auto, bus and rail) and a journey time of around 3 hours 15 minutes from Orlando to Miami, which is competitive with air travel on door-to-door travel times.

In 2021, we commissioned WSP to develop a Ridership and Revenue Study providing an independent overview of ridership and revenue for the corridor consisting of trips between Miami and Orlando, including the existing stations at Fort Lauderdale and West Palm Beach and the Additional In-line Stations at Aventura and Boca Raton. Based on the 2022 Ridership and Revenue Study, as updated by the WSP Supplement, and management estimates, we expect that the Miami to Orlando service will carry approximately 8.0 million passengers annually by 2026 and generate \$695 million in annual ticket revenue. The 2022 Ridership and Revenue Study was commissioned by us from WSP, a professional third-party ridership consultant with extensive experience with traffic and ridership studies. WSP has studied the Florida travel market in Southeast Florida and Central Florida for over a decade serving both private and public entities, including Brightline. The 2022 Ridership and Revenue Study and the WSP Supplement updated projections for our rail service for the following items, among others:

- calibration of the projection model for actual historical Brightline results;
- customer preference surveys conducted in late 2021;
- recent demographic trends;
- outlook for the near-term and long-term impact of the COVID-19 pandemic on the Florida travel market and our estimated ridership; and
- actual Orlando station opening date.

See "PASSENGER RIDERSHIP ESTIMATES FOR THE PROJECT."

Source: Tampa Bay Economic Development Council, https://tampabayedc.com/news/how-many-people-moved-to-florida-this-past-year/#:~:text=Texas%20followed%20Florida%20in%20both,Texas%2C%20previously%20surpassing%20New

year/#:~:text=Texas%20followed%20Florida%20in%20both,Texas%2C%20previously%20surpassing%20New %20York.

Sources: State of Moving in 2021: Moving Trends and the Lasting Effects of COVID-19 as of January 25, 2022 and State of Moving in 2020: Moving Stats and the Impact of COVID-19 as of June 22, 2021, https://www.move.org/moving-stats-facts/; Miami Report, https://issuu.com/isgworld/docs/isg_mr-2020-digital.1?fr=sZjE1NDIxMTMyNzg.

Sources: State of the Tech Workforce, https://www.cyberstates.org/pdf/CompTIA_Cyberstates_2022.pdf; iOptimize Realty, https://www.ioptimizerealty.com/blog/pros-cons-business-move-to-florida#:~:text=Big%20names%20like%20Goldman%20Sachs,of%20cutting%2Dedge%20CRE%20trends.

Source: Bureau of Economic Analysis, Regional Data: GDP and Personal Income, https://apps.bea.gov/itable/?ReqID=70&step=1.

Long-Distance Service Performance and Results

On September 22, 2023, we began service to our station at the Orlando International Airport, with an initial schedule of six daily roundtrips between South Florida and Orlando. On October 9, 2023, service increased to fifteen daily roundtrips and we further increased the frequency to sixteen daily roundtrips on December 4, 2023. Additionally, as of December 4, 2023 we completed actions necessary to achieve higher average speeds on the north corridor segment, saving travelers an additional eight minutes. Results for the month of February 2024 were strong, with 113,874 long-distance riders paying an average fare of \$80.54. Results for March 2024 continued to show the strong ramp up of demand for our long-distance service, with ridership of 133,928 passengers paying an average fare of approximately \$80.25. Daily bookings for long-distance ridership have increased consistently since opening service from approximately 2,800 daily bookings in October 2023 to approximately 4,200 in January and 4,300 in February 2024, while at the same time raising average long-distance fares by 8% in February 2024 over January 2024. Repeat bookings from our growing long-distance customer database are particularly strong, increasing by approximately 15% month over month. These positive trends have continued into March 2024 with results for average daily long-distance bookings for March at approximately 4,600. In March 2024, over half of our trains reached load factors of 80% or more and approximately one in three trains had load factors of 90% or more. We believe the swift adoption of our service by customers demonstrates the latent demand in the market for an improved mode of travel between South and Central Florida. The composition of our customer base is diverse and includes Florida residents (especially South and Central Florida), domestic U.S. visitors and international visitors from nearly 100 countries in our first six months of service. Based on the current pace of advanced bookings and the historical performance of other similar passenger rail systems, we expect monthly ridership to grow strongly in the coming months as our service continues to ramp up.

We established standard one-way fares between Miami and Orlando of \$79 for our SMART class of service, \$149 for our Premium service and \$199 for a family of four in SMART class. We sell tickets at these "full fare" rates, as well as discounted rates to encourage trial of our service. We dynamically set fares based on demand and at peak times have been able to achieve ticket prices of \$219 in SMART class and \$309 in Premium. Our current standard fares provide a high level of value for our customers and represent a cost per mile of only approximately 34% that of the Acela service on the Northeast Corridor.

Our long-distance service builds on the excellent operating history we developed in our South Florida segment. Since opening our service to Orlando in September 2023, our on-time performance has averaged a level similar to, or better than, some of the best operators of high-speed rail systems globally. For the month of March 2024, our on-time performance and customer satisfaction scores were industry-leading, with on-time performance at 91% and a net promoter score ("NPS") of 72.

As expected and shown in the charts below in "—Overview of the Project—February 2024 Ridership and Revenue Results" below, the launch of long-distance service has driven improvement in key revenue metrics. In the month of February 2024, ticket revenue was up 241% compared to that in the month of February 2023, with ridership up 50% and average fares up 127% from \$24.10 to \$54.69. Ancillary passenger revenue has also benefited from the longer-distance service and was up 274%, with food and beverage ("F&B") sales up 199%, and merchandise revenues and baggage fees up significantly from a nominal base a year ago. In March 2024, ticket revenue was up 218% compared to that in the month of March 2023, with ridership up 44% and average fares up 121% from \$26.23 to \$57.96. Ancillary revenue in March 2024 was up 76% and F&B revenue per passenger increased 82% compared to the month of March 2023.

Continued adoption of our service is being supported further by various distribution capabilities and agreements currently being executed. We have entered into corporate travel agreements with some of the many large-scale companies that have offices and operations in both South and Central Florida. We have also recently implemented new technology to enable distribution through large traditional and on-line travel agents internationally, which we expect to further enhance access to the significant number of international visitors who travel between Miami and Orlando. We have also begun executing contracts with major airlines to support airline staff movement between their key locations in Florida and are also evaluating passenger recovery agreement opportunities.

February 2024 Ridership and Revenue Results

February 2024 ticket revenue was \$12.5 million, representing an increase of \$8.8 million, or 241%, from February 2023. February 2024 ridership increased 50% to 228,138 passengers including 113,874 long-distance passengers. To meet demand on our more profitable long-distance segments, in certain instances we restrict available capacity for short-distance trips. February 2024 short-distance trips were 114,264 compared to 151,654 in February 2023 due to these capacity limits. We are receiving additional new passenger cars this summer to accommodate this demand. Pro forma for the additional seat capacity coming online, we estimate that total February 2024 ridership would have been approximately 275,000. Average fares increased 127% compared to the same period in the prior year, supported by the opening of our new service to Orlando. Rides by monthly passholders decreased 6% in February 2024 compared to February 2023. Our business-to-business ("B2B") ridership continues to increase, with February 2024 B2B ridership of 11,291, up 8% from February 2023.

Ancillary revenue totaled \$3.0 million for the month of February 2024. Food and beverage revenue per passenger increased 99% from \$2.38 in February 2023 to \$4.74 in February 2024, primarily attributable to opening service to Orlando, and we expect these increases to continue in the coming months. We continue to form strategic partnerships and develop technology upgrades and pricing strategies to increase sponsorship, parking, and food and beverage revenue. As these components are added, we expect ancillary revenue to continue to grow.

		F		Trains Florid 4 Ridership an							
	Month End February 28/29					Year-to-Date February 28/29					
	 2024		2023	% change		2024		2023	% change		
Ridership											
Short Distance	114,264		151,654	-25%		227,824		307,791	-26%		
Long Distance	 113,874		<u> </u>	NM		236,577			NM		
Total	228,138		151,654	50%		464,401		307,791	51%		
Average Fare per Passenger											
Short Distance	\$ 28.93	\$	24.10	20%	\$	28.76	\$	23.37	23%		
Long Distance	\$ 80.54	\$	-	NM	\$	77.35	\$	-	NM		
Total	\$ 54.69	\$	24.10	127%	\$	53.51	\$	23.37	129%		
Ticket Revenue											
Short Distance	\$ 3.3	\$	3.7	-10%	\$	6.6	\$	7.2	-9%		
Long Distance	 9.2			NM		18.3			NM		
	12.5		3.7	241%		24.8		7.2	245%		
Ancillary Revenue	3.0		1.1	176%		6.0		2.3	164%		
Total Revenue	\$ 15.5	\$	4.7	226%	\$	30.8	\$	9.4	226%		

(in millions of dollars, except ridership and average fare per passenger)

March 2024 Ridership and Revenue Results

March 2024 ticket revenue was \$15.0 million, representing an increase of \$10.3 million, or 218%, from March 2023, and total revenue was \$18.1 million, generating positive EBITDA for the month. March 2024 ridership increased 44% to 258,307 passengers including 133,928 long-distance passengers. To meet demand on our more profitable long-distance segments, in certain instances we restrict available capacity for short-distance trips. March 2024 short-distance trips were 124,379 compared to 179,576 in March 2023 due to these capacity limits. We are receiving

additional new passenger cars this summer to accommodate this demand. Pro forma for the additional seat capacity coming online when we receive the delivery of additional passenger coaches in mid- and late- 2024, we estimate that total March 2024 ridership would have been approximately 325,000. Average fares increased 121% compared to the same period in the prior year, supported by the opening of our new service to Orlando.

Ancillary revenue totaled \$3.2 million for the month of March 2024. Food and beverage revenue per passenger increased 82% from \$2.44 in March 2023 to \$4.45 in March 2024, primarily attributable to opening service to Orlando, and we expect these increases to continue in the coming months. We continue to form strategic partnerships and develop technology upgrades and pricing strategies to increase sponsorship, parking, and food and beverage revenue. As these components are added, we expect ancillary revenue to continue to grow.

		ľ		Trains Florid Ridership and				
	Month End March 31							
	2024		2023	% change		2024	 2023	% change
Ridership								
Short Distance	124,379		179,576	-31%		352,203	487,367	-28%
Long Distance	133,928			NM		370,505	 	NM
Total	258,307		179,576	44%		722,708	487,367	48%
Average Fare per Passenger								
Short Distance	\$ 33.96	\$	26.23	29%	\$	30.59	\$ 24.43	25%
Long Distance	\$ 80.25	\$	_	NM	\$	78.40	\$ _	NM
Total	\$ 57.96	\$	26.23	121%	\$	55.10	\$ 24.43	126%
Ticket Revenue								
Short Distance	\$ 4.2	\$	4.7	-10%	\$	10.8	\$ 11.9	-9%
Long Distance	10.7			NM		29.0	 	NM
	15.0		4.7	218%		39.8	11.9	235%
Ancillary Revenue	 3.2		1.8	76%		9.1	4.1	124%
Total Revenue	\$ 18.1	\$	6.5	179%	\$	48.9	\$ 16.0	206%

(in millions of dollars, except ridership and average fare per passenger)"

Brightline continues to develop key partnerships for marketing and advertising. In 2023, Orlando Health, Inc. became the exclusive healthcare partner of Brightline Orlando. As Brightline's official healthcare partner in Central Florida, Orlando Health's partnership includes brand representation at Brightline Orlando station, visibility on Brightline collateral and digital platforms and Orlando Health branded trains. The three-year agreement will generate over \$4 million in sponsorship revenue for Brightline over its term. We have also entered into several advertising revenue agreements with entities that pay us to wrap our trains and/or advertise on-board and in our stations, including The Islands of the Bahamas, Discover the Palm Beaches, Visit Orlando, and Hospital of Special Surgery, with additional sales anticipated. Brightline and The Islands of The Bahamas commemorated their new partnership with celebratory events on December 6 and 7. Tourism leaders, media and VIPs took part in the festivities which included remarks, a tour of the Island of the Bahamas wrapped train, junkanoo band and parade with authentic Bahamian cuisine enjoyed by invited guests. With the opening of our long-distance service to Orlando, we anticipate entering into additional high-value sponsorship and advertising agreements with other companies.

We have partnerships with major sports teams in Miami and Orlando, including partnerships with the Miami Heat, Miami Dolphins, Miami Marlins, and others. Sporting events already drive long-distance ridership in addition to local ridership. For Miami Dolphins games, as the preferred train transportation partner of the Miami Dolphins and Hard Rock Stadium, Brightline offers dedicated pre-game and post-game trains from our Aventura station along with complimentary shuttles to and from Hard Rock Stadium. In December 2023, we partnered with the Cheez-It Citrus Bowl and Capital One Orange Bowl, offering dedicated pre-game and post-game shuttles to and from the respective stadiums, our first collaborations with the legendary bowl games and our first sporting event shuttles in Central Florida.

In February 2024, Brightline and The Children's Museum of the Treasure Coast unveiled the new Brightline Trains safety exhibit, a hands-on-learning experience for kids and families focused on the importance of rail safety. As we enter the second quarter of 2024, we believe we are partnering with key demand drivers in South Florida and Orlando that are expected to drive ridership and establish us into the fabric of our communities. These partnerships include partnerships with nationally known events such as the U.S. Olympic Trails, Miami Boat Show, South Beach Wine and Food Festival, Arnold Palmer Invitational, and Formula 1.

We have also developed partnerships with area universities to drive ridership. We have affiliations with 24 universities and colleges along our corridor.

Brightline+ Mobility Connection

Brightline+, our door-to-door first and last mile mobility service powered by our app allowed customers to book car connections leveraging our partnerships with Uber, Mears and rideshare connections using Brightline-branded shared vehicles.

In March, we announced changes to our app and booking flow that will allow guests to coordinate mobility services more quickly and efficiently by working directly with our preferred mobility service providers. At the conclusion of booking a train ticket, guests will now receive information and links directly to our preferred providers' apps to book first and last mile mobility services.

We continue to provide airport and special event shuttles as before.

Project Completion

The total cost of the Project (excluding the Orlando-Tampa Project) was approximately \$6 billion, including development and financing costs, and is in operation. Our existing construction debt with respect to the Project is being refinanced with a combination of new long-term debt and equity, as described herein. After completion of required regulatory testing and commissioning, service to Orlando International Airport began on September 22, 2023.

Current Miami-Orlando Project Assets

Rail Infrastructure

We contracted with leading transportation and infrastructure contractors to construct the civil and rail infrastructure at the Orlando International Airport, between Orlando International Airport and Cocoa and between Cocoa and West Palm Beach, and West Palm Beach to Miami, respectively. The land upon which the rail infrastructure sits either we or our affiliates own, lease, or are provided an easement on by various private or public entities, such as the Florida Department of Transportation ("FDOT").

Systems Communications - All Zones

Wabtec Corporation ("Wabtec") provided us with a Positive Train Control ("PTC") overlay which we use throughout our rail corridor. Alstom Signaling Operation, LLC (formerly GE Transportation System Global Signaling LLC) provided us with wired signal houses engineering and supply, and individual general contractors were responsible for wayside system installation, testing and completion.

Rolling Stock Order - Siemens

We currently have ten trainsets, each including two locomotives and four passenger cars for our Miami to Orlando, Florida passenger rail system. Each trainset currently consists of two diesel-electric locomotives (4,400 horsepower Cummins diesel engines) and four stainless steel passenger coaches and has a total capacity of 240 passengers per train, with current configuration. Potential total seat capacity will increase 88% to 450 passengers once an additional thirty passenger coaches, currently on order, are delivered in mid-2024 through 2025. The dual locomotive arrangement allows trains to operate at our current maximum track speed of 125 mph, while realizing fuel efficiency. The redundancy of this two-locomotive configuration will enable us to keep trains moving in case of an unexpected locomotive mechanical issue.

Siemens Mobility Inc. ("Siemens") initially produced five state-of-the-art trainsets (10 locomotives and 20 coaches) relating to five South Segment trainsets and cost approximately \$259 million, which had been fully paid for as of April 1, 2020. The five North Segment trainsets and an additional spare locomotive (11 locomotives and 20 coaches) cost approximately \$178 million. All of these trainsets for the Project have now been delivered. In 2022, Project Owner ordered 20 additional passenger coaches, with half to be delivered in mid-2024 and the remainder to be delivered in late 2024 or 2025. In the first quarter of 2023, Project Owner assigned to a third-party its right to purchase 20 of the passenger coaches that Project Owner had ordered and entered into an operating lease pursuant to which Project Owner will lease the coaches from the purchaser.

Our trainsets are fully Americans with Disabilities Act ("ADA") compliant, with seating, bathrooms, level board platforms and walkways designed to accommodate wheelchair and other special physical needs of the disabled. Our locomotives comply with both the U.S. Environmental Protection Agency's Tier Four emissions standards as well as the various regulations and guidelines set forth in the Passenger Rail Investment and Improvement Act of 2008 ("PRIIA") mandate. Our rolling stock complies with Federal Railroad Administration ("FRA") regulations, including Crash Energy Management ("CEM"), which provides a standard of structural integrity designed to better protect passengers and employees in the event of a collision, and the new PTC standards, which require a centrally monitored and controlled monitoring system to bring trains safely to a stop if certain operating safety parameters are exceeded.

Onboard, the trainsets feature leather seats, large touchless bathrooms, food and beverage service on board, free high-speed WiFi, charging and docking stations. The integrated passenger coaches offer comfortable seating in a number of different configurations, with an air-suspension system providing a smooth ride at high speeds. Passenger seats have workspaces that are similar in size and comfort to a first-class airline seat (with premium seats being slightly larger). These trainsets and their onboard amenities are scalable to accommodate additional passenger demand for seats and technology.

Property

We own in fee simple title: (i) land, station and parking garage in Fort Lauderdale, (ii) land in Fort Lauderdale containing approximately 70 surface parking spaces and (iii) land and the station in West Palm Beach and the running repair facility in West Palm Beach. We also have obtained the rights to cross certain roadways pursuant to an ordinance abandoning a portion of Northwest 2nd Avenue in the City of Fort Lauderdale. Our Miami station was built within our owned air rights, with aerial easements from the City of Miami providing rights to cross certain roadways. We have executed leases with GOAA for our occupancy within the Orlando station and the Vehicle Maintenance Facility ("VMF"). See "—Passenger Rail Service Operations—Stations — North Segment and South Segment" for more information.

We also hold leasehold interests in all or a portion of three parking garages used in connection with the South Segment stations.

FECR owns the fee simple title in the existing rail right-of-way along Florida's east coast from Miami to Jacksonville. Within the Miami to Cocoa corridor, Project Owner has the passenger rail easement and owns the newly constructed railroad infrastructure. See "CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS—Transactions with FECR—Joint Use Agreement" and "CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS—Transactions with FECR—Dispatching Services Agreement" for more information.

With respect to the Cocoa to Orlando corridor, we have executed lease and easement agreements with FDOT (a 50-year lease with an option to renew for a 49-year term), GOAA (a 99-year easement) and CFX (easements with a 50-year term) related to the Cocoa to Orlando corridor. We hold a lease agreement with FDOT for approximately 14 miles adjacent to State Road 528 ("SR528"), easement agreements with CFX for approximately 21 miles and a rail easement agreement with GOAA for approximately 5 miles on Orlando International Airport property. In addition, we own fee title to certain parcels of land required for the Cocoa to Orlando corridor and have obtained easement rights over certain property from the City of Orlando, Board of Trustees of the Internal Improvement Trust Fund, Orlando Utility Commission and Brevard County.

In addition, we have entered into a land acquisition and development agreement, a lease and a parking license with Miami-Dade County for the Aventura station. The lease includes a maximum term of up to 99 years, consisting of an initial 49-year term with an option to renew for 10-year periods up to five times, each upon mutual agreement of Project Owner and Miami-Dade County. We have also entered into a lease with the City of Boca Raton for the Boca Raton station. The agreement includes a maximum term of up to 89 years, consisting of an initial 29-year term with an option to renew for 20-year periods up to three times. See "—Current Miami-Orlando Project Assets—Aventura and Boca Raton" for additional information.

Our principal executive offices and headquarters are located in leased space at 350 NW 1st Avenue, Suite 200, Miami, Florida 33128, pursuant to a five-year lease, with an expiration date of June 30, 2027, unless the term is extended pursuant to the two 60-month renewal options.

Appraisal of Passenger Rail Easement

We possess certain easement interests in the Shared Corridor, which were acquired through FIH's acquisition in May 2007 of Florida East Coast Industries, LLC ("FECI"), an affiliate of FIH and Project Owner. In 2007, such easement interests were assigned a book value of approximately \$195.5 million. In 2017, we engaged Real Globe Advisors LLC, a certified general appraiser, to complete an appraisal for purposes of estimating the market value of our easement interests running on and over the portion of such Shared Corridor. Using both the "Across the Fence" and the "Corridor Sales Comparison" methodologies, the appraiser determined the market value to be \$675 million as of June 1, 2017.

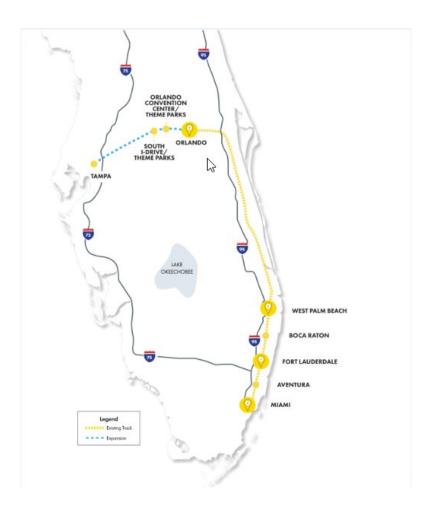
The property rights that were appraised are the permanent, perpetual and exclusive rights, privileges and easements granted to us under the Second Amended and Restated Grant of Passenger Service Easements from FECR running on and over the property included in FECR's main line right of way from Miami to Cocoa, Florida. Spurs, railyards and any infrastructure are expressly excluded from the appraised property rights. The appraiser's valuation was based upon the analysis of information provided by our management, general market information, comparable land sales and listing data, information from brokers and other third-party market participants, research of land uses along the main line right of way and considering the "highest and best use" of the subject property as a continued transportation utility corridor.

The audited financial statements reflect the approximate \$195.5 million book value of such easement interests running on and over the Shared Corridor as invested equity in us. The \$675 million market value determination of the appraiser as of June 1, 2017 of our easement interests running on and over the portion of the Shared Corridor has been utilized to determine our total invested equity capital as of that date.

The appraiser's report was made subject to certain assumptions and limiting conditions, including, without limitation, that there are no hidden or unapparent conditions of the subject property, subsoil or structures that render the subject property more or less valuable, full compliance with laws, and that all required licenses and other governmental consents have or can be obtained and renewed for any use on which the valuation was based. In addition, the appraiser's report is as of June 1, 2017. Accordingly, the valuation contained in the report was based on information and assumptions available at such time and any new appraisal could differ materially from the 2017 appraisal.

Stations - North Segment and South Segment

We currently own and operate stations in Miami, Aventura, Fort Lauderdale, Boca Raton and West Palm Beach, Florida. In Orlando, our station is integrated into the Orlando International Airport's new South Terminal and is owned by the GOAA and leased to us.



Miami

The downtown Miami station is located within a five-block radius of numerous destinations, including the Kaseya Center (home of the Miami Heat NBA team), the Miami-Dade County government center complex and the Adrienne Arsht Center for the Performing Arts (Miami-Dade County's primary opera house, theatre and classical music concert hall). The location is also served by both Metrorail (a 25-mile metropolitan rail service with approximately 20 million annual riders) and Metromover (a free, elevated automated people mover service for easy access to downtown Miami sites with approximately 9.5 million annual riders). On January 13, 2024, we welcomed the South Florida Regional Transportation Authority's ("SFRTA") Tri-Rail service to MiamiCentral, providing increased connectivity for our region and demonstrating South Florida's continued embrace of rail travel. The new Tri-Rail Downtown Miami Link connects Tri-Rail, an existing 72-mile, 18-station commuter rail line located west of the Brightline corridor to the Miami station via a nine-mile segment of existing railroad that runs through Hialeah and Miami. SFRTA operates on its own dedicated platforms and station in MiamiCentral, acting as a feeder system to our intercity service. With millions of guests projected to ride each year, MiamiCentral is transforming South Florida's urban landscape. MiamiCentral is a 6-block transit-oriented development in the heart of Downtown Miami. In addition to being the

home of our Miami station, MiamiCentral features 816 luxury residences, 130,000 square feet of retail and class-A office space with unprecedented connectivity to Brightline, Metromover, Metrorail and Tri-Rail.



Our Miami Station

The Miami station includes a large train platform on an elevated viaduct so as not to interrupt traffic on local streets servicing the downtown district and a new and enhanced street front public realm, which is expected to be an attractive platform for new retail and residential real-estate uses. The 250,000 square foot platform and track area consists of five tracks and four platforms, each measuring 1,150 feet long. The station includes a combination of both high-level platforms designed to accommodate level boarding of our intercity trains and lower-level platforms designed for train service access and for commuter trains in the future. The station has three levels – a lower ticketing level, an upper boarding level and a mezzanine level with a 21,000-square foot passenger waiting lounges and security functions. The station's mezzanine level serves as the primary concourse for passengers to directly connect to other modes of transportation such as Metrorail and the Metromover.

Fort Lauderdale and West Palm Beach

In Fort Lauderdale, our station is located on a wholly-owned site in the city's central business district, surrounded by City Hall and county and state government office facilities. Our station site is only a few blocks from Fort Lauderdale's Las Olas Boulevard waterfront historical district and the Broward Center for the Performing Arts and adjacent to the city's primary municipal bus terminal.



Our Fort Lauderdale Station

In West Palm Beach, our station is located on a wholly-owned site along Quadrille Boulevard, the city's primary north-south road system and centrally situated between the Clematis Street commercial district and the City Place outdoor promenade and mixed-use development. The station site has close proximity to the Kravis Center for the Performing Arts and is approximately four blocks from the West Palm Beach downtown waterfront.



Our West Palm Beach Station

The Fort Lauderdale and West Palm Beach stations have similar designs and contain center-island platforms adjacent to the newly configured tracks at near ground level. These platforms are approximately 850 feet long and, with a height of approximately 48 inches above the top of the rail, allow level boarding by passengers into our passenger coaches. These stations were designed to accommodate the addition of future, low-level platforms designed to connect with commuter rail trains and station locations for intermodal connectivity.

Aventura and Boca Raton

In October 2019, the Miami-Dade County Board of County Commissioners approved a development agreement, a lease and a parking license with our affiliate, Brightline Holdings, and allocated up to a total of \$76.7 million of public funding consisting of up to \$19.3 million for land acquisition and up to \$57.4 million for the construction of a passenger rail station, platform, parking lot, pedestrian bridge and rail infrastructure for a West Aventura station. On October 31, 2019, Miami-Dade County and Brightline Holdings entered into three agreements: (i) a lease agreement, allowing a long-term, nominal cost lease for the station land, (ii) a land acquisition and development agreement, allowing the construction of a train station, platform, parking lot, pedestrian bridge and other transit features on the land and to provide train service and (iii) a parking license agreement, allowing the development and operation of the land for surface parking. At the end of 2019, Brightline Holdings successfully facilitated the acquisition of approximately three acres of land for \$18 million and approximately \$1.3 million in closing costs, which was funded by Miami-Dade County. Miami-Dade County leased a portion of the land back to Brightline Holdings for \$1 per month for purposes of developing and operating the Aventura station. The lease includes a maximum term of up to 99 years, consisting of an initial 49-year term with an option to renew for 10-year periods up to five times, each upon mutual agreement of Brightline Holdings and Miami-Dade County. Brightline Holdings contributed the land acquisition and development agreement to Project Owner on July 14, 2020 and the lease agreement and parking license agreement to Project Owner on October 20, 2020.

The Aventura station opened in December 2022. The Aventura station is located at 19796 West Dixie Highway, Miami, Florida 33180. The 34,000 square foot station features 240 parking spaces, a bus drop-off for Miami-Dade

Transit passengers, newly landscaped and hardscape areas and a pedestrian skybridge that transports guests from the vertical transportation towers to the train platform. We are currently designing a new pedestrian bridge which will connect the platform to the Aventura Mall. The Aventura station has been designed to Leadership in Energy & Environmental Design ("LEED") Silver criteria as part of our goals to reduce contribution to global climate change, enhance individual human health and protect water resources. These LEED Silver station design features include a solar canopy and installation of electric vehicle charging stations to reduce emissions and encourage clean transportation, a careful selection of materials to increase healthy indoor spaces and smart technology to reduce water use. The initial schedule for Aventura is designed to optimize commuter patterns and focuses on peak morning and evening weekday service.



Our Aventura Station

In December 2019, the Boca Raton City Council approved the Boca Raton station lease agreement between the City of Boca Raton and Brightline Holdings. The City of Boca Raton leased to Brightline Holdings approximately 1.8 acres in the City of Boca Raton's downtown for the construction of a train station and parking garage and granted to Brightline Holdings a right of first refusal to purchase approximately 1.5 acres of downtown land. Brightline Holdings contributed the lease agreement to Project Owner on June 17, 2020. On the leased land, we have constructed an approximately 19,500-square-foot train station and a parking garage with approximately 455 spaces. The City of Boca Raton funded approximately \$9.9 million towards the design and construction of the garage, with Project Owner responsible for funding the balance. Separately, on September 23, 2020, the City of Boca Raton received a Consolidated Rail Infrastructure and Safety Improvements Program grant of approximately \$16.4 million from the FRA which also contributed to the Project. That grant has subsequently been transferred to us, and we and the FRA completed the grant agreement in September 2021. The lease agreement includes a maximum term of up to 89 years, consisting of an initial 29-year term with an option to renew for one additional period of 20 years and the right to request, subject to the City of Boca Raton's approval, two further renewals for 20 years each. We will pay the City of Boca Raton a nominal amount per year for the lease plus 50% of the parking garage's net income.

The Boca Raton station opened in December 2022. The Boca Raton station is located at 101 NW 4th St, Boca Raton, Florida 33432, on a 1.8-acre site adjacent to the downtown library and across from Mizner Park. The 19,500 square foot station features a 455-space parking garage which services our guests and visitors to the library, who have dedicated, covered and complimentary spaces on the first floor. As with the Aventura station, the initial schedule for Boca Raton is designed to optimize commuter patterns and focuses on peak morning and evening weekday service.



Our Boca Raton Station

Orlando

The Orlando station opened in September 2023. The Orlando Station is located within the new multi-modal facility at Orlando International Airport, which is operated by GOAA, with dedicated facilities leased to and operated by us within the South Terminal Complex. The new multi-modal complex is designed to accommodate four modes of rail transit, including our passenger rail service, SunRail commuter rail service (currently in operation and considered for extension to the Orlando International Airport), an automated people mover connecting to the airport's existing north terminal and, in the future, to Orlando's new adjacent Medical City complex, as well as a future light-rail system designed to serve nearby metro-Orlando destinations. The multi-modal hub also provides direct connectivity to ground transportation operations, parking, the 129-gate North Terminal and, in the future, direct pedestrian linkage to 120 planned airside gates in the airport's new South Terminal. We have executed a lease with GOAA for the Orlando station space within the South Terminal Complex.



Our Orlando Station

The Orlando station has elevated platforms and is able to accommodate up to three tracks utilizing two shared, 1,000-foot long high level island platforms that allow level boarding by passengers into our trains. Passengers can access platforms from a waiting and ticketing area located directly above the platforms and can cross connect to other airport functions and forms of transportation from this level. There are logistics and operational space below the platforms at ground level. There are also dedicated passenger drop-off and parking on the station level nearby the waiting and ticketing lounge.

Passenger Rail Service Operations

Key Operating Relationships

To support our operations, we have contracted with certain entities, including DispatchCo, a 50-50 joint venture between FECR and us, for dispatch services and FECR for other rail service operations and certain other aspects of our business operations. See "CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS—Transactions with FECR—Dispatching Services Agreement" for additional information. We also entered into a contract with Siemens on December 31, 2014 (the "Siemens Maintenance Agreement") for all warranty repairs and maintenance on the rolling stock, subject to certain limited exceptions set forth therein. This 30-year contract ensures regular preventive maintenance, as well as capital maintenance over the life of the contract at a set price with an established cost escalator, thereby making these large costs more easily predictable. See "—Current Miami-Orlando Assets—Rolling Stock Order – Siemens" for additional information.

Speed and Connectivity

Our passenger rail service offers leisure, business and personal travelers fast, reliable, convenient and comfortable travel within Southeast Florida and Central Florida. We operate up to 36 daily weekday departures between Miami and Orlando, with stops in Boca Raton, Fort Lauderdale, Aventura, and West Palm Beach. The daily weekday departures are hourly, generally beginning at 5:00 a.m. southbound from Orlando, including 30-minute departures for

peak morning and evening commutes, and ending the day with the final northbound arrival into Orlando at just after 1:00 a.m.

The Project's express trains are able to travel at track speeds of up to 125 mph, making the 235-mile trip from Miami to Orlando in approximately 3 hours 15 minutes, while offering onboard amenities to passengers, compared to an estimate of approximately 4 hours 15 minutes by car along I-95 or 3 hours 50 minutes with normal traffic along the Florida Turnpike, which is a toll road. The Project's express trains are expected to be able to travel at speeds in excess of 150 mph on the extension from Orlando to Tampa. Train stations are conveniently located in city centers near major travel destinations and offer multiple connections to local commuter rail and public ground transportation. The Additional In-line Stations at Aventura and Boca Raton add approximately two to three minutes each to travel time, offset by approximately five minutes of travel time savings resulting from the switch to the I-ETMS signaling system as part of the additional capacity expansion initiatives.

We use I-ETMS, a GPS tower and satellite based system that constantly monitors train position with an accuracy of approximately six feet. The increased accuracy of the I-ETMS system allows for greater fluidity and interoperability. I-ETMS provides increased flexibility for future track changes and faster trip times.

Our 2023 on-time percentage as of December 31, 2023, reported by DispatchCo, was above 99% using the formula defined in the operating agreement (which excludes certain uncontrollable causes of delay), and approximately 89% without such exclusions.

Customer Experience

We have seen and expect to continue to see that our passenger rail service will be used by a diverse mix of leisure and business travelers, both domestic and international, and Florida residents transiting Southeast and Central Florida. Such diversity of ridership will decrease our dependency on any one type of traveler and will allow us to maximize efficiency by achieving higher load factors throughout our daily departure schedules, including during off-peak times. Whether traveling for business or leisure, passengers can maximize productivity, using mobile devices freely, and enjoy a variety of amenities, while traveling from one downtown location to another on a reliable schedule and in an environmentally friendly way. Our trains depart and arrive at our modern, state-of-the-art stations, and all of our trains are equipped with free high-speed WiFi connections via Starlink. There are ample opportunities for passengers to enjoy food and beverage options, both during their train journey as well as at the stations. Additionally, passengers are able to avoid the hassles of flying or driving, including unpleasantries such as long airport check-in and security lines, cramped airplane seats and stop-and-go traffic. Leisure riders can relax from the moment they enter a station and avoid dealing altogether with unpredictable roadway, airport or air traffic conditions. Similarly, business riders can enhance the productivity of their work trip by spending the entirety of their ride connected to WiFi.

We believe our high level of service and customer satisfaction translates into repeat riders. From December 2021 through February 29, 2024, we have seen the number of rides coming from guests with 10 or more bookings in the prior month jump from approximately 6% to 29% of total monthly rides.

Brand and Market Positioning

Branding and marketing for the Project is being led by a management team with direct experience in leading large consumer-centric businesses and launching new transportation products and companies. Our introductory brand positioning is both awareness and feature-based, and highlights the benefits of train travel, including convenience, reliability, safety and affordability, especially when compared to the downsides of traveling this busy corridor by car or air. These benefits allow travelers to skip traffic during peak times, potentially leading to lengthened and more frequent trips.

Our Net Promoter Score for the twelve months ended February 29, 2024 was 66. Net Promoter Score is an industry-wide index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. Our score compares favorably or is superior to similar scores for leading companies as provided in the 2021 Satmetrix benchmarks for the Net Promoter Score leaders by industry (e.g., Ritz Carlton (hotels):

66; Alaska Airlines (airlines): 71; Costco (online commerce): 59; Apple (technology): 60; Apple Music (online entertainment): 57; USAA (banking): 70; Airbnb (lodging alternative): 43).

The convenience and level of service onboard, the environmental benefits of train travel versus alternative modes and the speed and comfort of the trip are all being marketed strategically. We anticipate demand to originate from a diverse set of travelers including people originating on both ends of the service (in Miami and Orlando, Florida) and to travelers making the trip for several different purposes, including leisure, business and personal travel. Due to this, our marketing effort will be achieved through multiple channels including direct-to-consumer, business-to-business and through relationships with wholesalers and travel partners within the overall travel trade industry. As part of our branding and marketing strategy, we utilize a Customer Data Mart technology solution to understand passengers' usage and preferences so we can adjust our marketing and services accordingly. This gives us deep insights into who our guests are, including their travel behaviors, purchase patterns (including products, price points and travel parties). We utilize this data extensively both to reach existing or past customers and also to develop our product offerings. Additionally, we currently offer strategic guest loyalty programs and are developing a wide-ranging customer-centric loyalty marketing program, with reward options carefully curated to our regional audience.

Ticket Sales, Revenue and Distribution

Tickets are available through multiple distribution channels, including direct sales to travelers over the internet and through mobile devices on our mobile application or at ticket machines at our stations (which we refer to as our "retail channel"), and indirect sales through wholesalers and travel partners through our Distribution Travel Market (which we refer to as our "wholesale channel"). For the retail channel, we have designed our website and ticket kiosks to have a user-friendly interface and to offer travelers a quick and efficient way to take advantage of our diverse array of service offerings and departure times. We also employ search engine optimization technology to direct customers to our website for ticket purchases. Additionally, our mobile app provides access to ticket reservations, price details, real-time train status information and social media options. Through our wholesale channel, we have developed partnerships and affiliations with a variety of travel partners and wholesalers to integrate our tickets into travel packages that are presold to the leisure market. In mid-2024, we expect to implement a partnership with AccesRail, enabling our tickets to be sold on Global Distribution Systems ("GDS") with broad access to distribution partners including travel partners, wholesalers and tour operators. A GDS allows travel agents to view and book various means of travel for their clients across airlines, hotels, trains and rental cars, among others. A further channel we utilize is the sale of bulk ticket banks to hotels, businesses and convention centers that sell directly to their customers. An additional application of this allows Visitors' Bureaus in South Florida to package a train ticket with spas, hotels and other activities to promote "staycations" in South Florida. Our management team has also made substantial investment in marketing, pre-launch ticket sales and corporate block sales. We offer an array of products tailored to the businessto-business and corporate segments, such as annual and monthly passes and flexible ticket packs in various denominations. These are sold through our direct sales team, who also sell packages for corporate groups and eventbased charters.

Tickets are available for purchase prior to the date of travel, and as late as minutes before departure. Seats are assigned and travelers are able to select specific seating and coach preferences, such as a solo seat or adjacent seating for groups. Ticket prices are demand-driven and based on the day and time of departure. We utilize yield management strategies that allow us to determine, on a daily basis, pricing, allocations and coach configuration needs. We constantly evaluate ticket sales progress throughout the day and adjust our ticket allocations, inventory and pricing in real time to match current sales and demand patterns and to optimize load factors and fares. Our yield management strategies closely match what is seen in the airline industry, which is more sophisticated than other rail lines. As of February 29, 2024, we had over 702,000 downloads of the Brightline mobile application since the relaunch of our service in November 2021, giving guests access to booking train tickets, purchasing ancillaries (including parking), modifying tickets and entering the ticketed areas of our stations.

Ancillary Revenue Opportunities

In addition to ticket revenues, we intend to capitalize on passenger volume to generate high margin ancillary revenue from sources such as food and beverage sales, including pop-up venues on or adjacent to the station property, merchandise sales, parking fees, baggage fees, advertising, sponsorships and marketing affiliations (including naming rights), commissions from our travel partners and ground transportation extensions and other services. Our trains and

stations provide multiple opportunities for advertisers to reach a large and captive audience. We sell advertising space on video screens, monitors, kiosks and displays at each station and on board our fleet of trains and ground transportation facilities. We also actively pursue long-term partnerships and sponsorships with a variety of organizations, including medical centers, sports teams, financial institutions and technology companies. In addition, we expect to generate income through travel packaging relationships with third parties such as cruise lines, car rental companies, hotels and theme parks. Through these relationships, we would act as an agent, seeking to include the travel partner's or destination's product or service in a packaged vacation for our rail passengers. For each product or service we are able to sell, we would earn a commission. Furthermore, we expect to generate additional revenues for our passenger rail service through à la carte offerings of high-quality food and beverage options, retail merchandise and business services. Private reserved trains for conventions and groups outside normal scheduled services will also be available for charter. Finally, our affiliates intend to develop retail, residential and commercial transit-oriented real estate development opportunities at or near our station sites.

We believe the opening of our rail service to Orlando will significantly increase the per-passenger related ancillary revenue versus the South Segment profile based on a number of factors. The North Segment passengers have additional time on the train, and we expect that they will therefore have an increased discretionary spend. The North Segment is expected to be predominantly business and leisure travelers compared to the South Segment travelers who tend to be short-distance daily commuters who ride frequently. Further, because there is expected to be an increase in distance from origination, compared to the South Segment, the North Segment benefits from the increase in opportunities for selling once a passenger gets farther away from their originations (e.g., items such as baggage, meals, etc.). In addition, the North Segment has a unique selling opportunity by serving two differentiated yet destination-level regions (e.g., opportunities for unique souvenirs, foods to be served, etc.). We are already seeing the impact of this, with average per-passenger related ancillary revenue increasing from \$4.41 in the month of August 2023 to \$7.97 in the month of February 2024. We expect average per-passenger revenue to increase as long-distance ridership continues to ramp up.

Safety

Safety is our top priority. Our team has a well-rounded safety and security division with significant experience in the rail and transportation industries. We meet and exceed the highest standards set by the FRA and FDOT. We have a robust safety and security approach that focuses on education, enforcement and engineering. Our efforts include safety-related infrastructure investments throughout our rail corridor, emergency response trainings with all law enforcement agencies along the Brightline/FECR corridor, television and radio public service announcements and multiple partnerships, including with school districts, "211" chapters (a service which supports essential community services) along our alignment and Operation Lifesaver, a national nonprofit dedicated to reducing at-grade incidents. While incidents have occurred in our system from time to time, and may occur in the future, the vast majority of the incidents that have occurred involved individuals who were deliberately circumventing in-place safety features (driving through lights or around gates, etc.) or were trespassing on our corridor (such as individuals with mental health conditions and those committing suicide). We thoroughly investigate every incident, including review of train camera footages and video surveillances from the corridor and we have never been found liable for any incident. Notwithstanding the foregoing, we remain focused on reducing all incidents.

Cybersecurity

We use technology in substantially all aspects of our business operations, including, but not limited to, systems that monitor our operations or the status of our stations and trains, communication systems to inform the public, infrastructure monitoring systems, passenger ticketing and boarding, points of sale, terminals and radio and voice communication systems used by our personnel. For example, the widespread use of technology, including mobile devices, cloud computing and the internet, give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including information relating to passengers, vendors and contractors, private information about employees, and financial and strategic information about us and our business partners. If we fail to effectively assess and identify cybersecurity risks associated with the use of technology in our business operations, we may become increasingly vulnerable to such risks. See "RISK FACTORS—Risks Related to the Business of Project Owner—Project Owner is subject to risks related to cybersecurity."

In order to limit these risks, we maintain a \$10 million cyber-liability insurance policy, which is designed to mitigate losses from a variety of cyber incidents, including data breaches, network damage and resultant business interruption. In addition to cybersecurity insurance, we maintain a cybersecurity program, which includes implementing preventative measures and best practices to thwart cyberattacks. Cyber protection is embedded within our multiple third-party software packages, and we utilize firewalls, data backups, asset management, access control, training for staff and related protections. To protect sensitive data, we utilize off-site Microsoft cloud spaces, which host personal information related to ticketing but do not store any payment card information. We do not maintain or process any personally identifiable information, payment card information or protectable health information of our customers within the company.

Our Market

2022 Ridership and Revenue Study

The 2022 Ridership and Revenue Study is based on various assumptions and methodologies and is subject to certain qualifications. The 2022 Ridership and Revenue Study is based on the 2018 Ridership and Revenue Study and uses updated customer preference surveys and demographic trends, incorporates estimates of the impact of the COVID-19 pandemic on the future travel market and is calibrated to our actual historical ridership trends. We have a team evaluating the data analytics to implement a dynamic, variable pricing approach to accelerate customer adoption and maximize revenue over time. Although there can be no assurances, we are confident that we will achieve our projected ridership and fares. Our ridership for the year ended December 31, 2023 was 2,053,893 passengers as compared to 1,230,494 passengers for the year ended December 31, 2022, and ridership for the year-to-date ended March 31, 2024 was up 48% over the comparable period in 2023. We expect to utilize our customer data from the South Segment to execute on the North Segment pricing strategy necessary to achieve its projections.

With a population of over 6.2 million in 2020, the Southeast Florida metropolitan area is the most populous metropolitan area in the Southeastern United States and the seventh most populous urbanized area in the United States. Primary cities include Miami, Aventura, Fort Lauderdale, Boca Raton and West Palm Beach. Together with Central Florida, the study area consists of eight counties and a combined population of 9.5 million in 2020. Miami International Airport is the busiest airport in Florida (50.7 million passengers in 2022) and ranks second in the United States in terms of international passenger count, with 21.4 million international passengers passing through in 2022. Central Florida's main city, Orlando, and the surrounding Greater Orlando region attracted approximately 74 million visitors in 2022, the most-visited travel destination in the United States. Attractions include the Walt Disney World theme parks, Universal Orlando Resort and SeaWorld Parks & Entertainment – over 76 million daily theme park visits were made in the Greater Orlando region in 2022. Convention and trade show attendance at the Orange County Convention Center totaled approximately 650,000 in fiscal year 2020-20219. Orlando International Airport, a station location, is the second busiest airport in Florida, served approximately 50.7 million passengers in 2022. Orlando's secondary airport, Orlando Sanford International Airport, served approximately 2.8 million passengers in 2022.

Existing Modes of Travel

Auto vehicles represent the dominant mode of intercity travel between Orlando and the Southeast Florida cities that we serve. In addition, there are a few private bus companies that operate several buses daily between Orlando and Southeast Florida along the Florida Turnpike and available rideshare options. The two main routes by auto between the cities are the I-95 interstate highway and the Florida Turnpike. Free-flow driving times between Miami and Orlando are estimated at approximately 4.5 hours along I-95 and at 3 hours 50 minutes with normal traffic along the Florida Turnpike, which is a toll road. Travel times during congested peak periods can be substantially greater. Driving

Source: Orlando Sentinel, "Report: Disney's Magic Kingdom tops worldwide theme park attendance for 2022," July 14, 2023, https://www.orlandosentinel.com/2023/06/14/theme-park-attendance-list-2022-disney-magic-kingdom-tea-aecom/

Source: Orlando County Convention Center Annual Report: http://orlandoconvention.com/Portals/0/Library/About-Us/Marketing-Toolbox/docs/22 OCC 0003 Annual%20Report R4V1%20-web-CERT.pdf

time between Miami and Orlando can take as long as 5 hours compared to our travel time of approximately 3 hours 15 minutes.

Travel within Southeast Florida is also primarily by auto vehicles. Between Miami and West Palm Beach, the Florida Turnpike runs parallel with I-95. Driving from Miami to West Palm Beach typically takes about 1 hour 20 minutes on I-95 and 1 hour 30 minutes on the Turnpike. Driving time between Miami and Fort Lauderdale is about 35 minutes while the drive from Fort Lauderdale to West Palm Beach takes about 50 minutes. During congested peak periods it is not uncommon for these travel times to increase by 30 to 50 percent due to incidents or weather, making journey and arrival times during these key periods unreliable. Driving time between Miami and West Palm Beach at peak times can take two or more hours, compared to our travel time of approximately just over one hour.

Air, rail and bus account for a small proportion of trips between Orlando and Miami. Most passengers traveling by air on the more than thirty daily flights between Miami and Orlando are connecting to another destination. Two Amtrak trains, the Silver Meteor and the Silver Star, each run once daily between Orlando and Southeast Florida. The Silver Meteor, which is the fastest because it does not make a detour to Tampa, takes about 3 hours 45 minutes from Orlando to West Palm Beach and 5 hours 35 minutes from Orlando to Miami. Our travel time is superior to the Silver Meteor, with an estimated travel time of two hours from Orlando to West Palm Beach and about 3 hours and 15 minutes from Orlando to Miami. Additionally, we operate up to 36 daily weekday departures, providing more flexibility to potential customers than Amtrak's services.

The other main alternative mode of transportation between Miami and West Palm Beach is through Tri-Rail, a commuter rail line run by the SFRTA that links Miami, Fort Lauderdale and West Palm Beach. Tri-Rail's 72-mile line has 18 stops and had an annual ridership of 4.5 million in 2019 and, other than the upcoming connection to MiamiCentral station, generally serves communities and destinations several miles west of our rail corridor. The planned Miami-Dade commuter service on our rail corridor is expected to be mutually complementary to Tri-Rail's and our existing passenger rail service. Miami-Dade County, Brightline and Tri-Rail will seek to coordinate schedules to provide convenient connections among their various services. Before the Additional In-line Stations commenced operation, our service linking Miami, Fort Lauderdale and West Palm Beach only made stops at these three stations, providing a faster alternative for passengers looking to travel to these destinations. The addition of the Additional In-line Stations had an immaterial impact on the approximate travel times as a result of the expected stop-over time at the Additional In-line Stations of approximately two minutes at each station (when taking the local train as opposed to the express train). We also believe that these stop-over times can potentially be offset by improvements in train speed.

Comparison of Travel Times

(All Times Are Approximate)

	Brightline	Car	Amtrak	Tri-Rail
Miami to Orlando	3 hours 15 minutes	3 hours 50 minutes (without traffic)	5 hours 35 minutes	N/A
		5 hours (with traffic)		
Miami to West Palm Beach	1 hour	1 hour 20 mins (without traffic)	N/A	1 hour 45 minutes
		2 hours (with traffic)		

In addition, we believe we can achieve profitability by charging ticket prices that are lower than those of established express passenger rail systems and thereby capturing a higher percentage of the travelers in our markets. We charge fares that were substantially lower than those charged by established rail systems over comparable distances. For example, standard passenger service fares on Amtrak's Acela service, the most comparable intercity service in the United States to our service, average approximately \$212 for short-distance trips, such as New York to Philadelphia (approximately 95 miles), while we expect to charge an average of approximately \$44 for our Miami to West Palm Beach (approximately 67 miles) service at 2026 stabilization. Acela service for long-distance trips, such as New York to Washington (approximately 225 miles), average approximately \$337, compared to our expected average fare of approximately \$123 for our Miami to Orlando (approximately 235 miles) service in 2026. We do not believe our service compares directly with Amtrak's non-Acela service, as that service has significantly less frequent departures and significantly longer travel times compared to our Florida passenger rail service. Moreover, we believe our fares are highly competitive relative to the cost of travel for the same routes via other modes such as driving, rideshare services and flying. The average cost of a next-day flight between Miami and Orlando is approximately \$174, and the average cost of rideshare service between Miami and Orlando is approximately \$300, both higher than our expected fares. An individual traveling on an airline ticket purchased for a next-day flight or traveling on their own via rideshare may thus experience significant savings by using our passenger rail service. We believe that our relatively lower fares will drive ridership in the early stages of our business and that there is a compelling opportunity to increase both fares and ridership in line with industry levels as our business matures.

Comparison of Travel Cost Within Florida

(Brightline Costs Are Estimates of Average Fares in 2026)

	Brightline	Amtrak	Air (Next Day Flight on Average)	Rideshare Service (Single Passenger)
Miami to Orlando	\$123 per passenger	\$100 per passenger	\$174	\$300
Miami to West Palm Beach	\$44 per passenger	N/A	N/A	\$100

Transit-Oriented Development

The high number of passengers expected to pass through our downtown stations is expected to support several attractive retail, residential and commercial transit-oriented real estate development opportunities at or around our owned station sites. Each of our first three owned stations in South Florida anchored successful transit-oriented

developments by FECI. The largest scale development is surrounding the MiamiCentral station, where FECI invested \$1 billion to develop the station and adjacent office, residential and retail developments. This includes: (i) two class A office towers totaling approximately 300,000 square feet and approximately 30,000 square feet of ground floor retail space with a parking garage, which were sold in 2021, (ii) the Parkline Miami residential development, which is two 30-story residential towers adjacent to the MiamiCentral station, totaling 816 rental units and encompassing 735,000 square feet, and also featuring a two-acre amenity deck including pools, a spa and a fitness center; the two towers were rapidly leased up through the pandemic and ultimately sold in March 2022 and (iii) 130,000 square feet of prime street level retail and food hall space within the mezzanine level of Miami station, which was transferred to Brightline Holdings in July 2022.

Our train and surrounding developments have led to significant activity by developers of the real estate surrounding the Brightline stations. From when Brightline announced plans to build the station in Downtown Miami, the total residential units in the area has more than doubled. The growth is exemplified by Miami World Center, a \$4 billion major mixed-use development in downtown Miami just a few blocks east of the station. Although the various transit-oriented development projects described above will not constitute collateral for the Bonds, we believe they will enhance the appeal of our passenger rail system.

Expansion Plans

Additional In-Line Stations

With the extension to Orlando now in operation and given the success of our Aventura and Boca Raton stations, we have announced plans to build an in-line Treasure Coast station in Stuart in Martin County and are reviewing and developing options for additional future in-line stations. The station is expected to be supported by a \$45 million dollar contribution from the City of Stuart and Martin County, which Project Owner expects will fully fund the capital expenditure related to the new station. Additionally, on March 12, 2024, we announced plans for a Cocoa station in Brevard County. We are also considering options for stations that would further facilitate serving cruise line and airline passengers traveling along our corridor. The funding for these stations is expected to be provided from (i) funds transferred from the Capital Projects Account, (ii) equity contributions and grants made to Project Owner, (iii) additional senior indebtedness, subject to the limitations on incurrence of additional debt under Project Owner's thenoutstanding indebtedness documents or (iv) any combination of (i)-(iii).

Affiliate Expansion Plans

Orlando-Tampa Project

On January 2, 2024, we sold the assets associated with the Orlando-Tampa Project to an affiliate, Brightline Tampa, including the contracts with architects, surveyors and consultants related to the design and development of the Orlando-Tampa Project (collectively, the "Tampa Assets"). In addition, we assigned, or agreed to assign or otherwise confer the following benefits and obligations thereof, to Brightline Tampa: (i) the award of the request for proposal ("RFP") for leasing of FDOT and CFX rights of way for an intercity passenger rail system between Orlando and Tampa, (ii) the \$15,875,000 grant from the FRA to advance preliminary design activities for the Orlando-Tampa Project, and (iii) the access rights to and from the Orlando International Airport from Tampa under an agreement with GOAA. To the extent that an assignment requires a consent which is not available or is otherwise not permitted, we can, through sublease, designation or other means, transfer the benefits and burdens of those agreements to Brightline Tampa. In collaboration with the local business community and government partners, Brightline Tampa is developing the Orlando-Tampa Project, which will consist of all potential stops west of the Orlando International Airport. Currently, there are two planned intermediate stops expected to serve the Orange County Convention Center and the major theme parks in Central Florida, and a planned stop in the Tampa area.

We and our indirect parent have engaged in discussions with regulatory authorities to extend our passenger rail system approximately 90 miles from Orlando to Tampa, with two planned intermediate stops expected to serve the Orange County Convention Center and the major theme parks in Central Florida, a planned stop in the Tampa Area and any potential stops west of the Orlando International Airport. On January 2, 2024, we transferred the rights and assets related to the development, including the various approvals and entitlements described below, of the Orlando-Tampa Project to Brightline Tampa.

In November 2018, we received approval from the State of Florida and CFX for a right of way required to construct the passenger rail system to Tampa. The State of Florida undertook a standard process to offer an opportunity for other parties to make an alternative bid for the right of way, and there were no other bidders. We are in active planning for this potential system extension.

Brightline Tampa is evaluating the various entitlements required for this extension and we expect this extension to benefit from the prior Record of Decision issued for the State of Florida's former Tampa-Orlando high speed rail project. Brightline Tampa's proposed route utilizes significant portions of that previously planned right of way.

We, Brightline Tampa and our indirect parent have been working with Orlando area stakeholders to maximize future investment in the Orlando-Tampa Project. In collaboration with local leaders, we have identified a new alignment, known as the "Sunshine Corridor," which contemplates two new stations between Orlando International Airport and Tampa, instead of one station as previously planned, and integrates our intercity service with the Regional Commuter Rail project, ("SunRail"), through an east-west expansion. One new station would be located at the Orange County Convention Center and a second new station would be conveniently located near the South International Drive business community and multiple theme parks. The stakeholders include the City of Orlando, Orange County, the Central Florida Tourism Oversight District and other public and private entities. The "Sunshine Corridor" program is a comprehensive multi-modal program between Orlando International Airport and a proposed station at the southern end of International Drive designed to address the mobility, economic, environmental and safety needs of Central Florida, one of the fastest growing population centers in the country. Advancing this program now will position the region to pursue once-in-a-generation federal funding opportunities created by the Infrastructure Investment and Jobs Act that can significantly improve the region's transportation network and ultimately connect Florida's three largest population centers (Tampa-Orlando-Miami). The integrated alignment has significant benefits for us. When fully completed, the "Sunshine Corridor," including the Orlando-Tampa Project, is expected to offer no more than single transfer rides between the central business districts of Miami, Fort Lauderdale, West Palm Beach, Orlando, Orange County Convention Center and its associated tourist area, multiple theme parks and Tampa.

The Sunshine Corridor program leverages previous and planned modal investments in Orlando International Airport's Terminal C expansion project, SunRail's Central Florida Rail Corridor to Orlando International Airport project, our Miami to Orlando International Airport project and FDOT's I-4 Beyond the Ultimate interstate expansion project, to significantly increase mobility options for residents, workers and visitors through the construction of a new passenger rail corridor shared by SunRail and Brightline. The passenger rail corridor is planned in two segments:

- 1. The Sunshine Corridor Segment of the newly proposed rail connection would connect three activity centers with the highest level of employment and visitation in Central Florida. The three integrated Brightline/Commuter Rail stations are proposed to include:
 - Orlando International Airport the seventh busiest airport in the world with over 22,000 badged employees. This is part of our North Segment between West Palm Beach and Orlando International Airport, which is now complete.
 - Orange County Convention Center Area the second largest convention center in the U.S., with over 1.5 million annual convention center attendees, over 75,000 employees within the activity center and convenient to the future Universal Epic Theme Park.
 - South International Drive convenient to theme parks such as Walt Disney World, which sees over 55 million visitors annually and over 53,000 employees, and to over 125 hotels and resorts and five entertainment complexes.
- 2. The South International Drive to Tampa segment of this project includes completing 67-miles of track improvements and stations to support Brightline Tampa intercity passenger rail service. The alignment begins at the South International Drive station and continues southwest down the I-4 corridor on to Tampa. This expansion from Orlando International Airport to Tampa will complete the 337-mile system connecting Florida's three largest population centers and realize a decades-long vision for mobility within Florida.

A detailed service plan is expected to be developed to refine required infrastructure improvements needed to meet the service goals and ensure reliable operations through coordinated commuter and intercity rail services. We expect intercity passenger rail from the Orlando International Airport to Tampa to be operated with a minimum of hourly service between 6 a.m. and 11 p.m. (18 trains per day, each way). We are working with FDOT and regional partners to coordinate the Commuter Rail expansion so that passenger rail ridership will be maximized. Management believes that the Orlando-Tampa Project, once fully ramped-up, would generate millions of additional riders per year and significant incremental revenue.

On June 1, 2022, the U.S. Department of Transportation approved a \$15.9 million grant to support the preliminary engineering activities and environmental approvals required for our revised Tampa extension alignment.

Brightline Tampa plans to develop the Orlando-Tampa Project to the point where it is has received final NEPA permitting and achieved at least 60% design. Once this has been achieved, Project Owner will have the option to repurchase the Orlando-Tampa Project for \$500 million, provided that the incurrence of any indebtedness by Project Owner to finance the repurchase and/or development of the Orlando-Tampa Project would be subject to a Rating Confirmation. If Project Owner does not exercise its repurchase option, Brightline Tampa may independently finance, construct and operate the Orlando-Tampa Project. We expect that ultimately, the entire Miami to Tampa system will be owned and operated by Project Owner, requiring either a Rating Confirmation or a refinancing of the Bonds.

On April 1, 2024, Project Owner obtained from Brightline Tampa certain rights which will allow for a connection with the Orlando SunRail corridor providing access to and from downtown Orlando.

South Florida Commuter Rail Project

An affiliate of Project Owner is currently developing the South Florida Commuter Rail Project to expand convenient access to Project Owner's intercity passenger rail service, to drive increased long-distance ridership and to generate high-quality cash flow through payments from Miami-Dade, Broward and Palm Beach Counties.

The commuter rail service on the existing rail corridor between our stations in downtown Miami and Aventura, Florida (the "MDC Segment") is expected to include stops at MiamiCentral station, at stations located on NE 26th Street, on NE 39th Street, in Little Haiti, on NE 125th Street and on NE 151st Street, and at Aventura station. Commuter rail service on the MDC Segment is expected to include 25 northbound and 25 southbound trains every weekday and 17 northbound trains and 17 southbound trains every weekend day. Commuter rail service on the existing rail corridor between our stations in Aventura, Florida, and the northernmost commuter station anticipated at Hillsboro Boulevard in Deerfield, Florida (the "BRWD Segment") is expected to include stops at Aventura station and at stations located in Hollywood, Dania Beach at Fort Lauderdale-Hollywood International Airport, Downtown Fort Lauderdale, Oakland Park or Wilton Manors, Pompano Beach and in Deerfield Beach. Commuter rail service on the existing rail corridor between Deerfield Beach and Jupiter, Florida (the "PBC Segment") is expected to include stops at, but not limited to, Deerfield Beach, Boca Raton, West Palm Beach and Jupiter, Florida. The MDC Segment, BRWD Segment and PBC Segment are hereinafter called the "Commuter Segments." Our affiliate holds the rights to operate commuter rail service on our rail corridor in Miami-Dade, Broward and Palm Beach Counties and are in active negotiation with Miami-Dade and Broward Counties for these projects. The costs of the South Florida Commuter Rail Project will be the sole responsibility of our affiliates holding the commuter rights and the Counties, as applicable. Commuter rail service on the applicable Commuter Segment will only commence after the Availability Conditions (as defined herein) are satisfied, including achievement of substantial completion of the required additional infrastructure necessary to operate each Commuter Segment and confirmation by the FRA that such commuter rail service is and will be in accordance with applicable law. Miami-Dade and Broward Counties continue to advance projects to provide commuter service on our corridor. A major advancement for the MDC Commuter Project occurred on March 11, 2024 as the U.S. Department of Transportation listed the MDC Commuter Project being pursued by one of our affiliates as a priority rail New Starts federal grant candidate in President Biden's proposed budget; the report recommended a one-time federal funding grant of \$263.7 million.

Intercompany Access Agreements

Pursuant to an access agreement with MDC Commuter LLC ("MDC Commuter" and such agreement the "MDC Intercompany Access Agreement"), an access agreement with BRWD Commuter LLC ("BRWD Commuter" and such agreement the "BRWD Intercompany Access Agreement") and an access agreement with PBC Commuter LLC ("PBC Commuter" and such agreement the "PBC Intercompany Access Agreement"), Project Owner has granted each of MDC Commuter, BRWD Commuter and PBC Commuter, the right to operate commuter rail service and to have access to certain stations on the MDC Segment, the BRWD Segment, and the PBC Segment, respectively, as Project Owner's designee for a period of 93 years, in consideration, in case of each of the MDC Segment and the BRWD Segment, for an upfront payment of \$245 million, and in the case of the PBC Segment, for an upfront payment of \$135 million. MDC Commuter, BRWD Commuter and PBC Commuter are hereinafter called the "Commuter SPVs." Project Owner was also paid \$175 million for its option to repurchase the access rights in Miami-Dade and Broward Counties, effectively terminating the option. Project Owner has agreed not to designate any other commuter passenger rail service provider on the Commuter Segments other than the Commuter SPVs. The Commuter SPVs are entitled to grant their respective rights to operate commuter rail service to certain third parties, including Miami-Dade County, Broward County and Palm Beach County, with respect to the MDC Segment, the BRWD Segment, and the PBC Segment, respectively, as set forth in the MDC Intercompany Access Agreement, the BRWD Intercompany Access Agreement, and the PBC Intercompany Access Agreement. The costs of the South Florida Commuter Rail Project will be the sole responsibility of the Commuter SPVs and the Counties, as applicable. The MDC Intercompany Access Agreement, the BRWD Intercompany Access Agreement and the PBC Intercompany Access Agreement are collectively referred to as the "Intercompany Access Agreements."

Commuter rail service on the applicable Commuter Segment will only commence after the Availability Conditions are satisfied, including achievement of substantial completion of the required additional infrastructure necessary to operate each Commuter Segment and confirmation by the FRA that such commuter rail service is and will be in accordance with applicable law.

After satisfaction of the applicable Availability Conditions, each of the Commuter SPVs will be entitled to operate and set and collect all fares in connection with such operation of, commuter rail service on the applicable Commuter Segment. MDC Commuter may run hourly, bi-directional service on the MDC Segment, and, subject to certain conditions, up to seven additional half-hourly, bi-directional services during peak hours. BRWD Commuter may run hourly, bi-directional services during peak hours. The PBC Intercompany Access Agreement permits PBC Commuter to run hourly, bi-directional service on the PBC Segment, and, subject to certain conditions, up to seven additional half-hourly, bi-directional services during peak hours. Project Owner and the applicable Commuter SPV will agree to a proposed schedule for the applicable commuter rail service in accordance with the terms of the applicable Intercompany Development Agreement (as defined herein), and, once such schedule is approved by the Service Standards Committee under the Joint Use Agreement (as defined herein), such schedule shall constitute the baseline schedule for the applicable commuter rail service.

Maintenance of the Commuter Segments will be performed in accordance with certain agreements related to the Project. In connection with its operation of commuter rail service on the applicable Commuter Segment, each of the Commuter SPVs will be responsible for payment of its share of maintenance and capital expenses with respect to shared rail infrastructure (calculated on a per-ton-mile formula for ordinary operations and maintenance, and on a per-train-mile formula for signal maintenance and otherwise as set forth in the Intercompany Access Agreements) and shared commuter stations.

Intercompany Development Agreements

Pursuant to a development agreement with MDC Commuter (the "MDC Intercompany Development Agreement"), a development agreement with BRWD Commuter (the "BRWD Intercompany Development Agreement") and a development agreement with PBC Commuter (the "PBC Intercompany Development Agreement and, together with the MDC Intercompany Development Agreement and the BRWD Intercompany Development Agreement, the "Intercompany Development Agreements"), Project Owner has granted each of MDC Commuter, BRWD Commuter and PBC Commuter, the right to design and construct certain additional rail infrastructure and station improvements necessary for commuter rail service on the MDC Segment (which will include up to five

additional commuter stations), the BRWD Segment (which will include up to six additional commuter stations), and the PBC Segment (which may include up to six additional commuter stations), respectively. All improvements on the rail infrastructure constructed under the MDC Intercompany Development Agreement, the BRWD Intercompany Development Agreement, will be owned by Project Owner.

Project Owner will act as the construction manager under the Intercompany Development Agreements with respect to the South Florida Commuter Rail Project. In consideration of its services as the construction manager, each of the Commuter SPVs shall pay Project Owner an amount equal to 2.8% of any costs associated with design, engineering, construction, environmental, permitting, testing and commissioning under any construction contract in respect of the applicable commuter project (the "Commuter Project Management Fee"). The Commuter Project Management Fee will be payable from time to time concurrently with payments by the applicable Commuter SPV under any construction contract in respect of the applicable commuter project.

As between the Commuter SPVs and Project Owner, the Commuter SPVs will be responsible for the design, construction, testing and commissioning of the applicable commuter project and securing any required FRA acceptance.

Brightline West

An affiliate of Project Owner is currently developing a high-speed passenger rail system that is intended to operate from Las Vegas, Nevada to Rancho Cucamonga, California ("Brightline West"). In December 2023, the Nevada Department of Transportation received \$3 billion in funding from the Federal-State Partnership for Intercity Passenger Rail Grant Program for Brightline West.

Employees

We do not have any employees. Services of the Project's senior management team, as well as other personnel described below, are made available to us by Brightline Management LLC, a Delaware limited liability company and an affiliate of Project Owner (the "Manager"). See "CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS—Management Agreement" for additional information.

As of January 31, 2024, the Manager and its affiliates, collectively, have 549 employees, 34 of which are in support matters unrelated to the Project. At stabilized operations for the Project, we expect the Manager and its affiliates, collectively, to have approximately 584 full-time equivalent employees for our Florida passenger rail system, of which we expect the majority to be allocated to rail operations (including onboard staff and maintenance support staff) and stations and hospitality operations (including station managers, station engineers, safety and security staff, ticket counter/guest services agents, public area attendants and baggage agents, in-station cafe attendants and commissary employees). As part of the 584 full-time employees, we expect the Manager and its affiliates, collectively, to have approximately 97 employees in support of corporate functions and 487 in support of train operations.

Our Florida passenger rail system operations are based in Miami. None of our Florida passenger rail system operations employees are covered by any collective bargaining agreements, and we have not lost a day of operations for a labor-related cause. We are confident in our ability to continue to staff, train and retain a highly productive and engaged workforce, including sufficient engineers, conductors, and train-related labor.

Regulations

Railroad Regulations

Based on the decision, dated December 21, 2012, of the Surface Transportation Board ("STB"), a federal economic regulatory agency that is charged with resolving railroad rate and service disputes and reviewing proposed railroad mergers, our existing and proposed rail system in Florida is not subject to its regulatory jurisdiction under Title 49 of the United States Code. However, if the STB were to assert jurisdiction over us in the future, then advance approval or exemption might be required for our passenger railroad operations. The STB would also have the power to regulate fares and service while we are operating.

Our operations are also subject to rules and regulations promulgated by the FRA, as well as various agencies and bodies of the federal, state and local governments which have jurisdiction over such matters as employment, environment, safety, traffic and health. The rules and regulations to which we are currently subject may change, and we may become subject to additional rules and regulations. See "RISK FACTORS—Risks Related to the Business of Project Owner—Project Owner is subject to governmental regulations relating to the Project, which could impose significant costs on the Project and could impede operation of the Project, which would have a material adverse effect on Project Owner."

Environmental Regulations

As a landowner, railroad operator and developer of related infrastructure, we are subject to various federal and state laws relating to protection of the environment. These include requirements governing such matters as the management of waste, the discharge of pollutants into the air and into surface and underground waters, the manufacture and disposal of regulated substances, the remediation of soil and groundwater and the protection of wetlands, endangered species and other natural resources. Failure to comply with applicable requirements can result in fines and penalties and may subject us to third-party claims alleging personal injury and/or property damage, among others, and may result in actions that seek to restrict our operations. Some environmental laws impose strict, and, under some circumstances, joint and several, liability for costs of investigation and remediation of contaminated sites on current and prior owners or operators of the sites and also impose liability for related damages to natural resources.

We intend to operate in material compliance with applicable environmental laws and regulations and estimate that any expenses incurred in maintaining such compliance will not have a material effect on our earnings or capital expenditures. However, there can be no assurance that new, or more stringent enforcement of existing requirements or discovery of currently unknown conditions will not result in significant expenditures in the future.

Governmental Permits

As a landowner, railroad operator and developer of related infrastructure, we are subject to various federal and state laws that require us to obtain certain permits and other approvals, including the permit requirements related to the system that are imposed by the FRA, the Federal Aviation Administration, Florida Department of Environmental Protection, South Florida Water Management District, St. Johns Water Management District, the U.S. Army Corps of Engineers, the U.S. Coast Guard, Orange County (regarding Conservation Area Impact) and other government agencies. We retained various consultants to provide services needed to support this effort, including Wood Environment & Infrastructure Solutions, Inc., which coordinated the work of a team of consultants that obtained the environmental permits required. We also developed a strategy to identify and comply with regulatory requirements imposed by regulatory agencies with jurisdiction over the development of our stations, such as requirements mandated by fire, health, environmental and zoning departments. The Project was designed in a manner consistent with applicable zoning and land development codes, and we had the necessary approvals for the North Segment construction.

As part of our original application under the FRA's Railroad Rehabilitation & Improvement Financing program, we participated in evaluations of the environmental consequences of the South Segment and the North Segment in accordance with the National Environmental Policy Act. The FRA studied an environmental assessment released for public comment from October 31, 2012 through December 3, 2012, for the proposed rail system between West Palm Beach and Miami, and issued a "finding of no significant impact" ("FONSI") on January 30, 2013. The FONSI was amended in January 2015 to extend the project limits and include the West Palm Beach running repair facility.

The FRA subsequently published a notice of intent in the Federal Register on April 15, 2013 to prepare an Environmental Impact Statement ("EIS") for the remaining areas of our Florida passenger rail system from West Palm Beach to Orlando. The final EIS was released on August 4, 2015. Thereafter, on December 15, 2017, the FRA issued its record of decision with respect to the North Segment, which documents its decision to approve the North Segment construction.

During the FRA's four-year environmental review of our proposed passenger rail system comprising the South Segment and the North Segment, the FRA, as lead agency, coordinated the efforts of all other cooperating agencies responsible for issuing the final environmental permits for the North Segment. This process allowed each agency to

appropriately assess the various permitting options of our Florida passenger rail system as presented under our plan submitted in connection with such environmental review. Such agencies were given the opportunity to, and did, provide input to the FRA in connection with this environmental review.

We have covenanted to the U.S. Department of Transportation to complete and implement the measures specifically set forth in the final EIS and record of decision to avoid, minimize, or mitigate any adverse effects of our Florida passenger rail system on the environment.

We have obtained all material permits and governmental authorizations required for the operation of the North Segment and received FRA certification in September 2023. We will be required to obtain similar permits and authorizations, which will require, among other things, the performance of additional environmental impact studies, for the expansion to Tampa.

We obtained all permits required for the Additional In-line Stations within the construction timeline. The Additional In-line Stations trackwork and operations are covered under the existing National Environmental Policy Act, EIS and record of decision approvals.

Rolling Stock Regulations

Our trains and stations are designed to be compliant with regulations issued pursuant to the ADA, with seating, bathrooms, level board platforms and walkways designed to accommodate wheelchair and other special physical needs of the disabled. Our locomotives comply with both the U.S. Environmental Protection Agency's Tier Four emissions standards as well as the various regulations and guidelines set forth in the PRIIA mandate. Our rolling stock complies with FRA regulations, including CEM, which provides a standard of structural integrity designed to better protect passengers and employees in the event of a collision, and the new PTC standards, which require a centrally monitored and controlled monitoring system to bring trains safely to a stop if certain operating safety parameters are exceeded. For the currently operating segment of our railroad between Miami and Orlando, we have received a Safety Certification from the FRA for our PTC system. We installed PTC in our North Segment between West Palm Beach and Orlando, which allows our trains to operate within a dynamic safety environment that constantly monitors speed restrictions, compliance with dispatch directives, train separation and similar items and can intervene to stop a train before it reaches an unsafe condition. The PTC system is procured and managed by Brightline and supplied by Wabtec. Wabtec also installs the system in our Siemens locomotives. Similarly, the in-cab signaling system and the voice radio system were procured by us and installed in our locomotives by Wabtec.

Insurance

We commissioned Aon Risk Solutions ("Aon") to develop the Insurance Report Construction and Operations and Maintenance Commencing 2019 through Operations 2022 of Brightline Holdings (the "Insurance Report"), which provides an independent overview of our insurance program related to the Project. The following is a summary of Aon's findings in the Insurance Report.

Our comprehensive insurance program for the Project includes the following coverages:

- *Professional Liability*: Protective errors and omissions insurance will be maintained for the Project. This protects against defenses and damages caused by errors in rendering of professional services by the design and construction teams.
- Builder's Risk: This policy provides first party coverage to protect the Project from physical damage (fire, named windstorm, flood, quake, etc.) which may occur throughout the course of construction, while project materials are in transit and while stored in off-site locations. Additionally, if a covered loss occurs during the course of construction which leads to a delay in the project's anticipated completion, the Builder's Risk policy can respond to cover expenses associated with a delay in start-up and other soft costs that result from the delay. The policy includes limits of \$100,000,000 for any one occurrence, \$75,000,000 for floods, \$75,000,000 for named windstorms, \$100,000,000 for earthquakes and \$100,000,000 for water damage.

- *Pollution Legal Liability*: This policy pays claims for loss, environmental damages or emergency response expense arising out of a pollution incident at an insured location arising from a pre-existing pollution condition. The policy includes a \$25,000,000 limit for each incident and an aggregate limit of \$25,000,000.
- Contractors Pollution Liability: This policy provides coverage for pollution conditions which may arise because of the contractor's/subcontractor's activities. The policy includes a \$25,000,000 limit for each incident and an aggregate limit of \$25,000,000.
- General Liability Non Rail: This policy provides liability insurance coverage, including defense costs, for damages resulting from bodily injury (including death), property damage, personal injury or advertising injury resulting from our non-railroad operations. This would include, retail, food and beverage services, office, vacant land, etc. The policy includes a \$2,000,000 limit per occurrence and a general aggregate limit of \$2,000,000.
- Excess Casualty including Rail Liability: This policy provides liability insurance coverage, including defense costs, for damages resulting from bodily injury (including death), property damage, personal injury or advertising injury resulting from our railroad operations. This would include employee injury, passenger injury and accidents involving train stations, crossings, trespassers, maintenance activities, derailments, and terrorism. This insurance will consist of a retention and an excess liability policy with a \$323,000,000 combined single limit for bodily injury, personal injury and property damage per occurrence (limit may be provided by a combination of primary and excess/umbrella coverage).
- *Property*: This policy provides coverage for physical damage to assets owned, leased or used by it, including buildings, contents, rolling stock equipment, and certain infrastructure assets, which include track and bridges or tunnel structures. Due to the location of Project assets on Florida's eastern seaboard, windstorm and earthquake coverage will be maintained. Coverage will include the loss of business income following an insured event. Insured events would be on an "all risks" basis, including collision, upset and overturn, flood, earthquake, and terrorism. The property program limit is \$200,000,000 subject to certain deductibles and includes sublimits including the following: (i) \$60,000,000 for named windstorm, (ii) \$25,000,000 for flood and (iii) \$10,000,000 for business interruption.
- *Corporate*: Various other policies are expected to be in place, including workers compensation, pollution liability, cybersecurity, food borne illness, crime and fiduciary liability, auto liability and director and officer protection.

The Insurance Report found that the insurance terms, generally, are similar to those in use for other projects of this size and scope. Additionally, the available benchmarking data suggests that an excess liability program inclusive of a self-insured retention of \$323,000,000 should be adequate for all phases of construction and during passenger operations is appropriate for the size and nature of the Project and consistent with federal passenger liability requirements. We currently carry and intend to carry a minimum excess liability program inclusive of a self-insured retention of \$323,000,000.

Legal Proceedings

On November 15, 2018, Brightline Holdings entered into a Trade Mark License Agreement ("TMLA") with Virgin Enterprises Limited ("VEL"). Pursuant to the TMLA, VEL granted to Brightline Holdings the right to use the Virgin brand, in connection with the operation of an intercity passenger rail service in Florida and along certain other routes in the United States. In July 2020, Brightline Holdings terminated the TMLA. VEL disputed the validity of the termination notice and in February 2021 filed a claim against Brightline Holdings in U.K. courts. Following a trial in July 2023, the judge entered an order finding in favor of VEL on October 12, 2023. Brightline Holdings filed a notice for permission to appeal with the appellate court on November 1, 2023, which was denied on February 5, 2024. The judge deferred consideration of a claim by VEL that the amount of the contractually agreed damages should be increased by approximately \$94,000,000, with the larger sum applicable only if VEL can show that a change of control of Brightline Holdings would have occurred prior to November 2024. VEL was granted permission to amend its claim to plead the change of control, which is now subject to further discovery and a hearing date yet to be set. Brightline Holdings believes this claim is without merit and will vigorously defend against it. Project Owner is not a party to the TMLA or this litigation.

On September 18, 2023, Knighthead Opportunities Fund I, L.P. and Knighthead Capital Management LLC (collectively, "Knighthead"), Certares Opportunities Fund LLC ("Certares") and certain entities managed or comanaged by Knighthead and Certares (collectively, the "Plaintiffs"), filed a complaint in the Supreme Court of the State of New York against Morgan Stanley Senior Funding, Inc. ("MSSF"), an affiliate of Morgan Stanley & Co. LLC, one of the Underwriters for the Bonds, and Brightline Holdings, an indirect member of Project Owner and certain of its affiliates. The Plaintiffs are lenders or purported lenders under a credit agreement (the "Brightline Holdings Credit Agreement") pursuant to which Brightline Holdings is the borrower and MSSF is the administrative agent and a lender. Certain of the Plaintiffs purchased from MSSF approximately \$191 million aggregate principal amount of the Brightline Holdings loan. The Plaintiffs are seeking declaratory relief, specific performance, monetary damages and injunctive relief. Brightline Holdings believes the claims are without merit and filed a motion to dismiss the complaint on November 22, 2023, which is now fully briefed. Oral arguments occurred on April 15, 2024, and the parties are now awaiting a ruling on the motion to dismiss.

Neither Project Owner nor Morgan Stanley & Co. LLC is a party to the Brightline Holdings Credit Agreement or named in the complaint.

The outcome of these proceedings is not likely to materially impact Project Owner. For additional information, see "RISK FACTORS— Risks Related to the Business of Project Owner— VEL has disputed the validity of the termination of the Virgin License Agreement with Brightline Holdings and has commenced legal proceedings to recover damages. If VEL were to prevail in any such legal proceeding, it may have a material adverse effect on Project Owner's reputation, business, results of operations, financial condition and liquidity." In addition to the foregoing, we may be involved in other lawsuits from time to time that are brought against us in the normal course of business.

MANAGEMENT

Project Owner's executive officers and officers as of the date of this Official Statement are as follows:

Name	Position	
Michael Reininger	Chief Executive Officer (Brightline Holdings)	
Patrick Goddard	President	
Jeff Swiatek	Chief Financial Officer	
Michael Cegelis	Executive Vice President of Infrastructure Development	
Cynthia Bergmann	Chief Legal Officer	
Michael Lefevre	Vice President of Operations	
Tom Rutkowski	Chief Mechanical Officer	

MICHAEL REININGER, Chief Executive Officer

Michael Reininger is the Chief Executive Officer of Brightline Holdings. From 2012 to 2018, Mr. Reininger served as Brightline Holdings' president, leading all efforts to launch its phase-one system from Miami to West Palm Beach. Under his leadership, Brightline Holdings modernized an existing rail corridor, built three new stations and introduced a fleet of first-of their-kind trainsets. Mr. Reininger also led the development of Brightline Holdings' flagship station, MiamiCentral, an 11-acre multi-modal transportation center with a food hub, over 800 residences, commercial office towers and street front retail. Brightline Holdings launched its service in 2018 as the first private sector passenger rail system built in the United States in over a century. Mr. Reininger rejoined Brightline Holdings as CEO in 2021 to oversee the company's next phase of growth. Mr. Reininger has more than three decades of experience in the development of major projects and the start-up of unique companies. Prior to 2012, Mr. Reininger delivered some of the world's most iconic projects while working with the Walt Disney Company, including several resort hotels, the initiation of the Disney Vacation Club, EuroDisney Resort in Paris and the launch of the Disney Cruise Line. Mr. Reininger was also the Managing Director of the Union Station Neighborhood Company where he led the effort to transform Denver's Union Station and its downtown railyard into a modern multi-modal transportation hub. He has also served as Executive Vice-President and Chief Development Officer for AECOM, and Senior Vice-President for the St Joe Company. Mr. Reininger holds a Bachelor of Architecture, Design Specialization from Texas Tech University and executive certifications in resort and hotel master planning, financial engineering and business management from Harvard University School of Design, Harvard Business School and Wharton School of the University of Pennsylvania.

PATRICK GODDARD, President

Patrick Goddard has served as President since December 2017, and prior to that time served as Chief Operating Officer since March 2017, and prior to that served as Executive Vice President of Operations from October 2016 to March 2017. Mr. Goddard is responsible for all aspects of Brightline, including safety, development, commercial, operations and the guest experience. Prior to joining us, Mr. Goddard was the Chief Operating Officer for Trust Hospitality LLC from January 2011 to September 2016, in charge of the business for a portfolio of more than 35 properties and has extensive experience with opening new hotels, many of which have been entrepreneurial and start-up ventures launched in South Florida. Prior to that, Mr. Goddard was the President and Managing Director of Ocean Blue Hospitality, LLC, a consultancy firm that specialized in hotel openings and sales, marketing and revenue management for independent hotels. While there, Mr. Goddard repositioned the Clevelander Hotel and also worked on the Grand Beach Hotel, Savoy Hotel and the Raleigh, among others. Mr. Goddard also held management positions with Rosewood Hotels & Resorts, L.L.C. and Loews' Hotels & Co, as well as Hilton Hotels & Resorts, Jurys Inns Hotel Group and other independent hotels and restaurants in Europe. Mr. Goddard has over 18 years of experience in hospitality and consulting. Mr. Goddard holds a Higher Diploma Hospitality Management from Dublin Institute of Technology and also holds a Bachelor of Science Strategic Management from Trinity College Dublin.

JEFF SWIATEK, Chief Financial Officer

Jeff Swiatek has served as Chief Financial Officer since June 2018. Mr. Swiatek oversees the financial aspects of Project Owner's development and operations. Prior to joining Project Owner, Jeff served in various senior roles at

American International Group, Inc. ("AIG"), a multinational finance and insurance corporation, from 2002 to 2018. Prior to AIG, he worked in the investment banking department of Goldman Sachs Group, Inc., a multinational investment bank and financial services company, from 1998 to 2001. Mr. Swiatek has over 28 years of experience in international corporate finance and strategy. Mr. Swiatek holds a Bachelor of Arts in Economics and Asian Studies from Dartmouth College and also holds a Master of Business Administration degree from the University of Chicago Booth School of Business.

MICHAEL CEGELIS, Executive Vice President of Infrastructure Development

Michael Cegelis has served as Executive Vice President of Infrastructure Development since September 2017. Mr. Cegelis is responsible for overseeing the infrastructure development for Project Owner's future expansions, including the North Segment. He previously served as senior vice president at American Bridge Company, Inc., an engineering firm that specializes in building and renovating bridges and other large civil engineering projects, from May 1995 to September 2017. Mr. Cegelis' major project construction experience includes the Tappan Zee Bridge replacement in New York, the San Francisco Oakland Bay Bridge self-anchored suspension span, the Angus Macdonald Bridge in Halifax, Nova Scotia, the Las Vegas High Roller Observation Wheel and the Queensferry Crossing in Scotland. Mr. Cegelis holds a Bachelor of Science from Indiana University of Pennsylvania and completed an executive education program at the Massachusetts Institute of Technology. Mr. Cegelis is a Certified General Contractor, unrestricted, in the State of Florida.

CYNTHIA BERGMANN, Chief Legal Officer

Cynthia Bergmann has served as Chief Legal Officer since March 2023 and prior to that time served as General Counsel since July 2020. She is responsible for directing Project Owner's legal and compliance affairs, as well as advising senior management on all significant legal issues. She brings more than 30 years of legal experience in mergers and acquisitions, financing, real estate, corporate and regulatory matters to the role, with significant transportation industry experience. Prior to joining us, Ms. Bergmann was a partner with Freeborn & Peters in Chicago, where she served as co-chair of the firm's corporate practice group and chair of its transportation industry team. She represented public and privately held companies in the rail, logistics, construction, manufacturing, petrochemical and solar industries in a wide range of transactions, including the purchase and sale of subsidiaries, financings, joint ventures, and the development of new facilities. Ms. Bergmann also served as the US corporate counsel for Canadian National Railway Company ("CN"). On behalf of CN, she led teams in the acquisition and integration of several strategic subsidiaries and managed all legal aspects of U.S. financial matters.

Ms. Bergmann received her Juris Doctor degree from the UIC John Marshall Law School and her Bachelor of Science in Business Administration in Finance and Marketing from the University of Denver. She is a past president of the Association of Transportation Law Professionals and a past officer of NeighborSpace, an urban land trust in partnership with the City of Chicago, the Chicago Park District and the Forest Preserve District of Cook County to preserve community gardens within the City of Chicago.

MICHAEL LEFEVRE, Vice President of Operations

Michael Lefevre serves as the Vice President of Operations, leading the functions of safety, transportation, maintenance of way, maintenance of equipment, the operations center, and mobility services for Project Owner.

Prior to joining Brightline in 2013 as one of its first employees, Michael worked in operations planning at CSX Transportation, the largest freight railroad on the U.S. east coast. In recognition of his positive impact on the railroad industry, Michael was named a Rising Star by Progressive Railroading Magazine in 2017 and is a recipient of the American Public Transportation Foundation scholarship. He holds both a Master of Business Administration and Bachelor of Arts in Public Policy from Duke University.

TOM RUTKOWSKI, Chief Mechanical Officer

Tom Rutkowski has served as Chief Mechanical Officer since November 2014. Mr. Rutkowski is responsible for the design and delivery of Project Owner's rolling stock fleet for the Florida passenger rail system, as well as the

design and delivery of the West Palm Beach and Orlando vehicle maintenance facilities. Prior to joining us, Mr. Rutkowski served for 17 years at the New Jersey Transit Corporation, the state-owned public transportation system that serves New Jersey along with portions of New York and Pennsylvania, most recently in the position of General Superintendent – Equipment from August 2007 to November 2014.

PASSENGER RIDERSHIP ESTIMATES FOR THE PROJECT

From time to time, Project Owner has commissioned WSP to develop and update Ridership and Revenue Studies, which provide an independent overview of ridership and revenue for the Project corridor. In the 2022 Ridership and Revenue Study, WSP updated its projection model to calibrate to Project Owner's actual historical ridership results and incorporated customer preference survey data from late 2021 and current demographic and travel market information. The study reflected WSP's view of the near-term and long-term impact of the COVID-19 pandemic on the Florida travel market. This Ridership and Revenue Study (the "2022 Ridership and Revenue Study") was finalized in April 2022. See "APPENDIX C—WSP USA SOLUTIONS BRING DOWN LETTER AND RIDERSHIP AND REVENUE REPORT APRIL 2022." The 2022 Ridership and Revenue Study does not reflect the Orlando-Tampa Project or any updates since April 2022. In February 2024, WSP issued the WSP Supplement, which updates its projections to reflect the actual opening of the Orlando station in September 2023. Updates to the projections affect the years 2023 through 2026, after which time WSP projects the change in assumed opening date no longer impacts the original projections. The following is a summary of WSP's findings in the 2022 Ridership and Revenue Study and the WSP Supplement.

Project Owner's estimates of its future operations are included elsewhere in this Official Statement. While these estimates are based on the 2022 Ridership and Revenue Study, the management team applied an annual fare growth utilizing a combination of WSP's estimated 0.8% real growth and Project Owner's assumed approximately 2.0% average nominal inflation growth to WSP's 2021 dollar base rates provided in the 2022 Ridership and Revenue Study. In addition, Project Owner provided three ramp-up scenarios for estimated ridership and fares to reflect (i) the actual September 22, 2023 opening of the Orlando service compared to the assumed January 1, 2023 opening in the 2022 Ridership and Revenue Study and (ii) examples of different service adoption rates Project Owner may experience, for the 2024 to 2026 period, illustrating the potential for different adoption rates, consistent with the experience of other new high speed rail operations globally. Project Owner also adjusted the projected composition of the short-distance ridership projections to better reflect the actual origination – destination composition experienced by Project Owner since opening the Aventura and Boca Raton stations in December 2022.

Each year, travelers make hundreds of millions of trips between the communities in Southeast and Central Florida that will be served by the Project, making the region one of the most actively traveled areas in the United States. The proposed service will operate on existing transportation corridors running directly through some of the most densely populated communities in the State of Florida with stations located at key downtown areas or major sites and connected to local transit hubs (i.e., airport, bus, commuter rail, etc.).

The 2022 Ridership and Revenue Study is based on various assumptions and methodologies and is subject to certain qualifications. Compared to the 2018 Ridership and Revenue Study, the 2022 Ridership and Revenue Study uses updated customer preference surveys and demographic trends, incorporates estimates of the impact of the COVID-19 pandemic on the future travel market and is calibrated to Project Owner's actual historical ridership trends. Project Owner has a team evaluating the data analytics to implement a dynamic, variable pricing approach to accelerate customer adoption and maximize revenue over time. Although there can be no assurances, Project Owner is confident that it will achieve its projected ridership and fares. Ridership for the year ended December 31, 2022 was 1,230,494 passengers, substantially exceeding the 2022 Ridership and Revenue Study projection of 699,236 passengers for the year. Ridership for the year ended December 31, 2023 was 2,053,893 passengers, and ridership for the months ended February 29, 2024 and March 31, 2024 was up 50% and 44% over the comparable periods in 2023, respectively. Project Owner expects to utilize its customer data from the South Segment to execute on the North Segment pricing strategy necessary to achieve its projections.

Overview of the Project Rail Service

Special features of the Project service include the following:

- *Travel time savings*: Substantial time savings to current users of auto, bus, traditional rail and even air traveling between the city pairs.
- Frequency: Consistent, hourly departures seven days per week to fit the schedules of both business and leisure travelers.

- Booking: Online and mobile booking with reserved coach and business class seating for easy boarding.
- Amenities: Free Wi-Fi, convenient outlets, comfortable seating, food and beverage service and related amenities on board.
- Stations: Modern, centrally located stations in Southeast Florida cities and an airport-based station in Orlando, with good intermodal connectivity, including direct connections to Miami's Metrorail and Metromover rapid transit and people mover systems, Southeast Florida's Tri-Rail commuter rail, local bus networks, Orlando International Airport (and Miami International Airport, via Metrorail), dedicated parking and taxi/TNC (e.g., Uber/Lyft) services.

In addition to the travel time savings offered by the Project, the ease of travel and related amenities to the service described above are expected to draw a substantial number of travelers who attribute a high value to comfort, productivity and efficiency.

Key Findings and Ridership and Revenue Forecast

The 2022 Ridership and Revenue Study found that introduction of the six-station Project service would complement existing modes of travel and draw a substantial number of business and non-business travelers. Station locations offered by the Project are in the city centers of Miami, Aventura, Fort Lauderdale, Boca Raton and West Palm Beach, as well as in Orlando International Airport and will provide an alternative source of transportation for travelers with origins or destinations at or near these urban cores. The key findings of the 2022 Ridership and Revenue Study include the following:

- Substantial "Addressable Market" Over 35 million (as of 2019) long-distance trips are taken annually among the South Florida and Orlando station catchment areas that will be served by the Project, which is expected to grow to just over 38 million in 2026. There are hundreds of millions of short-distance trips made by individuals between the South Florida catchment areas. At 8.0 million estimated passengers for the Project in 2026, split 4.3 million long-distance and 3.7 million short-distance, Project Owner deems capture rates to be conservative.
- Challenging Intercity Trip At a distance of 235 miles, the journey from Miami to Orlando is "too short to fly, too long to drive." Given airport delays and time affiliated with airport security, or a four- to five-hour drive, with travel volumes on key highways connecting Central and Southeast Florida expected to exceed capacity by 2030, Project Owner is expected to draw a large number of business and non-business travelers.
- Demonstrated Market Travel and Market Demographic Growth Between 1980 and 2020, population in the market area has grown by an annual average of 2.0 percent and employment has grown by an annual average of 2.4 percent. Within one mile of proposed Brightline stations, annual population growth has ranged from two percent to five percent since 1990 indicating strong growth in the urban core at the heart of the Brightline alignment.
- No Comparable Service The Project will provide travel time savings between 25% and 50% when
 compared to existing surface travel modes with a journey time of approximately three hours. Although air
 travel is a relatively small market, the Project is competitive with air travel on door-to-door travel times and
 provides better frequency from more convenient locations. There is no comparable rail travel mode for
 intercity service in the existing market.
- Established Willingness to Pay The fares used in the 2022 Ridership and Revenue Study are backed by a stated preference survey and a pricing research study commissioned by WSP. Each study participant confirmed willingness to pay for Project Owner's services at the stated price points due to their competitiveness with travel costs associated with other travel modes.
- Calibrated to Brightline Actuals WSP calibrated the study utilizing Project Owner's 2019 actual performance in rides, fare, headway, trip time and results for the city pairs comprising Miami, Fort Lauderdale, and West Palm Beach.

Estimated Ridership

WSP prepared estimates for annual ridership and farebox revenue for both the short- and long-distance markets of the Project service. This forecast accounts for all elements important to future ridership potential including targeted market segments and induced ridership. The table directly below summarizes ridership and revenue for the Project in 2026.

Project Ridership and Revenue Forecast, 2026

	Annual Ridership	Average Fare ⁽³⁾	Re	Ticket venue(3) millions)
Short-Distance(1)	3,670,994	\$ 35.72	\$	131
Long-Distance ⁽²⁾	4,343,788	\$ 129.92	\$	564

- (1) Short-Distance: Trips within Miami Aventura Fort Lauderdale Boca Raton West Palm Beach
- (2) Long-Distance: Trips between Southeast Florida Orlando
- (3) Assumes 0.8% real and approximately 2.0% nominal growth in fares from 2021 dollars

Most transit projects experience a period of time during which ridership is building up to long-term forecast levels as travelers become acquainted with the new rail service and adjust their trip-making habits. This process is commonly referred to as ridership ramp-up. The 2022 Ridership and Revenue Study projects a four-year ramp-up to achieve stabilized levels. Stabilization for the short-distance occurs in 2025, and long-distance (which starts later), stabilizes in 2026. WSP additionally has incorporated into their forecast an adjustment for both the short-term (through 2024), and longer-term (2025 and beyond) effects of the recent pandemic. WSP's short-distance ramp-up projects 19% of stabilized volumes in year-1, 2022 (699,236 rides), 68% stabilized volumes in a year-2, 2023 (2,463,252), 94% stabilized volume in a year-3, 2024 (3,450,237) and 99% of stabilized volumes from 2025-onward (to account for the long-term pandemic adjustment factor). WSP, in the WSP Supplement, assessed the potential effect on Brightline's long-distance ridership due to the timing of the service opening on September 22, 2023, a partial year. When adjusted for the actual start date, WSP's ramp-up projects 2,531,837 rides in 2024, the first full year, 3,715,982, in 2025, year-2, 4,343,788 in 2026, year-3, and 4,630,983 in 2027, year-4. Starting with 2027, year-4, WSP's long-distance projections are unchanged from the original 2022 Ridership and Revenue Study.

Project Owner has made the following adjustments to the original WSP projections: (i) Project Owner's 2023 projections reflect actual performance through for 2023, (ii) projections for 2024 through 2026 reflect the shift in long-distance service commencement from January 2023 to September 2023, as described in the WSP Supplement for long-distance ridership projections and (iii) an adjustment to WSP's origination and destination ridership mix from the short-distance projections to reflect the actual distribution experienced in April 2023. While projections for 2027 onward remain unchanged, consistent with the WSP Supplement, the company provides three scenarios for different ramp up speeds for the 2024 to 2026 period, illustrating the potential for different adoption rates, consistent with the experience of other new high speed rail operations globally.

THE ISSUER

General

The Issuer is a public body corporate and politic of the State of Florida authorized to issue bonds pursuant to Chapter 288, Part VIII, Florida Statutes, as amended (being the Florida Development Finance Corporation Act of 1993), Chapter 159, Part II, Florida Statutes, as amended (being the Florida Industrial Development Financing Act), and other applicable provisions of law (collectively, the "Act"). The Act provides that the Issuer may, among other things, issue revenue bonds and lend the proceeds to approved applicants to finance or refinance projects that promote economic development within the State of Florida; provided that the Issuer has entered into an interlocal agreement with a local government agency having jurisdiction over the location of the project. The powers of the Issuer are vested in a board of directors appointed by the Governor of the State of Florida, subject to confirmation by the Florida Senate. The Act provides that the board of directors shall consist of five directors appointed by the Governor of the State and confirmed by the Florida Senate. In addition, the Secretary of the Department of Commerce or his or her designee shall also serve as Chair of the Board of Directors. The director of the Division of Bond Finance or his or her designee shall serve as a Director on the Board of Directors. The Act provides that at least three of the appointed Directors of the Issuer shall have experience in finance and at least one Director shall have experience in economic development. The Act further provides that a majority of the directors constitutes a quorum for the purposes of conducting business and exercising the powers of the corporation and for all other purposes.

The Issuer has not participated in the preparation of this Official Statement and makes no representation with respect to the accuracy or completeness of any of the material contained in this Official Statement other than in this section entitled "THE ISSUER." The Issuer is not responsible for providing any purchaser of the Bonds with any information relating to the Bonds or any of the parties or transactions referred to in this Official Statement or for the accuracy or completeness of any such information obtained by any purchaser.

PFM Financial Advisors LLC, Orlando, Florida, a licensed municipal advisor with the SEC and Municipal Securities Rulemaking Board, is serving as financial advisor to the Issuer in connection with the Bonds.

Disclosure Required by Section 517.051, Florida Statutes

Section 517.051, Florida Statutes, as amended, provides for the exemption from registration of certain governmental securities; provided that if an issuer or guarantor of governmental securities has been in default at any time after December 31, 1975 as to principal and interest on any obligation, its securities may not be offered or sold in Florida pursuant to the exemption except by means of an offering circular containing full and fair disclosure, as prescribed by the rules of the Florida Department of Banking and Finance. Rule 69W-400.003, Rules for Government Securities, promulgated by the Financial Services Commission ("Rule 69W-400.03"), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to an obligation issued by the Issuer after December 31, 1975. Rule 69W-400.03 further provides, however, that if the Issuer in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Issuer, in the case of the Bonds, is merely a conduit for payment, in that the Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by and payable solely from payments of Project Owner under the Loan Agreement and by other security discussed herein. The Bonds are not being offered on the basis of the financial strength or condition of the Issuer. The Issuer believes, therefore, that disclosure of any default related to a financing not involving Project Owner would not be material to a reasonable investor. Accordingly, the Issuer has not taken affirmative steps to contact any trustee of any other conduit bond issue of the Issuer not involving Project Owner to determine the existence of prior defaults.

Project Owner has advised the Issuer that it has not defaulted in the payment of principal or interest on any obligations since its formation.

Litigation

There is not now pending (as to which the Issuer has received service of process), nor, to the actual knowledge of the Issuer, threatened any litigation against the Issuer seeking to restrain or enjoin the issuance of the Bonds or questioning or challenging the creation, organization or existence of the Issuer, the title of any of the present members or other officers of the Issuer, the validity of the Bonds or the proceedings or authority under which they are to be issued. There is no litigation pending (as to which the Issuer has received service of process) or, to the actual knowledge of the Issuer, threatened against the Issuer which in any manner questions the right of the Issuer to enter into and perform its obligations under the Indenture or the Loan Agreement or to take any other action provided in the Indenture, the Loan Agreement, the resolutions of the Issuer or the Act.

PROJECT ACCOUNTS AND FLOW OF FUNDS

General

Various accounts, including the Project Accounts, will be created under the Indenture and the Collateral Agency Agreement in relation to the payment of principal of and interest on the Bonds when due. For a description of the Accounts created under the Indenture, see "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Indenture—Funds and Accounts to be Established under the Indenture."

Project Accounts

The following Project Accounts will be established and created at the Account Bank in accordance with the Collateral Agency Agreement:

- (a) the "Revenue Account" (which, on the Closing Date, will include the "Senior Secured Bonds Interest Sub-Account" and the "Senior Secured Bonds Principal Sub-Account");
- (b) the "Loss Proceeds Account";
- (c) the "Main Debt Service Reserve Account" (which, on the Closing Date, will include the "Senior DSR Sub-Account");
- (d) the "Ramp-Up Reserve Account";
- (e) the "Major Maintenance Reserve Account" (which, on the Closing Date, will include the "Non-Completed Work Sub-Account" (as defined in the Collateral Agency Agreement));
- (f) the "Rolling Stock Reserve Account";
- (g) the "Project Reserve Account";
- (h) the "Mandatory Prepayment Account" (which, on the Closing Date, will include the "Senior Secured Bonds Mandatory Prepayment Sub-Account");
- (i) the "Capital Projects Account"; and
- (j) the "Equity Lock-Up Account."

In addition to these Project Accounts, Project Owner has established or will establish one or more "Operating Accounts," an "Equity Funded Account" and one or more "Collection Accounts" at a Deposit Account Bank (as such terms are defined in the Collateral Agency Agreement), which accounts will be maintained in the name of Project Owner and be subject to the control of the Collateral Agent pursuant to an account control agreement. The Operating Accounts, the Equity Funded Account and the Collection Accounts will also constitute Project Accounts, and Project Owner will continue to have the right to make withdrawals from the Operating Accounts, the Equity Funded Account and the Collection Accounts unless the Deposit Account Bank has been notified in writing by the Collateral Agent that a Secured Obligation Event of Default (as defined in the Collateral Agency Agreement) has occurred and is continuing. All of the other Project Accounts will be under the control of the Collateral Agent and, except as expressly provided in the Collateral Agency Agreement, Project Owner will not have any right to withdraw funds from any Project Account.

Project Owner has also established or may establish a "Distribution Account" with the Deposit Account Bank for the purposes of receiving funds to be distributed to the Pledgor in accordance with the Collateral Agency Agreement. The Distribution Account is not a Project Account and does not constitute Collateral. See "—Distribution Account."

Description of Project Accounts

The following is a description of each of the Project Accounts:

Revenue Account

Except for amounts to be deposited in other Project Accounts in accordance with the Collateral Agency Agreement, all Project Revenues will be deposited into the "Revenue Account" established under the Collateral Agency Agreement. To facilitate collection, Project Owner may establish one or more Collection Accounts at a Deposit Account Bank that are subject to an account control agreement and into which Project Revenues are received by Project Owner and promptly deposited in the Revenue Account. Additionally, Project Owner will promptly deposit or cause to be deposited into the Revenue Account all other amounts received by Project Owner from any source whatsoever, the application of which is not otherwise specified in the Collateral Agency Agreement. Pending such deposit, Project Owner will hold all such amounts coming into its possession in trust for the benefit of the Secured Parties.

Subject to "—Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Secured Obligation Event of Default" below, on each Transfer Date, the Collateral Agent shall make withdrawals, transfers and payments from the Revenue Account and the sub-accounts therein in the amounts, at the times and for the purposes specified in "—Flow of Funds—Revenue Account" below. Such withdrawals, transfers and payments will be made at the request of Project Owner as set forth in a Transfer Certificate (as defined in the Collateral Agency Agreement) in the order of priority set forth in "—Flow of Funds—Revenue Account" below.

If Project Owner receives a payment in respect of the actual or estimated loss of Project Owner's future Project Revenues such amount will be deposited into a sub-account of the Revenue Account to be established upon written instruction to the Collateral Agent for such purpose; provided, that prior to such deposit, Project Owner will provide to the Collateral Agent (for subsequent dissemination to the Secured Parties (or the Secured Debt Representatives on behalf of the applicable Secured Parties)) a calculation in reasonable detail showing the future years for which such amount was paid as compensation in respect of the loss of Project Revenues. In the event that such amount is deposited into such sub-account, as of the commencement of each year for which such compensation was paid, at Project Owner's written request, the portion thereof constituting a payment for the loss of Project Revenues for each Fiscal Quarter during such year, together with interest or other earnings accrued thereon from the date of deposit, will be transferred from such sub-account to the Revenue Account and applied in accordance with the Flow of Funds below during such Fiscal Quarter, and any such amounts shall be considered Project Revenues for purposes of the Flow of Funds below and calculation of Total Senior DSCR and Total DSCR. Except as set forth in the preceding sentence, the amounts deposited in such sub-account shall not be deemed to be on deposit in the Revenue Account until so transferred from such sub-account.

To the extent that on any Transfer Date (i) amounts on deposit in any Debt Service Reserve Account are in excess of the applicable Debt Service Reserve Requirement for the immediately preceding Calculation Date, (ii) amounts on deposit in the Rolling Stock Reserve Account are in excess of the Rolling Stock Reserve Required Balance for the immediately preceding Calculation Date, (iii) amounts on deposit in the Major Maintenance Reserve Account are in excess of the Major Maintenance Reserve Required Balance (as defined herein) for the immediately preceding Calculation Date, or (iv) amounts on deposit in the Project Reserve Account, when combined with any amounts on deposit in the Ramp-Up Reserve Account and the Major Maintenance Reserve Account (after taking into account any other transfers pursuant to this paragraph) are in excess of the Project Reserve Required Balance for the immediately preceding Calculation Date, as the case may be, upon direction by Project Owner, such excess amounts are to be deposited into the Revenue Account.

In accordance with "—Equity Lock-Up Account," to the extent there are insufficient amounts in the Revenue Account to make the transfers required by clauses <u>First</u> through <u>Fifteenth</u> set forth in "—Flow of Funds—Revenue Account" below on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of Project Owner) from the Equity Lock-Up Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in "—Flow of Funds—Revenue Account" below. In accordance with "—Rolling Stock Reserve Account," to the extent, after application of the funds available pursuant to the immediately preceding sentence, there are insufficient amounts in the Revenue Account to make the transfers required by clauses <u>First</u> through <u>Fifth</u> set forth in "—Flow of Funds—Revenue Account" below on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of Project Owner) from the Rolling Stock Reserve Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in "—Flow of Funds—Revenue Account" below. In accordance with "—Capital Projects Account,"

to the extent, after application of the funds available pursuant to the two immediately preceding sentences, there are insufficient amounts in the Revenue Account to make the transfers required by clauses First through Fifth set forth in "-Flow of Funds-Revenue Account" below on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of Project Owner) from the Capital Projects Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in "-Flow of Funds-Revenue Account" below. In accordance with "-Ramp-Up Reserve Account," to the extent, after application of the funds available pursuant to the three immediately preceding sentences, there are insufficient amounts in the Revenue Account to make the transfers required by clauses First through Fifth set forth in "-Flow of Funds-Revenue Account" below on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of Project Owner) from the Ramp-Up Reserve Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in "-Flow of Funds-Revenue Account" below. In accordance with "-Project Reserve Account," to the extent, after application of the funds available pursuant to the four immediately preceding sentences, there are insufficient amounts in the Revenue Account to make the transfers required by clauses First through Fifth set forth in "-Flow of Funds-Revenue Account" below on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of Project Owner) from the Project Reserve Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in "-Flow of Funds-Revenue Account" below. In accordance with "-Major Maintenance Reserve Account," to the extent, after application of the funds available pursuant to the five immediately preceding sentences, there are insufficient amounts in the Revenue Account to make the transfers required by clauses First through Fifth set forth in "-Flow of Funds-Revenue Account" below on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of Project Owner) from the Major Maintenance Reserve Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in "-Flow of Funds-Revenue Account" below.

Loss Proceeds Account

All Loss Proceeds received by Project Owner or to its order are to be paid directly into the Loss Proceeds Account. Except in connection with the application of funds in accordance with "-Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Secured Obligation Event of Default" and "-Flow of Funds-Application of Proceeds upon a Secured Obligation Event of Default" below, if a loss event occurs, amounts on deposit in the Loss Proceeds Account will be withdrawn and paid to Project Owner to be applied to Restore the Project or any portion thereof, except that, to the extent that (i) such proceeds exceed the amount required to Restore the Project or any portion thereof to the condition existing prior to the loss event and are not otherwise used by Project Owner to improve or further develop, design, acquire, construct, install, equip, own, operate, maintain or administer the portion of the Project from Miami to the Orlando International Airport or (ii) the affected property cannot be restored to permit operation of the Project on a Commercially Feasible Basis and upon delivery to the Collateral Agent of a certificate signed by a Responsible Officer of Project Owner certifying to the foregoing, such proceeds will be applied first, pro rata to the applicable sub-account of the Mandatory Prepayment Account in accordance with "-Mandatory Prepayment Account" and to the extent required by the Financing Documents to cause the mandatory prepayment or extraordinary mandatory redemption of the applicable Senior Indebtedness, second, pro rata to the applicable subaccount of the Mandatory Prepayment Account in accordance with "-Mandatory Prepayment Account" and to the extent required by the Senior Subordinated Financing Documents to cause the mandatory prepayment or extraordinary mandatory redemption of the applicable Senior Subordinated Indebtedness, third in the case of any remaining moneys thereafter, to the prepayment of any other Secured Obligations in accordance with the applicable Secured Obligation Documents, and fourth, to the Revenue Account.

If an amount of any insurance claim on deposit in or credited to the Loss Proceeds Account has been paid out of moneys withdrawn from the Revenue Account in accordance with the Collateral Agency Agreement, then Project Owner may cause the transfer of moneys representing the proceeds of the claim to the Revenue Account.

Rolling Stock Reserve Account

On the Closing Date, the Rolling Stock Reserve Account will be funded with \$60 million and thereafter be funded to the extent of amounts available in the Revenue Account in accordance with "—Flow of Funds—Revenue Account" below until the amounts on deposit in such account are equal to the Rolling Stock Reserve Required Balance. Project

Owner will have the right to transfer funds from the Rolling Stock Reserve Account to an Operating Account for the purpose of paying Rolling Stock Costs. On each Transfer Date on which Rolling Stock Costs are due and payable or reasonably expected to become due and payable prior to the next succeeding Transfer Date, moneys on deposit in the Rolling Stock Reserve Account (up to the aggregate amount of such Rolling Stock Costs or expected Rolling Stock Costs) will be transferred to the applicable Operating Account designated by Project Owner as and when requested in writing by Project Owner and used by Project Owner to pay Rolling Stock Costs. Any amounts on deposit in the Rolling Stock Reserve Account that are in excess of the Rolling Stock Reserve Required Balance shall be applied in accordance with the requirements of the penultimate paragraph of "—Revenue Account" above. On any Transfer Date after Project Owner has purchased 60 passenger coaches after the Closing Date, the remaining funds in the Rolling Stock Reserve Account, if any, shall be transferred from the Rolling Stock Reserve Account to the Operating Account(s) specified by Project Owner as directed by Project Owner pursuant to a Funds Transfer Certificate. Moneys in the Rolling Stock Reserve Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by Project Owner) in accordance with the last paragraph of "— Revenue Account" above. Following an Enforcement Action (as defined in the Collateral Agency Agreement), moneys in the Rolling Stock Reserve Account shall be applied in the manner described in "-Flow of Funds-Application of Proceeds upon a Secured Obligation Event of Default" below. Notwithstanding any other provision of the Collateral Agency Agreement, Project Owner may substitute for all or any portion of the cash or Permitted Investments (as defined in the Collateral Agency Agreement) on deposit in the Rolling Stock Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent. In the event Project Owner replaces cash or Permitted Investments on deposit in the Rolling Stock Reserve Account with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account. The Collateral Agent shall (without further direction from Project Owner) draw on any Acceptable Letter of Credit provided in accordance with the preceding sentence and cause the funds from such draw to be deposited into the Rolling Stock Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by Project Owner that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and Project Owner shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade, or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by Project Owner and notified to the Collateral Agent) payable out of the Rolling Stock Reserve Account.

"Rolling Stock Reserve Required Balance" means (a) from the Closing Date until Project Owner has purchased 60 passenger coaches after the Closing Date, (i) the applicable "Total Required Balance" as set forth in the chart below), *minus* (ii) the aggregate amount of funds previously spent from the Rolling Stock Reserve Account on costs and expenses incurred or expended after the Closing Date in connection with or relating to the acquisition of passenger coaches; (b) from and after the date that Project Owner has purchased 60 passenger coaches after the Closing Date, \$0; and (c) at any time, notwithstanding the foregoing, such lesser amount if a Rating Confirmation is obtained with respect thereto.

From	To	Incremental Change	Total Required Balance
Closing Date	June 30, 2024	\$0	\$60,000,000
July 1, 2024	December 31, 2024	2,000,000	62,000,000
January 1, 2025	December 31, 2025	2,000,000	64,000,000
January 1, 2026	December 31, 2026	2,000,000	66,000,000
January 1, 2027	December 31, 2027	2,000,000	68,000,000
January 1, 2028	December 31, 2028	2,000,000	70,000,000
January 1, 2029	December 31, 2029	0	70,000,000
January 1, 2030	December 31, 2030	0	70,000,000
January 1, 2031	December 31, 2031	5,000,000	75,000,000
January 1, 2032	December 31, 2032	15,000,000	90,000,000
January 1, 2033	December 31, 2033	15,000,000	105,000,000
January 1, 2034	December 31, 2034	15,000,000	120,000,000
January 1, 2035	December 31, 2035	15,000,000	135,000,000
January 1, 2036	December 31, 2036	11,000,000	146,000,000
January 1, 2037	December 31, 2037	11,500,000	157,500,000
January 1, 2038	December 31, 2038	12,000,000	169,500,000
January 1, 2039	December 31, 2039	12,500,000	182,000,000

From	To	Incremental Change	Total Required Balance
January 1, 2040	December 31, 2040	13,000,000	195,000,000
January 1, 2041	December 31, 2041	13,500,000	208,500,000
January 1, 2042	December 31, 2042	14,000,000	222,500,000
January 1, 2043	December 31, 2043	14,500,000	237,000,000
January 1, 2044	December 31, 2044	15,000,000	252,000,000
January 1, 2045	December 31, 2045	15,500,000	267,500,000
January 1, 2046	December 31, 2046	16,000,000	283,500,000
January 1, 2047	December 31, 2047	16,500,000	300,000,000
January 1, 2048	December 31, 2048	17,000,000	317,000,000
January 1, 2049	December 31, 2049	17,500,000	334,500,000
January 1, 2050	December 31, 2050	18,000,000	352,500,000
January 1, 2051	December 31, 2051	18,500,000	371,000,000
January 1, 2052	December 31, 2052	10,000,000	381,000,000
January 1, 2053	December 31, 2053	10,000,000	391,000,000

Debt Service Reserve Account

Within the Main Debt Service Reserve Account established pursuant to the Collateral Agency Agreement, the "Senior DSR Sub-Account" will be established solely for the benefit of the Bondholders and will be held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of only such Bondholders and shall not be available to any other Secured Party or any other person. Any Additional Senior Debt Service Reserve Account (as defined in the Collateral Agency Agreement) will be established solely for the benefit of the holders of the Additional Parity Bonds or Permitted Additional Senior Indebtedness for which such account was established and will be held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of only such holders and shall not be available to any other Secured Party or any other person. Any Additional Senior Subordinated Debt Service Reserve Account (as defined in the Collateral Agency Agreement) will be established solely for the benefit of the owners of the Additional Senior Subordinated Indebtedness for which such account was established and will be held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of only such holders and shall not be available to any other Secured Party or any other person.

The Senior DSR Sub-Account will be funded on the Closing Date in an amount equal to the then-applicable Debt Service Reserve Requirement for the Bonds. In addition, on each Transfer Date, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited in accordance with "—Flow of Funds—Revenue Account" below into the Senior DSR Sub-Account. Upon the issuance of any Additional Parity Bonds or Permitted Additional Senior Indebtedness from time to time, the applicable Additional Senior Debt Service Reserve Account will be funded in an amount equal to the Debt Service Reserve Requirement for such Additional Parity Bonds or Permitted Additional Senior Indebtedness. In addition, on each Transfer Date, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited in accordance with "—Flow of Funds—Revenue Account" below into the applicable Additional Senior Debt Service Reserve Account. Upon the issuance of any Additional Senior Subordinated Indebtedness from time to time, the applicable Additional Senior Subordinated Debt Service Reserve Requirement for such Additional Senior Subordinated Indebtedness. In addition, on each Transfer Date, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited in accordance with "—Flow of Funds—Revenue Account" below into the applicable Additional Senior Subordinated Debt Service Reserve Account.

Except as provided below, moneys on deposit in the Main Debt Service Reserve Accounts shall be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of Project Owner) as follows:

- (i) If on any Transfer Date immediately preceding an Interest Payment Date or Principal Payment Date, as applicable, with respect to:
 - (A) the Bonds, the funds on deposit in the Senior Secured Bonds Interest Sub-Account or the Senior Secured Bonds Principal Sub-Account (as applicable) together with funds in the Series 2024 Funded Interest Account, the Interest Account or the Principal Account, as applicable, established under the Indenture, after giving effect to the transfers contemplated in Fourth and

Fifth in "—Flow of Funds—Revenue Account" below solely with respect to the Bonds and the transfers contemplated in the last paragraph of "—Revenue Account" above with respect to the Equity Lock-Up Account are insufficient to pay the principal, redemption price or interest on the Bonds on the applicable Interest Payment Date or Principal Payment Date, funds on deposit in the Senior DSR Sub-Account will be transferred to the Interest Account or the Principal Account, as applicable, established under the Indenture for payment of interest or principal due and payable on the Bonds on the next Interest Payment Date or Principal Payment Date as applicable;

- (B) any Permitted Additional Senior Indebtedness, the funds on deposit in the applicable interest account or principal account (as applicable) (after giving effect to the transfers contemplated in Fourth and Fifth in "—Flow of Funds—Revenue Account" below solely with respect to such Permitted Additional Senior Indebtedness and the transfers contemplated in the last paragraph of "—Revenue Account" above with respect to Equity Lock-Up Account) are insufficient to pay the principal, redemption price or interest on such Permitted Additional Senior Indebtedness on the applicable Interest Payment Date or Principal Payment Date, funds on deposit in the applicable Additional Senior Debt Service Reserve Account will be transferred to the applicable interest account or principal account, as applicable, for payment of interest or principal due and payable on such Permitted Additional Senior Indebtedness on the next Interest Payment Date or Principal Payment Date, as applicable; and
- (C) any Additional Senior Subordinated Indebtedness, the funds on deposit in the applicable interest account or principal account (as applicable) (after giving effect to the transfers contemplated in Thirteenth and Fourteenth "—Flow of Funds—Revenue Account" below solely with respect to such Additional Senior Subordinated Indebtedness and the transfers contemplated in the last paragraph of "—Revenue Account" above with respect to the Equity Lock-Up Account) are insufficient to pay the principal, redemption price or interest on such Additional Senior Subordinated Indebtedness on the applicable Interest Payment Date or Principal Payment Date, funds on deposit in the applicable Additional Senior Subordinated Debt Service Reserve Account will be transferred to the applicable interest account or principal account, as applicable, for payment of interest or principal due and payable on such Additional Senior Subordinated Indebtedness on the next Interest Payment Date or Principal Payment Date, as applicable;

provided that the transfers from the Senior DSR Sub-Account contemplated in clauses (A) and (B) above shall be made on a pro rata basis in relation to the interest or principal amounts, as applicable, due and payable on the Bonds.

(ii) Following the taking of an Enforcement Action, moneys in the Debt Service Reserve Accounts shall be applied in the manner set forth in "—Flow of Funds—Application of Proceeds upon a Secured Obligation Event of Default" below.

Project Owner may from time to time request that any Additional Senior Subordinated Debt Service Reserve Account be established in accordance with the requirements of any Additional Senior Subordinated Indebtedness Documents, which Account would be established solely for the benefit of the specific Additional Senior Subordinated Indebtedness Holders under the applicable Additional Senior Subordinated Indebtedness Documents, and held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of only such Additional Senior Subordinated Indebtedness Holders and shall not be available to any other Secured Party or any other person.

Project Owner may from time to time request that any Additional Senior Debt Service Reserve Account be established in accordance with the requirements of any Additional Senior Secured Indebtedness Documents, which account would be established solely for the benefit of the specific Additional Senior Secured Indebtedness Holders (as defined in the Collateral Agency Agreement) under the applicable Additional Senior Secured Indebtedness Documents, and held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of only such Additional Senior Secured Indebtedness Holders and shall not be available to any other Secured Party or any other person.

Except as provided in the next paragraph, any amounts on deposit in the Main Debt Service Reserve Accounts (or any sub-account thereof) in excess of the applicable Debt Service Reserve Requirement shall be applied in accordance with the requirements of "—Flow of Funds—Revenue Account" below.

Notwithstanding any other provision of the Collateral Agency Agreement, Project Owner may substitute for all or any portion of the cash or Permitted Investments on deposit in any Debt Service Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent; provided if such substitution is with respect to a Debt Service Reserve Account for Bonds or any other Secured Obligations the interest on which is tax-exempt, Project Owner shall be required to deliver to the Trustee or other applicable Secured Debt Representative a written opinion of Bond Counsel to the effect that such actions will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the applicable Secured Obligations. In the event Project Owner replaces cash or Permitted Investments on deposit in any Debt Service Reserve Account with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account.

The Collateral Agent shall (without further direction from Project Owner) draw on any Acceptable Letter of Credit provided in accordance with the preceding paragraph and cause the funds from such draw to be deposited into the Debt Service Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by Project Owner that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and Project Owner shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by Project Owner and notified to the Collateral Agent) payable out of the applicable Debt Service Reserve Account.

"Debt Service Reserve Requirement" means, (i) with respect to the Senior DSR Sub-Account, an amount equal to the next twelve months of interest and principal payable on the Bonds, (ii) with respect to any Additional Senior Debt Service Reserve Account, the corresponding Additional Senior Debt Service Reserve Requirement (if any) and (iii) with respect to any Additional Senior Subordinated Debt Service Reserve Account, the corresponding Additional Senior Subordinated Debt Service Reserve Requirement (if any).

Major Maintenance Reserve Account

The Major Maintenance Reserve Account will be funded to the extent of amounts available in the Revenue Account in accordance with "-Flow of Funds-Revenue Account" below until the amounts on deposit in such account are equal to the Major Maintenance Reserve Required Balance. Project Owner will have the right to transfer funds from the Major Maintenance Reserve Account to an Operating Account for the purpose of paying Major Maintenance Costs. On each Transfer Date on which Major Maintenance Costs are due and payable or reasonably expected to become due and payable prior to the next succeeding Transfer Date in accordance with the previous sentence, moneys on deposit in the Major Maintenance Reserve Account (up to the aggregate amount of such costs) will be transferred to the applicable Operating Account designated by Project Owner and used by Project Owner to pay such Major Maintenance Costs as and when requested in writing by Project Owner, subject to any restrictions on the use of such funds in the Financing Documents. Funds held in the Major Maintenance Reserve Account that are not spent on Major Maintenance Costs during the fiscal year for which such funds were reserved due to deferral of Major Maintenance during any such fiscal year (the "Non-Completed Work") will be retained in the Non-Completed Work Sub-Account and applied to the costs of completing the Non-Completed Work; provided that any such funds retained in the Non-Completed Work Sub-Account for application to Non-Completed Work will be deemed not on deposit in the Major Maintenance Reserve Account for purposes of calculating whether the amounts on deposit therein are sufficient to meet the Major Maintenance Reserve Required Balance; provided, further, that the Non-Completed Work will not be considered in the calculation of the Major Maintenance Reserve Required Balance and any funds remaining on deposit in the Non-Completed Work Sub-Account after completion or abandonment of the applicable Non-Completed Work will be transferred to the Revenue Account and distributed in accordance with "-Flow of Funds—Revenue Account" below. Any amounts on deposit in the Major Maintenance Reserve Account that are in excess of the Major Maintenance Reserve Required Balance shall be applied in accordance with the requirements of the penultimate paragraph of "-Revenue Account" above. Moneys in the Major Maintenance Reserve Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by Project Owner) in accordance with the last paragraph of "-Revenue Account" above. Following an

Enforcement Action, moneys in any Major Maintenance Reserve Account shall be applied in the manner described in "—Flow of Funds—Application of Proceeds upon a Secured Obligation Event of Default" below. Notwithstanding any other provision of the Collateral Agency Agreement, Project Owner may substitute for all or any portion of the cash or Permitted Investments on deposit in the Major Maintenance Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent. In the event Project Owner replaces cash or Permitted Investments on deposit in the Major Maintenance Reserve Account with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account. The Collateral Agent shall (without further direction from Project Owner) draw on any Acceptable Letter of Credit provided in accordance with the preceding sentence and cause the funds from such draw to be deposited into the Major Maintenance Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by Project Owner that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and Project Owner shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by Project Owner and notified to the Collateral Agent) payable out of the Major Maintenance Reserve Account.

"Major Maintenance Reserve Required Balance" means, with respect to the Major Maintenance Reserve Account, the amount equal to the 100% of the Major Maintenance Costs reasonably estimated by Project Owner to be due on a rolling four Fiscal Quarter forward looking basis.

Project Reserve Account

On the Closing Date, the Project Reserve Account will be funded with \$75,000,000 and thereafter be funded to the extent of amounts available in the Revenue Account in accordance with "-Flow of Funds-Revenue Account" below and from Equity Lock-Up Account in accordance with "-Equity Lock-Up Account." On each Transfer Date, moneys on deposit in the Project Reserve Account will be transferred to the applicable Operating Account designated by Project Owner and used by Project Owner to pay Project Costs and O&M Expenditures, as and when requested in writing by Project Owner, subject to any restrictions on the use of such funds in the Financing Documents. Any amounts on deposit in the Project Reserve Account that, when combined with any amounts on deposit in the Ramp-Up Reserve Account and the Major Maintenance Reserve Account, are in excess of the Project Reserve Required Balance shall be applied in accordance with the requirements of the penultimate paragraph of "—Revenue Account" above. Moneys in the Project Reserve Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by Project Owner) in accordance with the last paragraph of "-Revenue Account" above. Following an Enforcement Action, moneys in the Project Reserve Account shall be applied in the manner described in "-Flow of Funds-Application of Proceeds upon a Secured Obligation Event of Default" below. Notwithstanding any other provision of the Collateral Agency Agreement, Project Owner may substitute for all or any portion of the cash or Permitted Investments on deposit in the Project Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent. In the event Project Owner replaces cash or Permitted Investments on deposit in the Project Reserve Account with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account. The Collateral Agent shall (without further direction from Project Owner) draw on any Acceptable Letter of Credit provided in accordance with the preceding sentence and cause the funds from such draw to be deposited into the Project Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by Project Owner that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and Project Owner shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by Project Owner and notified to the Collateral Agent) payable out of the Project Reserve Account.

"Project Reserve Required Balance" means \$100,000,000, such amount to be adjusted annually by the percentage increase in the Consumer Price Index from the prior year (effective on the first date such information is available).

Ramp-Up Reserve Account

On the Closing Date, the Ramp-Up Reserve Account will be funded with \$175,000,000. On each Transfer Date, moneys on deposit in the Ramp-Up Reserve Account will be transferred to the applicable Operating Account

designated by Project Owner and used by Project Owner to pay O&M Expenditures as and when requested in writing by Project Owner, subject to any restrictions on the use of such funds in the Financing Documents. On any Transfer Date on or after January 1, 2026, as directed by Project Owner pursuant to a Funds Transfer Certificate, an amount up to the then-applicable Ramp-Up Reserve Release Amount may be transferred from the Ramp-Up Reserve Account to the Operating Account(s) specified by Project Owner. Moneys in the Ramp-Up Reserve Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by Project Owner) in accordance with the last paragraph of "—Revenue Account" above. Following an Enforcement Action, moneys in the Ramp-Up Reserve Account shall be applied in the manner described in "—Flow of Funds—Application of Proceeds upon a Secured Obligation Event of Default" below. Notwithstanding any other provision of the Collateral Agency Agreement, Project Owner may substitute for all or any portion of the cash or Permitted Investments on deposit in the Ramp-Up Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent. In the event Project Owner replaces cash or Permitted Investments on deposit in the Ramp-Up Reserve Account with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account. The Collateral Agent shall (without further direction from Project Owner) draw on any Acceptable Letter of Credit provided in accordance with the preceding sentence and cause the funds from such draw to be deposited into the Ramp-Up Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by Project Owner that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and Project Owner shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by Project Owner and notified to the Collateral Agent) payable out of the Ramp-Up Reserve Account.

"Ramp-Up Reserve Release Amount" means (i) in the aggregate for all Transfer Dates occurring in 2026, 50% of the balance in the Ramp-Up Reserve Account on December 31, 2025, (ii) in the aggregate for all Transfer Dates occurring in 2027, 50% of the balance in the Ramp-Up Reserve Account on December 31, 2026, (iii) in the aggregate for all Transfer Dates occurring in 2028, 50% of the balance in the Ramp-Up Reserve Account on December 31, 2027 and (iv) on any Transfer Date on or after January 1, 2029, any remaining balance in the Ramp-Up Reserve Account on such Transfer Date.

Mandatory Prepayment Account

Funds will be deposited into the Senior Secured Bonds Mandatory Prepayment Sub-Account (as defined in the Collateral Agency Agreement) to repay the Bonds in accordance with the Indenture and into any other applicable subaccount created under the Mandatory Prepayment Account for the prepayment or repayment of any Additional Senior Secured Indebtedness (as defined in the Collateral Agency Agreement) to repay such Additional Senior Secured Indebtedness in accordance with the Additional Senior Secured Indebtedness Documents, and into any other applicable sub-account created under the Mandatory Prepayment Account for the prepayment or repayment of any Additional Senior Subordinated Secured Indebtedness to repay such Additional Senior Subordinated Secured Indebtedness in accordance with the Additional Senior Subordinated Secured Indebtedness Documents. The following amounts, when received by Project Owner, will be deposited into the Senior Secured Bonds Mandatory Prepayment Sub-Account for the prepayment of the Bonds and into any other applicable sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness to repay such Additional Senior Secured Indebtedness and into any other applicable sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness to repay such Additional Senior Subordinated Secured Indebtedness and transferred, in the case of the Senior Secured Bonds Mandatory Prepayment Sub-Account to the Trustee for prepayment of the Bonds and in the case of any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness, to the applicable Secured Debt Representative to repay such Additional Senior Secured Indebtedness and, in the case of any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness, to the applicable Secured Debt Representative to repay such Additional Senior Subordinated Secured Indebtedness:

(a) from net amounts of Loss Proceeds received by Project Owner in accordance with "—Loss Proceeds Account" above: (A) first, on a pro rata basis in relation to the outstanding principal amount of the respective Senior Indebtedness, to the Senior Secured Bonds Mandatory Prepayment Sub-Account and any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness and (B)

second, with respect to any Loss Proceeds in excess of the aggregate outstanding principal amount of the Senior Indebtedness, on a pro rata basis in relation to the outstanding principal amount of the Senior Subordinated Indebtedness to any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness;

- (b) with respect to the Bonds and any Additional Parity Bonds, in accordance with the Indenture and any other applicable Secured Obligation Documents;
- (c) with respect to any Additional Senior Secured Indebtedness, in accordance with the Additional Senior Secured Indebtedness Documents and any other applicable Secured Obligation Documents; and
- (d) with respect to any Additional Senior Subordinated Secured Indebtedness, in accordance with the Additional Senior Subordinated Secured Indebtedness Documents and any other applicable Secured Obligation Documents.

Notwithstanding anything otherwise to the contrary in the Collateral Agency Agreement, (i) the Senior Secured Bonds Mandatory Prepayment Sub-Account shall be pledged solely as collateral to secure the Bonds and any Additional Parity Bonds and shall be established solely for the benefit of the Bondholders of the Bonds and any Additional Parity Bonds, and will be held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of only such bondholders (and none of the other Secured Parties or any other person shall have any security interest in the Senior Secured Bonds Mandatory Prepayment Sub-Account); (ii) any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness shall be pledged solely as collateral to secure such Additional Senior Secured Indebtedness in accordance with the applicable Additional Senior Secured Indebtedness Documents and shall be established solely for the benefit of the applicable Additional Senior Secured Indebtedness Holders and will be held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of only such Additional Senior Secured Indebtedness Holders (and none of the other Secured Parties nor any other person shall have any security interest in such sub-accounts; and (iii) any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness shall be pledged solely as collateral to secure such Additional Senior Subordinated Secured Indebtedness in accordance with the applicable Additional Senior Subordinated Secured Indebtedness Documents and shall be established solely for the benefit of the applicable Additional Senior Subordinated Secured Indebtedness Holders and will be held by the Collateral Agent, and the security interest thereon maintained, for the exclusive benefit of only such Additional Senior Subordinated Secured Indebtedness Holders (and none of the other Secured Parties nor any other person shall have any Security Interest in such sub-accounts).

Following an Enforcement Action, moneys in Mandatory Prepayment Account and all sub-accounts thereof shall be applied in the manner described in "—Flow of Funds—Application of Proceeds upon a Secured Obligation Event of Default" below.

Distribution Account

The Distribution Account shall be funded in accordance with and subject to "—Flow of Funds—Revenue Account" and "—Equity Lock-Up Account" below. Project Owner will have the exclusive right to withdraw or otherwise dispose of funds on deposit in the Distribution Account to any other account or to such other person as directed by Project Owner in its sole discretion, and the Distribution Account (and any amounts on deposit therein) will not constitute Collateral. Any amounts payable to the Distribution Account pursuant to clause Eighteenth as set forth in "—Flow of Funds—Revenue Account" below will be paid to the Distribution Account on any Transfer Date upon certification by Project Owner that the Restricted Payment Conditions are satisfied in full on such Transfer Date, such certification to be made by delivery to the Collateral Agent of a Senior Subordinated Distribution Release Certificate.

Equity Lock-Up Account

Any funds that would have been payable to the Distribution Account but for the failure of a Restricted Payment Condition to be satisfied under clause Eighteenth as set forth in "—Flow of Funds—Revenue Account" below will be transferred to Equity Lock-Up Account pursuant to such clause Eighteenth (unless transferred to another Project Account pursuant to such clause Eighteenth). Funds already on deposit in the Equity Lock-Up Account on any Transfer Date will be transferred to the Revenue Account on such Transfer Date and applied in accordance with "—

Flow of Funds—Revenue Account" below. The funds held in the Equity Lock-Up Account may be applied to make mandatory prepayment or redemption of, or for a mandatory offer to pay or redeem, Secured Obligations and, to the extent to be applied to make such prepayment or redemption, shall be transferred at the direction of Project Owner to the applicable Secured Debt Representatives and applied to the prepayment or redemption of the Secured Obligations upon failure to satisfy the Restricted Payment Conditions in accordance with the terms of the applicable Secured Obligation Documents. Funds held in the Equity Lock-Up Account shall be used by the Collateral Agent, without the requirement of a Funds Transfer Certificate and without further direction by Project Owner, in accordance with the last paragraph of "—Revenue Account" above. In addition, Project Owner may, at its option, direct the Collateral Agent in any Funds Transfer Certificate (after giving effect to any transfer made by the Collateral Agent pursuant to the previous sentence) to transfer funds out of Equity Lock-Up Account for the purpose of making any payments referred to in clause Sixteenth set forth in "—Flow of Funds—Revenue Account" below (subject to delivery of certificates and other conditions noted in such clause Sixteenth for the selected transfers). Following an Enforcement Action, moneys in the Equity Lock-Up Account shall be applied in the manner described in "—Flow of Funds—Application of Proceeds upon a Secured Obligation Event of Default" below.

Capital Projects Account

Funds may be deposited into the Capital Projects Account at the direction of Project Owner from the Revenue Account pursuant to clause Twelfth or Eighteenth of "-Flow of Funds-Revenue Account" below, from equity contributions, from the proceeds of government grants provided for the purposes of financing any Capital Project or from the proceeds of Permitted Additional Senior Indebtedness, Permitted Subordinated Indebtedness or other Indebtedness permitted to be incurred by the Financing Obligation Documents to be used to pay the costs of Capital Projects in accordance with the requirements and limitations set forth in the applicable Financing Obligation Documents. On each Transfer Date, the Collateral Agent shall transfer funds from the Capital Projects Account to the applicable Operating Account designated by Project Owner be used to pay the costs of Capital Projects in accordance with the requirements set forth in the applicable Financing Obligation Documents upon request by Project Owner, together with a certificate from a Responsible Officer of Project Owner to the effect that such Capital Project is permitted under the applicable Financing Obligation Documents. In addition, at Project Owner's option, funds from the Capital Projects Account may be transferred to the Revenue Account on such Transfer Date and applied in accordance with "-Flow of Funds-Revenue Account" below. Moneys in the Capital Projects Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by Project Owner) in accordance with the last paragraph of "-Revenue Account" above. Following an Enforcement Action, moneys in the Capital Projects Account shall be applied in the manner described in "-Flow of Funds-Application of Proceeds upon a Secured Obligation Event of Default" below.

Operating Accounts and Equity Funded Account

Funds held in the Revenue Account, the Rolling Stock Reserve Account, the Major Maintenance Reserve Account, the Project Reserve Account, the Ramp-Up Reserve Account and the Capital Projects Account will be transferred into the applicable Operating Accounts designated by Project Owner from time to time in accordance with the provisions set forth in item Second of "—Flow of Funds—Revenue Account" below and in "—Rolling Stock Reserve Account," "—Major Maintenance Reserve Account," "—Project Reserve Account," the second sentence of "—Ramp-Up Reserve Account" and "—Capital Projects Account" above. Funds may also be deposited into the applicable Operating Accounts designated by Project Owner from time to time from the proceeds of the incurrence of other indebtedness permitted to be incurred by the Financing Obligation Documents to the extent such funds are not otherwise required to be deposited in any other Project Account. Except when a Secured Obligation Event of Default has occurred and is continuing, Project Owner may make withdrawals from, and write checks against, any Operating Account without having to comply with any conditions (other than any conditions set forth in the Financing Obligation Documents), other than that such amounts must be applied towards (i) with respect to funds deposited pursuant to item Second of "—Flow of Funds—Revenue Account" below or as set forth in the second sentence of "—Ramp-Up Reserve Account" above, O&M Expenditures, (ii) with respect to funds deposited pursuant to the third sentence of "-Rolling Stock Reserve Account" above, Rolling Stock Costs, (iii) with respect to funds deposited pursuant to the third sentence of "—Major Maintenance Reserve Account" above, Major Maintenance Costs, (iv) with respect to funds deposited pursuant to the second and third sentences of "-Capital Projects Account" above, costs of Capital Projects and (v) with respect to funds deposited pursuant to any other source (except as specified in the next paragraph), O&M Expenditures or Project Costs; in each case, subject to any restrictions on the use of such funds in the Financing Documents.

Funds may be deposited into the Equity Funded Account from the proceeds of Additional Senior Subordinated Indebtedness or equity contributions or from the Distribution Account, in each case to be used by Project Owner for any purpose not inconsistent with the Financing Documents. Unless otherwise provided in the Financing Documents and except when a Secured Obligation Event of Default has occurred and is continuing, any repayment or redemption of all or any portion of any Additional Senior Subordinated Indebtedness may be made with funds on deposit in the Equity Funded Account without regard to the satisfaction of the Senior Restricted Payment Conditions. Except when a Secured Obligation Event of Default has occurred and is continuing, Project Owner may make withdrawals from, and write checks against, the Equity Funded Account without having to comply with any conditions.

Investment

Funds in the Project Accounts may be invested and reinvested only in Permitted Investments (at the risk and expense of Project Owner) in accordance with written instructions given to the Collateral Agent by Project Owner (prior to the occurrence of a Secured Obligation Event of Default and, thereafter (so long as such Secured Obligation Event of Default shall be continuing), as directed in writing by the Secured Debt Representatives representing the Required Secured Creditors (as defined in the Collateral Agency Agreement)) and, unless a Secured Obligation Event of Default has occurred and is continuing, Project Owner is entitled to instruct the Collateral Agent to liquidate Permitted Investments for purposes of effecting any such investment or reinvestment or for any other purpose permitted under the Collateral Agency Agreement. The Collateral Agent shall not be required to take any action with respect to investing the funds in any Project Account in the absence of written instructions by Project Owner or Secured Debt Representatives representing the Required Secured Creditors (to the extent provided in accordance with the terms hereof). The Collateral Agent shall not be liable for any loss resulting from any Permitted Investment or the sale or redemption thereof made in accordance with the terms hereof. If and when cash is required for disbursement in accordance with the Collateral Agency Agreement, the Collateral Agent is authorized, without instructions from Project Owner, to the extent necessary to make payments or transfers required pursuant to the Collateral Agency Agreement, in the event Project Owner fails to direct the Collateral Agent to do so in a timely manner, to cause Permitted Investments to be sold or otherwise liquidated into cash (without regard to maturity) in such manner as the Collateral Agent shall deem reasonable and prudent under the circumstances. All funds in the Project Accounts and all Permitted Investments made in respect thereof shall constitute part of the Collateral.

Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Secured Obligation Event of Default

Except as otherwise specified in the Collateral Agency Agreement, each withdrawal or transfer of funds from the Project Accounts (other than from any Operating Account, the Equity Funded Account and any Collection Account) by the Collateral Agent on behalf of Project Owner will be made pursuant to an executed Funds Transfer Certificate, which certificate will be provided and prepared by Project Owner and will contain a certification by a Responsible Officer of Project Owner that such withdrawal or transfer complies with the requirements of the Collateral Agency Agreement. Unless a shorter period is acceptable to the Collateral Agent, such Funds Transfer Certificate relating to each applicable Project Account (other than any Operating Account, the Equity Funded Account and any Collection Account) will be delivered to the Collateral Agent no later than two business days prior to each date on which funds are proposed to be withdrawn or transferred. In the event that a certificate does not comply with the requirements of the Collateral Agency Agreement and the other Financing Obligation Documents, the Collateral Agent has the right to reject such certificate and Project Owner will not be entitled to cause the proposed withdrawal or transfer until it has submitted a revised and compliant certificate.

Notwithstanding anything to the contrary contained in the Collateral Agency Agreement, upon receipt of a notice of a Secured Obligation Event of Default and during the continuance of the related Secured Obligation Event of Default, the Secured Debt Representatives representing the Required Secured Creditors may, following the taking of an Enforcement Action, without consent of Project Owner, instruct the Collateral Agent in writing (i) not to release, withdraw, distribute, transfer or otherwise make available any funds in or from any of the Project Accounts and to take such action or refrain from taking such action with respect to such funds and Project Accounts as such Secured Debt Representatives (acting in accordance with the direction of Required Secured Creditors) shall so instruct or (ii) to apply proceeds of the Project Accounts to the payment of Secured Obligations, in accordance with the terms of this Agreement and in the order set forth in "—Flow of Funds—Application of Proceeds upon a Secured Obligation Event of Default" below, so long as such payments are on account of amounts due under the Secured Obligation Documents, in each case until the Collateral Agent has received written notice that such Secured Obligation Event of Default no

longer exists due to it having been waived, cured or no longer existing, or having been deemed waived, in accordance with the terms of the relevant Secured Obligation Documents and such Enforcement Action has been cancelled; provided that at any time prior to the taking of an Enforcement Action, proceeds of the Project Accounts will be applied in the order and the manner set forth in "—Flow of Funds—Revenue Account" below.

Flow of Funds

Revenue Account

Pursuant to the terms of the Collateral Agency Agreement, amounts will be deposited in the Revenue Account and sub-accounts thereof as set forth above under "—Project Accounts—Description of Project Accounts—Revenue Account." Subject to "—Project Accounts—Description of Project Accounts—Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Secured Obligation Event of Default" above and "—Application of Proceeds upon a Secured Obligation Event of Default" below, on each Transfer Date, the Collateral Agent is required to make the following withdrawals, transfers and payments from the Revenue Account and the sub-accounts therein in the amounts, at the times, for the purposes and in the order of priority (the "Flow of Funds") set forth below upon the instructions of Project Owner. For a further detailed summary of the Flow of Funds and a description of each of the accounts and sub-accounts, see "APPENDIX G—FORM OF COLLATERAL AGENCY, INTERCREDITOR AND ACCOUNTS AGREEMENT." Capitalized terms used in this section and not otherwise defined have the meanings assigned in the Collateral Agency Agreement.

Fees, Administrative Costs and other Expenses

<u>First</u>, pro rata (i) to the Agents, the Issuer (only to the extent of its Reserved Rights (as defined in the Indenture)) and any Nationally Recognized Rating Agency, as applicable, the fees, administrative costs, indemnification payments and other expenses of such parties then due and payable, and (ii) to the Bond Insurer for payment of the Bond Insurer Premiums then due and payable under the Bond Insurer Premium Letter, if any, as provided in the Indenture and costs and expenses then due and payable to the Bond Insurer under the Senior Financing Documents, if any (but not any other Bond Insurer Reimbursement Amounts).

Operating Accounts

Second, to the applicable Operating Accounts designated by Project Owner in the Funds Transfer Certificate, an amount equal to, together with amounts then on deposit in the Operating Accounts, the projected O&M Expenditures for the period ending on the immediately succeeding Transfer Date as set forth in the Funds Transfer Certificate, subject to any restrictions on the use of such funds in the Senior Financing Documents; provided that O&M Expenditures for Major Maintenance will be included in such amount solely to the extent that (i) any such costs are currently due or are projected to become due prior to the next Transfer Date and (ii) amounts on deposit in the Major Maintenance Reserve Account are insufficient to pay such costs.

Payments to the Rebate Funds

Interest on Bonds, any Permitted Additional Senior Indebtedness and any Purchase Money Debt <u>Third</u>, pro rata to any payments then due and payable by Project Owner to the Rebate Funds.

Fourth, pro rata, for the payment of interest on the Senior Indebtedness and any Purchase Money Debt as follows: (i) to the Senior Secured Bonds Interest Sub-Account, an amount equal to one-sixth of the amount of interest payable on the Bonds and any Additional Parity Bonds on the next Interest Payment Date; provided that, no such transfers to the Senior Secured Bonds Interest Sub-Account shall be required to be made to the extent the amounts in the Series 2024 Funded Interest Account or any similar pre-funded interest account established under the Indenture with respect to any Additional Parity Bonds, as applicable, are sufficient to pay interest on such Interest Payment Date, (ii) to the applicable interest account established under the Collateral Agency Agreement for Permitted Additional Senior Indebtedness and Purchase Money Debt, if any, an amount equal to the amount of interest and any Ordinary Course Settlement Payments related to such Permitted Additional Senior Indebtedness or Purchase Money Debt due or projected to become due on the next

Interest Payment Date divided by the total number of months between Interest Payment Dates for such Permitted Additional Senior Indebtedness or Purchase Money Debt as set forth in the applicable Permitted Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents; provided that, no such transfers to the respective interest account shall be required to be made to the extent the amounts in any pre-funded interest account established under the applicable Permitted Additional Senior Indebtedness Documents or related financing documents with respect to such Purchase Money Debt, if any, are sufficient to pay interest on such Interest Payment Date, and (iii) to the applicable Senior Swap Bank, if any, an amount equal to the amount of any Ordinary Course Settlement Payments related to any Permitted Senior Commodity Swap due or projected to become due on or before the Transfer Date pursuant to the applicable Permitted Swap Agreement; plus, in each case any deficiency from a prior Transfer Date; provided that the deposit on the Transfer Date occurring immediately before each Interest Payment Date will equal the amount required (taking into account the amounts then on deposit in the applicable interest payment account established under the Collateral Agency Agreement and any applicable interest payment account or pre-funded interest account established under the Indenture, the Permitted Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents) to pay the interest and any Ordinary Course Settlement Payments related to the Bonds, such Permitted Additional Senior Indebtedness or Purchase Money Debt due or projected to become due on such Interest Payment Date; provided, further that on the Transfer Date immediately preceding each Interest Payment Date (after giving effect to the transfers contemplated above in this clause Fourth), amounts on deposit in the Senior Secured Bonds Interest Sub-Account shall be transferred to the Interest Account established under the Indenture, and amounts on deposit in any other interest account for Permitted Additional Senior Indebtedness and any Purchase Money Debt established under the Collateral Agency Agreement shall be transferred in accordance with the applicable Permitted Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, in each case, for the payment of interest and any Ordinary Course Settlement Payments related to the Bonds or such Permitted Additional Senior Indebtedness or Purchase Money Debt due or projected to become due on the Bonds or the applicable Permitted Additional Senior Indebtedness or Purchase Money Debt on the next Interest Payment Date.

Principal of Bonds, any Permitted Additional Senior Indebtedness and any Purchase Money Debt

Fifth, pro rata, for the payment of principal on the Senior Indebtedness and any Purchase Money Debt as follows: (i) with respect to the Bonds and any Additional Parity Bonds, deposits shall be made to the Senior Secured Bonds Principal Sub-Account under this clause Fifth on each Transfer Date occurring within twelve months prior to any Principal Payment Date in an amount equal to one-twelfth of the amount of principal due on the Bonds and any Additional Parity Bonds on such Principal Payment Date, (ii) with respect to any other principal payment account established under the Collateral Agency Agreement for Permitted Additional Senior Indebtedness and Purchase Money Debt, if any, the amount of principal required to be deposited into such principal payment account for such Permitted Additional Senior Indebtedness or Purchase Money Debt as set forth in the applicable Permitted Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, and (iii) if applicable, with respect to any Permitted Senior Commodity Swap, on the Transfer Date occurring immediately before a Swap Termination Payment due date under the applicable Permitted Swap Agreement, to the applicable Swap Bank, an amount equal to the amount required to pay such Swap Termination Payment due on such due date pursuant to the applicable Permitted Swap Agreement; plus, in each case of clauses (i) through (iii) of this clause Fifth, any deficiency from a prior Transfer Date; provided that the amount of any transfer pursuant to this clause Fifth shall exclude the principal portion of the purchase price of any Bonds, Permitted Additional Senior Indebtedness or Purchase Money Debt

subject to mandatory tender for purchase prior to maturity due on the applicable Principal Payment Date: provided, further, that (x) with respect to the Bonds and any Additional Parity Bonds, the deposit on the Transfer Date occurring immediately before each Principal Payment Date will equal the amount required to pay the principal payment due on such Principal Payment Date for the Bonds and any Additional Parity Bonds (taking into account the amount then on deposit in the Senior Secured Bonds Principal Sub-Account and the Principal Account established under the Indenture and excluding the principal portion of the purchase price of any Bonds or Additional Parity Bonds subject to mandatory tender for purchase prior to maturity on such Principal Payment Date) and (y) if applicable, with respect to any Permitted Additional Senior Indebtedness and any Purchase Money Debt, the deposit on the Transfer Date occurring immediately before each Principal Payment Date will equal the amount required to pay the principal payment due on such Principal Payment Date for the applicable Permitted Additional Senior Indebtedness or Purchase Money Debt, including in the case of any Senior Swap Agreement, Swap Termination Payments (as such amounts are defined in the Collateral Agency Agreement) (taking into account the amounts then on deposit in any principal payment sub-account established under the Collateral Agency Agreement or under the applicable Permitted Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents for the payment of principal on such Permitted Additional Senior Indebtedness or Purchase Money Debt and excluding the principal portion of the purchase price of any Permitted Additional Senior Indebtedness or Purchase Money Debt subject to mandatory tender for purchase prior to maturity on such Principal Payment Date); provided, further that on each Transfer Date immediately preceding a Principal Payment Date (after giving effect to the transfers contemplated above in this clause Fifth), amounts on deposit in the Senior Secured Bonds Principal Sub-Account shall be transferred to the Principal Account established under the Indenture and amounts on deposit in any other principal account for Permitted Additional Senior Indebtedness and any Purchase Money Debt established under the Collateral Agency Agreement shall be transferred in accordance with the applicable Permitted Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, in each case, for the payment of principal due on the applicable Permitted Additional Senior Indebtedness or Purchase Money Debt on the next Principal Payment Date, including in the case of any Senior Swap Agreement, Swap Termination Payments.

Senior DSR Sub-Account and any Additional Senior Debt Service Reserve Account

Rolling Stock Reserve Account

Major Maintenance Reserve Account

Project Reserve Account

<u>Sixth</u>, pro rata, to the Senior DSR Sub-Account and any Additional Senior Debt Service Reserve Account then already in existence in an amount to the extent necessary to fund such account so that the balance therein (taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the applicable Debt Service Reserve Requirement for the immediately preceding Calculation Date.

Seventh, to the Rolling Stock Reserve Account in an amount to the extent necessary to fund such account so that the balance therein (taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the Rolling Stock Reserve Required Balance for the immediately preceding Calculation Date.

<u>Eighth</u>, to the Major Maintenance Reserve Account in an amount to the extent necessary to fund such account so that the balance therein (taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the Major Maintenance Reserve Required Balance for the immediately preceding Calculation Date.

Ninth, to the Project Reserve Account, in an amount to the extent necessary to fund such account so that the balance therein, when combined with any amounts on

deposit in the Ramp-Up Reserve Account and the Major Maintenance Reserve Account (in each case, taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the applicable Project Reserve Required Balance for the immediately preceding Calculation Date.

Remaining Unpaid Senior Secured Obligations

<u>Tenth</u>, pro rata, to the account designated by the applicable Senior Secured Parties, any remaining unpaid Senior Secured Obligations then due and payable to the relevant Senior Secured Parties (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the Senior Secured Obligation Documents), based on such respective amounts then due to such Senior Secured Parties.

Additional Funding of Project Reserve Account if Senior Restricted Payment Conditions Are Not Satisfied <u>Eleventh</u>, to the Project Reserve Account, 100% of remaining funds at this level Eleventh, unless the Senior Restricted Payment Conditions are satisfied on such Transfer Date as confirmed in a Senior Distribution Release Certificate.

Optional Funding of Capital Projects Account

Twelfth, at Project Owner's option, to the Capital Projects Account.

Interest on Permitted Subordinated Indebtedness

Thirteenth, pro rata, for the payment of interest on the Senior Subordinated Indebtedness as follows: to the applicable interest account established under the Collateral Agency Agreement for Additional Senior Subordinated Indebtedness, if any, an amount equal to the amount of interest and any Ordinary Course Settlement Payments related to such Additional Senior Subordinated Indebtedness due or projected to become due on the next Interest Payment Date divided by the total number of months between Interest Payment Dates for such Additional Senior Subordinated Indebtedness as set forth in the applicable Additional Senior Subordinated Indebtedness Documents, provided that, no such transfers to the respective interest account shall be required to be made to the extent the amounts in any pre-funded interest account established under the applicable Additional Senior Subordinated Indebtedness Documents, if any, are sufficient to pay interest on such Interest Payment Date; provided that the deposit on the Transfer Date occurring immediately before each Interest Payment Date will equal the amount required (taking into account the amounts then on deposit in the applicable interest payment account established under the Collateral Agency Agreement and any applicable interest payment account or pre-funded interest account established under the Additional Senior Subordinated Indebtedness Documents) to pay the interest and any Ordinary Course Settlement Payments related to such Additional Senior Subordinated Indebtedness due or projected to become due on such Interest Payment Date; provided, further that on the Transfer Date immediately preceding each Interest Payment Date (after giving effect to the transfers contemplated above in this clause Thirteenth), amounts on deposit in any other interest account for Additional Senior Subordinated Indebtedness established under the Collateral Agency Agreement shall be transferred in accordance with the applicable Additional Senior Subordinated Indebtedness Documents, in each case, for the payment of interest and any Ordinary Course Settlement Payments related to such Additional Senior Subordinated Indebtedness due or projected to become due on the applicable Additional Senior Subordinated Indebtedness on the next Interest Payment Date.

Principal on Permitted Subordinated Indebtedness

<u>Fourteenth</u>, *pro rata*, for the payment of principal on the Senior Subordinated Indebtedness as follows: with respect to any other principal payment account established under the Collateral Agency Agreement for Additional Senior Subordinated Indebtedness, if any, the amount of principal required to be deposited into such principal payment account for such Additional Senior Subordinated Indebtedness as set forth in the applicable Additional Senior Subordinated

Indebtedness Documents; plus, any deficiency from a prior Transfer Date; provided, that the amount of any transfer pursuant to this clause Fourteenth shall exclude the principal portion of the purchase price of any Additional Senior Subordinated Indebtedness subject to mandatory tender for purchase prior to maturity due on the applicable Principal Payment Date: provided, further, that if applicable, with respect to any Additional Senior Subordinated Indebtedness, the deposit on the Transfer Date occurring immediately before each Principal Payment Date will equal the amount required to pay the principal payment due on such Principal Payment Date for the applicable Additional Senior Subordinated Indebtedness, including in the case of any Senior Subordinated Swap Agreement, Swap Termination Payments (taking into account the amounts then on deposit in any principal payment sub-account established under the Collateral Agency Agreement or under the applicable Additional Senior Subordinated Indebtedness Documents for the payment of principal on such Additional Senior Subordinated Indebtedness and excluding the principal portion of the purchase price of any Additional Senior Subordinated Indebtedness subject to mandatory tender for purchase prior to maturity on such Principal Payment Date); provided, further that on each Transfer Date immediately preceding a Principal Payment Date (after giving effect to the transfers contemplated above in this clause Fourteenth), amounts on deposit in any other principal account for Additional Senior Subordinated Indebtedness established under the Collateral Agency Agreement shall be transferred in accordance with the applicable Additional Senior Subordinated Indebtedness Documents, in each case, for the payment of principal due on the applicable Additional Senior Subordinated Indebtedness on the next Principal Payment Date, including in the case of any Senior Subordinated Swap Agreement, Swap Termination Payments.

Additional Senior Subordinated Debt Service Reserve Account <u>Fifteenth</u>, pro rata, to any Additional Senior Subordinated Debt Service Reserve Account then already in existence in an amount to the extent necessary to fund such account so that the balance therein (taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the applicable Debt Service Reserve Requirement for the immediately preceding Calculation Date.

Optional Prepayments or Redemptions

Sixteenth, at Project Owner's option, (i) for repayment or redemption of the Bonds or any Additional Parity Bonds, such amounts as Project Owner will deem appropriate to optionally prepay or redeem such then outstanding Bonds or any Additional Parity Bonds in whole or in part in accordance with the Indenture, (ii) to make any other optional prepayments or optional redemptions, as the case may be, of any Permitted Additional Senior Indebtedness or Purchase Money Debt as permitted under the applicable Permitted Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, or (iii) to make any other optional prepayments or optional redemptions, as the case may be, of any Additional Senior Subordinated Indebtedness as permitted under the applicable Additional Senior Subordinated Indebtedness Documents, together, in each case of the above clauses (i) through (iii) of this clause Sixteenth, with any interest or premium payable in connection with such prepayment or redemption and any related Swap Termination Payments in connection with such prepayment or redemption.

Reserve Account, if applicable

Seventeenth, to the Project Reserve Account, 100% of remaining funds at this level Seventeenth, if the Senior Restricted Payment Conditions as tested in clause Eleventh were only satisfied due to operation of clause (b)(ii) of the definition thereof.

Distribution Account,
Equity Lock-Up Account,
Project Reserve Account
or Capital Projects
Account

Eighteenth, so long as the Restricted Payment Conditions are satisfied as of the applicable Transfer Date, as confirmed in a Senior Subordinated Distribution Release Certificate, to the Distribution Account or, at Project Owner's option, the Project Reserve Account or the Capital Projects Account, or if the Restricted Payment Conditions are not satisfied as of such Transfer Date, then such funds shall be transferred to the Equity Lock-Up Account or, at Project Owner's option, the Project

Reserve Account, on such Transfer Date. Funds shall not be transferred from the Revenue Account to the Distribution Account or the Equity Lock-Up Account at any time other than in accordance with this clause Eighteenth.

Application of Proceeds upon a Secured Obligation Event of Default

Application of Amounts in Debt Service Reserve Accounts. Following delivery of a Direction Notice (as defined in the Collateral Agency Agreement) upon the occurrence and during the continuance of a Secured Obligation Event of Default, the Collateral Agent shall transfer all amounts and proceeds attributable to any Debt Service Reserve Account to the appropriate Secured Debt Representative or Secured Debt Representatives with respect to the Secured Obligations to which such Debt Service Reserve Account relates, to be applied, first for the pro rata payment of fees, administrative costs, expenses and indemnification payments due to the Agents and the Issuer (including the reasonable fees and expenses of counsel) under the applicable Secured Obligation Documents and to the payments then due and payable by Project Owner to the Rebate Funds, second for the pro rata payment of all accrued and unpaid interest (including default interest, if any) on the relevant Secured Obligations, and third, if any unpaid principal or premium (if applicable) of such Secured Obligations has become due (by acceleration or otherwise), to the payment of such unpaid principal and premium, and thereafter, any remainder shall be applied in accordance with the priority set forth in "—Application of All Other Amounts" below.

Application of Amounts in Mandatory Prepayment Accounts. Following delivery of a Direction Notice upon the occurrence and during the continuance of a Secured Obligation Event of Default, the Collateral Agent shall transfer all amounts and proceeds attributable to any sub-account of the Mandatory Prepayment Account to the appropriate Secured Debt Representative or Secured Debt Representatives with respect to the Secured Obligations to which such sub-account of such Mandatory Prepayment Account relates, to be applied, first for the pro rata payment of fees, administrative costs, expenses and indemnification payments due to the Agents (including the reasonable fees and expenses of counsel) under the Secured Obligation Documents and to the payments then due and payable by Project Owner to the Rebate Funds, second for the pro rata payment of all accrued and unpaid interest (including default interest, if any) on the relevant Secured Obligations, and third, if any unpaid principal or premium (if applicable) of such Secured Obligations has become due (by acceleration or otherwise), to the payment of such unpaid principal and premium, and thereafter, any remainder shall be applied in accordance with the priority set forth in "—Application of All Other Amounts" below.

Application of All Other Amounts. All proceeds remaining in any Debt Service Reserve Account and any Mandatory Prepayment Account after application thereof in accordance with "—Application of Amounts in Debt Service Reserve Accounts" and "—Application of Amounts in Mandatory Prepayment Accounts" above and all other proceeds received by the Collateral Agent pursuant to the exercise of any rights or remedies accorded to the Collateral Agent pursuant to, or by the operation of any of the terms of, any of the Security Documents following the occurrence and during the continuance of a Secured Obligation Event of Default, including proceeds from the sale or disposition of Collateral or other Enforcement Action, shall first be applied to reimburse the Collateral Agent for payment of the reasonable costs and necessary expenses of the Enforcement Action, including reasonable fees and expenses of counsel, all reasonable expenses, liabilities, and advances made or incurred by the Collateral Agent in connection therewith, and all other amounts due to the Collateral Agent in its capacity as such, and thereafter, the remaining proceeds shall be applied promptly by the Collateral Agent toward repayment of the Senior Indebtedness in the following order of priority:

<u>First</u>, ratably, to the payment of any other fees, administrative costs, expenses and indemnification payments due to the Agents and the Issuer under the Secured Obligation Documents, to the payments then due and payable by Project Owner to the Rebate Funds and to the payment of the Bond Insurer Premiums then due and payable under the Bond Insurer Premium Letter, if any, pursuant to the Indenture and costs and expenses then due and payable to the Bond Insurer under the Senior Financing Documents, if any (but not any other Bond Insurer Reimbursement Amounts);

Second, ratably, to the respective outstanding fees, costs, charges and expenses then due and payable to the Senior Secured Parties under any Senior Secured Obligation Documents based on such respective amounts then due to such persons (other than the fees and payments due to the Senior Secured Parties under Third, Fourth and Fifth below);

<u>Third</u>, ratably, to any accrued but unpaid interest and commitment fees owed to the Senior Secured Creditors on the applicable Senior Secured Obligations and any Ordinary Course Settlement Payments based on such respective amounts then due to such Senior Secured Creditors;

<u>Fourth</u>, ratably, to the unpaid principal and premium (if applicable) owed to the Senior Secured Creditors under the applicable Senior Secured Obligation Documents (by acceleration or otherwise) and any Swap Termination Payments then due and payable to the Senior Swap Banks under the Senior Swap Agreements, based on such respective amounts then due to such Senior Secured Creditors;

<u>Fifth</u>, ratably, to any remaining unpaid Senior Secured Obligations then due and payable to the relevant Senior Secured Parties (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the Senior Secured Obligation Documents), based on such respective amounts then due to such Senior Secured Parties or otherwise required to cause the Discharge of Senior Indebtedness;

Sixth, after the Discharge of Senior Indebtedness, ratably, to the respective outstanding fees, costs, charges and expenses then due and payable to the Senior Subordinated Secured Parties under any Senior Subordinated Secured Obligation Documents based on such respective amounts then due to such Persons (other than the fees and payments due to the Senior Subordinated Secured Parties under seventh, eighth and ninth below);

Seventh, after the Discharge of Senior Indebtedness, ratably, to any accrued but unpaid interest and commitment fees owed to the Senior Subordinated Secured Creditors on the applicable Senior Subordinated Secured Obligations and any Ordinary Course Settlement Payments based on such respective amounts then due to such Senior Subordinated Secured Creditors;

<u>Eighth</u>, after the Discharge of Senior Indebtedness, ratably, to the unpaid principal and premium (if applicable) owed to the Senior Subordinated Secured Creditors under the applicable Senior Subordinated Secured Obligation Documents (by acceleration or otherwise) and any Swap Termination Payments then due and payable to the Senior Subordinated Swap Banks under the Senior Subordinated Swap Agreements, based on such respective amounts then due to such Senior Subordinated Secured Creditors;

Ninth, after the Discharge of Senior Indebtedness, ratably, to any remaining unpaid Senior Subordinated Secured Obligations then due and payable to the relevant Senior Subordinated Secured Parties (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the Senior Subordinated Secured Obligation Documents), based on such respective amounts then due to such Senior Subordinated Secured Parties;

<u>Tenth</u>, after final Payment in Full of all Secured Obligations, ratably, to any remaining unpaid Additional Senior Unsecured Indebtedness then due and payable to the relevant holders of such Additional Senior Unsecured Indebtedness (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the applicable Additional Senior Unsecured Indebtedness Documents), based on such respective amounts then due to such holders;

<u>Eleventh</u>, after final Payment in Full of all Secured Obligations and any Additional Senior Unsecured Indebtedness, ratably, to any remaining unpaid Additional Senior Subordinated Unsecured Indebtedness then due and payable to the relevant holders of such Additional Senior Subordinated Unsecured Indebtedness (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the Additional Senior Subordinated Unsecured Indebtedness Documents), based on such respective amounts then due to such holders; and

Twelfth, after final Payment in Full of all Secured Obligations, any Additional Senior Unsecured Indebtedness and any Additional Senior Subordinated Unsecured Indebtedness and upon the Termination Date, to pay to Project Owner, or as may be directed by Project Owner or as a court of competent jurisdiction may direct, any remaining proceeds.

Project Owner shall remain liable to the extent of any deficiency between the amount of proceeds of the Project Accounts and any other Collateral and the aggregate of the sums referred to in priorities First through Eleventh above.

If at any time any Secured Party will for any reason obtain any payment or distribution upon or with respect to the Secured Obligations (as the case may be) contrary to the terms of the Collateral Agency Agreement, whether as a result of the Collateral Agent's exercise of any Enforcement Action in respect of the Collateral or otherwise, such Secured Party agrees that it will have received such amounts in trust, and will promptly remit such amount so received in error to the Collateral Agent to be applied in accordance with the terms of the Collateral Agency Agreement. If at any time the Collateral Agent or any other Secured Party will for any reason obtain any identifiable cash proceeds of any assets securing any Purchase Money Debt and in which assets the holder or representative of the holders of such Purchase Money Debt has or had a security interest having priority over any interest of the Collateral Agent or any other Secured Party in such assets, whether as a result of the Collateral Agent's exercise of any Enforcement Action in respect of the Collateral or otherwise, the Collateral Agent or such other Secured Party agrees that it will have received such amounts in trust, and will promptly remit such amount so received in error to the holder or representative of the holders of such Purchase Money Debt.

By accepting amounts applied in accordance with clauses Fourth and Fifth of "—Flow of Funds—Revenue Account," each Additional Senior Unsecured Indebtedness Holder agrees that if at any time any Additional Senior Unsecured Indebtedness Holder will for any reason obtain any payment or distribution upon or with respect to the Additional Senior Unsecured Indebtedness contrary to the terms of the Collateral Agency Agreement, whether as a result of the Collateral Agent's exercise of any Enforcement Action in respect of the Collateral or otherwise, such Additional Senior Unsecured Indebtedness Holder will have received such amounts in trust, and will promptly remit such amount so received in error to the Collateral Agent to be applied in accordance with the terms of the Collateral Agency Agreement.

By accepting amounts applied in accordance with clauses Thirteenth and Fourteenth of "—Flow of Funds—Revenue Account," each Additional Senior Subordinated Unsecured Indebtedness Holder agrees that if at any time any Additional Senior Subordinated Unsecured Indebtedness Holder will for any reason obtain any payment or distribution upon or with respect to the Additional Senior Subordinated Unsecured Indebtedness contrary to the terms of the Collateral Agency Agreement, whether as a result of the Collateral Agent's exercise of any Enforcement Action in respect of the Collateral or otherwise, such Additional Senior Subordinated Unsecured Indebtedness Holder will have received such amounts in trust, and will promptly remit such amount so received in error to the Collateral Agent to be applied in accordance with the terms of the Collateral Agency Agreement.

CAPITALIZATION

The following tables set forth Project Owner's capitalization as of December 31, 2023, including with respect to Project Owner:

- on an actual basis;
- adjusted to give effect to the remarketing of the Series 2019A-2 Bonds, the HoldCo Preferred Equity Issuance, the transfer of the Tampa Assets to Brightline Tampa and the amendment to the Credit Agreement initially dated March 31, 2023; and
- further adjusted to give effect to the transactions described in the "REFINANCING TRANSACTIONS AND
 ORGANIZATIONAL STRUCTURE" section in this Official Statement including the issuance and sale of
 the Bonds and the use of proceeds from the issuance and sale of such debt and contributions to Project Owner
 to repay Project Owner's existing debt as described in the "ESTIMATED SOURCES AND USES OF
 FUNDS" section in this Official Statement.

These tables should be read in conjunction with the "ESTIMATED SOURCES AND USES OF FUNDS" and "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" sections in this Official Statement and Project Owner's audited financial statements and related notes thereto attached to and incorporated by reference in this Official Statement.

Project Owner:

As of December 31, 2023

				As Fu	rther
	 Actual	As A	djusted	Adju	sted
		(in r	nillions)		
Capitalization					
Debt:					
Tax-Exempt Bonds	\$ 2,700	\$	2,700	\$	-
Taxable Notes	400		400		-
Other Taxable Debt	626		676		-
Unamortized discounts and deferred financing costs	(103)		(108)		(78)
Bonds offered hereby					2,219
Project Owner Credit Facility					25
Total debt	3,623		3,668		2,166
Equity:					
Member's equity	604		781		3,133
Total member's equity	604		781		3,133
Total capitalization	\$ 4,227	\$	4,449	\$	5,298

ESTIMATED SOURCES AND USES OF FUNDS

The net proceeds from the offering of the Bonds are being used by Project Owner, together with a portion of the net proceeds from the Project Owner Credit Facility and other indebtedness or preferred equity to be raised by indirect parent or member entities of Project Owner and other available funds, to (i) finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of Project Owner and/or one or more of its affiliates for expenditures for the Project), (ii) fund interest on the Bonds due on each interest payment date through July 1, 2025, (iii) fund other reserves and (iv) pay certain costs of issuance. SEE "REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE."

The "Prior Indebtedness" consists of (i) the Series 2019 Bonds, (ii) Project Owner's 8.000% Senior Secured Notes due 2028 (Green Notes), (iii) Project Owner's term loans outstanding under the Credit Agreement, initially dated as of September 24, 2021, among Project Owner, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, as amended from time to time, (iv) Project Owner's term loans outstanding under the Credit Agreement, initially dated as of April 21, 2022, among Project Owner, the lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and Sumitomo Mitsui Banking Corporation, as green loan coordinator, as amended from time to time, (v) Project Owner's term loans outstanding under the Credit Agreement, initially dated as of March 31, 2023, among Project Owner, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, as amended from time to time, (vi) Project Owner's term loans outstanding under the Credit Agreement, initially dated as of May 31, 2023, among Project Owner, the lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and Sumitomo Mitsui Banking Corporation, as green loan coordinator, as amended from time to time, (vii) Project Owner's mortgage loan outstanding under the Loan Agreement, initially dated as of March 29, 2023, between Project Owner and City National Bank of Florida, as amended from time to time, and (viii) the second amended and restated subordinated promissory note, dated as of October 3, 2023, made to BL Florida LLC.

A portion of the proceeds of the Bonds will be applied to defease and refund in full the Series 2019 Bonds. In order to effect the defeasance and refunding of the Series 2019 Bonds, concurrently with the issuance of the Bonds a portion of the proceeds of the Bonds will be deposited into a Defeasance Escrow Account (the "Defeasance Escrow Account"), established under the Defeasance Escrow Agreement, dated as of the date of the Closing Date, among the Issuer, Project Owner and Deutsche Bank National Trust Company, as trustee for the Series 2019 Bonds, for the purpose of defeasance and refunding of the Series 2019 Bonds. The deposit to the Defeasance Escrow Account will be in an amount sufficient to provide for the payment of the principal of, redemption premium and interest on the Series 2019 Bonds in full on the date of redemption.

A portion of the proceeds from the refinancing offerings will be used to discharge the indenture governing Project Owner's \$400.0 million aggregate principal amount of 8.000% Senior Secured Notes due 2028 (Green Notes) by irrevocably depositing with the paying agent for such notes sufficient to redeem such notes at a redemption price of 104.00% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, to, but excluding, the date of redemption.

A portion of the proceeds from the refinancing offerings will be used to repay in full Project Owner's other existing indebtedness under various loan and credit agreements as described above, including the payment of any fees, expenses and premiums related to such repayments.

Further detail regarding sources and uses of funds follows below. The information presented below is based on Project Owner's expectations and is necessarily dependent upon assumptions, estimates and data that Project Owner believes are reasonable as of the date hereof, but which may be incorrect, incomplete or imprecise or not reflective of actual results. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors, including fluctuations in cash on hand and differences from our estimation of fees and expenses.

Refinancing Transactions Sources and Uses⁽¹⁾

\$ millions

	TOT	AL
Sources of Funds:		
Bonds	\$	2,219
Premium proceeds from Bonds		71
Project Owner Credit Facility		25
Contribution from direct or indirect parent or member entities ⁽²⁾		2,269
Cash on hand		23
Total Sources	\$	4,607
Uses of Funds:		
Repayment of tax-exempt bonds*	\$	2,863
Repayment of taxable bonds*		1,052
Refinancing of subordinated debt*		72
Total Refunding/Repayment of Existing Debt		3,987
Funded interest for the Bonds ⁽³⁾		134
Debt service reserve for the Bonds		116
Project Reserve Account		75
Ramp-Up Reserve		175
Rolling Stock Reserve		60
Financing Fees and Expenses		60
Total Reserves, Fees & Expenses		620
Total Uses	\$	4,607

⁽¹⁾ The totals presented herein may not sum due to rounding.

⁽²⁾ Related to Project Owner capitalization and is exclusive of affiliate transactions in amounts in excess of the \$2.3 billion for costs of reserves and refinancing debt obligations expected to be funded simultaneously at the closing of the Bonds with a combination of taxable, tax-exempt, credit facilities and equity for purposes of Project Owner's recapitalization plan.

⁽³⁾ Includes funded interest for the Project Owner Credit Facility.

^{*} Including accrued interest and prepayment premiums.

KEY ASSUMPTIONS

Project Owner prepared the financial projections set forth under the captions "ESTIMATED SOURCES AND USES OF FUNDS" and "PROJECTIONS." The projections are based on certain assumptions and expectations developed by Project Owner, several of which are set forth below and in the 2022 Ridership and Revenue Study and the Operations and Maintenance and Ancillary Revenue Report, and which Project Owner believes are reasonable. The projections contained in this Official Statement are based on certain assumptions regarding sources and uses as set forth in following tables.

Operating Cash Flow Assumptions

Cash Flow Item	Comment
Project Fare Revenue Project Ancillary Revenues	 Project Owner commenced rail operations between Miami and West Palm Beach, Florida in 2018. Project Owner suspended operations from March 2020 to November 2021 due to the COVID-19 pandemic and to focus on construction activities. In December 2022, Project Owner added service to new stations located in Aventura and Boca Raton. Long-distance service to Orlando on the North Segment began in September 2023. By 2026, Project Owner expects ridership to reach approximately 8.0 million, of which 3.7 million passengers are short-distance (between Miami and West Palm Beach, as well as intermediate stations at Aventura, Fort Lauderdale and Boca Raton) and 4.3 million are long-distance, traveling to or from the Orlando International Airport station. Project Owner provided three ramp-up scenarios for estimated ridership and fares to reflect (i) the actual September 22, 2023 opening of the Orlando service compared to the assumed January 1, 2023 opening in the 2022 Ridership and Revenue Study and (ii) examples of different service adoption rates Project Owner may experience, for the 2024 to 2026 period, illustrating the potential for different adoption rates, consistent with the experience of other new high speed rail operations globally. Project Owner has ordered 30 additional passenger cars and expects them to be delivered from mid-2024 to 2025. This will add three cars to each of its 10 trainsets, increasing each train from four cars, with a current seat capacity configuration of 240 seats, to seven cars with a total potential seat capacity configuration of 450 seats. Project Owner is currently limiting seat availability for short-distance service to reserve capacity for its growing long-distance service. Once additional passenger cars are delivered, expected in mid-2024, Project Owner projects a strong increase in short-distance ridership. Brightline offers two fare classes; Smart (which is comparable to business class) and Premium (our first-class experience). The fare structu
	 and bike shortage. Non-passenger dependent ancillary revenues are derived from sponsorship and naming right arrangements with third parties.
Project Operating Costs	Operating and maintenance expenses are based on Project Owner's estimates, the executed Siemens Maintenance Agreement, actual experience and the estimates

Cash Flow Item Comment

provided in the Operations and Maintenance and Ancillary Revenue Report attached as Appendix D hereto. Operating and maintenance expenses were adjusted by Project Owner to account for additional stations and passenger volumes. Operating and maintenance expenses were adjusted by Project Owner for inflation and to reflect certain cost increases related to passenger volume (i.e., food & beverage expenses).

- Labor is the largest single cost item, which includes costs paid to the Manager for all salaries, employee benefits and other compensation of those employees providing management, operating, maintenance, legal, accounting, finance, information technology, human resources, revenue management and sales and marketing services.
- Maintenance of equipment includes the amount expected to be paid to Siemens under the Siemens Maintenance Agreement for the maintenance of the rolling stock
- Maintenance of way includes costs paid to FECR under the Joint Use Agreement for the maintenance of shared track and signals, as well as track security, along the North-South segment of Project Owner's corridor and the Herzog Contracting Corp. to perform maintenance of way along the East-West segment. Maintenance of way also includes costs paid to DispatchCo for the performance of dispatch functions for Project Owner's trains. Maintenance expense does not assume any contribution from the South Florida Commuter Rail Project, though any such contribution would have the potential to reduce Project Owner's maintenance expense.
- Other operating expenses include marketing and advertising expenses, credit card fees, passenger meal costs, parking garage costs, station and West Palm Beach and Orlando maintenance facility costs, fuel, shuttle-service mobility costs, information technology costs, legal fees, accounting fees, insurance fees, professional services and other general and administrative costs of operating the Project, each representing less than 4% of total annual revenue.

Financing Assumptions

- Outstanding debt fully refinanced with newly issued senior debt and equity.
- The following reserves will be funded at Project Owner
 - o Ramp-Up Reserve Account funded at \$175 million.
 - o Interest on the Bonds is pre-funded through the interest payment date on July 1, 2025.
 - Senior DSR Sub-Account is funded with an amount equal to first 12 months of interest expense.
 - o Project Reserve Account is initially funded with \$75 million.
 - o Rolling Stock Reserve Account is funded at \$60 million.
 - Major Maintenance Reserve Account is funded with operating cash.

Orlando-Tampa Project

Excludes all capitalization and impacts of further expansions in the Orlando and Tampa areas.

Detailed Ridership and Revenue Breakdown (Full Year 2026)(1,2,3)

\$ millions, except for passengers and fares	Annual Ridership	Avg. Fare	Ticket Revenue
South Florida Origin – Destination Pairs:			
Miami – Fort Lauderdale	845,510	\$20.01	\$16.9
Fort Lauderdale – West Palm Beach	533,252	\$26.61	14.2
Miami – West Palm Beach	1,206,534	\$55.08	66.5
Boca Raton – Miami	473,040	\$31.84	15.1
Boca Raton – Aventura	59,312	\$37.86	2.2
Boca Raton – Fort Lauderdale	64,585	\$13.26	0.9
Boca Raton – West Palm Beach	66,723	\$18.55	1.2
Aventura – Miami	231,199	\$21.89	5.1
Aventura – Fort Lauderdale	40,117	\$28.80	1.2
Aventura – West Palm Beach	150,723	\$52.74	7.9
Total Short-Distance ⁽¹⁾	3,670,994	\$35.72	\$131.1
South Florida to Orlando Origin - Destination Pairs:			
Miami – Orlando	1,497,925	\$179.96	\$269.6
Aventura – Orlando	501,061	\$96.44	48.3
Fort Lauderdale – Orlando	1,154,349	\$108.08	124.8
Boca Raton – Orlando	455,539	\$88.80	40.5
West Palm Beach - Orlando	734,915	\$89.21	65.7
Total Long-Distance	4,343,788	\$126.31	\$548.7
Total System	8,014,782	\$84.82	\$679.8

⁽¹⁾ Source: WSP's 2022 Ridership and Revenue Study, updated by Project Owner to reflect the actual mix of short-distance origination and destination ridership experienced in April 2023.

⁽²⁾ Source: WSP's February 2024 WSP Supplement.

⁽³⁾ For the fare projections, Project Owner assumed an approximately 2.8% average annual increase in fares. To arrive at these estimates, the management team applied an annual fare growth utilizing a combination of WSP's estimated 0.8% real growth utilized in the ridership report, and Project Owner's assumed approximately 2.0% average nominal inflation growth to WSP's 2021 dollar base rates provided in the 2022 Ridership and Revenue Study.

PROJECTIONS

Project Owner has prepared the financial projections set forth below. The projections are based on certain assumptions and expectations currently held by Project Owner, several of which are set forth below and in the 2022 Ridership and Revenue Study and the Operations and Maintenance and Ancillary Revenue Report, and which Project Owner believes are reasonable. See "KEY ASSUMPTIONS." A number of important factors affecting Project Owner's projections could cause actual results to differ materially from those stated in the projections, including those set out under the captions "FORWARD-LOOKING STATEMENTS" and "RISK FACTORS" in this Official Statement. While projections for the stabilized period from 2027 onward remain unchanged from the original 2022 Ridership and Revenue Study, as reiterated by the WSP Supplement, Project Owner presents three ramp-up scenarios for the 2024 to 2026 period, illustrating the potential for different adoption rates, consistent with the experience of other new high speed rail operations globally.

The projected debt service coverage for the Project is based on a number of estimates and assumptions that, while considered reasonable by Project Owner, are inherently subject to significant business, economic, market, competitive, regulatory and other uncertainties and contingencies, all of which are difficult to predict and many of which are beyond Project Owner's control, and on estimates and assumptions with respect to future business decisions that are subject to change. The assumptions disclosed herein are those that Project Owner believes are significant to the projected debt service coverage for the Project and reflect its judgment as of the date hereof.

The projections for the Project are presented for illustrative purposes only and may not be indicative of Project Owner's future results. Such data is not a prediction, should not be relied upon as such and is premised on a number of factors, all of which are inherently uncertain and subject to numerous business, industry, market and other risks that are outside of Project Owner's control. Such data is based on available information and certain assumptions that Project Owner believes are reasonable in the circumstances, but Project Owner is not making any representation regarding projections for the Project and does not intend to update or otherwise revise such data. If Project Owner's assumptions prove to be inaccurate, actual results may differ substantially and materially from these projections.

The following tables outline the projections for the Project. All amounts are in millions except for total passenger and ratio amounts.

											Pre	jections - Ra	ımp-Up Scei	nario 1																	
In millions, except for fare data																															
Short-distance ticket revenue	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	2039E	2040E	2041E	2042E	2043E	2044E	2045E	2046E	2047E	2048E	2049E	2050E	2051E	2052E	2053E	2054E
Passengers	1.8	3.1	3.7	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1
Average fare	\$32.42	\$34.74	\$35.72	\$36.73	\$37.76	\$38.82	\$39.92	\$41.04	\$42.20	\$43.39	\$44.61	\$45.86	\$47.16	\$48.48	\$49.85	\$51.25	\$52.70	\$54.18	855.71	857.27	\$58.89	\$60.54	862.25	\$64.00	\$65.80	\$67.66	\$69.56	\$71.52	\$73.54	\$75.61	\$77.74
Short-distance ticket revenue	\$57	\$107	\$131	\$136	\$140	\$145	\$150	\$155	\$160	\$166	\$171	\$177	\$183	\$189	\$194	\$201	\$207	\$213	\$220	\$227	\$234	\$241	\$249	\$257	\$265	\$273	\$282	\$291	\$300	\$309	\$319
Long-distance ticket revenue																															
Passengers	2.2	3.6	4.3	4.6	4.8	4.9	5.0	5.2	5.3	5.4	5.6	5.8	5.8	5.9	6.0	6.1	6.2	6.2	6.3	6.4	6.5	6.6	6.7	6.8	6.9	7.0	7.1	7.2	7.3	7.4	7.5
Average fare	\$103.47	\$122.80	\$126.31	\$129.92	\$133.63	\$137.45	\$141.38	\$145.42	\$149.57	\$153.85	\$158.24	\$162.76	\$167.38	\$172.13	\$177.01	\$182.03	\$187.20	\$192.51	\$197.97	\$203.59	\$209.36	\$215.30	\$221.41	\$227.69	\$234.15	\$240.79	\$247.62	\$254.65	\$261.87	\$269.30	\$276.94
Long-distance ticket revenue	\$228	\$439	\$549	\$602	\$636	\$672	\$710	\$750	\$793	\$838	\$886	\$936	\$976	\$1,018	\$1,061	\$1,106	\$1,153	\$1,203	\$1,254	\$1,307	\$1,363	\$1,421	\$1,482	\$1,545	\$1,611	\$1,680	\$1,751	\$1,826	\$1,904	\$1,985	\$2,070
Total ticket revenue																															
Passengers	4.0	6.7	8.0	8.3	8.5	8.6	8.8	8.9	9.1	9.3	9.4	9.6	9.7	9.8	9.9	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.4	11.5	11.6
Average fare	\$71.98	\$82.03	\$84.82	\$88.58	\$91.62	\$94.75	\$97.98	\$101.32	\$104.76	\$108.32	\$111.99	\$115.78	\$119.37	\$123.07	\$126.88	\$130.81	\$134.86	\$139.03	\$143.32	\$147.75	\$152.32	\$157.02	\$161.86	\$166.85	\$172.00	\$177.30	\$182.76	\$188.38	\$194.18	\$200.15	\$206.30
Total ticket revenue	\$285	\$546	\$680	\$737	\$776	\$817	\$860	\$905	\$953	\$1,004	\$1,057	\$1,114	\$1,159	\$1,206	\$1,256	\$1,307	\$1,360	\$1,416	\$1,474	\$1,534	\$1,597	\$1,663	\$1,731	\$1,802	\$1,876	\$1,953	\$2,033	\$2,117	\$2,204	\$2,295	\$2,389
Average passenger ancillary revenue per passenger	\$10.66	\$10.43	\$10.60	\$10.98	\$11.33	\$11.68	\$12.05	\$12.43	\$12.82	\$13.23	\$13.64	\$14.07	\$14.50	\$14.95	\$15.40	\$15.87	\$16.36	\$16.86	\$17.38	\$17.91	\$18.46	\$19.02	\$19.60	\$20.20	\$20.82	\$21.46	\$22.12	\$22.80	\$23.50	\$24.22	\$24.97
Passenger ancillary revenue	42	69	85	91	96	101	106	111	117	123	129	135	141	146	152	159	165	172	179	186	194	201	210	218	227	236	246	256	267	278	289
Other ancillary revenue	11	18	30	31	32	32	33	34	34	35	36	36	37	38	39	39	40	41	42	43	44	44	45	46	47	48	49	50	51	52	53
Total ancillary revenue	\$53	\$88	\$115	\$122	\$128	\$133	\$139	\$145	\$151	\$158	\$164	\$172	\$178	\$184	\$191	\$198	\$205	\$213	\$221	\$229	\$237	\$246	\$255	\$264	\$274	\$284	\$295	\$306	\$318	\$330	\$342
Total revenue	\$338	\$633	\$795	\$860	\$904	\$950	\$999	\$1,050	\$1,104	\$1,161	\$1,222	\$1,285	\$1,337	\$1,391	\$1,447	\$1,505	\$1,565	\$1,629	\$1,694	\$1,763	\$1,834	\$1,908	\$1,986	\$2,066	\$2,150	\$2,237	\$2,328	\$2,423	\$2,522	\$2,624	\$2,732
Operating expenses																															
Variable expenses	(\$29)	(\$48)	(858)	(\$62)	(\$65)	(\$68)	(\$71)	(\$75)	(\$78)	(\$82)	(\$86)	(\$90)	(\$93)	(\$96)	(\$100)	(\$104)	(\$108)	(\$111)	(\$115)	(\$120)	(\$125)	(\$129)	(\$134)	(\$139)	(\$144)	(\$150)	(\$155)	(\$161)	(\$167)	(\$174)	(\$180)
Train-related labor	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(38)	(39)	(40)	(41)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Fuel	(14)	(18)	(20)	(20)	(20)	(20)	(22)	(22)	(23)	(23)	(24)	(25)	(26)	(26)	(27)	(27)	(28)	(30)	(30)	(31)	(31)	(32)	(33)	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(38)
Maintenance of way	(28)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(34)	(35)	(36)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(50)	(51)	(52)	(53)	(55)	(56)	(57)
Maintenance of equipment	(21)	(22)	(22)	(23)	(23)	(24)	(24)	(25)	(25)	(26)	(26)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(34)	(34)	(35)	(36)	(37)	(37)	(38)	(39)	(40)	(40)
Other operating expenses	(74)	(73)	(76)	(77)	(78)	(80)	(81)	(83)	(85)	(87)	(89)	(91)	(93)	(95)	(97)	(99)	(101)	(103)	(105)	(108)	(110)	(112)	(114)	(117)	(120)	(122)	(125)	(127)	(130)	(132)	(135)
Operating expenses	(\$199)	(\$224)	(\$240)	(\$247)	(\$253)	(\$260)	(\$269)	(\$276)	(\$284)	(\$293)	(\$301)	(\$311)	(\$319)	(\$327)	(\$336)	(\$344)	(\$353)	(\$364)	(\$373)	(\$384)	(\$394)	(\$404)	(\$414)	(\$425)	(\$437)	(\$449)	(\$460)	(\$472)	(\$485)	(\$498)	(\$512)
Total EBITDA ⁽¹⁾	\$139	\$410	\$555	\$612	\$650	\$690	\$730	\$774	\$820	\$869	\$921	\$974	\$1,018	\$1,064	\$1,111	\$1,160	\$1,212	\$1,265	\$1,321	\$1,379	\$1,440	\$1,505	\$1,572	\$1,641	\$1,713	\$1,789	\$1,868	\$1,951	\$2,037	\$2,126	\$2,220
Cash Bow:																															
EBITDA	\$139	\$410	\$555	\$612	\$650	\$690	\$730	\$774	\$820	\$869	\$921	\$974	\$1.018	\$1.064	\$1.111	\$1.160	\$1,212	\$1,265	\$1,321	\$1 379	\$1.440	\$1.505	\$1,572	\$1.641	\$1,713	\$1.789	\$1,868	\$1.951	\$2,037	\$2,126	\$2,220
Rolling stock maintenance capex	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)	(8)	(8)
Infra maintenance canex	(14)	(15)	(15)	(16)	(16)	(17)	(17)	(18)	(18)	(19)	(20)	(20)	(21)	(22)	(22)	(23)	(24)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
Station maintenance canex	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(11)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(14)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Rolling stock operating lease and other	(8)	an	(14)	(14)	(14)	(2)	-	-		-	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(4)	(4)	(3)	(3)	(3)	(2)	(2)	(D)	(D	(1)	
Unlevered cash flow (Project revenues)(1)	\$111	\$377	\$519	\$575	\$613	\$664	\$705	\$749	\$787	\$842	2882	\$941	\$984	\$1,029	\$1,075	\$1,124	\$1,175	\$1,226	\$1,281	\$1,339	\$1,399	\$1,463	\$1,529	\$1,587	\$1,669	\$1,744	\$1.822	\$1.904	\$1,989	\$2,078	\$2,171
(Funding) / draw of RUR, PRA, DSR, RSR, MMR ⁽²⁾	(4)	(3)	85	42	9	(44)	(59)	(7)	(17)	(34)	(22)	(28)	(22)	(21)	(22)	(23)	(25)	(21)	(5)	(15)	(4)	(7)	(7)	(3)	(3)	(3)	(3)	(3)	(7)	(4)	(4)
Cash flow available for Project Owner debt service	\$107	\$374	\$605	\$617	\$621	\$620	\$647	\$741	\$769	\$808	\$866	\$913	\$962	\$1,008	\$1,053	\$1,100	\$1,150	\$1,205	\$1,276	\$1,324	\$1,396	\$1,457	\$1,522	\$1,584	\$1,666	\$1,741	\$1,819	\$1,901	\$1,983	\$2,074	\$2,167
Project Owner Private Activity Bonds:																															
Project Owner interest	(\$17)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$116)	(\$115)	(\$113)	(\$110)	(\$107)	(\$106)	(\$98)	(\$96)	(\$93)	(\$82)	(\$78)	(\$75)	(\$59)	(\$55)	(\$46)	(\$37)	(\$28)	(\$23)	(S1)
Project Owner mandatory amortization				-			-	-	-	-	(16)	(22)	(34)	(44)	(53)	(62)	(73)	(83)	(96)	(108)	(122)	(135)	(142)	(149)	(157)	(166)	(175)	(184)	(194)	(204)	-
Releases from Project Owner funded interest account	17	117	-	-	-						-	-		-	-	-	-	-		-	-	-			-			-		-	
Net Project Owner debt service	-		(\$117)	(S117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$134)	(\$139)	(\$150)	(\$158)	(\$165)	(\$172)	(\$180)	(\$189)	(\$193)	(\$204)	(\$216)	(\$217)	(\$220)	(\$224)	(\$217)	(\$221)	(\$221)	(\$221)	(\$221)	(\$227)	(S1)
Project Owner DSCR ⁽ⁱ⁾	n/a	n/a	5.2x	5.3x	5.3x	5.3x	5.5x	6.3x	6.6x	6.9x	6.5x	6.6x	6.4x	6.4x	6.4x	6.4x	6.4x	6.4x	6.6x	6.5x	6.5x	6.7x	6.9x	7.1x	7.7x	7.9x	8.2x	8.6x	9.0x	9.1x	1659.1x
Cash available for distribution to Parent	\$107	\$374	\$487	\$500	\$504	\$503	\$529	\$624	\$652	\$691	\$732	\$774	\$812	\$849	\$888	\$928	\$969	\$1,016	\$1,083	\$1,120	\$1,180	\$1,240	\$1,302	\$1,360	\$1,449	\$1,520	\$1,598	\$1,680	\$1,762	\$1,847	\$2,166

Founts:

(1) The face the control of the four or supplemental measures of the Company's psyciety depositing preference that are not Generally Accepted sponsible preference and Acciding Principle (PCAP)' measures. IEIITDA adjust as 10 Trial Recover, including Fave recovers and Acciding two recovery and adjustment of quipment, Other operating approximates an enabling that the median of the company's indication of the com

	Projections - Ramp-Up Scenario 2																														
In millions, except for fare data																															
Short-distance ticket revenue	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	2039E	2040E	2041E	2042E	2043E	2044E	2045E	2046E	2047E	2048E	2049E	2050E	2051E	2052E	2053E	2054E
Passengers	2.4	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1
Average fare	\$33.44	\$34.74	\$35.72	\$36.73	\$37.76	\$38.82	\$39.92	\$41.04	\$42.20	\$43.39	\$44.61	\$45.86	\$47.16	\$48.48	\$49.85	\$51.25	\$52.70	\$54.18	\$55.71	\$57.27	\$58.89	\$60.54	862.25	\$64.00	\$65.80	\$67.66	\$69.56	\$71.52	\$73.54	\$75.61	\$77.74
Short-distance ticket revenue	\$80	\$127	\$131	\$136	\$140	\$145	\$150	\$155	\$160	\$166	\$171	\$177	\$183	\$189	\$194	\$201	\$207	\$213	\$220	\$227	\$234	\$241	\$249	\$257	\$265	\$273	\$282	\$291	\$300	\$309	\$319
Long-distance ticket revenue																															
Passengers	2.5	3.7	4.3	4.6	4.8	4.9	5.0	5.2	5.3	5.4	5.6	5.8	5.8	5.9	6.0	6.1	6.2	6.2	6.3	6.4	6.5	6.6	6.7	6.8	6.9	7.0	7.1	7.2	7.3	7.4	7.5
Average fare	\$106.43	\$122.80	\$129.92	\$129.92	\$133.63	\$137.45	\$141.38	\$145.42	\$149.57	\$153.85	\$158.24	\$162.76	\$167.38	\$172.13	\$177.01	\$182.03	\$187.20	\$192.51	\$197.97	\$203.59	\$209.36	\$215.30	\$221.41	\$227.69	\$234.15	\$240.79	\$247.62	\$254.65	\$261.87	\$269.30	\$276.94
Long-distance ticket revenue	\$270	\$456	\$564	\$602	\$636	\$672	\$710	\$750	\$793	\$838	\$886	\$936	\$976	\$1,018	\$1,061	\$1,106	\$1,153	\$1,203	\$1,254	\$1,307	\$1,363	\$1,421	\$1,482	\$1,545	\$1,611	\$1,680	\$1,751	\$1,826	\$1,904	\$1,985	\$2,070
Total ticket revenue																															
Passengers	4.9	7.4	8.0	8.3	8.5	8.6	8.8	8.9	9.1	9.3	9.4	9.6	9.7	9.8	9.9	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.4	11.5	11.6
Average fare	\$70.96	\$79.16	\$86.77	\$88.58	\$91.62	\$94.75	\$97.98	\$101.32	\$104.76	\$108.32	\$111.99	\$115.78	\$119.37	\$123.07	\$126.88	\$130.81	\$134.86	\$139.03	\$143.32	\$147.75	\$152.32	\$157.02	\$161.86	\$166.85	\$172.00	\$177.30	\$182.76	\$188.38	\$194.18	\$200.15	\$206.30
Total ticket revenue	\$350	\$583	\$695	\$737	\$776	\$817	\$860	\$905	\$953	\$1,004	\$1,057	\$1,114	\$1,159	\$1,206	\$1,256	\$1,307	\$1,360	\$1,416	\$1,474	\$1,534	\$1,597	\$1,663	\$1,731	\$1,802	\$1,876	\$1,953	\$2,033	\$2,117	\$2,204	\$2,295	\$2,389
Average passenger ancillary revenue per passenger	\$10.14	\$10.13	\$10.60	\$10.98	\$11.33	\$11.68	\$12.05	\$12.43	\$12.82	\$13.23	\$13.64	\$14.07	814.50	\$14.95	\$15.40	\$15.87	\$16.36	\$16.86	\$17.38	\$17.91	\$18.46	\$19.02	\$19.60	\$20.20	\$20.82	\$21.46	\$22.12	\$22.80	\$23.50	\$24.22	\$24.97
Passenger ancillary revenue	50	75	85	91	96	101	106	111	117	123	129	135	141	146	152	159	165	172	179	186	194	201	210	218	227	236	246	256	267	278	289
Other ancillary revenue	12	19	30	31	32	32	33	34	34	35	36	36	37	38	39	39	40	41	42	43	44	44	45	46	47	48	49	50	51	52	53
Total ancillary revenue	\$62	\$94	\$115	\$122	\$128	\$133	\$139	\$145	\$151	\$158	\$164	\$172	\$178	\$184	\$191	\$198	\$205	\$213	\$221	\$229	\$237	\$246	\$255	\$264	\$274	\$284	\$295	\$306	\$318	\$330	\$342
Total revenue	\$412	\$677	\$811	\$860	\$904	\$950	\$999	\$1,050	\$1,104	\$1,161	\$1,222	\$1,285	\$1,337	\$1,391	\$1,447	\$1,505	\$1,565	\$1,629	\$1,694	\$1,763	\$1,834	\$1,908	\$1,986	\$2,066	\$2,150	\$2,237	\$2,328	\$2,423	\$2,522	\$2,624	\$2,732
Operating expenses																															
Variable expenses	(\$35)	(\$51)	(\$58)	(\$62)	(\$65)	(\$68)	(\$71)	(\$75)	(\$78)	(\$82)	(\$86)	(\$90)	(\$93)	(\$96)	(\$100)	(\$104)	(\$108)	(\$111)	(\$115)	(\$120)	(\$125)	(\$129)	(\$134)	(\$139)	(\$144)	(\$150)	(\$155)	(\$161)	(\$167)	(\$174)	(\$180)
Train-related labor	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(38)	(39)	(40)	(41)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Fuel	(14)	(18)	(20)	(20)	(20)	(20)	(22)	(22)	(23)	(23)	(24)	(25)	(26)	(26)	(27)	(27)	(28)	(30)	(30)	(31)	(31)	(32)	(33)	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(38)
Maintenance of way	(28)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(34)	(35)	(36)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(50)	(51)	(52)	(53)	(55)	(56)	(57)
Maintenance of equipment	(21)	(22)	(22)	(23)	(23)	(24)	(24)	(25)	(25)	(26)	(26)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(34)	(34)	(35)	(36)	(37)	(37)	(38)	(39)	(40)	(40)
Other operating expenses	(74)	(74)	(76)	(77)	(78)	(80)	(81)	(83)	(85)	(87)	(89)	(91)	(93)	(95)	(97)	(99)	(101)	(103)	(105)	(108)	(110)	(112)	(114)	(117)	(120)	(122)	(125)	(127)	(130)	(132)	(135)
Operating expenses	(\$205)	(\$228)	(\$240)	(\$247)	(\$253)	(\$260)	(\$269)	(\$276)	(\$284)	(\$293)	(\$301)	(\$311)	(\$319)	(\$327)	(\$336)	(\$344)	(\$353)	(\$364)	(\$373)	(\$384)	(\$394)	(\$404)	(\$414)	(\$425)	(\$437)	(\$449)	(\$460)	(\$472)	(\$485)	(\$498)	(\$512)
Total EBITDA ⁽¹⁾	\$207	\$449	\$571	\$612	\$650	\$690	\$730	\$774	\$820	\$869	\$921	\$974	\$1,018	\$1,064	\$1,111	\$1,160	\$1,212	\$1,265	\$1,321	\$1,379	\$1,440	\$1,505	\$1,572	\$1,641	\$1,713	\$1,789	\$1,868	\$1,951	\$2,037	\$2,126	\$2,220
Cash flow: EBITDA	\$207	\$449			\$650	\$690	\$730	\$774	\$820	\$869	\$971	\$974	\$1.018	\$1.064							\$1.440	\$1.505	\$1.572	\$1.641	\$1.713	\$1.789	\$1.868	\$1.951	\$2.037	\$2,126	
	\$207		\$5/1	3612	3650	3690	\$730	(5)	\$820	\$869	3921	39/4	\$1,018		\$1,111	\$1,160	\$1,212	\$1,265	\$1,321	\$1,379	\$1,440	\$1,505	\$1,5/2	\$1,641		\$1,789	\$1,868	\$1,951	\$2,037	\$2,126	\$2,220
Rolling stock maintenance capex		(4)	(4)	(4)	(4)	(17)			(18)	(19)	(20)	(20)	(21)	(5)	(6)	(23)	(6)	(6)	(25)	(26)	(27)	(28)	(29)	(30)	(7)	(32)		(34)	(35)	(8)	(8)
Infra maintenance capex Station maintenance capex	(14)		(15)	(16)	(16)	(17)	(17)	(18)	(11)	(19)	(20)	(20)	(21)	(22)	(22)	(23)	(24)	(24)	(25)	(26)	(27)	(28)	(29)	(14)	(31)	(32)	(33)	(34)	(4)	(36)	(37)
Rolling stock operating lease and other	(8)		(14)	(14)	(14)	(2)	(3)	(3)	(11)	(3)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(4)	(4)	(3)	(14)	(3)	(2)	(7)	(1)	(1)	(1)	(4)
	(8) \$179		(14) \$535	(14) \$575	\$613	(2) \$664	\$705	\$749	\$787	\$842	\$888	(5) \$941	(5) \$984	(5) \$1,029	(5) \$1.075	(5) \$1,124	\$1.175	\$1.226	S1.281	(5)	(4) \$1 399	(4) \$1,463	\$1,529	\$1.587	\$1.669	(2) \$1.744	(2) \$1.822	(1) \$1.904	(1)	(1) \$2.078	\$2,171
Unlevered cash flow (Project revenues)(1)	(4)		85	47	3013	(44)	(59)	(7)	(17)	(34)	(22)	(28)	(22)	(21)	(22)	(23)	(25)	(21)		(15)	31,399	31,463	(7)	31,387		(3)	(3)	(3)	31,989		32,1/1
(Funding) / draw of RUR, PRA, DSR, RSR, MMR ⁽²⁾ Cash flow available for Project Owner debt service	S175	\$414	\$620	\$617	\$621	\$620	\$647	\$741	\$769	\$808	\$866	(28) S913	\$962	\$1,008	\$1.053	\$1,100	\$1,150	\$1,205	(5) \$1,276	\$1,324	\$1,396	\$1,457	\$1,522	\$1,584	(3) \$1.666	\$1.741	\$1.819	\$1,901	\$1.983	(4) \$2.074	\$2.167
Camerow available for a region of mice short service	3173	3414	3020	3017	3021	3620	3047	3/41	3/09	3800	3800	3913	3702	31,008	g1,003	31,100	∌1,130	91,200	91,2/0	31,324	g1,390	31,437	91,344	31,384	31,000	31,/41	31,017	31,901	31,983	Ja,0/4	92,107
Project Owner Private Activity Bonds:																															
Project Owner interest	(\$17)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$116)	(\$115)	(\$113)	(\$110)	(\$107)	(\$106)	(\$98)	(\$96)	(\$93)	(\$82)	(\$78)	(\$75)	(\$59)	(\$55)	(\$46)	(\$37)	(\$28)	(\$23)	(\$1)
Project Owner mandatory amortization		-		-				-			(16)	(22)	(34)	(44)	(53)	(62)	(73)	(83)	(96)	(108)	(122)	(135)	(142)	(149)	(157)	(166)	(175)	(184)	(194)	(204)	-
Releases from Project Owner funded interest account	17	117		-				-			-	-			-		-		-	-		-	-		-		-	-	-	-	
Net Project Owner debt service	-	-	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$134)	(\$139)	(\$150)	(\$158)	(\$165)	(\$172)	(\$180)	(\$189)	(\$193)	(\$204)	(\$216)	(\$217)	(\$220)	(\$224)	(\$217)	(\$221)	(\$221)	(\$221)	(\$221)	(\$227)	(\$1)
Project Owner DSCR ^(b)	n'a	n/a	5.3x	5.3x	5.3x	5.3x	5.5x	6.3x	6.6x	6.9x	6.5x	6.6x	6.4x	6.4x	6.4x	6.4x	6.4x	6.4x	6.6x	6.5x	6.5x	6.7x	6.9x	7.1x	7.7x	7.9x	8.2x	8.6x	9.0x	9.1x	1659.1x
Cash available for distribution to Parent	\$175	\$414	\$503	\$500	\$504	\$503	\$529	\$624	\$652	\$691	\$732	\$774	\$812	\$849	\$888	\$928	\$969	\$1,016	\$1,083	\$1,120	\$1,180	\$1,240	\$1,302	\$1,360	\$1,449	\$1,520	\$1,598	\$1,680	\$1,762	\$1,847	\$2,166
																													$\overline{}$	$\overline{}$	$\overline{}$

Transfer Section of Section Section (Processing Company) projected specialing performance flat are not Generally, Accepted specialing performance and flat are not flat are not Generally, Accepted as a Electron of the company in dual-ray, and addition maintenance capper, and distinuance of acceptance in dual-ray, and maintenance capper, and flat are not flat and acceptation and acceptations and acceptations and acceptations and acceptations and acceptations of the company in dual-ray, and an acceptation of the company in dual-ray, and an acceptation of the company in dual-ray, and acceptation and acceptations and acceptations of the company in dual-ray, and acceptation and acceptations of the company in dual-ray, and acceptation and acceptations of the company in dual-ray, and acceptation and acceptations of the company in dual-ray, and acceptation and acceptations of the company in dual-ray, and acceptation and acceptations of the company in dual-ray, and acceptation and acceptations of the company in dual-ray, and acceptation and acceptations of the company in dual-ray, and acceptation and acceptation and acceptation of the company in dual-ray, and acceptation and acceptation and acceptation of the company in dual-ray, and acceptation and acceptation and acceptation of the company in dual-ray, and acceptation and acceptation and acceptation of the company in dual-ray, and acceptation and acceptation of the company in dual-ray, and acceptation and acceptation of the company in dual-ray, and acceptation and acceptation of the company in dual-ray, and acceptation and acceptation of the company in the

	Projections - Ramp-Up Scenario 3																														
In millions, except for fare data																															
Short-distance ticket revenue	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	2039E	2040E	2041E	2042E	2043E	2044E	2045E	2046E	2047E	2048E	2049E	2050E	2051E	2052E	2053E	2054E
Passengers	2.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1
Average fare	\$33.57	\$34.74	\$35.72	\$36.73	\$37.76	\$38.82	\$39.92	\$41.04	\$42.20	\$43.39	\$44.61	\$45.86	\$47.16	\$48.48	\$49.85	\$51.25	\$52.70	\$54.18	\$55.71	\$57.27	\$58.89	\$60.54	\$62.25	\$64.00	\$65.80	\$67.66	\$69.56	\$71.52	\$73.54	\$75.61	\$77.74
Short-distance ticket revenue	\$91	\$127	\$131	\$136	\$140	\$145	\$150	\$155	\$160	\$166	\$171	\$177	\$183	\$189	\$194	\$201	\$207	\$213	\$220	\$227	\$234	\$241	\$249	\$257	\$265	\$273	\$282	\$291	\$300	\$309	\$319
Long-distance ticket revenue																															
Passengers	2.8	4.3	4.5	4.6	4.8	4.9	5.0	5.2	5.3	5.4	5.6	5.8	5.8	5.9	6.0	6.1	6.2	6.2	6.3	6.4	6.5	6.6	6.7	6.8	6.9	7.0	7.1	7.2	7.3	7.4	7.5
Average fare	\$116.45	\$122.80	\$126.31	\$129.92	\$133.63	\$137.45	\$141.38	\$145.42	\$149.57	\$153.85	\$158.24	\$162.76	\$167.38	\$172.13	\$177.01	\$182.03	\$187.20	\$192.51	\$197.97	\$203.59	\$209.36	\$215.30	\$221.41	\$227.69	\$234.15	\$240.79	\$247.62	\$254.65	\$261.87	\$269.30	\$276.94
Long-distance ticket revenue	\$323	\$527	\$569	\$602	\$636	\$672	\$710	\$750	\$793	\$838	\$886	\$936	\$976	\$1,018	\$1,061	\$1,106	\$1,153	\$1,203	\$1,254	\$1,307	\$1,363	\$1,421	\$1,482	\$1,545	\$1,611	\$1,680	\$1,751	\$1,826	\$1,904	\$1,985	\$2,070
Total ticket revenue																															
Passengers	5.5	7.9	8.2	8.3	8.5	8.6	8.8	8.9	9.1	9.3	9.4	9.6	9.7	9.8	9.9	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.4	11.5	11.6
Average fare	875.54	\$82.31	\$85.65	\$88.58	\$91.62	\$94.75	\$97.98	\$101.32	\$104.76	\$108.32	\$111.99	\$115.78	\$119.37	\$123.07	\$126.88	\$130.81	\$134.86	\$139.03	8143.32	\$147.75	8152.32	\$157.02	\$161.86	\$166.85	\$172.00	\$177.30	\$182.76	\$188.38	\$194.18	\$200.15	\$206.30
Total ticket revenue	\$413	\$654	\$700	\$737	\$776	\$817	\$860	\$905	\$953	\$1,004	\$1,057	\$1,114	\$1,159	\$1,206	\$1,256	\$1,307	\$1,360	\$1,416	\$1,474	\$1,534	\$1,597	\$1,663	\$1.731	\$1,802	\$1.876	\$1,953	\$2,033	\$2,117	\$2,204	\$2,295	\$2,389
Average passenger ancillary revenue per passenger	\$9.98	\$10.30	\$10.65	\$10.98	\$11.33	\$11.68	\$12.05	\$12.43	\$12.82	\$13.23	\$13.64	\$14.07	\$14.50	\$14.95	\$15.40	\$15.87	\$16.36	\$16.86	\$17.38	817.91	\$18.46	\$19.02	\$19.60	\$20.20	\$20.82	\$21.46	822.12	\$22.80	\$23.50	824.22	\$24.97
Passenger ancillary revenue	55.50	97	87	91	96	101	106	111	117	123	129	135	141	146	157	159	165	172	179	186	194	201	210	218	227	236	246	256	267	278	289
Other ancillary revenue	13	20	30	31	27	37		34	34	25	26	36	27	38	20	39	40			43	44	44	45	46	47	48	49	50	51	57	53
Total ancillary revenue	\$67	\$102	\$118	\$122	S128	\$133	\$139	\$145	\$151	\$158	\$164	\$172	\$178	S184	\$191	\$198	\$205	\$213	\$221	\$229	\$237	\$246	\$255	\$264	\$274	\$284	\$295	\$306	\$318	\$330	\$342
Total revenue	\$480	\$755	\$818	\$122 \$860	\$904	\$950	\$139 \$999	\$1,050	\$1,104	\$1,161	\$1.222	\$1.285	\$1,337	\$1.391	\$1,447	\$1,505	\$1,565	\$1,629	\$1,694	\$1,763	\$1,834	\$1,908	\$1,986	\$2,066	\$2,150	\$2,237	\$2,328	\$2,423	\$2,522	\$2,624	\$2,732
Total revenue	3400	3/33	3010	3500	3704	3930	3777	31,030	31,10+	31,101	31,444	31,283	31,337	31,391	31,447	31,303	31,303	31,029	31,074	31,763	31,834	31,700	31,780	32,000	32,130	32,237	32,320	32,423	32,322	32,024	32,732
Operating expenses																															
Variable expenses	(\$38)	(\$56)	(\$60)	(\$62)	(\$65)	(\$68)	(\$71)	(\$75)	(\$78)	(\$82)	(\$86)	(\$90)	(\$93)	(\$96)	(\$100)	(\$104)	(\$108)	(\$111)	(\$115)	(\$120)	(\$125)	(\$129)	(\$134)	(\$139)	(\$144)	(\$150)	(\$155)	(\$161)	(\$167)	(\$174)	(\$180)
Train-related labor	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(38)	(39)	(40)	(41)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Fuel	(14)	(18)	(20)	(20)	(20)	(20)	(22)	(22)	(23)	(23)	(24)	(25)	(26)	(26)	(27)	(27)	(28)	(30)	(30)	(31)	(31)	(32)	(33)	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(38)
Maintenance of way	(28)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(34)	(35)	(36)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(50)	(51)	(52)	(53)	(55)	(56)	(57)
Maintenance of equipment	(21)	(22)	(22)	(23)	(23)	(24)	(24)	(25)	(25)	(26)	(26)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(34)	(34)	(35)	(36)	(37)	(37)	(38)	(39)	(40)	(40)
Other operating expenses	(74)	(74)	(76)	(77)	(78)	(80)	(81)	(83)	(85)	(87)	(89)	(91)	(93)	(95)	(97)	(99)	(101)	(103)	(105)	(108)	(110)	(112)	(114)	(117)	(120)	(122)	(125)	(127)	(130)	(132)	(135)
Operating expenses	(\$209)	(\$233)	(\$241)	(\$247)	(\$253)	(\$260)	(\$269)	(\$276)	(\$284)	(\$293)	(\$301)	(\$311)	(\$319)	(\$327)	(\$336)	(\$344)	(\$353)	(\$364)	(\$373)	(\$384)	(\$394)	(\$404)	(\$414)	(\$425)	(\$437)	(\$449)	(\$460)	(\$472)	(\$485)	(\$498)	(\$512)
Total EBITDA ⁽¹⁾	\$272	\$522	\$577	\$612	\$650	\$690	\$730	\$774	\$820	\$869	\$921	\$974	\$1,018	\$1,064	\$1,111	\$1,160	\$1,212	\$1,265	\$1,321	\$1,379	\$1,440	\$1,505	\$1,572	\$1,641	\$1,713	\$1,789	\$1,868	\$1,951	\$2,037	\$2,126	\$2,220
Cash flow:																															
EBITDA	\$272	\$522	\$577	\$612	\$650	\$690	\$730	\$774	\$820	\$869	5921	5974	\$1.018	\$1.064	\$1.111	\$1.160	\$1,212	\$1,265	\$1,321	\$1.279	\$1.440	\$1,505	\$1,572	\$1.641	\$1,713	\$1.789	\$1.868	129 12	\$2.037	\$2,126	\$2,220
Rolling stock maintenance capex	(4)	(4)	4077	(4)	(4)	(4)	(5)	(5)	(5)	(5)	3721	3314	(5)	(5)	(6)	31,100	(6)	(6)	31,321	31,379	(6)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)	(8)	(8)
Infra maintenance capex	(14)	(15)	(15)	(16)	(16)	(17)	(17)	(18)	(18)	(19)	(20)	(20)	(21)	(22)	(22)	(23)	(74)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
Station maintenance capex	(14)	(2)	(13)	(2)	(3)	(3)	(17)	(18)	(11)	(3)	(20)	(20)	(21)	(22)	(3)	(23)	(24)	(24)	(23)	(20)	(27)	(4)	(4)	(14)	(4)	(32)	(4)	(34)	(33)	(4)	(4)
Rolling stock operating lease and other	(2)	(11)	(14)	(14)	(14)	(2)	(3)	(3)	(11)	(3)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(4)	(4)	(3)	(3)	(3)	(2)	(2)	(1)	(1)	(4)	(4)
0 1 0	\$744	\$490	\$541	\$575	\$613	\$664	\$705	\$749	\$787	\$847	\$888	\$941	\$984	\$1,029	\$1.075	\$1.124	\$1.175	\$1,226	\$1,281	\$1 339	\$1 399	\$1,463	\$1 579	\$1 587	\$1,669	\$1.744	\$1.822	\$1.904	\$1,989	\$2.078	\$2,171
Unlevered cash flow (Project revenues) ⁽¹⁾	3244		3341	47	3013	(44)	(59)	(7)	(17)	(34)	(22)	(28)	(22)	(21)	(22)	(23)	(25)		31,281	(15)	31,399	31,463	31,329	0.110.0	31,009	31,744	31,822	910.00	31,389	32,078	32,1/1
(Funding) / draw of RUR, PRA, DSR, RSR, MMR ⁽²⁾		(3) \$487		\$617			(59) \$647				\$866			\$1.008				(21)			(1)			(3)				(3)		(-)	
Cash flow available for Project Owner debt service	\$239	3487	\$626	3617	\$621	\$620	3647	\$741	\$769	\$808	2800	\$913	\$962	\$1,008	\$1,053	\$1,100	\$1,150	\$1,205	\$1,276	\$1,324	\$1,396	\$1,457	\$1,522	\$1,584	\$1,666	\$1,741	\$1,819	\$1,901	\$1,983	\$2,074	\$2,167
Project Owner Private Activity Bonds:																															
Project Owner interest	(\$17)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$116)	(\$115)	(\$113)	(\$110)	(\$107)	(\$106)	(\$98)	(\$96)	(\$93)	(\$82)	(\$78)	(\$75)	(\$59)	(\$55)	(\$46)	(\$37)	(\$28)	(\$23)	(S1)
Project Owner mandatory amortization							-				(16)	(22)	(34)	(44)	(53)	(62)	(73)	(83)	(96)	(108)	(122)	(135)	(142)	(149)	(157)	(166)	(175)	(184)	(194)	(204)	
Releases from Project Owner funded interest account	17	117													-		-	-				-	1.1								
Net Project Owner debt service		-	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$134)	(\$139)	(\$150)	(\$158)	(\$165)	(\$172)	(\$180)	(\$189)	(\$193)	(\$204)	(\$216)	(\$217)	(\$220)	(\$224)	(\$217)	(\$221)	(\$221)	(\$221)	(\$221)	(\$227)	(\$1)
Project Owner DSCR ⁽ⁱ⁾	n/a	n'a	5.3x	5.3x	5.3x	5.3x	5.5x	6.3x	6.6x	6.9x	6.5x	6.6x	6.4x	6.4x	6.4x	6.4x	6.4x	6.4x	6.6x	6.5x	6.5x	6.7x	6.9x	7.1x	7.7x	7.9x	8.2x	8.6x	9.0x	9.1x	1659.1x
Cash available for distribution to Parent	\$239	\$487	\$509	\$500	\$504	\$503	\$529	\$624	\$652	\$691	\$732	\$774	\$812	\$849	8882	\$928	\$969	\$1,016	\$1.083	\$1,120	\$1,180	\$1,240	\$1,302	\$1,360	\$1,449	\$1,520	\$1,598	\$1,680	\$1.762	\$1.847	\$2,166
	94.77	3407	2007	2000	3004	2003	3727	3024	3002	3071	3732	3774	3012	3017	3890	3720	3707	07,010	0.7000	01,120	01,100	07,240	-7,704	51,700	-1/447	0.040	41,070	,000	012700	-1,047	-2,100

Transfer Section assumes ESTIDA and undersoon cash flux or copplemental measures of the Company's peopled specifing performance that are not Generally Accepted According Principles ("CAAP") measures. ESTIDA and undersoon cash flux or supplemental measures of the Company's peopled specifing performance that are not Generally Accepted According Principles ("CAAP") measures and Acciding Four removes and administrator capes, influentation and accidinations of flow measures are adequated as in the Company's industry, and measures are adequated as in the Company's industry, and measures are adequated as in administrator of people measures and department of the Company's industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are a accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an accordance of the company industry, and measures are an

RISK FACTORS

A purchase of the Bonds involves significant risks. Some of these risks are described below. Prospective investors should carefully consider these risks, as well as other information contained in this Official Statement (including the Appendices hereto) before deciding to purchase any of the Bonds. Any of the following risks could materially adversely affect the business or financial condition of Project Owner or the operation of the Project. In addition, there may be risks and uncertainties not currently known to Project Owner, or that Project Owner currently regards as immaterial based on the information available to Project Owner that later prove to be material. These risks may adversely affect the business or financial condition of Project Owner or the operation of the Project. In any such case, prospective investors may lose all or part of their investment in the Bonds. Prospective investors are encouraged to also read the risk factors associated with the Insured Bonds in the section titled "BOND INSURANCE RISK FACTORS." The risks discussed below also include forward-looking statements and projections, and our actual results may differ substantially from those discussed in these forward-looking statements and projections. See "FORWARD-LOOKING STATEMENTS."

Risks Related to the Business of Project Owner

Project Owner's current limited revenue and cash flows and limited history operating a passenger railroad make evaluating its business and future prospects difficult, and may increase the risk of investment. There can be no guarantee that Project Owner will generate sufficient revenues to achieve profitability and generate positive operating cash flow in the future.

Project Owner has developed an express intercity passenger rail system to connect the key business, leisure and residential centers of Southeast and Central Florida. The South Segment commenced operations in 2018 and the service to the North Segment began on September 22, 2023.

Project Owner's limited operating history limits its ability to accurately evaluate its business and future prospects, as it only began receiving cash flows from operations in 2018. Accordingly, it is subject to all the risks inherent in the establishment of a passenger railroad. Project Owner's limited operating history may also limit the ability of investors to evaluate its prospects due to its lack of historical financial data, its unproven potential to generate profits and its limited experience as a new company in addressing issues that may affect its ability to manage the operation and/or maintenance of a passenger rail service. See "—Risks Related to the Business of Project Owner—Project Owner may not be successful in implementing its proposed business strategy."

Project Owner's future liquidity may also be affected by the timing of financing availability in relation to the incurrence of costs and by the timing of receipt of cash flows in relation to the incurrence of operating expenses. Also, if Project Owner is unable to use available liquidity sources or, if such liquidity sources are not sufficient to cover unexpected expenses, it may not have access to the funds required to pay the unexpected expenses. Project Owner's inability to pay costs as they are incurred could negatively affect its business, financial condition, operating results, cash flows, liquidity and prospects.

Moreover, many factors (including factors beyond Project Owner's control) could also affect profitability and result in a disparity between liquidity sources and cash needs, including factors such as ticket sales, rider adoption, market conditions, breaches of agreements, costs and effectiveness of operations, governmental authorizations and the terms of any collaboration or other strategic arrangement Project Owner may have with respect to the operation of the Project. In addition, if Project Owner's actual capital or operating costs are higher than anticipated or its revenues are lower than currently anticipated, the profitability of its operations will be harmed, which could adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

If Project Owner is not successful in operating the Project, it may not have other means of deriving revenue and it may impact Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture.

Project Owner has historically been dependent upon the South Segment for revenue and cash, and its future success will be dependent upon its ability to operate the North Segment, which only began operations in September 2023. The Project and any extension thereof is expected to be Project Owner's sole means of generating revenue.

Virtually all of Project Owner's assets and resources will continue to be employed in the operation and further development of the Project. If any portion of the Project is not operational on the schedule and in the manner anticipated, it could adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner may not be successful in implementing its proposed business strategy.

Project Owner commenced operation of the South Segment in 2018, which had been temporarily suspended as a result of the COVID-19 pandemic but subsequently restarted on November 8, 2021. Service to Orlando International Airport began on September 22, 2023, with certain expansions contemplated for future development; however, commencing service does not complete all the milestones set forth in Project Owner's existing debt instruments that would have required the funding of additional reserves. Project Owner expects the remaining items to be completed in the second quarter of 2024. The Project is subject to the uncertainty of future developments in terms of process, reliance on third parties for construction, costs and projections, as well as the operating risks described herein, including, but not limited to, Project Owner's ability to attract passengers, pre-sell tickets through a wholesale channel and generate revenues and income from ancillary sources. In addition, certain of Project Owner's management will also be responsible for any future expansion of its rail system (including expansions beyond the Project), which may divert both the attention of management and its other resources from the operation of the Project. Accordingly, there are many risks associated with the Project and, if Project Owner is not successful in implementing its business strategy, it may not be able to generate cash flows, which could have a material adverse impact on its business, contracts, financial condition, operating results, liquidity and prospects and thereby adversely affect Project Owner's ability to satisfy its obligations with respect to the Bonds. In addition, certain other material expansion projects may require a ratings reaffirmation or refinancing of Project Owner's senior debt.

There can be no assurance that Project Owner's current projections of future costs and revenues will be accurate, which could adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

If Project Owner's actual capital or operating costs are higher than anticipated, or its revenues are lower than currently anticipated, the profitability of its operations will be harmed, which could adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner is dependent on third-party suppliers for the successful operation of the Project, including the completion of future expansions.

Project Owner faces, and in the future may continue to face, increased prices or significant shortages of locomotive and rail supplies, since it is dependent on certain key suppliers of locomotives and rail supplies, which are in short supply. The capital-intensive nature, as well as the industry-specific requirements of the rail industry, limits the number of suppliers of core railroad items, such as locomotives and rolling stock equipment. If any of the current manufacturers stops production, experiences a supply shortage or increases prices due to inflation, Project Owner could experience a significant cost increase or material shortage.

Any changes in the competitive landscapes of these limited supplier markets could also result in increased prices or significant shortages of materials. Additionally, Project Owner competes with other industries for available capacity and raw materials used in the production of locomotives and certain track and rolling stock materials. Adverse developments in international relations, new trade regulations, disruptions in international shipping or increases in global demand could make procurement of supplies more difficult or increase Project Owner's operating costs.

Any delays in the receipt of key services or equipment may impede Project Owner's ability to operate the Project or complete any expansion of the Project in a timely and cost-efficient manner, which could have a material adverse effect on its business, financial condition, operating results, cash flows, liquidity and prospects and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner is dependent on third-party professionals, consultants and/or service providers for the successful operation of the Project.

Project Owner's contractors' ability to perform timely and successfully is dependent on a number of factors, including, but not limited to, their ability to:

- procure equipment and supplies;
- respond to difficulties such as equipment failure, delivery delays, commodity-price increases, schedule changes, workplace injuries, trade tariffs and failure to perform by subcontractors, some of which are beyond their control;
- attract, develop and retain skilled personnel; and
- maintain their own financial condition, including adequate working capital.

Project Owner regularly enters into agreements with third parties. Although Project Owner intends to comply in all respects with the terms of such agreements, it may lack sufficient liquidity to meet its required payment obligations under its agreements. In addition, if any third party is unable or unwilling to perform according to the negotiated terms and timetable of its respective agreement for any reason or its agreement is terminated, Project Owner would be required to engage a substitute third party for such work. This would likely result in significant delays and increased costs, which could have a material adverse effect on Project Owner's business, contracts, financial condition, operating results, cash flows, liquidity and prospects. In addition, Project Owner and the Project may be subject to future litigation related to such third parties in connection with their respective contracts, which could have a material adverse effect on Project Owner and its business, financial condition, operating results, cash flows, liquidity and prospects.

Additionally, Project Owner depends on a number of service providers in the operation of its railroad. For example, it depends on Siemens to provide all warranty repairs and maintenance on its rolling stock, as well as delivery of additional rolling stock. While the Siemens Maintenance Agreement prescribes a standard of performance, Project Owner does not directly control Siemens. Siemens may fail to meet the performance standards promised to Project Owner or suffer disruptions that could negatively impact its service or cause it to fail to deliver additional rolling stock in a timely manner or fail to perform services reliably, professionally or at the high standard of quality that Project Owner expects. Any such failure by Siemens may materially adversely affect Project Owner's business. In addition, Project Owner is highly dependent on FECR for track maintenance and other services it provides in connection with the operation of Project Owner's rail system. Project Owner's business could be materially adversely affected if its customers believe that its services are unreliable or unsatisfactory, which could adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Cost overruns and delays in any future expansion of Project Owner's rail system, as well as difficulties in obtaining requisite approval or sufficient financing to pay for such costs and delays, could have a material adverse effect on Project Owner's business, financial condition, operating results, cash flows, liquidity and prospects.

Capital costs associated with the Project and any future expansion thereof may be higher than previously anticipated, and the time to complete any future expansion of its rail system may be significantly longer than its current estimates. While the senior management team for the Project has experience in the construction and operation of major infrastructure projects, including rail lines, Project Owner is a relatively new company and is subject to the inherent risks and uncertainty related to any such project. Project Owner has in the past experienced, and may in the future experience, delays in construction or higher costs of construction than anticipated. Further, Project Owner may decide or be forced to submit change orders to its contractors that could result in longer construction periods, higher construction costs or both.

Key factors that may affect Project Owner's timing, cost or ability to complete construction of any future expansion of its rail system include, but are not limited to:

- obtaining the ownership or leases of the land required for any expansions;
- the issuance and/or continued availability and maintenance of necessary permits, licenses, approvals and agreements from governmental agencies and third parties as are required to construct and operate the rail line and the related facilities;
- Project Owner's ability to enter into satisfactory agreements with contractors, to maintain compliance
 with the terms of such agreements and to maintain good relationships with these contractors in order to
 construct its proposed facilities (including rolling stock) within the expected cost parameters and time
 frame, and the ability of those contractors to perform their obligations under the contracts and to maintain
 their creditworthiness;
- changes or deficiencies in the design or construction of any future expansion of Project Owner's rail system;
- unforeseen engineering, environmental or geological problems;
- potential increases in construction and operating costs due to inflation or changes in the cost and availability of fuel, power, materials and supplies;
- the availability and cost of skilled labor and equipment;
- health, safety and personal injury (to workers and others) incidents and site accidents;
- potential opposition from governmental and non-governmental organizations, environmental groups, public interest or citizens groups, local or other groups, such as the opposition rallies that previously occurred in certain counties in Florida, which may delay or prevent development activities;
- the ability to obtain additional necessary financing or capital for such construction;
- the outcome of any potential litigation proceedings in connection with the Project;
- local and economic conditions;
- changes in legal and regulatory requirements;
- force majeure events, including catastrophes and adverse weather conditions or potential pandemics, such as the COVID-19 pandemic;
- labor disputes and/or work stoppages; and
- disputes and defaults with contractors, subcontractors, architects, engineers or other third parties Project Owner contracts with.

Delays in any future expansion of Project Owner's rail system could increase the cost of completion beyond its estimates, which could require Project Owner to obtain additional sources of financing or capital to fund its operations until any future expansion of the Project is completed (which could cause further delays). Project Owner's ability to obtain financing or capital that may be needed to cover increased costs will depend, in part, on factors beyond its control and may be limited by the terms of agreements governing Project Owner's outstanding indebtedness and certain ancillary and related agreements. If Project Owner is unable to timely raise such financing, it may decide to curtail or delay certain construction activities and/or it may choose to cease payments to some or all of its contractors.

Also, certain of Project Owner's contractors may have the right to suspend work and/or exercise remedies against it if it is unable to make required payments and/or maintain agreed-upon funding levels for construction. Even if

Project Owner is able to obtain financing or capital, it may have to accept terms that are disadvantageous to it and that may have a material adverse effect on its current or future business, contracts, financial condition, operating results, cash flows, liquidity and prospects.

Sponsorships and advertising sales may not produce revenue at the levels Project Owner expects or at all.

Project Owner expects to generate a significant portion of its ancillary revenue from advertising placements and sponsorships, including the sale of naming rights for its stations. For example, for its third-party station advertising, Project Owner entered into an exclusive agreement, which was temporarily suspended concurrent with the suspension of its passenger rail service, with Outfront Media, who has the right and responsibility to market, sell, install, display and remove all third-party advertising on advertising displays inside its stations, such as video displays and column wraps, and outside its stations, such as external billboards. This temporary suspension ended in November 2021 and Outfront Media resumed normal contractual obligations upon resumption of our revenue service. Project Owner cannot offer any assurance that demand for sponsorships or advertising (including naming rights) will be realized at the levels that it expects or at all. New developments in advertising may render advertising inventory of the type that Project Owner offers less desirable than new, more innovative means of reaching consumers, and market downturns or other macroeconomic trends may lead to decreased advertising spend across all media. In addition, a decrease in ridership or foot traffic at Project Owner's stations would decrease the desirability of these advertising and sponsorship opportunities. If demand for sponsorships or advertising (including naming rights) at Project Owner's stations is lower than it expects, its advertising inventory may not command the advertising rates that it anticipates, it may not be able to reach agreements with potential advertisers for the sale of its sponsorship or advertising inventory on satisfactory terms or at all and its revenue and results of operations may be adversely affected, which could adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Adverse macroeconomic and business conditions, including impacts of the prevailing market rate and exchange rate environment, could have an adverse impact on Project Owner's business.

Given the localized nature of the Project and the services Project Owner provides, the Project's ridership is generally affected by overall economic conditions in Florida and the Southeastern United States. Project Owner's ridership is dependent on the employment and disposable income of the Project's passengers. The conditions of international economies, including the economies of the Caribbean, South America, Europe and Asia, may affect Project Owner's revenues, as it may lead to a decreased number of tourists in Florida from these regions. Adverse economic conditions could also affect Project Owner's costs for insurance and its ability to acquire and maintain adequate insurance coverage for risks associated with the passenger rail line business if insurance companies experience credit downgrades or bankruptcies.

Furthermore, the Project competes directly with other modes of transportation, including cars, buses, other passenger rail services and air travel. The competitive environment for the Project may become more intense as ride-hailing and car sharing companies and other technology players in the mobility industry enter Project Owner's existing markets or try to expand their operations, particularly for shorter legs of the trip between Miami to Orlando. Companies offering new mobility business models, including ride-hailing or car sharing services, or autonomous vehicles, may adversely affect demand for Project Owner's rail service. Some of these companies have access to substantial capital or innovative technologies, or have the ability to launch new services at a relatively low cost. If these alternative methods of transportation become more cost-effective or attractive to Project Owner's customers due to macroeconomic or legislative changes, its operating results, financial condition and liquidity could be materially adversely affected.

A deterioration of macroeconomic, business and financial conditions, including tightening of the credit markets or changes in domestic and global economic conditions, such as those caused by increasing inflation impacts, particularly in Florida and the Southeastern United States, could have a material adverse effect on Project Owner's operating results, financial condition and liquidity and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner's results of operations have historically fluctuated and may continue to fluctuate due to seasonality and other factors associated with the tourism industry in Florida.

Project Owner's results of operations have historically fluctuated and may continue to fluctuate due to seasonality and other factors associated with the tourism industry in Florida given that there is greater travel to Florida during the winter and spring months. As a result, Project Owner expects its revenues to continue to be stronger in the first and fourth quarters of the year than revenues in the second and third quarters of the year, which are periods of lower travel demand in Florida. While Project Owner expects its results of operations will generally reflect this seasonality, they may also be affected by numerous other factors that are not necessarily seasonal, including, among others, extreme or severe weather, natural disasters, general economic conditions and other factors, which could have a material adverse impact on its business, contracts, financial condition, operating results, liquidity and prospects and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Rising fuel costs could materially adversely affect Project Owner's business.

Fuel prices and supplies are influenced significantly by international, political and economic circumstances, and Project Owner does not currently hedge against fuel price fluctuations. Accordingly, if fuel supply shortages were to arise for any reason or unusual price volatility were prolonged, the resulting higher fuel prices would significantly increase Project Owner's operating costs. Although increases in fuel price may be passed along to Project Owner's customers through increased ticket prices, this is often with delayed effect and may be perceived negatively by its customers, resulting in potential decrease in ridership. Moreover, there are no assurances that these increases would cover the entire fuel price increase for a given period, or that competitive market conditions will effectively allow Project Owner to pass along this cost. While increases in prices may increase revenues, Project Owner may not be able to generate sufficient cash flows to offset higher operating costs, which could have a material adverse impact on its business, contracts, financial condition, operating results, liquidity and prospects and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner is relying on estimates of third-party consultants, data sources and management estimates regarding the future ridership and revenue, operations and maintenance costs and ancillary revenue of its passenger rail service to build its projections, and these estimates may prove to be inaccurate. Actual results could differ from the projections and other estimates contained in this Official Statement.

The projections and other estimates relating to the Project contained elsewhere in this Official Statement have not been prepared in compliance with the published guidelines of the American Institute of Certified Public Accountants. Project Owner is relying on WSP, other external ridership consultants, data sources and management estimates for the estimates of the future ridership and revenue projections, operations and maintenance costs and ancillary revenue projections of its passenger rail service on which its projections are based. Such projections are based on several assumptions, which may prove to be inaccurate. These estimates and assumptions are inherently subject to significant uncertainties, the degree of which increases with each successive period presented. For example, these estimates assume that Project Owner will be able to successfully continue to operate the South Segment and the North Segment on schedule and in the manner anticipated. Experience from actual operation of the railroad may identify new or unexpected conditions that could increase operating costs above current estimates for the Project. The uncertainty of the estimates is particularly heightened given Project Owner's limited operating history, track record and historical financial statements on which to base the estimates. Actual results may differ materially, and the assumptions on which these estimates are based are subject to numerous risks and uncertainties, a number of which are beyond Project Owner's control.

Any significant negative discrepancy between actual ridership and revenue, operations and maintenance costs and ancillary revenue and the projections Project Owner has used to build its projections and business plan could have a material adverse effect on its profitability, business, contracts, results of operations, financial condition, cash flows, liquidity and prospects and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture. If actual results are less favorable than the projections or the estimates and assumptions contained in the 2022 Ridership and Revenue Study, Operations and Maintenance and Ancillary Revenue Report or

other external ridership studies and Project Owner's estimates of capital and operating costs turn out to be inaccurate, the Project could be materially adversely affected.

The market data Project Owner has relied upon may be inaccurate or incomplete and is subject to change, which could change Project Owner's business plan or financial performance.

Project Owner has based market data and certain other data provided in this Official Statement with respect to the Project on information supplied by WSP in the 2022 Ridership and Revenue Study and other sources that it believes are reliable. However, Project Owner has not independently verified any such information, and it is possible that the market data and information may not be accurate in all material respects. In addition, there is currently no express passenger railroad serving the Miami to Orlando corridor (other than the Project) and the revenue and ridership projections included in this Official Statement may prove to be inaccurate or incomplete, including as a result of changes in market trends or passenger preferences. Accordingly, prospective investors should not place undue reliance on such data when making their investment decision. The number of riders on the railroad and the costs of operating the railroad are subject to continual change. For these and other reasons discussed in this Official Statement, Project Owner's estimates of the Project's future revenues, cost and performance could prove to be inaccurate and such inaccuracy could adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner may not be able to obtain, maintain or renew the required permits, consents, approvals, licenses, entitlements, leases and other authorizations or agreements for certain components of the operation of the Project, and any failure or delay in doing so could impede operation of the Project, including the completion of any potential expansion, which could have a material adverse effect on Project Owner.

The design, construction and operation of the Project are highly regulated activities. Material governmental, regulatory and non-governmental approvals and permits are required in order to construct and operate the Project. For example, Project Owner is required to maintain certain approvals for the operation of the North Segment, including permits for certain bridges from the U.S. Army Corps of Engineers and the U.S. Coast Guard. The permits obtained and required to be obtained are routine and not expected to impact the maintenance or operation of the Project. Certain of the authorizations obtained to date from federal and state regulatory agencies contain ongoing conditions to be fulfilled and allow for additional approval and permit requirements to be imposed.

Furthermore, certain of Project Owner's approvals, licenses, consents, permits, entitlements, leases and other authorizations or agreements, whether already issued or to be issued, could be subject to appeal periods which have not yet run and during which challenges may be asserted. Project Owner has no control over the outcome of these permit processes and it does not know whether or when any such approvals or permits can be obtained, or whether or not any existing or potential interventions or other actions by third parties will interfere with its ability to obtain and maintain such permits or approvals. There is no assurance that Project Owner will obtain and maintain the needed governmental permits, approvals, authorizations and agreements, or that they will be able to obtain them on a timely basis or at all, and failure to obtain and maintain any of these permits, approvals, authorizations or agreements could have a material adverse effect on their business, financial condition, operating results, cash flows, liquidity and prospects. In addition, although certain of Project Owner's approvals, licenses, consents, permits, entitlements, leases and other authorizations or agreements contain or are expected to contain renewal provisions, it may not be able to extend or renew (on a timely basis or at all), the approvals, licenses, consents, permits, entitlements, leases and other authorizations or agreements when they expire, any such extension or renewal could be subject to terms or conditions that may not be favorable to it or commercially reasonable.

Laws and regulations governing the operation of the Project and construction of any future expansion may be subject to differing interpretations and may be amended from time to time. Project Owner may not be able to comply with all such interpretations and such newly adopted laws and regulations in the future. Any failure by Project Owner to comply may increase the cost of, or delay its ability to operate, the Project or of any future expansions of the Project.

If Project Owner does not obtain, maintain or renew the necessary approvals, licenses, permits, entitlements, leases, consents or other authorizations and agreements in a timely manner or on favorable terms and conditions or at all, their ability to operate the Project may be materially adversely affected, thereby adversely affecting Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture.

Project Owner is subject to governmental regulations relating to the Project, which could impose significant costs on the Project and could impede operation of the Project, which would have a material adverse effect on Project Owner.

Project Owner is subject to the jurisdiction of various regulatory agencies, including the FRA, the National Transportation Safety Board ("NTSB") and other state and federal regulatory agencies for a variety of economic, health, safety, labor, tax, legal and other matters. Although certain of these regulatory agencies, such as the NTSB, have investigative but not regulatory authority, they are able to make recommendations to other agencies to pass new regulations. Project Owner's operations may, from time to time, be subject to investigations by the NTSB which may ultimately result in new safety related obligations that Project Owner must adhere to, which could require Project Owner to expend additional sums or negatively impact operations, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and adversely impact the payment of debt service on the Bonds when due.

Additionally, new rules or regulations by these agencies could increase Project Owner's operating costs or reduce operating efficiencies. For example, the Rail Safety Improvement Act of 2008 mandated that the installation of an interoperable PTC system on main lines that carry certain hazardous materials and on lines that have commuter or passenger operations. The rule has caused Project Owner and the rail industry to incur significant new costs. Noncompliance with these and other applicable laws or regulations could affect operations, erode public confidence in Project Owner and subject it to fines, penalties and other legal or regulatory sanctions.

In addition, under the ADA, all public accommodations must meet various federal requirements related to access and use by disabled persons. Costs to attain and maintain compliance with the ADA's requirements include, among other things, removal of access barriers, and noncompliance could result in the imposition of fines, additional construction and/or alteration of the then-existing facilities or private litigants winning damages. Although Project Owner believes that the Project's trains and stations comply, or in the case of any potential expansions, will comply, with the requirements of the ADA, the Project may be subject to audits or investigations to determine compliance thereto.

Moreover, Project Owner's assets and the development and operation of the Project are subject to a variety of federal, state and local environmental laws and regulations that impose strict, and in certain cases joint and several, liability for certain activities, including the discharge of pollutants into the air, water and soil, the generation, handling, storage, transportation, treatment and disposal of waste and other regulated materials, the cleanup of contaminated properties and human health and safety. The failure to comply with environmental and other governmental regulations could have a material adverse effect on Project Owner. Project Owner could incur significant costs, fines and penalties as a result of any allegations or findings to the effect that it has violated or is strictly liable under these laws or regulations. Project Owner may be required to incur significant expenses to investigate and remediate environmental contamination and these expenses could have an adverse impact on its business, contracts, financial condition, operating results, liquidity and prospects and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Railroad regulations and legislative amendments may impose costs and restrictions that could adversely affect Project Owner's operations.

Under current Florida law, the Project is exempt from sales taxes with regard to the purchase of certain materials. The Florida legislature may amend current law, including the Florida Revenue Act and/or the Florida Rail Enterprise Act, in a manner that adversely affects the tax, regulatory, operational or other aspects of the Project and accordingly increases Project Owner's cost of conducting business or reduces the volume of its business. For example, amendments to Florida Statute, as amended, Section 212.08(7)(bbb), and/or Florida Statute, as amended, Section 341.840, could subject the Project to sales taxes from which it is now exempt with regard to the purchase of certain materials.

Project Owner's operations are subject to rules and regulations promulgated by various agencies and bodies of the state and local governments which have jurisdiction over such matters as employment, environment, safety, traffic, bridge operations over navigable waterways and health. The impact of any new rules and regulations on Project Owner's operations are unknown and cannot be predicted. Future rules and regulations may require the expenditure by Project Owner of substantial sums to effect compliance therewith. For example, the U.S. Coast Guard has issued a temporary deviation to the regulations governing the usage of the St. Lucie River rail bridge. The U.S. Coast Guard has not initiated a rulemaking but has sought public comments regarding a potential change in the operating rules. While Project Owner reasonably anticipates that any such rulemaking, if initiated, will allow for the reasonable usage of the bridge to accommodate the needs of the rail carriers, any such changed rules could require Project Owner to expend additional sums or negatively impact operations.

Based on the current decision of the STB, a federal economic regulatory agency that is charged with resolving railroad rate and service disputes and reviewing proposed railroad mergers, the Project is not subject to its regulatory jurisdiction under Title 49 of the United States Code and there are no STB regulatory laws or issues that could impact claims of the Bondholders. However, if the STB were to assert jurisdiction over the Project in the future, then advance approval or exemption would be required before the property could be liquidated. The proceeding before the STB would be subject to public comment and an independent analysis by the STB of the viability of the railroad. The STB could also require the property to be kept in service after authorizing abandonment if a third party offered a subsidy to make Project Owner whole during such subsidy period. The STB also has the power to order the sale of the property of a regulated carrier to a financially responsible third party for the net liquidation value, which consists of the current value of the track and materials less the cost of removal and transportation, plus the across-the-fence value of real estate owned in fee simple, less the usual and customary costs of the sale of real estate.

In addition, if the STB were to assert jurisdiction over the Project in the future, then advance approval or exemption might be required for the passenger railroad operations and/or the operation of the Project or the construction of any future expansion of the Project. Because of the projected number of trains to be operated daily by Project Owner, the STB might also require an environmental review separate or different from that review conducted by the FRA. That review could be either an environmental assessment or environmental impact statement for the new passenger operations, and would most likely be an environmental impact statement with respect to any new construction. The environmental review process could take up to three years and might result in conditions ranging from pro forma to onerous, including a requirement that Project Owner constructs one or more grade separations along the line at a potentially significant cost. There is also a risk of denial or conditions so costly that the Project does not proceed at all. The STB would also have the power to regulate fares and service while the Project is operating.

A pandemic, such as the coronavirus (COVID-19) outbreak, could materially adversely affect the travel and tourism industry in general and Project Owner's business, financial condition and results of operations.

A pandemic, such as the COVID-19 pandemic, and any health or governmental measures implemented in response thereto, could materially adversely affect the travel and tourism industry in general and Project Owner's business, financial condition and results of operations. For example, in connection with the start of the COVID-19 pandemic, governmental authorities implemented numerous measures attempting to contain and mitigate the effects of the coronavirus, including travel bans and restrictions, quarantines, shelter in place orders and shutdowns. Pandemic restrictions on travel in 2020 led to limited passenger demand, leading Project Owner to reduce its passenger rail service on March 18, 2020 and suspend its passenger rail service on March 25, 2020, which adversely affected Project Owner's workforce, operations and financial results and the operations of Project Owner's passengers, vendors, partners and contractors.

Project Owner actively monitored the impact of the COVID-19 pandemic on the Florida travel market and, based on a strong recovery in Florida, it reopened its service on November 8, 2021. Project Owner's 2022 Ridership and Revenue Report included impacts and potential impacts from the COVID-19 pandemic. However, there can be no assurance as to the continued demand from riders along the South Segment, the North Segment or the South Florida Commuter Rail Project or the frequency or level of service that will be provided in the future due to the COVID-19 pandemic or other potential pandemics.

In addition, the spread of COVID-19 previously caused the Manager to temporarily modify Project Owner's staffing protocols, such as non-construction related employee layoffs, and business practices. While Project Owner has returned to pre-COVID-19 staffing protocols and business practices, in the future, it may take further actions as may be required by government authorities or that it determines are in the best interests of its passengers, vendors, partners and contractors. There is no certainty that such measures will be sufficient to mitigate the risks posed by a

pandemic, and Project Owner's ability to perform critical functions could be harmed. These measures, and similar measures impacting passengers, have resulted in and may result in service suspension and future construction delays and cause other unpredictable events. The degree to which any future pandemic will affect Project Owner's financial results and operations will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of an outbreak, its severity, the actions to contain the virus or treat its impact and how quickly and to what extent pre-pandemic economic and operating conditions can resume.

To the extent any pandemic, including the COVID-19 pandemic, materially adversely affects Project Owner's business and financial results, it may also have the effect of significantly heightening many of the other risks described in this "RISK FACTORS" section, such as those relating to Project Owner's substantial level of indebtedness, Project Owner's need to generate sufficient cash flows to service its indebtedness and its ability to comply with the covenants contained in the agreements that govern its indebtedness.

Severe weather, including hurricanes, and natural disasters could disrupt normal business operations, which could result in increased costs and liabilities and decreased revenues.

Substantially all of Project Owner's operating assets are currently located on Florida's eastern seaboard, which has experienced severe weather periodically in the past and may continue to experience severe weather in the future. In addition, climate change could result in an increase in the frequency and severity of these severe weather events, as well as causing sea levels to rise. Any significant future rise in sea level near Project Owner's Florida operations could result in flooding, which could damage its infrastructure, temporarily or permanently impair its ability to function near-coastal operations effectively, require it to incur costs to protect its assets or adversely impact its customer base. Severe weather conditions and other natural phenomena, including hurricanes and other severe storms, fires and floods, may cause significant damage, destruction and business interruptions and result in increased costs, increased liabilities and decreased revenue. For example, in September 2017 and September 2022, Hurricanes Irma and Ian, respectively, caused significant damage and disrupted normal business operations in Florida. Although Project Owner's operations were not directly affected by these storms, there can be no assurance that Project Owner will be spared the impact of other major natural disasters, which could have a material adverse effect on its business, financial condition, operating results, cash flows, liquidity and prospects and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Future acts of terrorism or war, as well as the threat of war, may cause significant disruptions in Project Owner's business operations.

Terrorist attacks, such as those that occurred on September 11, 2001, as well as the attacks on the transportation systems in Madrid and London, and the government response to those types of attacks and war or risk of war may adversely affect Project Owner's results of operations, financial condition or liquidity. The Project could be a direct target or indirect casualty of an act or acts of terror. Such acts could cause significant business interruption and result in increased costs and liabilities and decreased revenues, which could have an adverse effect on Project Owner's operating results and financial condition. Any act of terror, retaliatory strike, sustained military campaign or war or risk of war may have an adverse effect on Project Owner's operating results and financial condition by causing or resulting in unpredictable operating or financial conditions, including disruptions of rail lines, volatility or sustained increase of fuel prices, fuel shortages, general economic decline and instability or weakness of financial markets which could restrict Project Owner's ability to raise capital. In addition, insurance premiums charged for some or all of Project Owner's coverage could increase dramatically or certain coverage may not be available to Project Owner in the future. Any such terrorist attack, whether or not insured, could materially and adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner faces the inherent risk of catastrophic loss and liability, and its insurance may not be sufficient to cover its damages or liability to others.

The operation of any railroad carries with it an inherent risk of catastrophe, mechanical failure, collision and property loss, notwithstanding the safety protocols Project Owner has in place. Personal injury claims by Project

Owner's employees, including claims alleging occupational disease and work-related injuries, are subject to the provisions of the Federal Employers' Liability Act. In the course of the operation of Project Owner's passenger rail service, spills or other environmental mishaps, cargo loss or damage, as well as labor disputes or strikes and adverse weather conditions, could result in a loss of revenues or increased liabilities and costs. Collisions, derailments, accidents, including those caused by reckless drivers or attempted suicides, leaks, explosions, environmental mishaps, or other accidents can cause serious bodily injury, death and extensive property damage, particularly when such accidents occur in heavily populated areas. Project Owner intends to maintain insurance or otherwise insure against hazards in a manner that is consistent with industry practice against the accident-related risks involved in the conduct of its business and business interruption due to natural disaster. In addition, due to the location of Project Owner's assets on Florida's eastern seaboard, it also intends to maintain windstorm coverage. However, Project Owner expects that this insurance will be subject to a number of limitations on coverage and substantial deductibles or self-insured retentions, depending on the nature of the risk insured against. This insurance may not be sufficient to cover Project Owner's damages or damages to others and this insurance may not continue to be available at commercially reasonable rates. In particular, the market for windstorm coverage remains very limited and costly. It is unknown how much windstorm coverage Project Owner will purchase in the future and it is possible that Project Owner's property will experience windstorm damage and utility service interruption in excess of insurance limits. In addition, Project Owner is subject to the risk that one or more of its insurers may become insolvent and would be unable to pay a claim that may be made in the future. Even with insurance, if any catastrophic interruption of service occurs, Project Owner may not be able to restore service without a significant interruption to operations which could have an adverse effect on its financial condition. For additional information regarding Project Owner's insurance program, see "BUSINESS— Insurance."

In addition, certain losses may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate Project Owner fully for its losses. If there is a complete or partial loss of any of the Collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the Bonds. In the event of a total or partial loss to any of the mortgaged facilities, certain items of equipment may not be easily replaced.

Shared use of Project Owner's corridor with freight operations and FECR could have an adverse effect on its ability to utilize its railway efficiently, which could impact its operations and financial condition.

FECR owns the fee simple title in the existing rail right-of-way along Florida's east coast from Miami to Jacksonville the bridges and infrastructure installed on the corridor by FECR. Within the portion of the FECR corridor from Miami to Cocoa, Project Owner owns the newly constructed railroad infrastructure. Project Owner owns the permanent, perpetual and exclusive rights (subject to Amtrak access rights), privileges and easement over and across the real property within FECR's main line right-of-way between Miami and Cocoa, Florida for passenger rail purposes. Project Owner may incur liability, casualty and property risks as a result of shared use of the corridor with freight railroad operations and, in the event that FECR is unable to pay any maintenance or repair costs, Project Owner may be required to pay such costs to maintain its services, which could adversely affect Project Owner's operations and financial condition, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and adversely impact the payment of debt service on the Bonds when due.

While the Joint Use Agreement provides for the allocation of liability between FECR and Project Owner in the case of accidents, and requires both carriers to maintain appropriate insurance coverage, there are no assurances that any such liabilities will not have a material adverse effect on Project Owner's business, financial condition and operating results.

Further, pursuant to the Joint Use Agreement, Project Owner requires the review and approval, not to be unreasonably withheld, of the Service Standards Committee (which consists of four representatives from each of Project Owner and FECR) to construct the necessary additional track improvements and operate the proposed schedule of trains for the South Florida Commuter Rail Project. In September 2020, FECR sent a letter to the Miami-Dade County Board of County Commissioners indicating that its review and approval had not yet been obtained. While Project Owner is currently engaged in active discussions with FECR to obtain the requisite Service Standards Committee approval, these discussions may not lead to a definitive agreement on favorable terms and conditions, or at all; and the approval may not be obtained in a timely manner. If such discussions do not prove fruitful, the development of the South Florida Commuter Rail Project may be delayed or may not occur at all.

Shared use of Project Owner's corridor with Tri-Rail and the South Florida Commuter Rail Project could have an adverse effect on Project Owner's ability to utilize its railway efficiently, which could impact its operations and financial condition.

In January 2024, SFRTA began operating a new Tri-Rail commuter rail service on Project Owner's rail corridor from SFRTA's existing lines into the Miami Station. In connection therewith, Project Owner constructed incremental infrastructure at its Miami station and related rail infrastructure to allow SFRTA to provide such commuter rail service. For more information, see "BUSINESS—Current Miami-Orlando Project Assets—North Segment and South Segment—Miami." While the additional rail infrastructure was designed to enable SFRTA to operate a new commuter rail service without adversely impacting Project Owner or other users of the passenger rail service, if the new rail infrastructure does not perform as expected, it may adversely affect Project Owner's ability to use the railway efficiently until such time as additional rail infrastructure can be constructed, which could negatively impact its operations and financial condition, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and adversely impact the payment of debt service on the Bonds when due.

Further, while the additional rail infrastructure with respect to the South Florida Commuter Rail Project is expected to be designed to enable commuter rail service to be operated without adversely impacting Project Owner or other users of the passenger rail service, if the new rail infrastructure does not perform as expected, it may adversely affect Project Owner's ability to use the railway efficiently until such time as additional rail infrastructure can be constructed, which could negatively impact its operations and financial condition, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and adversely impact the payment of debt service on the Bonds when due.

Project Owner's lease, easement and other use agreements with FDOT, GOAA, CFX, the City of Boca Raton and Miami-Dade County contain, and Project Owner's agreements with other governmental entities may contain, terms and conditions particular to contracts with governmental entities that are inherently risky and could have an adverse effect on its financial condition.

Project Owner executed lease and easement agreements with FDOT, GOAA and CFX, related to the corridor between Cocoa and Orlando, Florida. Project Owner has also entered into (i) a lease agreement for the station land, a land acquisition and development agreement and a parking license agreement with Miami-Dade County for the Aventura station and (ii) a lease agreement with the City of Boca Raton for the construction of the station and parking garage for the Boca Raton station. These agreements do not contain reciprocal indemnification obligations and will provide, among other things, that such parties have not waived sovereign immunity in tort under the constitution and laws of Florida and have limited liability in certain cases. Any future agreements with these or other governmental entities may have similar provisions. As a result, Project Owner may not be able to enforce its rights fully under these agreements or obtain an adequate remedy in the event that any of these parties breaches its obligations. Furthermore, the parties to these agreements have rights to terminate these contracts under certain limited scenarios after notice and cure periods. This could adversely affect Project Owner's operations and financial condition, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and adversely impact the payment of debt service on the Bonds when due.

Project Owner may experience increased labor costs and the unavailability of skilled workers or its failure to attract and retain key personnel could adversely affect it.

Project Owner and the Manager are dependent upon the available labor pool of skilled employees. The Manager competes with other infrastructure and transportation companies and other employers for qualified personnel with the technical skills and experience required to operate a passenger rail line and to provide its customers with the highest quality service. The Manager is also subject to the Fair Labor Standards Act, which governs such matters as minimum wage, overtime and other working conditions. A shortage in the labor pool of skilled workers or other general inflationary pressures or changes in applicable laws and regulations could make it more difficult for the Manager to attract and retain personnel and could require an increase in the wage and benefits packages that the Manager offers, thereby increasing Project Owner's operating costs. In addition, the rail industry in general is heavily unionized, which could increase Project Owner's labor costs substantially. Any increase in Project Owner's labor costs could materially and adversely affect its business, contracts, financial condition, operating results, cash flows, liquidity and prospects

and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture.

If the Manager is unable to retain the services of key managers, Project Owner's business might be harmed. In addition, certain members of Project Owner's senior management team, including certain of its executive officers, provide services to Brightline West.

Project Owner's development to date has depended, and in the future will continue to depend, on the efforts of the senior management employed and made available to it by the Manager. Departures by members of such senior management could have a negative impact on Project Owner's business, as it may not have access to suitable personnel to replace departing management on a timely basis or at all. In addition, certain members of Project Owner's senior management team, including certain of its executive officers, provide services to Brightline West. Further, Project Owner's senior management team is concurrently involved in the development of the South Florida Commuter Rail Project, including, but not limited to, securing necessary agreements, procuring government approvals and putting together business strategies. As a result, they may be unable to devote all of their time and attention to Project Owner or the operation of the North Segment and South Segment. The loss of access to a skilled management team or the ability of the management team to devote sufficient time to Project Owner due to its additional responsibilities could impair Project Owner's ability to execute its business plan and could therefore have a material adverse effect on its business, results of operations and financial condition, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner is at risk of losses and adverse publicity stemming from accidents or service disruptions involving rail services.

Incidents involving rail services and media coverage thereof, as well as adverse media publicity concerning the rail industry in general, have occurred and could impact demand for Project Owner's service. If Project Owner experiences any equipment failures, delays, temporary cancellations of schedules, collisions, derailments, accidents caused by reckless drivers or attempted suicides, collisions with FECR freight trains or cars, or any deterioration in the performance or quality of any of Project Owner's services, it could result in personal injuries, damage of goods, customer claims of damages, customer refunds, significant tort liability and loss of goodwill. These problems may also lead to decreases in passengers and revenue, damage to Project Owner's reputation and unexpected expenses or may divert management's attention away from the operation of its passenger rail line, any one of which could materially and adversely affect its business. In addition, any events which impact the rail or travel industry more generally may negatively impact guests' ability or desire to travel by rail, or interrupt Project Owner's ability to obtain services and goods from key vendors in its supply chain. Any of the foregoing could have an adverse impact on Project Owner's results of operations and on future industry performance, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Maintaining a good reputation is critical to Project Owner's business. Reports and media coverage of rail incidents, including improper conduct by Project Owner's employees, passengers or agents, crimes, security breaches, terrorist threats and attacks, derailments, accidents, including those caused by reckless drivers or attempted suicides, and other adverse events, can result in negative publicity, which could lead to a negative perception regarding the safety of Project Owner's passenger rail line and the satisfaction of its passengers. Anything that damages Project Owner's reputations, whether or not justified, could have an adverse impact on demand, which could lead to a reduction in its sales and profitability.

Project Owner may incur liability under environmental laws relating to the development of the Project.

Project Owner's assets and the operation and further development of the Project are subject to a variety of federal, state and local environmental, health and safety rules and regulations. Noncompliance with these rules and regulations could result in significant fines or penalties, injunctions limiting or prohibiting Project Owner's activities, delays in completing any future expansions of the Project or additional costs, including liability for investigation, remediation or mitigation costs or any related claims alleging personal injury, property or natural resource damages, all of which

could have a material adverse impact on Project Owner's business, contracts, financial condition, operating results, liquidity and prospects.

At any time, Project Owner may be responsible for remediation costs or other liabilities (including liability for any existing contamination on Project Owner's lands or lands that Project Owner may acquire or contamination at third-party contaminated sites where it has sent waste for treatment or disposal) as a result of the use, presence, release or disposal of regulated substances at or from these sites. Liability may be imposed without regard to whether Project Owner knew of, or caused, the contamination and, in some cases, liability may be joint and several. Project Owner may also face additional costs, liabilities or delays as a result of any proposed or actual impact or damages to any protected species or habitats.

Any environmental liability or obligation could cause Project Owner to incur material costs outside of the current development budget for the Project or result in material delays. In particular, undiscovered contamination, changes in law or governmental enforcement or oversight, Project Owner's failure to obtain or maintain environmental permits, authorizations or other approvals, unforeseen environmental liabilities or any environmental claims or challenges by interested parties may result in additional, unexpected costs or could cause significant delays in the operation of the Project or the completion of any future expansions of the Project and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner has not entered into contractual commitments for any potential additional expansions yet.

The anticipated costs for completing potential additional expansions is still unknown and any financial plan is not yet definitive. Once known, the estimates for this work may increase and, as a result, Project Owner may choose to reduce the scope of the work, revise the design criteria and modify design components to reduce the costs of constructing any future railway expansions. Any such reduction in scope or change in design criteria or design components could adversely affect Project Owner's economic prospects, to the detriment of the investors. Project Owner's inability to pay development costs as they are incurred could negatively affect Project Owner, and its business operations and prospects, thereby adversely affecting Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impacting the payment of debt service on the Bonds when due.

If Project Owner fails to maintain the security of information relating to its passengers, employees, contractors or others, whether as a result of cybersecurity attacks or otherwise, Project Owner could be exposed to data loss, litigation, government investigations and costly response measures, which could disrupt its operations and harm its reputation.

From time to time, Project Owner will have access to, collect, maintain or transmit private or confidential information regarding its passengers, employees, contractors and others, as well as its business. Although Project Owner intends to have procedures in place to safeguard such data and information, cybersecurity attacks are rapidly evolving and becoming increasingly sophisticated. It is possible that computer hackers and others might compromise Project Owner's security measures or those that Project Owner does business with and obtain the personal information of its passengers, employees, contractors and others or its business information. A security breach of any kind could expose Project Owner to the risk of data loss, litigation, government investigations and costly response measures, and could disrupt its operations. Any resulting negative publicity could significantly harm Project Owner's reputation, which could in turn cause it to lose passengers and have an adverse effect on its business and operating results and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner is subject to risks related to cybersecurity.

Cybersecurity threats are constantly evolving and this increases the difficulty of detecting and successfully defending against them. These events could compromise Project Owner's confidential information, impede or interrupt Project Owner's business operations, and result in other negative consequences, including remediation costs, loss of revenue, litigation and reputational damage. Project Owner expects to continue to be subject to, cybersecurity threats and incidents, none of which have been material to it to date. While Project Owner has implemented administrative and technical controls and taken other preventive actions to reduce the risk of cyber incidents and

protect its information technology, they may be insufficient to prevent physical and electronic break-ins, cyberattacks or other security breaches to its computer systems.

In addition, Project Owner or its passengers, partners or vendors could experience cyberattacks, privacy breaches, data breaches or other incidents that result in unauthorized disclosure of customer, employee or company information. If Project Owner suffers a loss as a result of a breach or other breakdown in its technology, including such cyberattack, privacy breaches, data breaches or other incident involving one of its vendors, that result in unauthorized disclosure or significant unavailability of business, financial, personal or stakeholder information, Project Owner may suffer reputational, competitive and/or business harm and may be exposed to legal liability, which may adversely affect Project Owner's results of operations and/or financial condition. The misuse, leakage or falsification of information could result in violations of data privacy laws and could expose Project Owner to legal action and increased regulatory oversight. Project Owner could also be required to spend significant financial and other resources to remedy the damage caused by a security breach or to repair or replace networks and information systems.

Project Owner seeks to minimize the impact of these attacks through various technologies, processes and practices designed to help protect its networks, systems, computers and data from attack, damage or unauthorized access, such as maintaining cyber-liability insurance, a cybersecurity program, cyber-protection packages and off-site Microsoft cloud-spaces. However, there are no guarantees that Project Owner's cybersecurity practices will be sufficient to thwart all attacks. While Project Owner carries cyber breach, property and business operation interruption insurance, it may not be sufficiently compensated for all losses it may incur. These losses include not only a loss of revenues but also potential reputational damage to Project Owner's brand and litigation, fines or regulatory action against it. Furthermore, Project Owner may also incur substantial remediation costs to repair system damage as well as satisfy liabilities for stolen assets or information that may further reduce its profits, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner's reliance on technology and technology improvements may negatively impact Project Owner.

Project Owner relies on technology and technology improvements in its business operations. If Project Owner experiences significant disruption or failure of one or more of Project Owner's information technology systems, including computer hardware, software and communications equipment, it could experience a service interruption, a security breach, or other operational difficulties. Additionally, if Project Owner does not have sufficient capital to acquire new technology or is unable to implement new technology, it may suffer a competitive disadvantage within the rail industry and with companies providing other modes of transportation service, thereby adversely affecting Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impacting the payment of debt service on the Bonds when due.

Project Owner may be subject to federal, state and local taxes on its income and property and, since it has a limited operating history, the impact of such taxes on it is currently unknown.

Project Owner may be subject to federal, state and local taxes on its income and property, including its real estate assets. However, since Project Owner has a limited operating history, the impact of such taxes on it is currently unknown. In particular, Project Owner may be subject to taxes from authorities in various jurisdictions and can give no assurance as to how such authorities will assess taxes on its income and/or properties. Any tax liability could be substantial and would reduce the amount of cash available for making payments on the Bonds when due.

A significant increase in real estate taxes may materially adversely affect Project Owner's results of operations.

The legislation and regulations related to property tax matters tend to be complex and subject to varying interpretations by both government authorities and taxpayers. From time to time, Project Owner's property taxes may increase as property values or assessment rates change or for other reasons deemed relevant by the assessors. An increase in the assessed valuation of a property for real estate tax purposes results in an increase in the related real estate taxes on that property. Although Project Owner may be able to offset some or all of these tax increases by increases in fares, there is no assurance that it will be able to do so. There is currently uncertainty regarding the amount that Project Owner will be assessed for property taxes. Although Project Owner's management believes that the positions Project Owner has taken are reasonable, applicable taxing authorities may challenge certain of the positions

Project Owner has taken, which could potentially result in additional liabilities for taxes, interest and penalties in excess of accrued liabilities. Any such additional liabilities, if incurred, could materially adversely affect Project Owner's results of operations, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Protecting and defending against intellectual property claims may have a material adverse effect on Project Owner's business.

Project Owner's success depends in part upon successful prosecution, maintenance, enforcement and protection of its owned intellectual property and compliance with the terms applicable to its licensed intellectual property. There is no guarantee that any action to defend, maintain or enforce Project Owner's owned or licensed intellectual property rights will be successful, and an adverse result in any such proceeding could have a material adverse impact on Project Owner's business, financial condition, operating results and prospects.

In addition, it is possible that third parties may claim from time to time that Project Owner is infringing or otherwise violating their intellectual property rights. Irrespective of the validity of any such claims, Project Owner could incur significant costs and diversion of resources in defending against them, and there is no guarantee any such defense would be successful, which could have a material adverse effect on Project Owner's business, contracts, financial condition, operating results, liquidity and prospects, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

VEL has disputed the validity of the termination of the Virgin License Agreement with Brightline Holdings and has commenced legal proceedings to recover damages. If VEL were to prevail in any such legal proceeding, it may have a material adverse effect on Project Owner's reputation, business, results of operations, financial condition and liquidity.

On November 15, 2018, Brightline Holdings entered into a Trade Mark License Agreement ("TMLA") with Virgin Enterprises Limited ("VEL"). Pursuant to the TMLA, VEL granted to Brightline Holdings the right to use the Virgin brand, in connection with the operation of an intercity passenger rail service in Florida and along certain other routes in the United States. In July 2020, Brightline Holdings terminated the TMLA. VEL disputed the validity of the termination notice and in February 2021 filed a claim against Brightline Holdings in U.K. courts. Following a trial in July 2023, the judge entered an order finding in favor of VEL on October 12, 2023. Brightline Holdings filed a notice for permission to appeal with the appellate court on November 1, 2023, which was denied on February 5, 2024. The judge deferred consideration of a claim by VEL that the amount of the contractually agreed damages should be increased by approximately \$94,000,000, with the larger sum applicable only if VEL can show that a change of control of Brightline Holdings would have occurred prior to November 2024. VEL was granted permission to amend its claim to plead the change of control, which is now subject to further discovery and a hearing date yet to be set. Brightline Holdings believes this claim is without merit and will vigorously defend against it. Project Owner is not a party to the TMLA or this litigation. The outcome of these proceedings is not likely to materially impact Project Owner. Nevertheless, there can be no assurances that an adverse outcome in this action would not have a material adverse effect on Project Owner's reputation, business, results of operations, financial condition and liquidity, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Knighthead, Certares and certain entities managed or co-managed by Knighthead and Certares have filed a complaint against Project Owner's member entity, Brightline Holdings with respect to the Brightline Holdings Credit Agreement. If they were to prevail in any such legal proceedings, it may have a material adverse effect on Project Owner's reputation, business, results of operations, financial condition and liquidity.

On September 18, 2023, Knighthead Opportunities Fund I, L.P. and Knighthead Capital Management LLC (collectively, "Knighthead"), Certares Opportunities Fund LLC ("Certares") and certain entities managed or comanaged by Knighthead and Certares (collectively, the "Plaintiffs"), filed a complaint in the Supreme Court of the State of New York against Morgan Stanley Senior Funding, Inc. ("MSSF"), an affiliate of Morgan Stanley & Co. LLC, one of the Underwriters for the Bonds, and Brightline Holdings, an indirect member of Project Owner and certain of its affiliates. The Plaintiffs are lenders or purported lenders under the Brightline Holdings Credit Agreement

pursuant to which Brightline Holdings is the borrower and MSSF is the administrative agent and a lender. Certain of the Plaintiffs purchased from MSSF approximately \$191 million aggregate principal amount of the Brightline Holdings loan. The Plaintiffs are seeking declaratory relief, specific performance, monetary damages and injunctive relief. Brightline Holdings believes the claims are without merit and filed a motion to dismiss the complaint on November 22, 2023, which is now fully briefed. Oral arguments occurred on April 15, 2024, and the parties are now awaiting a ruling on the motion to dismiss. Neither Project Owner nor Morgan Stanley & Co. LLC is a party to the Brightline Holdings Credit Agreement or named in the complaint. There can be no assurances that an adverse outcome in this action would not have a material adverse effect on Project Owner's reputation, business, results of operations, financial condition and liquidity, and thereby adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement and the Indenture, and thereby adversely impact the payment of debt service on the Bonds when due.

Project Owner may be subject to future litigation, which could have a material adverse effect on Project Owner's business, financial condition, operating results, cash flows, liquidity and prospects.

From time to time, Project Owner, the Project, the Issuer and the proposed offerings of the Bonds may be involved in or subject to claims, litigation or other proceedings. If any of the plaintiffs were to prevail on such claims by a final, non-appealable judgment, it could have a material adverse effect on Project Owner or on an investment in the Bonds. See "BUSINESS—Legal Proceedings" and "THE ISSUER—Litigation" for additional information.

In addition to the potential claims described above, Project Owner may also be subject to claims in the ordinary course of business during previous construction periods and construction periods of any future expansion by contractors, construction workers or others who may be injured during such construction. In the course of the operation of the Project, Project Owner may also be subject to claims by Project Owner's customers as result of any accidents or other incidents that may occur in connection with rail travel, by employees of the Manager or by trespassers or vehicle drivers who illegally enter the railroad right of way. Risks associated with legal liability are often difficult to assess or quantify and their existence and magnitude may not be known for significant periods of time. While Project Owner maintains insurance policies that it believes are appropriate for purposes of the operation of the railroad and construction of any future expansion of the Project, the amount of insurance coverage may not cover, or be sufficient to cover, individually or in the aggregate, any pending, threatened or potential future claims involving, or related to, the Project or the operation thereof.

Any future claims or proceedings may require or cause Project Owner to expend substantial time and resources and Project Owner's business, financial condition, operating results, cash flows, liquidity and prospects could be materially adversely affected, and thereby adversely affect Project Owner's ability to satisfy its obligations with respect to the Bonds.

Risks Related to this Offering and Project Owner's Indebtedness

Project Owner has limited revenue and may not be able to generate sufficient cash to service the Bonds or Project Owner's other existing and future indebtedness, and may be forced to take other actions to satisfy Project Owner's obligations under Project Owner's indebtedness, which may not be successful.

Project Owner is a relatively new company, formed for the purpose of developing and operating the Project and has limited revenue. Project Owner's ability to make scheduled payments on or to refinance or remarket Project Owner's existing and future debt obligations depends on Project Owner's financial condition and operating performance, which are subject to the profitability of the Project, prevailing economic and competitive conditions, and certain financial, business and other factors some of which are beyond Project Owner's control. There can be no guarantee that Project Owner will be able to sustain successful operation of the Project, or that Project Owner will complete any proposed expansion of the Project. Project Owner may not be able to maintain a level of cash flow from operating activities sufficient to permit Project Owner to satisfy its obligations under any of the Loan Agreement or the Indenture and the payment of the principal, premium, if any, and interest on the Bonds or Project Owner's other indebtedness.

If Project Owner's cash flows and capital resources are insufficient to fund Project Owner's debt service obligations and other cash requirements, Project Owner could face substantial liquidity problems and may be forced

to reduce or delay investments or capital expenditures, or to sell assets and operations, seek additional capital or restructure or refinance any or all of the Bonds or Project Owner's other indebtedness. Project Owner's ability to restructure or refinance its debt will depend on the condition of the capital markets and Project Owner's financial condition at such time. Any refinancing of Project Owner's debt could be at higher interest rates and may require Project Owner to comply with more onerous covenants, which could further restrict Project Owner's business operations. The terms of the Loan Agreement the Indenture and any existing or future debt instruments may restrict Project Owner from adopting some of these alternatives. These alternative measures may not be successful and may not permit Project Owner to meet Project Owner's scheduled debt service obligations. Project Owner's inability to generate sufficient cash flows to satisfy its debt service obligations, or to refinance Project Owner's debt on commercially reasonable terms or at all, would materially and adversely affect Project Owner's business, financial condition and operating results. In accordance with the terms of the Indenture, if Project Owner cannot make scheduled payments on its indebtedness, Project Owner would be in default, which could result in an acceleration of any such indebtedness, the termination of lenders' commitments to loan money and/or, in the case of secured indebtedness, foreclose against the assets securing such indebtedness.

If certain financing transactions by Project Owner or it's indirect parent or member entities are not completed, Project Owner may not have sufficient capital to complete this offering of the Bonds.

Concurrently with the offering of the Bonds described herein, Project Owner intends to enter into the Project Owner Credit Facility and certain indirect parent or member entities of Project Owner intend to incur indebtedness and/or issue preferred equity, and portions of the proceeds therefrom will be contributed, directly or indirectly, to Project Owner. We expect that the closing of this offering will occur simultaneously with the closings of these transactions and/or be conditioned upon the closings of these transactions. See "REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE." Project Owner will use the funds from the Bonds, together with a portion of the net proceeds from such transactions and other available funds, to fund interest on the Bonds due on each interest payment date through July 1, 2025 and pay certain costs of issuance, among other things. There is no guarantee that these transactions by Project Owner or its indirect parent or member entities will occur as planned or will be completed at all. If such transactions are not completed, Project Owner may not have sufficient capital to complete this offering of the Bonds. Even if such transactions are completed, there is no guarantee that the funds received from such financings will be sufficient for Project Owner to satisfy its obligations under the Loan Agreement and the Indenture, which may thereby adversely impact the payment of debt service on the Bonds when due.

Any extension of the Project would require additional financing and a ratings affirmation, which may not be successful.

Project Owner would need to obtain additional financing to complete the construction of any extension of the Project, which may include financing from lenders, through one or more public offerings or private placements of debt and/or equity securities, municipal bonds or other sources of governmental or semi-governmental financing, strategic relationships or other arrangements. There is no assurance that sources of financing will be available at its desired timing, on favorable terms, on a timely basis, or at all or will be sufficient to meet its needs. Instability or disruptions of the capital markets, including credit markets, could restrict or prohibit access to financing sources and could increase the cost of financing sources. Likewise, a significant deterioration of Project Owner's financial condition due to internal or external factors could also reduce credit ratings and could limit or affect its access to external sources of capital and increase financing costs. If Project Owner is unable to raise sufficient additional capital at a reasonable cost of financing and otherwise on favorable terms and on its desired timing, it could be forced to curtail future construction, development and operation activities, which could delay the development and completion of any extension of the Project and could have a material adverse effect on its current or future business, contracts, financial condition, operating results, cash flows, liquidity and prospects.

In addition, the Loan Agreement contains a covenant requiring Project Owner to obtain a rating confirmation with respect to the Bonds in order to use Project Revenues or any of its other funds in excess of \$1,000,000 in any fiscal year to finance the development, construction, operation or maintenance of (x) any extension of Project Owner's intercity passenger rail system beyond the Orlando International Airport, or (y) any third-party commuter rail service on the corridor comprising the Project. There is no guarantee that Project Owner would be able to obtain such a rating confirmation.

Project Owner will have a substantial amount of indebtedness, which could adversely affect Project Owner's ability to satisfy its obligations under the Loan Agreement to pay debt service on the Bonds and could impair Project Owner's business, financial condition and operating results in the future.

After the Closing Date of the Bonds, after giving effect to the transactions described herein under the heading "REFINANCING TRANSACTIONS AND ORGANIZATIONAL STRUCTURE," the total indebtedness of Project Owner is expected to be \$2.2 billion, comprised solely of the Bonds offered hereby and the Project Owner Credit Facility.

Project Owner's substantial indebtedness could have important consequences for investors, including:

- increasing Project Owner's vulnerability to adverse economic, industry or competitive developments:
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on Project Owner's indebtedness;
- limiting Project Owner's ability to obtain additional financing for working capital, capital expenditures, debt service requirements and general corporate or other purposes; and
- limiting Project Owner's flexibility in planning for, or reacting to, changes in its business or the industry in which it operates.

In addition to the issuance of the Bonds, Project Owner may incur additional debt, which could further increase the risks associated with Project Owner's ability to generate sufficient cash to pay debt service on the Bonds.

Project Owner may be able to incur additional indebtedness in the future. Although the Loan Agreement and the Indenture will contain restrictions on the incurrence of additional indebtedness, these restrictions will be subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt, including future Additional Parity Bonds or Permitted Additional Senior Indebtedness is added to Project Owner's existing debt levels, the related risks that Project Owner now faces would increase. Furthermore, any Additional Parity Bonds or Permitted Additional Senior Indebtedness will be secured equally and ratably with the Bonds, thereby having the effect of diluting the security interest in the Collateral. In addition to Permitted Additional Senior Indebtedness, the Loan Agreement will permit Project Owner to incur certain other additional indebtedness, including pursuant to the General Debt Basket, which shall not exceed \$25,000,000 and may be incurred for any purpose. Subject to the availability of a Permitted Security Interest, the additional indebtedness may be secured. In addition, neither the Loan Agreement nor the Indenture will prevent Project Owner from incurring obligations that do not constitute indebtedness under such agreements.

Project Owner's and its indirect parent or member entities' debt or equity financing agreements will contain restrictions that will limit Project Owner's activities. In addition, a default and exercise of remedies under the debt financing agreements of Project Owner's indirect parent or member entities may result in a "Change of Control" under and as defined in the Loan Agreement.

The Loan Agreement, the Project Owner Credit Facility and certain of instruments governing indebtedness and/or preferred equity of indirect parent or member entities of Project Owner will contain various covenants that limit Project Owner's ability to engage in specified types of transactions. These instruments will limit Project Owner's ability to, among other things:

- create, incur or assume indebtedness;
- create liens on certain assets to secure debt or otherwise;
- pay dividends or make other equity distributions;
- make certain investments;
- sell, transfer, lease (including any ground lease) or otherwise dispose of assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of its assets;

- engage in transactions with affiliates, except on terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's length basis with unaffiliated third parties, as reasonably determined by Project Owner in good faith;
- maintain books and records that are not separate from any other person;
- commingle its funds or assets with any other person;
- engage in any business or own any assets other than the Project and activities and assets incidental thereto;
- maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other person;
- fail to allocate shared expenses; and
- have any of its obligations guaranteed by an affiliate.

A breach of any of these covenants or covenants contained in future agreements could result in a default under the Loan Agreement, the Project Owner Credit Facility or such future agreements. In addition, any debt agreements Project Owner enters into in the future may further limit Project Owner's ability to enter into certain types of transactions. Upon the occurrence of an event of default under any of the agreements governing Project Owner's indebtedness, the requisite lenders or holders of the applicable indebtedness could elect to declare all amounts outstanding to be due and payable and exercise other remedies as set forth in the applicable agreements. If any of Project Owner's indebtedness were to be accelerated, there can be no assurance that Project Owner's assets would be sufficient to repay this indebtedness in full, which could have a material adverse effect on Project Owner's ability to continue to operate as a going concern. See "APPENDIX F—FORM OF LOAN AGREEMENT."

In addition, a breach of a covenant in any debt financing agreement of Project Owner's indirect parent or member entities could permit the requisite percentage of the holders of such debt to exercise remedies against the collateral securing such debt, including equity interests of one or more of Project Owner's direct or indirect parent or member entities. Such equity interests could be sold or otherwise transferred in connection with such exercise of remedies, and a "Change of Control" under and as defined in the Loan Agreement could result from such sale or other transfer. A Change of Control is an event of default under the Loan Agreement.

The value of the Collateral may not be sufficient to satisfy Project Owner's obligations under the Loan Agreement and the Bonds.

No appraisal of the overall value of the Collateral has been or will be made in connection with this offering. The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, general economic conditions and similar factors. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time, the timing and the manner of the sale and the availability of buyers. By its nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the Collateral may not be sold in a timely or orderly manner and the proceeds from any sale or liquidation of the Collateral may not be sufficient to pay Project Owner's obligations under the Bonds. Based on the current decision of the STB that the Project is not subject to the jurisdiction or regulation of the STB, there are no STB regulations that would treat the Project differently than any other foreclosure, liquidation, bankruptcy or similar proceeding. If the STB were to reverse its conclusion and take jurisdiction over the Project, or if the Project were determined to constitute a "railroad" within the meaning of the U.S. federal bankruptcy laws notwithstanding the decision of the STB that the Project is not subject to its jurisdiction, then the bankruptcy court would have to consider the public interest in continuing passenger service and would be required to refer the request to terminate service to the STB. No foreclosure could occur prior to action approving the termination of service by the bankruptcy court. The proceeding before the STB would be subject to public comment and an independent analysis by the STB of the viability of the railroad.

In addition, the security interest of the Collateral Agent will be subject to practical challenges generally associated with the realization of security interests in the Collateral. For example, the Collateral Agent may need to obtain the consent of third parties and make additional filings. If the Collateral Agent is unable to obtain these consents or make these filings, the security interests may be invalid and the Bondholders will not be entitled to the Collateral or any

recovery with respect thereto. Project Owner cannot assure that the Collateral Agent will be able to obtain any such consent. Project Owner also cannot assure that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Collateral Agent may not have the ability to foreclose upon those assets and the value of the Collateral may significantly decrease.

To the extent that pre-existing liens, liens permitted under the Loan Agreement and other rights, including liens on Excluded Assets, such as those securing purchase money obligations and capital lease obligations granted to other parties, encumber any of the Collateral, those parties holding such liens or rights have or may exercise rights and remedies with respect to the Collateral that could adversely affect the value of the Collateral and the ability of the Collateral Agent, the Trustee or the Bondholders to realize or foreclose on the Collateral.

If the proceeds of any sale of the Collateral are not sufficient to repay all amounts due on the Bonds, the Bondholders (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured, unsubordinated claim against Project Owner's remaining assets, and there may not be sufficient assets remaining to repay any or all amounts due on the Bonds.

Parties who have provided services, labor, equipment or supplies in connection with the construction of the Project may have a lien on the properties and assets of the Project senior to the security interests securing the Bonds.

Florida law provides design and other professionals, contractors, subcontractors, laborers, equipment lessors and material suppliers with rights to record a lien on the property improved by their services or supplies in order to secure their right to be paid. If these parties are not paid in accordance with applicable law and their respective contracts for work performed (in full or in part), they may seek foreclosure on their liens. In Florida, the priority of certain construction liens related to a particular construction project relate back to the date on which the notice of commencement of the work was first recorded for a project. Accordingly, certain parties providing labor, material or services in connection with the design or construction of the Project who otherwise comply with the applicable requirements of Florida law may have a lien on the Project senior in priority to the security interests securing the Bonds until they are paid in full. The Collateral Agency Agreement requires compliance with procedures intended to ensure the proper payment to parties performing work after the date of this offering. In the event of a liquidation, proceeds from the sale of the Collateral may be used to pay the holders of any construction liens then in existence before Bondholders.

There are certain other categories of property that are also excluded from the Collateral.

Certain categories of assets are excluded from the Collateral. Excluded Assets include, among other categories, assets in which the grant of a security interest is prohibited by law, and assets in which Project Owner is contractually obligated not to create a security interest. See "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS." If an event of default occurs and the Bonds are accelerated, holders of such accelerated bonds will rank equally with the holders of other unsubordinated and unsecured indebtedness of Project Owner with respect to such excluded property.

Not all of the property interests with respect to the new in-line stations will be pledged as Collateral. Certain property interests with respect to the new in-line stations are subject to restrictions on the ability of Project Owner to grant liens or mortgages on such interests. For example, (i) the applicable grant agreements related to the Boca Raton station preclude Project Owner from granting any liens on its property interests with respect to the station without express authorization of the FRA and (ii) the applicable lease and development agreements related to the Aventura station preclude the granting of a mortgage on Project Owner's property interests with respect the station, although Project Owner is permitted to and has collaterally assigned its interest in the related agreements, with the exception of a bridge permit, the terms of which do not allow it to be collateralized.

Rights of Bondholders in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the Collateral may not be perfected with respect to the claims of the Bonds if such actions are not undertaken. Such Mortgages are expected to be delivered on the Closing Date. With respect to any Mortgages or Mortgage and title insurance-related

requirements that are not in place at closing, Project Owner will agree to have such requirements satisfied within 180 days of the Closing Date; provided that any failure of Project Owner to have such requirements satisfied within such 180-day period will not constitute an event of default if Project Owner is diligently pursuing the satisfaction of such requirements. Notwithstanding the foregoing, Project Owner's failure to record any Mortgage in the applicable recording office as of the date that is 270 days after the Closing Date shall constitute an event of default under the Loan Agreement,

In addition, the recordation of such mortgages may be subject to delays as a result of illegible legal descriptions or delays at the county recording office. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate of title and certain proceeds, can only be perfected at the time such property and rights are acquired and identified. Project Owner has limited obligations to perfect the security interest of the Bondholders in specified Collateral. Neither the Trustee nor the Collateral Agent has the duty to monitor the future acquisition of property and rights that constitute Collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired Collateral. Such failure may result in the loss of the security interest in the Collateral or the priority of the security interest in favor of the Bonds against third parties.

Title insurance policies will only be obtained with respect to certain real property interests.

Title insurance policies may not be obtained at such time that the applicable Mortgages are recorded, and title insurance policies may not be obtained with respect to all of the real property interests subject to such Mortgages. Accordingly, any mortgages securing real property as to which title insurance is not obtained will not have the benefit of title insurance policies insuring Project Owner's title to such real property owned, leased or otherwise held by Project Owner. There can be no assurance that there does not exist a title defect or lien encumbering any real properties that impairs or is senior to the lien (or a portion of the lien) of any mortgage.

Not all mortgaged real property Collateral has been or will be surveyed, and surveys are of a date certain.

Surveys will not be obtained in connection with mortgaged real property interests that are not title insured, and surveys are of a date certain. Accordingly, Project Owner and the Collateral Agent will not have the benefit of any information that would be reflected in the surveys until provided, if at all, including matters like encroachments, adverse possession claims or other restrictions that exist with respect to such real properties, including any change to the real property Collateral after the date of the survey. If such matters exist, they could adversely affect the value or utility of such property securing the Bonds, as well as the ability of the Collateral Agent to realize or foreclose on such real property. In addition, there can be no assurance that the legal descriptions attached to the mortgages for such nonsurveyed real properties, leases or easement interests (i) accurately describe and encumber the property mortgaged or intended to be mortgaged as security for the Bonds, (ii) include all real property owned, leased or otherwise held by Project Owner intended to constitute Collateral or (iii) do not include real property not owned, leased or otherwise held by Project Owner.

The existence or imposition of certain permitted liens could adversely affect the value of the Collateral.

The Collateral will be subject to liens permitted under the terms of the Loan Agreement and the Indenture, whether arising on or after the date the Bonds are issued. The existence of any permitted liens could adversely affect the value of the Collateral as well as the ability of the Collateral Agent to realize or foreclose on such Collateral. The Collateral that will secure the Bonds may also secure future indebtedness and other obligations of Project Owner to the extent permitted by the Loan Agreement and the Indenture. Rights of Bondholders to the Collateral would be diluted by any increase in the indebtedness secured by the Collateral.

The Trustee's rights with respect to the enforcement of the Collateral are limited by the terms of the Collateral Agency Agreement.

The Bondholders will indirectly benefit from the Trustee's rights to enforce on the Collateral. The rights of the Trustee (and as such, the Bondholders), to exercise rights and remedies with respect to the Collateral will be limited by the terms of the Collateral Agency Agreement.

The terms of the Collateral Agency Agreement provide the exclusive method by which any Bondholder may exercise rights and remedies under the Loan Agreement. If an event of default in respect of the Loan Agreement shall have occurred and be continuing, the Secured Debt Representatives shall be permitted and authorized to direct the Collateral Agent to take such actions under the Collateral Agency Agreement to take enforcement action in respect of the Collateral, including the ability to cause the commencement of enforcement proceedings against the Collateral and to control the conduct of these proceedings. The Bondholders shall have no other right to direct its Secured Debt Representative or the Collateral Agent to take any action in respect of the Collateral or initiate or pursue any insolvency or other proceeding resulting in the bankruptcy of Project Owner other than in accordance with the terms of the Collateral Agency Agreement. The security interest in the Collateral is vested in and held by the Collateral Agent (for the benefit of the applicable secured parties) and only the Collateral Agent, acting on the instructions of Secured Debt Representatives representing the Required Secured Creditors, has the right to take actions (and exercise rights, remedies and options) with respect to the Collateral. In addition, the other Senior Creditors may also vote and form the requisite majority required to instruct the Collateral Agent to enforce the Security Documents, without the consent of the Secured Debt Representative that represents the Bondholders.

In addition, it is expected that the Bond Insurer will insure an aggregate principal amount of Bonds representing at least a majority of the aggregate principal amount of Bonds outstanding. As a result, at closing, the Bond Insurer will unilaterally constitute secured creditors representing the Required Secured Creditors with respect to the Collateral Agency Agreement. See "-The Bond Insurer will have authority to control many aspects of the Insured Bonds."

As a result, the Bondholders may not have the ability to direct or meaningfully influence actions in respect of the enforcement of the Collateral, even if the rights of the Bondholders are adversely affected.

The Bond Insurer will have authority to control many aspects of the Insured Bonds.

So long as there is no default under the Policy, the Bond Insurer will be deemed the owner of the Insured Bonds for purpose of all actions relating to the Insured Bonds which require the consent, direction or request of the holders of the Insured Bonds. Pursuant to the Indenture, each holder of the Insured Bonds will appoint the Bond Insurer as its agent and attorney-in-fact with respect to the Insured Bonds. See "APPENDIX E—FORM OF INDENTURE." It is expected that the Bond Insurer will also insure a portion of the Bonds such that the Bond Insurer insures at least a majority of the aggregate principal amount of Bonds outstanding. As a result, under the Collateral Agency Agreement, the Bond Insurer will have unilateral authority to, among other things (i) provide consents to amendments to Loan Agreement as it relates to the Insured Bonds, including with respect to amendments to payment or other fundamental terms that would normally require the consent of all holders; (ii) declare or waive an Event of Default or exercise any acceleration remedy with respect to the Insured Bonds and (iii) direct the Collateral Agent to take enforcement action against the Collateral.

The Bond Insurer may have interests that differ from holders of the Insured Bonds and may not make the same decision with respect to the foregoing that a holder would make. So long as there is no default on the Policy, Bondholders will not be permitted to override the decisions of the Bond Insurer with respect to the forgoing.

Remedies available to the Collateral Agent may be limited by state law, practicability and lease provisions.

Several states have laws that prohibit more than one "judicial action" or "one form of action" to enforce a mortgage obligation, and some courts have construed the term "judicial action" broadly. In addition, the Collateral Agent may be required to foreclose first on real property located in states where such "one action" rules apply (and where non-judicial foreclosure is permitted) before foreclosing on properties located in states where judicial foreclosure is the only permitted method of foreclosure. As a result of the foregoing considerations, among others, the ability of the Collateral Agent to realize upon the mortgages may be limited by the application of state laws.

In addition, the fact that the corridor and the real properties cover numerous counties may render mortgage foreclosure impracticable. The Collateral Agent may elect to forego foreclosure on the individual real properties and foreclose on the equity interests of Project Owner or other property of Project Owner instead. A foreclosure on the equity interests of Project Owner could violate provisions of certain leases, easements, rights of way and other contractual arrangements entered into by such entities that contain certain change of control provisions and could result in early termination of such arrangements.

In addition, a foreclosure of the equity of Project Owner, rather than of the liens of the mortgages, will leave in place any junior liens that may have been recorded subsequent to the recording of the mortgages.

Project Owner does not own all of the property on which the Project is or will be located. Certain of such real property constituting or intending to constitute Collateral for the Bonds is held pursuant to leases (including the parking garage leases and the leases for the Orlando station and the VMF), easement agreements (including with respect to aerial rights with GOAA Easements) and other use arrangements (including road rights of way). There is a risk that such leases, easement agreements and other use arrangements may terminate and no longer constitute Collateral for the Bonds.

The track for the passenger railway has been and may in the future be constructed on owned land and land not owned by Project Owner that is held pursuant to leases, easement agreements and other use arrangements. Debt secured by a lien on an easement interest, lease or other use arrangement is subject to risks not associated with debt secured by a mortgage lien on a fee interest in real estate. The most significant of these risks is that such interest could be terminated before the debt secured by the mortgage is paid in full. In addition, if a mortgage on the third party's fee interest in the property is recorded prior to the recordation of a memorandum of Project Owner's interest, as easement holder, tenant or other right holder (or if the easement, lease or other use arrangement, by its terms, is subordinate to the fee holder's mortgage), the holder of such fee mortgage could, in the event of the foreclosure of such fee mortgage, elect to terminate the applicable easement, lease or other use arrangement, and, thereby, the mortgage lien on such easement, lease or other use arrangement constituting Collateral would terminate and no longer constitute Collateral for the Bonds.

Some of the leases, easement agreements and other use arrangements have in the past and may in the future (with respect to any after acquired collateral) require satisfaction of certain conditions, including certain consents of the landlord or other grantor. Until such time as such items are delivered (to the extent necessary), if at all, to the extent that the requisite consents of any landlords or other grantors are not obtained, a portion of that part of the collateral package consisting of Project Owner's real property interests will not constitute Collateral. Further, to the extent the landlord of any lease or other grantor fails or refuses to grant such consent after Project Owner has used commercially reasonable efforts to obtain such consent, the leasehold interest or joint venture interest in the applicable real property will not constitute Collateral.

With respect to some of the Collateral, the Collateral Agent's security interest and ability to foreclose will also be limited by the need to meet certain requirements, such as obtaining third-party consents and making additional filings. If Project Owner is unable to obtain these consents or make these filings, the security interests may be invalid and the Bondholders will not be entitled to the Collateral or any recovery with respect thereto. Project Owner cannot offer any assurance that any such required consents can be obtained on a timely basis or at all. These requirements may limit the number of potential bidders for certain Collateral in any foreclosure and may delay any sale, either of which events may have an adverse effect on the sale price of the Collateral. Therefore, the practical value of realizing on the Collateral may, without the appropriate consents and filings, be limited.

In the event of Project Owner's bankruptcy, the ability of the Bondholders to realize upon the Collateral will be subject to certain limitations under U.S. federal bankruptcy laws.

The ability of Bondholders to realize upon the Collateral will be subject to certain limitations under U.S. federal bankruptcy laws in the event of Project Owner's bankruptcy.

Under U.S. federal bankruptcy law, secured creditors are prohibited from repossessing their collateral from a debtor in bankruptcy, or from disposing of collateral in the secured creditors' possession, without bankruptcy court approval, which may or may not be given. Moreover, applicable U.S. federal bankruptcy laws generally permit the debtor to continue to use and expend collateral, including cash collateral, and to provide senior liens on the secured creditor's existing collateral to secure indebtedness incurred after the commencement of a bankruptcy case, provided that the secured creditor either consents or is given "adequate protection." "Adequate protection" could include cash payments or the granting of replacement liens on additional collateral and/or super-priority claim status, to the extent and in such amounts as the presiding court in its discretion determines is necessary to compensate the secured creditor for the risk of any diminution in the value of the collateral as a result of the stay of repossession or disposition of the Collateral during the pendency of the bankruptcy case. In view of the broad discretionary powers of a U.S. federal bankruptcy court, Project Owner cannot predict whether or when the Collateral Agent and the Trustee under the

Indenture could foreclose upon or sell the collateral or whether or to what extent Bondholders would receive "adequate protection" or whether such "adequate protection" would in fact fully compensate them for any delay in payment or loss of value of the Collateral during a bankruptcy case.

Moreover, the Collateral Agent and the Trustee may need to evaluate the impact of the potential liabilities before determining to foreclose on Collateral consisting of real property because secured creditors that hold a security interest in real property may be held liable under environmental laws for the costs of remediating or preventing the release or threatened releases of hazardous substances at such real property. Consequently, the Collateral Agent may decline to foreclose on such Collateral or exercise remedies available in respect thereof if it does not receive indemnification to its satisfaction from the Bondholders.

In addition, Project Owner may be a railroad within the meaning of the U.S. federal bankruptcy laws, in which case certain special provisions of the U.S. federal bankruptcy laws would apply. In particular, the Secretary of Transportation would be required to submit names of potential trustees for Project Owner as a debtor, and the United States Trustee would be required to choose one of those parties to serve as a trustee for such a case. Moreover, the court would be required to consider the "public interest" in making certain decisions during such a bankruptcy case. Any of these special provisions for railroad bankruptcy cases could adversely affect the ability of the Bondholders to seek repayment of the Bonds or to realize on the Collateral in a timely fashion.

Based on the current decision of the STB that the Project is not subject to the jurisdiction or regulation of the STB, there are no STB regulations that would treat the Project differently than any other foreclosure, liquidation, bankruptcy or similar proceeding. If the STB were to reverse its conclusion and take jurisdiction over the Project, or if the Project were determined to constitute a "railroad" within the meaning of the U.S. federal bankruptcy laws notwithstanding the decision of the STB that the Project is not subject to its jurisdiction, then the bankruptcy court would have to consider the public interest in continuing passenger service and would be required to refer the request to terminate service to the STB. No liquidation could occur prior to action approving the termination of service by the bankruptcy court. The proceeding before the STB would be subject to public comment and an independent analysis by the STB of the viability of the railroad.

In the event of a bankruptcy of Project Owner, Bondholders may be deemed to have an unsecured claim to the extent that Project Owner's obligations in respect of the Bonds exceed the value of the Collateral, for which such Bondholders will not be entitled to post-petition interest.

In any bankruptcy proceeding with respect to Project Owner, it is possible that the bankruptcy trustee, the debtorin-possession or competing creditors will assert that the value of the Collateral with respect to the Bonds is less than
the outstanding amount of the Bonds. In the event a bankruptcy court determines that the value of the Collateral is not
sufficient to repay all amounts due on the Bonds, the indebtedness under the Bonds would be "undersecured." In such
circumstances, U.S. federal bankruptcy laws do not permit the payment or accrual of post-petition interest (as
discussed below) or any costs or fees (including attorneys' fees), even if provided for by contract, during the debtor's
bankruptcy proceeding. Other consequences of a finding of under-collateralization would be a lack of entitlement on
the part of the unsecured portion of the Bonds to receive "adequate protection" under U.S. federal bankruptcy laws.
In addition, if the proceeds of any sale of the Collateral are not sufficient to repay all amounts due on the Bonds, the
Bondholders (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured,
unsubordinated claim against Project Owner's remaining assets, and there may not be sufficient assets remaining to
repay any or all amounts due on the Bonds.

Bondholders that have a security interest in Collateral with a value equal to or less than their pre-bankruptcy claim will not be entitled to post-petition interest under U.S. federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at any time prior to such a finding of under-collateralization, Project Owner's ability to continue to pay post-petition interest on the Bonds would cease and any prior payments would be recharacterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the Bonds. No appraisal of the value of the Collateral has been prepared in connection with this offering and therefore the value of the interest of the Bondholders in the Collateral may not equal or exceed the aggregate principal amount of the Bonds and accordingly holders of the Bonds may not be entitled to post-petition interest in all or part of a bankruptcy proceeding.

The perfection of security interests in the Collateral could be wholly or partially avoided as a preferential transfer.

Any future pledge of Collateral in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Bondholders, including pursuant to the mortgages, and the other security documents delivered after the date of the Indenture, could be avoidable in bankruptcy. If Project Owner was to become subject to a bankruptcy proceeding after the issue date of the Bonds, any mortgage or security interest in other collateral perfected after the issue date of the Bonds would face a greater risk than security interests in place on the issue date of being avoided by the pledgor (as a debtor in possession) or by its trustee in bankruptcy as a preference under U.S. federal bankruptcy law if certain events or circumstances exist or occur, including if the pledgor is insolvent at the time of the pledge, the pledge permits the Bondholders to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period. To the extent that the grant of any such mortgage or other security interest is avoided as a preference, Bondholders would lose the benefit of such mortgage or security interest.

Federal and state fraudulent transfer laws may permit a court to avoid the Bonds, subordinate claims in respect of the Bonds and/or require Bondholders to return payments received and, if that occurs, Bondholders may not receive any payments on the Bonds.

Federal and state fraudulent transfer and fraudulent conveyance statutes may apply to the issuance of the Bonds and the granting of liens to secure the Bonds. Under U.S. federal bankruptcy laws and comparable provisions of state fraudulent transfer or fraudulent conveyance laws, which vary from state to state, the Bonds or any of the liens securing the Bonds could be avoided as a fraudulent transfer or fraudulent conveyance, if (1) Project Owner issued the Bonds or granted the liens with the intent of hindering, delaying or defrauding creditors or (2) Project Owner received less than reasonably equivalent value or fair consideration in return for issuing the Bonds or granting the liens and, in the case of (2) any one of the following is also true at the time thereof:

- Project Owner was insolvent or rendered insolvent by reason of the issuance of the Bonds or the granting of the liens;
- the issuance of the Bonds or the granting of the liens left Project Owner with an unreasonably small amount of capital to carry on its business; or
- Project Owner intended to, or believed that Project Owner would, incur debts beyond Project Owner's ability to pay such debts as they mature.

A court would likely find that Project Owner did not receive reasonably equivalent value or fair consideration for the Bonds if Project Owner did not substantially benefit directly or indirectly from the issuance of the Bonds. As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or antecedent debt is secured or satisfied. Project Owner cannot be certain as to the standards a court would use to determine whether or not Project Owner was solvent at the relevant time. Generally, however, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

If a court were to find that the issuance of the Bonds was a fraudulent transfer or fraudulent conveyance, the court could void the payment obligations under the Bonds or subordinate the Bonds to presently existing and future indebtedness of Project Owner, or require the Bondholders to repay any amounts received with respect to such Bonds. In addition, the court may void and set aside the liens securing the Collateral. In the event of a finding that a fraudulent transfer or fraudulent conveyance occurred, Bondholders may not receive any repayment on the Bonds or may be required to repay any amounts received with respect to such Bonds.

Project Owner is not providing all of the information that would be required if this offering were being registered with the SEC.

This Official Statement does not include all of the information that would be required if Project Owner were registering this offering of the Bonds with the SEC. Among the information not included is Project Owner's audited financial statements that comply in all respects with the requirements of Regulation S-X under the Securities Act and certain information regarding its executive compensation policies and practices. The absence of such information could impair the ability of prospective investors to evaluate making an investment in the Bonds. Furthermore, there is no assurance that Project Owner's financial information as set forth in this Official Statement will be indicative of its future financial performance or its ability to meet its financial obligations, including payment of debt service on the Bonds when due.

There may not be an active trading market for the Bonds, and their price may be volatile. Holders may be unable to sell their Bonds at the price desired or at all.

There is no existing trading market for the Bonds. As a result, there can be no assurance that a liquid market will develop or be maintained for the Bonds, that holders will be able to sell any of the Bonds at a particular time (if at all) or that the prices holders receive if or when they sell the Bonds will be above their initial offering price. The overall market for this type of security may become subject to disruptions that may cause substantial volatility in the prices of securities similar to such Bonds. Any market that may develop for the Bonds may be subject to similar disruptions. Any such disruptions may negatively impact the value of the Bonds. If the Bonds are traded after their initial issuance, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, Project Owner's performance and other factors. Project Owner does not intend to list the Bonds on any national securities exchange. The liquidity of any market for the Bonds will depend on a number of factors, including:

- the number of Bondholders;
- Project Owner's operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the Bonds; and
- prevailing interest rates.

An active market for the Bonds may not develop and, if it develops, may not continue.

Numerous factors may impact the liquidity of the Bonds, including loss of value of the Bonds as a result of downgrades to the credit ratings assigned to the Bonds.

The ratings of the Bonds do not constitute a recommendation to purchase, hold, or sell the Bonds, and such ratings do not address the marketability of the Bonds, any market price, or suitability for a particular investor. There is no assurance that such any rating will remain for any given period of time or that any such rating will not be downgraded, suspended, or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant based on factors prevailing at the time. Any such downgrade, suspension, or withdrawal of any such rating, if it were to occur, could adversely affect the existence of a market or the market price of the Bonds. The secondary market for the Bonds may be limited and the market prices of the Bonds will be determined by factors, including supply of, and demand for, the Bonds and other factors beyond Project Owner's control. Such market price risk may increase as a result of downgrades to the ratings of the Bonds.

Bondholders may not receive the full value of the Bonds in the event of a catastrophic loss to the Project.

If the Project suffers a Loss Event, Project Owner will be required to redeem the Bonds, in whole or in part, using net proceeds from the loss event to the extent such proceeds exceed the amount required to restore the Project, as described under "DESCRIPTION OF THE BONDS—Redemption of Bonds Prior to Maturity—Extraordinary Mandatory Redemption." However, the amount of loss proceeds payable to Bondholders will be in proportion to the Bonds and to other then-outstanding Permitted Additional Senior Indebtedness. Accordingly, Bondholders may not receive the full value of the Bonds if the proportion of loss proceeds are insufficient to repay the Bonds.

A redemption of the Bonds prior to maturity may adversely affect the return on the Bonds.

Project Owner has the right to redeem the Bonds, in whole or in part, prior to maturity, as described under "DESCRIPTION OF THE BONDS—Redemption of Bonds Prior to Maturity—Optional Redemption." Project Owner may redeem the Bonds at times when prevailing interest rates may be relatively low. Accordingly, Bondholders may not be able to reinvest the redemption proceeds in a comparable security and obligor with an effective interest rate as high as that of the Bonds.

Project Owner's failure to comply with certain covenants may jeopardize the tax-exempt status of the Bonds.

The Indenture, the Loan Agreement and the Tax Certificate (as defined herein) for the Bonds contain various covenants and agreements on the part of Project Owner and the Issuer, as applicable, that are intended to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes. A failure by the Issuer or Project Owner to comply with such covenants and agreements, including their respective remediation obligations could, directly or indirectly, cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. See "TAX MATTERS—Opinions." None of the Issuer or Project Owner is required to redeem the Bonds should interest thereon no longer be excludable from gross income for federal income tax purposes.

The Internal Revenue Service (the "IRS") has a program for the auditing of tax-exempt obligations, including both random and targeted audits. It is possible that the Bonds could be selected for audit by the IRS. Such audits examine whether the issue is in compliance with the requirements that must be met for interest on the issue to be excludable from gross income for federal income tax purposes. Bondholders are advised that, if the IRS does audit the Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the Issuer as the taxpayer, and the Bondholders may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome. Under the documents governing the Bonds, it is Project Owner's obligation to fund and assist in the defense of such an audit. In the event of an initial adverse determination by the IRS with respect to the taxexempt status of interest on the Bonds, it would be Project Owner that would be obligated to fund any possible voluntary financial settlement with the IRS to preserve the tax-exempt status of interest on the Bonds. In the event that Project Owner did not reach and fund such a settlement, and a final adverse determination was reached by the IRS with respect to the tax-exempt status of interest on the Bonds, the availability of any secondary market for the Bonds would likely be adversely affected. Further, should interest on the Bonds become includable in gross income for federal income tax purposes as a result of such a final adverse determination by the IRS, not only will Bondholders be required to pay income taxes on the interest received on the Bonds and related penalties, but because the interest rate on the Bonds will not be adequate to compensate Bondholders for the income taxes due on such interest, the value of the Bonds may decline. Loss of tax-exempt status as a result of a final adverse determination of an IRS audit is not an event that would result in a mandatory redemption of the Bonds.

A potential loss of tax exemption and a potential change in tax law exist.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. See "TAX MATTERS—Future Changes in Law."

Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel express no opinion.

Project Owner will make the determination whether to purchase the Policy to insure all or a portion of the Bonds or to issue the Bonds without insurance in connection with the marketing of such Bonds. Even if Project Owner purchases the Policy to insure all or a portion of the Bonds, there can be no guarantee that the Bond Insurer will honor a claim on the Policy.

See "BOND INSURANCE RISK FACTORS" for discussion of the risk factors related to the Policy.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Project Owner has entered into a series of agreements with its affiliates. The most significant of these agreements are summarized below. All of these agreements with affiliates were negotiated on an arm's length basis and are subject to terms and conditions substantially similar to those that would be available in agreements with unaffiliated third parties, as reasonably determined by Project Owner in good faith.

Management Agreement

On December 19, 2017, Project Owner entered into a general operations, management and administrative services agreement with the Manager in which the Manager agreed to provide for Project Owner's day-to-day management and operation, as amended and restated effective as of April 18, 2019 (the "Management Agreement"). The Management Agreement requires the Manager to manage Project Owner's business affairs in conformity with the policies and the strategy that are approved and monitored by it.

The Manager's duties include: (i) performing all of Project Owner's day-to-day functions, including the design, acquisition, development, construction, installation, equipping, ownership and operation of the Project and (ii) providing financial and accounting management services. The Manager is responsible for Project Owner's day-to-day management and operations and for performing (or causing to be performed) such services and activities relating to Project Owner's assets, operations and the Project as may be necessary or desirable in connection with the Project.

The initial term of the Management Agreement expires on December 19, 2027, and the Management Agreement will be renewed automatically thereafter for successive five-year periods unless Project Owner or the Manager elects to terminate the Management Agreement upon 90 days' prior written notice. In connection with the remarketing of a portion of the Series 2019A Bonds into the Series 2019A-2 Bonds in January 2024, the Management Agreement was amended in order to provide 180 days' prior written notice for either Project Owner or the Manager to elect to terminate the agreement.

Project Owner pays the Manager an arm's length charge equal to the costs incurred with respect to the services provided plus an annual premium equal to \$500,000 (subject to increase for inflation based on the Consumer Price Index) and also reimburses the Manager for certain expenses.

Project Owner's internal controls over financial reporting and the related accounting processes are designed to identify and appropriately classify and record costs incurred for each separate legal entity within the consolidated group comprising Brightline Holdings. Expenses associated with expansion activities outside of the Miami to Orlando corridor are incurred by and reported within other subsidiaries of Brightline Holdings (for example, the Manager and Brightline Holdings' Brightline West subsidiaries) or Brightline Holdings directly to the extent the costs are associated with exploratory activities prior to formation of a separate legal entity. Accordingly, such expenses are excluded from Project Owner's books and records.

Master Shared Services Agreement

On November 1, 2022, Project Owner entered into a master shared services agreement (the "Shared Services Agreement") with Brightline Holdings, the Manager, DesertXpress Enterprises LLC, a Nevada limited liability company and an affiliate of Project Owner ("DXE"), DXE Management LLC, a Delaware limited liability company and an affiliate of Project Owner ("DXE Management"), and FECI, in which the parties thereto have agreed to provide each other with certain human resources and information technology services pursuant to the terms of the Shared Services Agreement and individual service contracts entered into between the applicable parties. The Shared Services Agreement governs common terms relating to, among other things, (i) the provision of services and payment of fees and taxes, (ii) dispute resolution procedures and (iii) mutual confidentiality and indemnification obligations.

The Shared Services Agreement shall remain in effect until terminated by the mutual consent of the parties thereto and may not be amended except by the written agreement of all the parties thereto.

Other Contracts

Project Owner has certain agreements with its affiliates governing, among other things, (i) owned real property comprising the stations located in West Palm Beach built on its fee-owned land and its station located in Miami built within its owned air rights and (ii) a leasehold interest in all or a portion of parking garages used in connection with such stations.

Transactions with FECR

On June 30, 2017, FECR, formerly Project Owner's affiliate and a subsidiary of funds managed by an affiliate of Fortress, was acquired by GMéxico Transportes, S.A.B. de C.V. As a result, FECR is now a subsidiary of Grupo México, a large Mexico-based conglomerate, and is not an affiliate of FECI or Project Owner.

In connection with the FECR sale, Project Owner entered into certain amendments and/or new agreements with FECR involving the maintenance, use and operation of the shared rail corridor on which the Project's trains will operate. Project Owner believes these amendments and agreements will provide it with certainty and clarity of operational and cost items for the Project's operations. Below is a description of the material terms of these agreements. For arrangements that were not assigned, the terms and conditions specified within the arrangements with FECR described below remained in effect. Since the rail track corridor from Cocoa to Orlando is not part of the FECR transactions, it is not subject to FECR agreements. Accordingly, Project Owner selected another third party to maintain the Cocoa to Orlando rail track corridor.

Shared Services and Other Arrangements

In 2015, Project Owner entered into various shared services, joint use, operating, infrastructure, maintenance and other related arrangements with FECR, certain of which have been periodically amended, extended or terminated (collectively, the "Shared Services Arrangements"), whereby each party provides support to the other for certain activities at cost plus a markup to support the construction, development and operation of passenger rail service and for other purposes. The Shared Services Arrangements also provide for the rehabilitation and improvement of existing track infrastructure and the construction and installation of rail related capital improvements, necessary for the passenger rail service. Pursuant to these arrangements, certain equipment and other assets installed on existing rail will be funded by Project Owner and jointly used by the parties.

Joint Use Agreement

The Second Amended and Restated Joint Use Agreement, dated December 27, 2016, by and between FECR and Project Owner (the "Joint Use Agreement"), provides that Project Owner has the exclusive right to operate passenger trains, and that FECR has the exclusive right to operate freight trains, in each case along the entirety of the Shared Corridor. Project Owner and FECR are authorized for the operation of up to 36 passenger trains and 24 freight trains per day, respectively.

On June 30, 2017, when FECR ceased to be a related party, Project Owner and FECR amended the Joint Use Agreement to continue the joint use agreement as unrelated third parties.

Under the Joint Use Agreement, an eight-person Service Standards Committee (four appointees each) is responsible for overseeing construction and improvements on the Shared Corridor, monitoring passenger and freight rail operations, and considering possible future expansion of the Shared Corridor (an extension to Cocoa and construction of a track for Tri-Rail service to Miami have already been contemplated under the agreement). FECR will provide maintenance services from West Palm Beach to Cocoa, Florida.

The Joint Use Agreement provides that Project Owner will be responsible for the first 15% of ordinary operating and maintenance expenses along the Shared Corridor for each calendar month, with the remaining 85% of such expenses apportioned between Project Owner and FECR on the basis of percentage of total gross ton miles operated on, along and over the Shared Corridor. Costs related to signals and communications will be apportioned between Project Owner and FECR on the basis of the percentage of the total number of train miles operated under the Shared

Corridor. However, if FECR fails to perform maintenance to achieve Project Owner's on-time performance standards, Project Owner has the right to perform maintenance at its own cost. Dispatching services of the passenger and freight trains will be the responsibility of Project Owner's and FECR's 50-50 joint venture as described below. The cost and expense of any capital improvements required by law or governmental regulation are borne entirely by Project Owner if useful solely in connection with passenger services, borne entirely by FECR if useful solely in connection with freight services and shared 50-50 if useful in connection with both.

Project Owner will reimburse FECR for its allocable share of costs and expenses, calculated on a per-ton-mile formula for ordinary operations and maintenance, and on a per-train-mile formula for signal maintenance. Project Owner will also pay FECR an annual management fee of \$500,000, with a 2% annual escalator. Before June 30, 2017, when FECR ceased to be a related party, Project Owner paid to FECR an aggregate amount of \$1.7 million under the Joint Use Agreement.

The Joint Use Agreement also provides for the allocation of liability between FECR and Project Owner in the case of accidents. Project Owner is solely responsible for any liability to rail passengers in connection with passenger services. Otherwise, any liability solely on the account of Project Owner's equipment or solely on account of FECR's equipment is assumed solely by Project Owner or FECR, respectively. Both carriers are required to maintain appropriate insurance coverage, and the failure to obtain or maintain such insurance coverage would result in a default under the Joint Use Agreement.

Dispatching Services Agreement

In December 2016, Project Owner and FECR formed a 50-50 joint venture, DispatchCo. DispatchCo is responsible for providing dispatch services to FECR and Project Owner under a Dispatching Services Agreement, dated as of December 27, 2016, among FECR, DispatchCo and Project Owner, as amended in June 2017 and August 2017. Dispatching protocols provide that DispatchCo must make reasonable best efforts to dispatch in a manner maximizing the number of Project Owner's and FECR's trains achieving on-time performance standards; however, passenger trains have priority over freight trains. Both Project Owner and FECR will bear 50% of DispatchCo's dispatching expenses and its general and administrative expenses, as well as 50% of a monthly service fee. DispatchCo charged Project Owner approximately \$2.9 million and \$2.6 million for the years ended December 31, 2023 and 2022, respectively.

Agreements with FECR and South Florida Regional Transportation Authority

Project Owner has entered into various construction, operating and other related agreements with SFRTA that obligate the public agency to reimburse the incremental infrastructure costs to construct a downtown Miami commuter rail station over a fixed period of time. Tri-Rail, which is operated by SFRTA, operates 50 weekday trains along 72 miles of track connecting Miami, Fort Lauderdale and West Palm Beach prior to temporarily reducing its service in response to the COVID-19 pandemic. Its commuter rail operations offer a travel time from Miami to West Palm Beach of two hours, with stops at 18 stations along the way. In 2019, Tri-Rail had approximately 4.5 million passengers. Due to the COVID-19 pandemic, ridership decreased in 2020 and 2021, but it has been recovering. In the first quarter of 2023, Tri-Rail officials reported that average weekday ridership exceeded 13,000 passengers per day.

Project Owner and SFRTA worked together to have 26 Tri-Rail trains serve the Miami station daily rather than ending service at the existing Tri-Rail station at the Miami Intermodal Center adjacent to Miami International Airport. SFRTA has reimbursed Project Owner for incremental infrastructure costs. Project Owner executed an operating agreement with SFRTA and has finalized associated ancillary agreements to allow SFRTA to expand Tri-Rail commuter rail service and establish a new commuter rail service on a shared rail corridor which commenced service on January 13, 2024. See "RISK FACTORS—Risks Related to the Business of Project Owner—Shared use of Project Owner's corridor with freight operations and FECR could have an adverse effect on its ability to utilize its railway efficiently, which could impact its operations and financial condition." In Florida Statutes Chapter 343.545 (Public Law 2017-138), SFRTA was specifically authorized by Florida to enter into contractual indemnification agreements with FECR and Project Owner with respect to rail corridors where all three entities provide rail service.

South Florida Commuter Rail Project

Intercompany Access Agreements

Pursuant to the Intercompany Access Agreements, Project Owner has granted each of MDC Commuter, BRWD Commuter and PBC Commuter, the right to operate commuter rail service and to have access to certain stations on the MDC Segment, the BRWD Segment, and the PBC Segment, respectively, as Project Owner's designee for a period of 93 years, in consideration, in case of each of the MDC Segment and the BRWD Segment, for an upfront payment of \$245 million, and in the case of the PBC Segment, for an upfront payment of \$135 million. Project Owner was also paid \$175 million for its option to repurchase the access rights in Miami-Dade and Broward Counties, effectively terminating the option. Project Owner has agreed not to designate any other commuter passenger rail service provider on the Commuter Segments other than the Commuter SPVs. The Commuter SPVs are entitled to grant their respective rights to operate commuter rail service to certain third parties, including Miami-Dade County, Broward County and Palm Beach County, with respect to the MDC Segment, the BRWD Segment, and the PBC Segment, respectively, as set forth in the Intercompany Access Agreements. The costs of the South Florida Commuter Rail Project will be the sole responsibility of the Commuter SPVs and the Counties, as applicable.

Commuter rail service on the applicable Commuter Segment will only commence after certain conditions under the applicable Intercompany Access Agreement are satisfied (the "Availability Conditions"), including achievement of substantial completion of the required additional infrastructure necessary to operate each Commuter Segment and confirmation by the FRA that such commuter rail service is and will be in accordance with applicable law.

After satisfaction of the applicable Availability Conditions, each of the Commuter SPVs will be entitled to operate and set and collect all fares in connection with such operation of, commuter rail service on the applicable Commuter Segment. MDC Commuter may run hourly, bi-directional service on the MDC Segment, and, subject to certain conditions, up to seven additional half-hourly, bi-directional services during peak hours. BRWD Commuter may run hourly, bi-directional services during peak hours. The PBC Intercompany Access Agreement permits PBC Commuter to run hourly, bi-directional service on the PBC Segment, and, subject to certain conditions, up to seven additional half-hourly, bi-directional services during peak hours. Project Owner and the applicable Commuter SPV will agree to a proposed schedule for the applicable commuter rail service in accordance with the terms of the applicable Intercompany Development Agreement (as defined herein), and, once such schedule is approved by the Service Standards Committee under the Joint Use Agreement, such schedule shall constitute the baseline schedule for the applicable commuter rail service.

Maintenance of the Commuter Segments will be performed in accordance with certain agreements related to the Project. In connection with its operation of commuter rail service on the applicable Commuter Segment, each of the Commuter SPVs will be responsible for payment of its share of maintenance and capital expenses with respect to shared rail infrastructure (calculated on a per-ton-mile formula for ordinary operations and maintenance, and on a per-train-mile formula for signal maintenance and otherwise as set forth in the Intercompany Access Agreements) and shared commuter stations.

Intercompany Development Agreements

Pursuant to the Intercompany Development Agreements, Project Owner has granted each of MDC Commuter, BRWD Commuter and PBC Commuter, the right to design and construct certain additional rail infrastructure and station improvements necessary for commuter rail service on the MDC Segment (which will include up to five additional commuter stations), the BRWD Segment (which will include up to six additional commuter stations), and the PBC Segment (which may include up to six additional commuter stations), respectively. All improvements constructed under the MDC Intercompany Development Agreement, the BRWD Intercompany Development Agreement and the PBC Intercompany Development Agreement, will be owned by Project Owner.

Project Owner will act as the construction manager under the Intercompany Development Agreements with respect to the South Florida Commuter Rail Project. In consideration of its services as the construction manager, each of the Commuter SPVs shall pay Project Owner an amount equal to the Commuter Project Management Fee. The

Commuter Project Management Fee will be payable from time to time concurrently with payments by the applicable Commuter SPV under any construction contract in respect of the applicable commuter project.

As between the Commuter SPVs and Project Owner, the Commuter SPVs will be responsible for the design, construction, testing and commissioning of the applicable commuter project and securing any required FRA acceptance.

Orlando-Tampa Project Agreements

Brightline Tampa Management Agreement

Brightline Tampa will enter into a management agreement with the Manager to provide for, among other things, Manager's assistance with Brightline Tampa's day-to-day functions, including the design, acquisition, development, construction, installation, equipping, ownership and operation of the Orlando-Tampa Project, as well as to provide financial and accounting management services.

CONTINUING DISCLOSURE OF INFORMATION

Pursuant to the requirements of SEC Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12), Project Owner will agree in a disclosure dissemination agent agreement, to be dated as of the Closing Date (the "Disclosure Dissemination Agent Agreement"), between Project Owner and Digital Assurance Certification, L.L.C. ("DAC"), to be executed with respect to the Bonds, to provide certain financial information, other operating data and notice of material events for the benefit of the Bondholders. A failure by Project Owner, DAC or the Trustee to comply with the requirements of any Disclosure Dissemination Agent Agreement does not in and of itself constitute an event of default under the Loan Agreement or the Indenture. Nevertheless, such a failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. The form of the Disclosure Dissemination Agent Agreement with respect to the Bonds is attached hereto as APPENDIX H.

EXPERTS

The 2022 Ridership and Revenue Study, as updated by the WSP Supplement, and the Operations and Maintenance and Ancillary Revenue Report and respective bring-down letters prepared by WSP included in APPENDIX C and APPENDIX D, respectively, to this Official Statement have been included in reliance on the authority of such firm as experts in its field.

INDEPENDENT AUDITORS

The financial statements of Brightline Trains Florida LLC as of December 31, 2023, 2022 and 2021 and for the years ended December 31, 2023, 2022 and 2021, incorporated by reference into this Official Statement, have been audited by Ernst & Young LLP, independent auditors, as stated in their report included therein.

LEGAL MATTERS

The Issuer will furnish the Underwriters a transcript of certain proceedings incident to the authorization and issuance of the Bonds.

Certain legal matters incident to the issuance of the Bonds and with respect to the tax-exempt status of the interest on the Bonds (see "TAX MATTERS") are subject to the legal opinions of Greenberg Traurig, P.A., Bond Counsel, whose opinion, substantially in the form attached as APPENDIX B to this Official Statement, will be delivered at the time of issuance of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The Bonds are offered when, as and if executed and delivered and accepted by the Underwriters and subject to receipt of the approving legal opinions on certain legal matters of Greenberg Traurig, P.A., Miami, Florida, as Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon by Nelson Mullins Riley & Scarborough LLP, Attorneys at Law, Orlando, Florida, as counsel to the Issuer, by Skadden, Arps, Slate, Meagher & Flom LLP and Greenberg Traurig, P.A., Miami, Florida, as counsel to Project Owner and by Mayer Brown LLP, as special counsel to the Underwriters.

TAX MATTERS

Opinions

Assuming the accuracy of the certifications of the Issuer and Project Owner and their continued compliance with their respective covenants in the Indenture, the Loan Agreement and the Tax Certificate for the Bonds pertaining to the requirements of the Code, Bond Counsel is of the opinion that: (i) interest on the Bonds is excludable from gross income for purposes of federal income taxation under existing laws as enacted and construed on the date hereof (except for interest on any Bonds while held by a substantial user of the Project or a related person as defined in Section 147(a) of the Code) and (ii) interest on the Bonds is a preference item for purposes of determining the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on "applicable corporations" (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is also of the opinion that the Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein. A copy of the substantially final form of the opinion of Bond Counsel is included in APPENDIX B hereto.

General Requirements

The Code contains various requirements pertaining to the exclusion of interest on Bonds from the gross income of the holders thereof, including numerous requirements pertaining to (a) use of the proceeds of the Bonds, (b) the maturity of, and security for, the Bonds, (c) the investment of gross proceeds of the Bonds and the payment to the United States of certain amounts earned from the investment of gross proceeds of the Bonds, (d) the procedure for issuance of the Bonds and (e) filings with the Internal Revenue Service in respect of the Bonds. Concurrently with the issuance of the Bonds, the Issuer expects to issue certain tax-exempt revenue bonds (the "Affiliate Bonds") on behalf of an affiliate of Project Owner (the "Affiliate") also for the refinancing of a portion of the Project. The Bonds and the Affiliate Bonds will be treated as a single issue for tax purposes. Accordingly, the exclusion from gross income of the interest on both the Bonds and the Affiliate Bonds depends upon and is subject to the accuracy of the certifications made by the Issuer, Project Owner and Affiliate with respect to the use of proceeds, investment of gross proceeds and rebate of earnings on the gross proceeds of the Bonds and the Affiliate Bonds, respectively, and present and continuing compliance with the requirements of the Code. Failure to comply with these requirements could cause interest on the Bonds to become required to be included in gross income as of the date of original issuance and delivery of the Bonds or as of some later date.

An officer of the Issuer responsible for issuing the Bonds and an authorized representative of each of Project Owner and Affiliate will execute a Tax Certificate for the Bonds and the Affiliate Bonds stating the reasonable expectations of the Issuer, Project Owner and Affiliate as of the date thereof as to future events that are material for purposes of Section 148 of the Code pertaining to arbitrage and certain other matters (the "Tax Certificate"). Therein, the Issuer, Project Owner and Affiliate will covenant that they will not invest or use the proceeds of the Bonds or the Affiliate Bonds or any moneys derived, directly or indirectly, from the use or investment thereof in a manner which would cause the Bonds or the Affiliate Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code. The Issuer, Project Owner and Affiliate have certified that the Bonds and the Affiliate Bonds meet the requirements of the Code on the date of issuance, and they have covenanted that the requirements of the Code will be met as long as any of the Bonds and the Affiliate Bonds are outstanding. Also, the Issuer will file with the Internal Revenue Service a report of the issuance of the Bonds and the Affiliate Bonds as required by Section 149(e) of the Code as a condition of the exclusion from gross income of the interest on the Bonds and the Affiliate Bonds.

Under the Indenture, the Loan Agreement and the Tax Certificate, the Issuer and Project Owner have covenanted that they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes. Interest on the Bonds may become subject to federal income taxation retroactively to the date of issuance thereof if such representations or assumptions are determined to have been inaccurate or if the Issuer or Project Owner fails to comply with such covenants. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in law or events that may take place after the date hereof that may affect the tax status of interest on the Bonds.

Original Issue Premium

Certain of the Bonds may be offered and sold to the public at a price in excess of the amount payable at maturity (such Bonds being referred to herein, in the case of Bonds not subject to optional redemption, the "Noncallable Premium Bonds," or in the case of Bonds subject to optional redemption, the "Callable Premium Bonds," and, together with Noncallable Premium Bonds, "Premium Bonds"). Under the Code, the difference between the amount payable at maturity of the Noncallable Premium Bonds and the tax basis to the purchaser and the difference between the amount payable at the call date of the Callable Premium Bonds that minimizes the yield to a purchaser of a Callable Premium Bond and the tax basis to the purchaser (other than a purchaser who holds a Noncallable or Callable Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium." Bond premium is amortized for federal income tax purposes over the term of a Noncallable Premium Bond and over the period to the call date of a Callable Premium Bond that minimizes the yield to the purchaser of the Callable Premium Bond. A purchaser of a Noncallable or Callable Premium Bond is required to decrease his adjusted basis in the Premium Bond by the amount of amortizable bond premium attributable to each taxable year he holds the Premium Bond. The amount of amortizable bond premium attributable to each taxable year is determined at a constant interest rate compounded actuarially. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of the Noncallable or Callable Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Noncallable or Callable Premium Bonds and with respect to the state and local consequences of owning and disposing of Noncallable or Callable Premium Bonds.

Original Issue Discount

Certain of the Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. Owners of Discount Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID properly accruable in any period with respect to the Discount Bonds and as to other federal tax consequences, and the treatment of OID for purposes of state and local taxes on, or based on, income.

Opinions Are Not a Guarantee of Result in Litigation or on Audit

The opinions of Bond Counsel described herein do not constitute a guarantee that a particular federal or state court or any administrative tribunal or agency would reach the same conclusion if it were to consider the question. Project Owner has not applied for nor received a ruling from the Internal Revenue Service with respect to these conclusions, and there is no guarantee that the Internal Revenue Service would reach the same conclusions if it were to audit the Bonds. In particular, upon audit, the Internal Revenue Service could conclude that the interest on the Bonds is includable in gross income for federal income tax purposes. In such event, a procedural avenue for judicial review of the Internal Revenue Service's conclusion would be available only if a holder refuses to pay the tax assessed, or a holder pays the tax, files for a refund and the refund request is denied by the Internal Revenue Service.

Future Changes in Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters or state tax matters described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such

proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the bondholder of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends or other "reportable payments" as defined in the Code or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

RATINGS

S&P is expected to assign a rating of "AA" to the Insured Bonds, at the time of delivery of the Bonds based upon the issuance and delivery of the Policy by AGM. Fitch is expected to assign an underlying rating of "BBB-" to the Bonds, without taking into account the Policy. Kroll is expected to assign an underlying rating of "BBB" to the Bonds, without taking into account the Policy. Kroll is expected to assign a rating of "AA+" to the Insured Bonds, at the time of delivery of the Bonds based upon the issuance and delivery of the Policy by AGM. Such ratings reflect only the views of each such rating agency. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. Generally, a rating agency bases its rating on information and materials furnished to it and on investigations, studies and assumptions of its own. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the applicable rating agency. In addition, each rating agency may at any time change the rating outlooks or place such ratings on a watch list for possible downgrade, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Subject to the terms and conditions set forth in a bond purchase agreement with respect to the Bonds (the "Bond Purchase Agreement"), by and among Project Owner, Morgan Stanley & Co. LLC (the "Representative"), as representative of the Underwriters, and the Issuer, the Underwriters have agreed to purchase the Bonds at an aggregate purchase price of \$2,289,997,448.35, representing the aggregate principal amount of the Bonds, plus an original issue premium of \$70,717,448.35. In consideration for their purchase of the Bonds, the Underwriters will be paid an underwriting fee of \$13,870,500.00 by Project Owner. Pursuant to the Bond Purchase Agreement, the Underwriters have agreed to purchase all of the Bonds if any are purchased. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing the Bonds into investment accounts) and to others at a price lower than the initial offering price as set forth on the cover page of this Official Statement.

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

As described above, the Underwriters may deal in the securities and/or instruments of the Issuer and Project Owner, including the Bonds, for its own accounts or as a broker or agent for others and may do anything any other Bondholders may do to the same extent as if the Underwriters were not serving as such.

Morgan Stanley & Co. LLC, one of the Underwriters of the Bonds, has entered into a retail distribution arrangement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its underwriting efforts with respect to the Bonds.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the SEC as a municipal securities dealer pursuant to Section 15B(a) of the Exchange Act.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the underwriters of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Morgan Stanley Senior Funding, Inc., an affiliate of one of the Underwriters, serves as the administrative agent and/or a lender in connection with certain of the Prior Indebtedness described under "ESTIMATED SOURCES AND USES OF FUNDS." Sumitomo Mitsui Banking Corporation serves as green loan coordinator and lender in connection with certain of the Prior Indebtedness described under "ESTIMATED SOURCES AND USES OF FUNDS." Crédit Agricole Corporate and Investment Bank, an affiliate of one of the Underwriters, serves as a lender in connection with certain of the Prior Indebtedness described under "ESTIMATED SOURCES AND USES OF FUNDS."

Morgan Stanley & Co. LLC and other Underwriters are also initial purchasers and underwriters, as applicable, in the concurrent offerings described herein and will receive customary fees and expense reimbursements in connection therewith.

MISCELLANEOUS

Registration of Bonds

Registration or qualification of the issuance of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the Securities Act. The Issuer assumes no responsibility for the qualification or registration of the Bonds for sale under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred.

Additional Information

Copies of any of the documents referenced or summarized herein will be made available prior to the Closing Date electronically upon request from the Underwriters and following the Closing Date, upon delivery of a written request, and the payment of reasonable copying, mailing and handling charges, to the Trustee.

The references, excerpts and summaries of all documents, referenced herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for and the repayment of the Bonds and the rights and obligations of the holders thereof.

The Issuer is responsible only for the statements contained under the caption "THE ISSUER" and the Issuer makes no representation with respect to the accuracy or completeness of any other information contained in this Official Statement. The Issuer is not responsible for providing any purchaser of the Bonds with any information relating to the Bonds or any of the parties or transactions referred to in this Official Statement or for the accuracy or completeness of any such information obtained by any purchaser. Except as otherwise stated herein, neither the Issuer or the Underwriters make any representations or warranties whatsoever with respect to the information contained herein.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

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The preparation of this Official Statement and its distribution have been authorized by Project Owner. This Official Statement is not to be construed as an agreement or contract between Project Owner and any purchaser, owner or holder of any Bond.

Brightline Trains Florida LLC

Jeffrey C. Swiatek
Chief Financial Officer

FINANCIAL STATEMENTS EXHIBIT

AUDITED FINANCIAL STATEMENTS OF BRIGHTLINE TRAINS FLORIDA LLC

The audited financial statements of Project Owner, including the historical audited balance sheets as of December 31, 2023, 2022 and 2021 and the related statements of operations and comprehensive loss, changes in member's equity and cash flows for the years ended December 31, 2023, 2022 and 2021, are incorporated by reference into this Official Statement. The audited financial statements of Project Owner are available on the MSRB's EMMA website at https://emma.msrb.org/MarketActivity/ContinuingDisclosureDetails/P21355312.



APPENDIX A

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's 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 each maturity of the Bonds 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" and, together with the Direct Participants, the "Participants"). DTC has a 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 the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of Bonds ("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 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the 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.

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 may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them. Redemption

notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy (the "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 the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee or the Issuer, on the date payable in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Issuer or Project Owner, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee. 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.

The requirement for physical delivery of the Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

THE INFORMATION PROVIDED ABOVE HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE ISSUER, PROJECT OWNER OR THE UNDERWRITERS AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

APPENDIX B

FORM OF BOND COUNSEL OPINION



May 9, 2024

Florida Development Finance Corporation Winter Springs, Florida

Deutsche Bank National Trust Company, as Trustee New York, New York

Re: \$2,219,280,000 Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt)

Ladies and Gentlemen:

We have acted as Bond Counsel to Brightline Trains Florida LLC ("Project Owner"), in connection with the issuance by Florida Development Finance Corporation (the "Issuer") of its Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt) (the "Bonds"), pursuant to the provisions of the Florida Development Finance Corporation Act, Chapter 288, Part VIII, Florida Statutes, as amended, and Chapter 159, Part II, Florida Statutes, as amended (collectively, the "Act"), and other applicable provisions of law, and Resolution No. 23-12 adopted by the Board of Directors of the Issuer on October 25, 2023 (the "Resolution"), to accomplish the public purposes of the Act by providing funds to finance or refinance the costs of the design, development, acquisition, construction, installation, equipping, ownership and operation of certain portions of a privately owned and operated intercity passenger rail system and related facilities, extending from Miami to Tampa, Florida, with passenger trains capable of operating thereon at top speeds in excess of 150 miles per hour, and with stations located or potentially located in Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach, Brevard County, the Treasure Coast, Orange County and Tampa, Florida, and elsewhere upon the rail corridor (collectively, the "Project").

As Bond Counsel, we have reviewed a transcript of the proceedings for the issuance of the Bonds, including without limitation: (i) the Indenture of Trust, dated as of May 9, 2024, with respect to the Bonds (the "Indenture"), by and between the Issuer and Deutsche Bank National Trust Company, as trustee (the "Trustee"); (ii) the Senior Loan Agreement, dated as of May 9, 2024, with respect to the loan of the proceeds of the Bonds to Project Owner (the "Loan Agreement"), by and between the Issuer and Project Owner; and (iii) the form of Bonds attached to the Indenture. We also have reviewed the Act, the requirements of Section 142(i) and Section 142(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and such other matters of law, documents, instruments, proceedings and opinions as we have deemed necessary to deliver this opinion.

As to questions of fact material to this opinion, we have relied upon the representations of Project Owner and the Issuer contained in the Loan Agreement, the Indenture and the Tax Certificate (defined herein), as applicable, and in the certified proceedings and other certifications of officials furnished to us without undertaking to verify the same by independent investigation.

The Code contains various requirements pertaining to the exclusion of interest on bonds from the gross income of the holders thereof including numerous requirements pertaining to (a) use of the proceeds of the Bonds, (b) the maturity of, and security for, the Bonds, (c) the investment of gross proceeds of the Bonds and the payment to the United States of certain amounts earned from investment of gross proceeds of the Bonds, (d) the procedure for issuance of the Bonds, and (e) filings with the Internal Revenue Service (the "IRS") in respect of the Bonds. Concurrently with the issuance of the Bonds, the Issuer expects to issue certain tax-exempt revenue bonds (the "Affiliate Bonds") on behalf of an indirect parent of Project Owner (the "Affiliate") also for the refinancing of a portion of the Project. The Bonds and the Affiliate Bonds will be treated as a single issue for tax purposes. Accordingly, the exclusion from gross income of the interest on both the Bonds and the Affiliate Bonds depends upon and is subject to the accuracy of the certifications made by the Issuer, Project Owner and Affiliate with respect to the use of proceeds, investment of gross proceeds and rebate of earnings on the gross proceeds of the Bonds and the Affiliate Bonds and present and continuing compliance with the requirements of the Code. Failure to comply with these requirements could cause interest on the Bonds to become required to be included in gross income of the holders thereof as of the date hereof or as of some later date.

An officer of the Issuer and an authorized representative of each of Project Owner and Affiliate have executed a certificate stating the reasonable expectations of the Issuer, Project Owner and Affiliate on the date hereof as to future events that are material for purposes of Section 148 of the Code pertaining to arbitrage and certain other matters (the "Tax Certificate"). Therein, the Issuer, Project Owner and Affiliate have covenanted that they will not use the proceeds of the Bonds or the Affiliate Bonds or any moneys derived, directly or indirectly, from the use or investment thereof in a manner which would cause the Bonds or the Affiliate Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code. The Issuer, Project Owner and Affiliate have certified to the effect that that the Bonds and the Affiliate Bonds meet the requirements of the Code on the date hereof. Under the Indenture, the Loan Agreement and the Tax Certificate, the Issuer, Project Owner and Affiliate, as applicable, have covenanted that they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds or the Affiliate Bonds for federal income tax purposes. Also, the Issuer will file with the IRS a report of the issuance of the Bonds and the Affiliate Bonds as required by Section 149(e) of the Code as a condition of the exclusion from gross income of the interest on the Bonds and the Affiliate Bonds.

Based upon the foregoing, we are of the opinion that:

- 1. The Issuer is a public body corporate and politic, organized under the laws of the State of Florida (the "State"). Pursuant to the Act, the Issuer is empowered to authorize the issuance of the Bonds in the manner contemplated by the Indenture and the Loan Agreement and to perform its obligations under the Indenture and the Loan Agreement.
- 2. The Bonds, the Indenture and the Loan Agreement are valid and binding obligations of the Issuer and are enforceable against the Issuer in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.
- 3. Assuming the accuracy of the certifications of the Issuer, Project Owner and Affiliate and their continued compliance with their respective covenants in the Indenture, the Loan Agreement and the Tax Certificate pertaining to the requirements of the Code, interest on the Bonds (i) is excludable from gross income for purposes of federal income taxation under existing laws as enacted and construed on the date hereof (except for interest on any Bonds while held by a "substantial user" of the Project or a "related person," as such terms are defined in Section 147(a) of the Code), and (ii) is a preference item for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on "applicable corporations" (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income.
- 4. The Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein.

The opinions set forth above are based on existing statutes, regulations, rulings, court decisions and other relevant sources of applicable law. We do not guarantee that a particular federal or state court or any administrative tribunal or agency would reach the same conclusion if it were to consider the question. We have neither applied for nor received a ruling from the IRS with respect to these conclusions, and there is no guarantee that the IRS would reach the same conclusions if it were to audit the Bonds.

Except as expressly stated above, we express no opinion as to any federal or state tax consequences of the ownership of, receipt of interest on, or disposition of, the Bonds. In giving the opinions related to federal income tax exemption set forth above, we have assumed the accuracy of certain representations made by the Issuer, Project Owner and Affiliate which we have not independently verified, and compliance by the Issuer, Project Owner and Affiliate with certain covenants, that must be satisfied subsequent to the issuance of the Bonds. We call your attention to the fact that interest on the Bonds may be subject to federal income taxation retroactively to the date hereof if such representations or assumptions are determined to have been inaccurate or if the Issuer, Project Owner or Affiliate fails to comply with such covenants. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in law or events that may take place after the date hereof that may affect the tax status of interest on the Bonds.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

The Bonds, the premium, if any, and the interest thereon are limited obligations of the Issuer payable exclusively from the applicable funds and accounts pledged therefor pursuant to the Indenture and the Loan Agreement. The Bonds do not constitute a debt or a loan of credit or a pledge of the full faith and credit or taxing power of the Issuer, the State, or of any political subdivision of the State, within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the State. The Bonds shall not constitute, directly or indirectly, or contingently obligate or otherwise constitute a general obligation of or a charge against the general credit of the Issuer, but shall be limited obligations of the Issuer payable solely from the sources described herein, but not otherwise. The Issuer has no taxing power.

We have not been engaged nor have we undertaken to review or verify and therefore express herein no opinion as to the accuracy, adequacy, fairness or completeness of any offering materials relating to the Bonds. In addition, we have not passed upon and therefore express no opinion herein as to the compliance by the Issuer or Project Owner, or any other party involved in this financing, or the necessity of such parties complying, with any federal or state registration requirements or security statutes, regulations or rulings with respect to the offer and sale of the Bonds or regarding the perfection or priority of the lien securing the Bonds. Further, we express no opinion regarding tax consequences arising with respect to any payments received with respect to the Bonds other than as expressly set forth herein.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. Our opinion is given as of the date hereof, and we assume no obligation to revise or supplement our opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,



APPENDIX C

WSP USA SOLUTIONS BRING DOWN LETTER AND RIDERSHIP AND REVENUE REPORT APRIL 2022





April 2, 2024

Jeff Swiatek Chief Financial Officer Brightline Trains Florida LLC 350 NW 1st Ave, Suite 200 Miami, FL 33128

Subject: Brightline Ridership and Revenue Study

Dear Mr. Swiatek:

I am writing regarding the Brightline Ridership and Revenue Study (the "Report"), dated April 2022, prepared by WSP USA Inc. ("WSP") on behalf of Brightline Trains Florida LLC (the "Company"). With respect to the Report, we note the following:

The Report provides an evaluation of ridership and revenue potential of the Company's plans for passenger operations between Miami and Orlando.

The information contained in the Report was prepared based on economic parameters, assumptions, and operating conditions which we considered relevant and reasonable as of the date of such Report. These data were obtained from information provided by the Company, from publicly available information and sources, and from third-party data obtained during preparation of the Report, as described in the Report.

A supplemental report was issued on February 28,2024 to adjust for the nine-month shift of opening the Miami to Orlando long distance service. The revised ridership forecast has stabilized forecasts by 2027.

No additional information has been brought to our attention that would lead us to believe that there would be a material change to the findings, estimates, conclusions, and analyses reflected in the Report. In reaching this opinion, we reviewed certain information relevant to evaluating the impact of Covid-19 on the Florida travel market and general economic factors.

We provide no assurance as to the accuracy of any third-party information included in the Report and bear no responsibility for the results of any actions taken based on the third-party information contained in the Report.

For information on the intended use for and limitations of the Report, please refer to the disclaimer on Page iii of the Report.

Sincerely, WSP USA INC.

Rhett Fussell, PE Senior Vice President

4th Floor One Penn Plaza New York, NY 10119 +1 212-465-5000

wsp.com



Feb 28, 2024

To: Jeff Swiatek and Ryan Horn, Brightline Trains Florida, LLC

From: Larry Pesesky, WSP

Rhett Fussell, PE, WSP

Subject: Supplemental Information to the Brightline Ridership & Revenue Study from

April 2022

The purpose of this memo is to document WSP's assessment of the potential effect on Brightline's long-distance service from the change in the originally assumed opening date of January 1, 2023 to the actual date of September 22, 2023.

Ridership and revenue estimates for Brightline in Florida were finalized and delivered in April of 2022. The report entitled "Brightline Ridership & Revenue Study" (the "Report") outlines the estimates for potential ridership and revenue for the system for the Base Case representing 2022 through 2035.

The modeling underlying the Report assumed initiation of long-distance revenue service to Orlando International Airport on January 1, 2023 as per footnote 1 on page 3 of the Report. The actual revenue service date for the extension to Orlando was September 22, 2023.

Based on research of similar launches of intercity passenger rail service, the Report provided for a three-year ramp-up to stabilized ridership for long-distance trips from the long-distance revenue service date. The ramp-up percentages applied in the Report varied by region for Florida resident travelers, i.e., South Florida vs. Central Florida, and for visitor travelers. The combined ramp-up percentages in Table 6-4 of the Report applied to the Base Case model results were as follow: Year 1 = 65.5%, Year 2 = 86.0%, and Year 3 = 97.75%.

WSP reasonably expects that the shift in long-distance revenue service date roughly results in a commensurate, approximately 9-month or three calendar-year quarters' shift, in the beginning of each ramp-up year. Accordingly, Year 1 commences September 22, 2023, instead of January 1, 2023; Year 2 commences September 22, 2024, instead of January 1, 2024; and Year 3 commences September 22, 2025, instead of January 1, 2025.

The potential effect of the shift in ramp-up periods is illustrated in the following pairs of tables of Base Case ridership (Table 6-1 in the Report) and Base Case revenue (Table 6-2 in the Report).

To account for potential ridership differences that could occur before 2026 because of the change in the ramp-up period, the original report table 6-1 has been adjusted to reflect the revised long-distance ramp-up period. The potential changes in ridership from the Study results is highlighted in yellow.



Table 6-1 (Revised)

Year	April 2022 Report	Adjusted February 2024
2022	-	-
2023	2,200,807	306,131*
2024	3,524,928	2,531,837
2025	4,289,144	3,715,982
2026	4,507,722	4,343,789
2027	4,630,983	4,630,983
2028	4,757,755	4,757,755
2029	4,888,142	4,888,142
2030	5,022,252	5,022,252
2031	5,160,193	5,160,193
2032	5,302,081	5,302,081
2033	5,448,032	5,448,032
2034	5,598,167	5,598,167
2035	5,752,610	5,752,610

^{*} Actual results

As shown, the shifts in the start of the Year 1 to Year 3 long-distance ramp-up periods can be expected to reduce the long-distance ridership presented in the Study for 2023 to 2026. While stabilized ridership is expected to still be attained in 2026, the first full year of stabilized ridership is now expected to be 2027.

As further shown, WSP anticipates that the effect of the shift in commencement of long-distance revenue service will essentially disappear by 2027 such that it can be reasonably expected that the yearly estimates of ridership and revenue presented in Study are achievable.

In addition to the long-distance travel ramp-up annual rate, the Base Case ridership estimates in the Study accounted for the following key factors:

- 1) pandemic recovery rate
- 2) fare structure of Brightline service
- 3) travel times and costs by mode
- 4) long distance travel market demand and potential growth in those markets
- 5) mode of existing travel and mode constants
- 6) location of stations.

With respect to these other key factors, no additional information has been brought to our attention that would lead us to believe that there would be a material change to the findings, estimates, conclusions, and analyses reflected in the Report.

BRIGHTLINE TRAINS FLORIDA, LLC

BRIGHTLINE RIDERSHIP & REVENUE STUDY

APRIL 2022





brightline



BRIGHTLINE RIDERSHIP & REVENUE STUDY

APRIL 2022

BRIGHTLINE TRAINS FLORIDA, LLC

WSP

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Disclaimer

This Report was prepared by WSP USA Solutions, Inc., (WSP) for the benefit of Brightline Trains Florida, LLC. (Client) pursuant to a Professional Services Agreement dated August 23, 2021.

WSP has performed its services to the level customary for competent and prudent engineers performing such services at the time and place where the services to our Client were provided. WSP makes or intends no other warranty, express or implied.

Certain assumptions regarding future trends and forecasts may not materialize, which may affect actual future performance and market demand, so actual results are uncertain and may vary significantly from the projections developed as part of this assignment. The data used in the Report was current as of the date of the Report and may not now represent current conditions.

Unless you are the Client, or a party to a fully executed Reliance Letter Agreement with WSP concerning this project (Relying Party), you may not rely on the information, data, and descriptions in this report as reasonably necessary for evaluation of this project. The Report is provided for information purposes only. WSP makes no representations or warranty that the information in the Report is sufficient to provide all the information, evaluations, and analyses necessary to satisfy the entire due diligence needs of a Relying Party.

WSP

Brightline Ridership & Revenue Study

Page iii





TABLE OF CONTENTS

1.0	EXECUTIVE SUMMARY1
1.1	Overview of the Brightline Rail Service3
1.2	Relevant Market for High Speed Rail4
1.3	Key Assumptions6
1.4	Key Findings and Ridership and Revenue Forecast.7
1.5	Estimated ridership and revenue8
1.6	Estimated Market Share11
1.7	Overview of the Investment Grade Study Process12
1.8	Study Process13
1.9	Forecast Methodology Updates: 2017-2018 Studies versus 2022 Study15
1.10	WSP Background and Qualifications16
2.0	THE MARKET FOR INTERCITY RAIL IN SOUTHEAST AND CENTRAL FLORIDA 19
2.0 2.1	
2.0	SOUTHEAST AND CENTRAL FLORIDA19
2.1	SOUTHEAST AND CENTRAL FLORIDA 19 Regional Socioeconomics
2.1	SOUTHEAST AND CENTRAL FLORIDA 19 Regional Socioeconomics
2.1 2.2 2.3	SOUTHEAST AND CENTRAL FLORIDA19 Regional Socioeconomics
2.1 2.2 2.3 2.4	SOUTHEAST AND CENTRAL FLORIDA19 Regional Socioeconomics
2.1 2.2 2.3 2.4 2.5	SOUTHEAST AND CENTRAL FLORIDA
2.1 2.2 2.3 2.4 2.5 2.6	SOUTHEAST AND CENTRAL FLORIDA 19 Regional Socioeconomics 19 Population Data & Forecasts 20 Employment Data & Forecasts 23 Income 25 Transit-Oriented Development 28 Travel and Tourism 29
2.1 2.2 2.3 2.4 2.5 2.6 2.7	SOUTHEAST AND CENTRAL FLORIDA
2.1 2.2 2.3 2.4 2.5 2.6 2.7 2.8	SOUTHEAST AND CENTRAL FLORIDA

3.0	EXISTING MODES OF INTERCITY TRAVE AND THE ADDRESSABLE MARKET FOR	_
	BRIGHTLINE	. 36
3.1	Auto	38
3.1.1	Historical and Current Market Size	
3.1.2	Growth Forecast	43
3.2	Intercity Bus (Coach)	46
3.2.1	Historical and Current Market Size	
3.2.2	Growth Forecast	47
3.3	Short-Distance Bus (Transit)	48
3.4	Taxi/TNC	49
3.5	Long-Distance Rail (Amtrak)	49
3.5.1	Historical and Current Market Size	49
3.5.2	Growth Forecast	50
3.6	Short-Distance Rail (Tri Rail)	50
3.6.1	Growth Forecast	52
3.7	Air	53
3.7.1	Historical and Current Market Size	53
3.7.2	Growth Forecast	55
3.8	Competing Future Improvements	56
3.9	Brightline Addressable Market Summary	61
3.9.1	Trip Characteristics	62
4 0	STATED PREFERENCE SURVEY AND	
1.0	MODE CHOICE MODEL	. 67
4.1	Overview of Methods	
4.2	Stated preference survey overview	67
4.2.1	Past Trip	
4.2.2	Long-Distance Trips (Between Southeast Florida and Centr	
	Florida)	
4.2.3	Short-Distance Trips (Within Southeast Florida)	69
424	Stated Choice Exercise	60

WSP

Brightline Ridership & Revenue Study Page iv

Brightline Ridership & Revenue Study

WSP Page v





4.2.5	Demographics71
4.2.6	Other Questions71
4.3	Mode Choice Model Estimation75
4.3.1	Conceptual Overview75
4.3.2	Value of Time76
4.3.3	Model Estimation by Trip Distance77
5.0	TRAVEL DEMAND MODEL DEVELOPMENT
5.1	Level of Service Assumptions80
5.1.1	Auto Travel Time
5.1.1	Auto Travel Costs
5.1.2	Bus Level of Service Assumptions
5.1.4	Existing Rail Level of Service Assumptions
5.1.5	Air Level of Service Assumptions
5.1.6	Brightline Level of Service Assumptions
5.1.7	Station Access and Egress
5.2	Ridership Model Calibration90
5.3	Induced Ridership93
6.0	BRIGHTLINE RIDERSHIP AND REVENUE
	FORECAST95
6.1	Overall Level of Ridership and Revenue95
6.1.1	Ramp-Up97
6.1.2	Pandemic Recovery Rate99
6.1.3	Fares101
6.2	Ridership & Revenue Forecast Detail103
6.2.1	Market Share104
6.2.2	Market Share Comparison To Other Intercity Rail Markets 108
6.2.3	Riders' Previous Modes Of Travel109
6.2.4	Location of Trip Endpoints110
6.3	Forecast Growth Summary113
0.5	

8.1	Other Global Assumptions11
8.0	CONCLUSION11
7.0	FORECAST SENSITIVITY110

APPENDICES

APPENIDIX

- 1. Further Illustrated Socioeconomic Data
- 2. Details of Econometric Assessment of Growth in Intercity Auto Travel
- 3. Future Florida Highway Improvements
- Ridership and Revenue Results

WSP Page vi

Brightline Ridership & Revenue Study

WSP

Page vii



1.0 EXECUTIVE SUMMARY

Brightline is the only privately owned and operated, high-speed intercity passenger rail service currently operating in the United States. Brightline's aim is to provide a reliable, sustainable, efficient, and safe passenger rail transportation option to serve as an attractive alternative to either car or air travel. In August 2021, Brightline Trains Florida (Brightline) commissioned WSP to produce a ridership and revenue forecast for Brightline's high-speed intercity passenger rail system, connecting Southeast Florida to Central Florida. The 235-mile system includes stations located in the central downtown districts of Miami, Aventura, Fort Lauderdale, Boca Raton, and West Palm Beach and at the newly constructed inter-modal terminal at the Orlando International Airport.



FIGURE 1-1 BRIGHTLINE STATION MAP

Source: Brightline, 2022

This report incorporates the latest data available, including new primary customer survey data obtained within the past six months, as well as the outlook for the expected near-term and long-term impact of the coronavirus pandemic of 2019 (COVID-19) for Brightline's six station system. The objective of this study is to provide an independent estimate of ridership and revenue for the Brightline service.

WSP currently projects base case Brightline annual ridership of 8.2 million passengers in 2026, split between 3.7 million passengers (45%) for the short-distance segments and 4.5 million passengers (55%) for the long-distance segments. Ticket revenue (2021\$), excluding ancillary revenue such as food and beverage sales, is projected to be \$616 million in 2026, split between \$100 million (16%) for the short-distance segments and \$516 million (84%) for the long-distance segments.



Brightline Ridership and Revenue Study - April 2022



Figure 1-2 and Figure 1-3 show projected ridership and ticket revenue for the years 2022-2026. Note that modeled projections for 2022 ridership are as of January 1, 2022. Actual ridership for first quarter 2022 was approximately 249,000 and in excess of 100,000 for the month of March, indicating that Brightline ridership for 2022 may exceed the estimated 699,236 short-distance rides for the year. For additional detail on ridership and revenue results, see Section 1.5 and Chapter 6.

9.000.000 8.000,000 7,000,000 6.000.000 5.000,000 4,000,000 3,000,000 2.000,000 1,000,000 2022 2023 2024 ■ Short-Distance 699,236 2,463,252 3,450,237 3,651,235 3,670,994 ■ Long-Distance 2,200,807 3,524,928 4,289,144 4,507,722

FIGURE 1-2 BRIGHTLINE ANNUAL RIDERSHIP FORECAST - BASE CASE, 2022-2026



■ Long-Distance ■ Short-Distance





- 1



1.1 OVERVIEW OF THE BRIGHTLINE RAIL SERVICE

Brightline currently provides hourly service in Southeast Florida, linking West Palm Beach, Fort Lauderdale, and Miami, and is finishing construction of an extension of its system to Orlando. The extension of service to Orlando is expected to commence operations in 2023 and Brightline is adding the new station stops at Aventura and Boca Raton, which are expected to enter service in the fourth quarter of 2022. Once complete, Brightline service will connect two of Florida's largest population centers, Miami and Orlando, with stations in the downtown areas of key communities along the route.

Brightline services are unique for Florida: no intercity rail alternative comparable to the Brightline service existed prior to the introduction of service in Southeast Florida in 2018. Key characteristics include the following:

- . Travel time savings: Substantial time savings to current users of auto, bus, traditional rail and even air traveling between the city pairs.
- Frequency: Consistent, hourly departures seven days per week to fit the schedules of both business and leisure travelers.
- . Booking: Online and mobile booking with reserved coach and business class seating for easy boarding.
- · Amenities: Free Wi-Fi, convenient outlets, comfortable seating, food and beverage service and related amenities on board.
- . Stations: Modern, centrally located stations in Southeast Florida cities and an airport-based station in Orlando, with good intermodal connectivity, including direct connections to Miami's Metrorail and Metromover rapid transit and people mover systems, Southeast Florida's Tri Rail commuter rail, local bus networks, Orlando International Airport (and Miami International Airport, via Metrorail), dedicated parking, and taxi/TNC (e.g., Uber/Lyft) services.
- Door-to-door mobility: While not contemplated in the ridership and revenue projections within this report, with the introduction of Brightline+ in 2021 and BrightBike in 2022, passengers can book private rides, shared rides, or bikeshare for travel to and from station locations, with all services integrated in the Brightline app, to allow for seamless mobility for the entire journey.²

In addition to the travel time savings offered by Brightline, the ease of travel and related amenities to the service described above draw a substantial number of travelers who place a high value on comfort, productivity, sustainability, and efficiency.

Ongoing and planned improvements to the surrounding transit network may also bring added value to Brightline and enhance its ridership by adding convenience and potential for travel time savings. The improvements listed below were not considered in the access/egress parameters in the ridership model:

. Orlando SunRail: SunRail is a Central Florida passenger rail system serving the City of Orlando and Volusia, Seminole, Orange, and Osceola counties. SunRail Phase 1 opened in 2014, Phase 2 South opened in 2018, and Phase 2 North is projected to be completed in 2024. Phase 3 of the project, currently under

² Brightline+ and BrightBike offer an additional source of revenue for Brightline on top of passenger fares. However, revenue forecasts as presented in this report are limited to passenger fares from rail service, which does not include revenues or ridership that may be induced from mobility services to/from rail stations.



Brightline Ridership and Revenue Study - April 2022



study, would provide a link to the Orlando International Airport Intermodal Center, where the system would directly connect to Brightline.

- . Tri Rail Downtown Miami Link Service: In coordination with Brightline, the South Florida Regional Transportation Authority (SFRTA) will link the existing Tri Rail commuter rail corridor to the Florida East Coast Railway corridor, providing a one-seat ride between the Tri Rail Metrorail Transfer Station and all existing Tri Rail stations north of the Metrorail Transfer Station to MiamiCentral Station, where the system will directly connect to Brightline.3
- · Commuter Rail Downtown Miami through Aventura and Broward Service: A related planning effort is underway, subject to Brightline's approval, to build a commuter rail system from Miami Station to Aventura and Broward County entirely along the Florida East Coast Railway corridor, with up to ten new stations constructed that would only serve commuter rail passengers. This service would operate along the same corridor as Brightline but would be separate from Brightline's intercity service and may have separate branding.4
- . Miami Beach Corridor: Miami-Dade County is studying rapid transit options for the Beach Corridor, which would connect Downtown Miami to Miami Beach. Four alternatives, including a Metromover extension, or a new monorail, streetcar, or Bus Rapid Transit line, remain under evaluation. The Beach Corridor would provide a rapid transit link between Brightline service in Miami with Miami Beach.⁵

1.2 RELEVANT MARKET FOR HIGH SPEED RAIL

Florida is the third most populous state in the nation (22 million residents) and is one of the most active travel markets in the world, with over 130 million annual visitors and millions of annual trips along Brightline's travel corridor. With a population of over 6.2 million in 2020, the Southeast Florida metropolitan area is the most populous metropolitan area in the Southeastern United States and the seventh most populous urbanized area in the United States. Primary cities include Miami, Aventura, Fort Lauderdale, Boca Raton, and West Palm Beach. Together with Central Florida, the study area consists of eight counties and a combined population of 9.5 million in 2020.

Miami International Airport is the second busiest airport in Florida (45.9 million passengers in 2019) and ranks third in the United States in terms of international passenger count, with 22.4 million international passengers passing through annually. Central Florida's main city, Orlando, and the surrounding Greater Orlando region attracted 76 million visitors in 2019. Attractions include Walt Disney World Resort, Universal Orlando Resort, and SeaWorld Parks & Entertainment - over 92 million daily theme park visits were made in the Greater Orlando region in 2019.6 Convention and trade show attendance at the Orange County Convention Center totaled 1.5 million in 2019. Orlando International Airport, a station location, is the busiest airport in Florida, serving 50.6 million passengers in 2019. Orlando's secondary airport, Orlando Sanford International Airport, had 3.3 million passengers in 2019.

⁶ Orlando Sentinel, "Report: Disney's Magic Kingdom tops worldwide theme park attendance for 2019", 2020, https://www.orlandosentinel.com/travel/attractions/os-et-disney-theme-parks-attendance-2019-20200716-2ijz56qabfhvxfdctjszmvqv3a-story.html



¹ This ridership study assumes that Miami, Fort Lauderdale, and West Palm Beach stations re-open for service on January 1, 2022, that Aventura and Boca Raton stations open for service on November 1, 2022, and that Orlando International Airport station opens for service on January 1, 2023.

³ Tri Rail, "Tri-Rail Downtown Miami Link Service", https://www.tri-rail.com/pages/view/downtown-miami-link 4 The Next Miami, "Brightline Affiliate Pays \$245M For Access Rights To Build Miami-Dade, Broward Commuter Rail System", 2022, https://www.thenextmiami.com/brightline-affiliate-pays-245m-for-access-rights-to-buildmiami-dade-broward-commuter-rail-system/

⁵ Miami-Dade County, "Beach Corridor", https://www.miamidade.gov/global/transportation/smart-plan-beachcorridor.page#:~:text=The%20Beach%20Corridor%20connects%20the,transit%20modes%20with%20several%20al



Cruise traffic at nearby Port Canaveral accounted for 4.6 million passengers. A total of 18.7 percent of overseas nonresident travelers enter the United States through one of the main Southeast Florida and Central Florida airports: Miami International Airport (12.4 percent); Orlando International Airport (4.1 percent) and Fort Lauderdale International Airport (2.2 percent).

Auto vehicles are the dominant mode of intercity travel between Orlando and Southeast Florida. The two primary routes connecting the regions are I-95 and Florida's Turnpike. Free-flow driving times between Miami and Orlando are estimated at approximately 4 hour 15 minutes along I-95 and at 3 hours 50 minutes along Florida's Turnpike, a tolled road. Travel times during congested peak periods can be substantially greater. Air, rail, and bus account for a small proportion of trips between Orlando and Miami and approximately 25 percent of passengers traveling by air on the more than thirty daily flights between Miami and Orlando are connecting to another destination via air travel. Two Amtrak services, the Silver Meteor and the Silver Star, each run once-daily trains between Orlando and Southeast Florida. The Silver Meteor, the faster and more direct service, takes about 3 hours and 45 minutes between Orlando and West Palm Beach and 5 hours and 35 minutes between Orlando and Miami. The Silver Star, by contrast, makes a detour to Tampa, taking 2 hours and 10 minutes between Orlando and Tampa, 6 hours and 10 minutes between Orlando and West Palm Beach, and 7 hours and 50 minutes between Orlando and Miami. Both services use the CSX Transportation Auburndale Subdivision to connect between Orlando and West Palm Beach before using the Tri Rail corridor to connect between West Palm Beach and Miami. The CSX corridor runs through sparsely populated areas in the center of the state and the Tri Rail corridor runs on a more inland route through Southeast Florida, in contrast to the Brightline corridor, which runs through densely populated areas closer to the Atlantic coast. Long running times, a sparse timetable, along with poor on-time performance (the Silver Meteor had an on-time rate of 49.4 percent in 2019, with the Silver Star at 35.9 percent) contribute to low ridership, with 62,497 boardings and alightings in Miami in 2019.7 In addition, there are several private bus companies that operate daily intercity bus service between Orlando and Southeast Florida along Florida's Turnpike.

Travel within Southeast Florida is likewise mostly by automobile. Between Miami and West Palm Beach, Florida's Turnpike runs parallel with I-95. Drive times from Miami to West Palm Beach are approximately 1 hour and 17 minutes on I-95, and 1 hour and 27 minutes on the Turnpike. Drive times between Miami and Fort Lauderdale are approximately 35 minutes, while the drive from Fort Lauderdale to West Palm Beach takes about 50 minutes. During congested peak periods, it is common for these travel times to increase by 30 to 50 percent and accidents on this stretch of I-95, considered to be the most dangerous in the country, and weather can make journey and travel times unreliable. The main alternative mode of transportation is commuter rail: Tri Rail, operated by the South Florida Regional Transportation Authority (SFRTA), links Miami, Fort Lauderdale, and West Palm Beach. The 71mile line has 18 stops, and the service had ridership of 4.5 million in 2019, despite stations located outside of the immediate downtown areas of Fort Lauderdale and Miami.

Central and Southeast Florida highways are highly congested, resulting in millions of hours of travel delay and excessive fuel consumption and pollutant emissions. State and local agencies have been actively evaluating alternatives to the severe congestion on north-south roadway links. In June 2010, the Florida Department of Transportation (FDOT) prepared the I-95 Transportation Alternatives Study, in consultation with the State Department of Law Enforcement, Department of Environmental Protection, Division of Emergency Management, Office of Tourism, Office of Tourism, Trade and Economic Development, and affected MPOs and regional planning councils along the corridor. The study, which provided an assessment of concerns and proposed solutions related to I-95, found that "I-95 is overwhelmed with traffic demand" and that "[t]ravel within specific urban areas along the I-

https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/statefactsheets/FLORID A19.pdf



Brightline Ridership and Revenue Study - April 2022



95 corridor is highly congested in peak travel periods due to single driver automobile use." This study concluded, among other things, that "[p]assenger rail service presents a mobility option to serve Florida's East Coast along the I-95 corridor" with multiple benefits including the "[reduction of] fossil fuel use and greenhouse gases (GHGs); job creation and economic development around station locations; and better connectivity between northern and southern sections of Florida."

The potential for intercity rail as a viable alternative has long been recognized by many, including FDOT, which developed the Florida Intercity Passenger Rail "Vision Plan" in 2006.8 Among other conclusions, the plan found that the state's intercity travel market would grow at an average annual rate of 3.5 percent from 2006 to 2040. This increase will exacerbate the existing transportation problems and require significant development of new infrastructure to meet the needs of the market. In June 2009, FDOT released the 2009 Florida Rail System Plan: Policy Element⁹, which updated the 2006 Florida Freight and Passenger Rail Plan and built upon previous rail planning efforts, concluding that:

- There is a rising public interest in rail options to meet intercity and regional mobility needs.
- . The existing congestion on Florida's highways may be mitigated by a passenger rail alternative, which would also serve to increase the mobility of tourists, business travelers, and citizens - especially older
- · Reliance on alternate transit options is expected to increase in light of growing concerns over dependence on foreign oil, fluctuating gas prices, and fuel supply disruptions as a result of natural disasters.

1.3 KEY ASSUMPTIONS

In order to provide the level of information appropriate for evaluation by lenders and investors, WSP made several key assumptions for the Base Case, as follows:

- · Station market catchment areas and trip filters were developed to establish reasonable boundaries for the addressable market and to eliminate illogical station access patterns. In general, trip origins and destinations were included in the catchment areas as long as they are within a 45-minute drive of the nearest Brightline station. As described in Section 2.10, this is the basis for establishing the 2019 size of the candidate market at over 34 million trips per year for the long-distance journey between Orlando and Southeast Florida. Because the ridership model takes into account access and egress cost and time, and because the model was calibrated to survey data on the distance between stations and origins/destinations, most modeled Brightline trips are from and to points much closer than a 45-minute drive to the Brightline station, particularly for short-distance travel; however, consistent with best practice in travel demand modeling, the broadest possible logical catchment area was used for each station.
- · Base year trip tables used in the model were developed separately for each mode available between each city pair. For the auto market, which is predominant in size, WSP developed the estimates using mobile phone-based location data of trips carried out between origins and destinations within the addressable

https://fdotwww.blob.core.windows.net/sitefinity/docs/default-

source/rail/publications/plans/rail/06visionplan/flrail06.pdf?sfvrsn=ce111160 0

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⁷ Amtrak, "Amtrak Fact Sheet FY2019: State of Florida", 2019.

⁸ FDOT, "2006 Florida Freight & Passenger Rail Plan", 2007,

⁹ FDOT, "The Florida Rail System Plan: Policy Element", 2009,



- market geography. These data were confirmed against volumes on Florida's Turnpike, I-95, and US-27, and grown for future years through an econometric model that linked economic variables to traffic growth on Florida's Turnpike, I-95, and US-27 (the basis of the data being traffic station counters representative of Central-Southeast Florida traffic). The data were further adjusted downward by 12 percent to account for captive auto users and by a further 8.8 percent to account for truck drivers. Trip tables for other modes of travel were based on information obtained from relevant planning agencies and operators.
- Fares assumed in the modeling process were provided by Brightline and were grown at 0.8 percent per year
 in real terms. For purposes of estimating the future cost of auto travel, gas prices were grown in line with
 forecasts from the U.S. Energy Information Administration (EIA).
- Future growth for the long-distance auto travel market was based on the growth projected by the econometric model as discussed above and is broadly in line with recent historical growth in traffic on the corridor. Growth estimates for the short-distance auto market are based on the growth rates modeled in the Southeast Florida Regional Planning Model (SERPM), maintained by the Florida Department of Transportation. This regional planning model estimates a 0.9 percent annual growth rate in travel in the Southeast Florida region, broadly in line with regional employment and population growth forecasts. WSP utilized the official forecasts from the Federal Aviation Administration for air travel forecasts. Rail forecasts for Amtrak and Tri Rail were developed using trend lines based on official historical data. Any future growth in real income per capita would most likely result in increased willingness to pay for travel time savings and increased intercity travel overall, and increased ridership for Brightline in particular this effect is not accounted for in the ridership model.
- The estimation of the future travel market includes changes in the location of households or employment related to transit-oriented development in the areas surrounding the stations, as detailed in Section 2.5.
- Congested auto travel times were accounted for in estimating station access and long-distance auto travel
 times. Given the history of growth in highway congestion and challenges in expanding the highway
 network, regional planners consider it likely that congestion within and between the regions will increase,
 making non-highway modes of travel more competitive.
- Induced demand potential was based on a method of evaluating the improvement in the generalized cost of
 travel that has been accepted in other studies for high-speed transportation in the U.S. As a novel form of
 transportation in Florida, Brightline is likely to experience induced ridership demand based on its travel
 time savings, convenience, and amenities.

Assumptions regarding economic growth, competition between modes, and external factors affecting overall travel demand and Brightline usage are subject to uncertainty and may prove inaccurate. As noted herein, WSP has relied on information developed by third parties regarding travel patterns and the outlook for economic conditions. Changes from these assumptions could produce lower or higher ridership than the estimates contained in this report. Please see our disclaimer for more information.

1.4 KEY FINDINGS AND RIDERSHIP AND REVENUE FORECAST

Our forecast evaluation revealed that introduction of Brightline service would complement existing modes of travel and draw a substantial number of business and non-business travelers. Existing and new station locations offered by Brightline in Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach, and Orlando will provide an alternative source of transportation for travelers with origins or destinations at or near these urban cores. The thorough study effort resulted in the following key findings:



Brightline Ridership and Revenue Study - April 2022



- Substantial addressable market Hundreds of millions of trips are taken annually between the cities that
 will be served by Brightline. WSP's study included a determination of the portion of these total trips that
 both originate and terminate within a defined distance of a proposed Brightline station (a station
 "catchment area"). The Brightline addressable market is assumed to include only those trips beginning and
 ending within station catchment areas, as further defined in Section 2.10 of this report. Based upon
 detailed analysis, WSP concluded that the addressable market for Brightline intercity service amounted to
 over 34 million long-distance and hundreds of millions of short-distance trips made by individuals in 2019.
- Challenging intercity trip At a distance of approximately 235 miles, the journey from Orlando to Miami
 is relatively short for air travel (with total travel time disproportionately long for the distance given airport
 security and delays), and relatively long for an auto trip, where traffic congestion can make the four-tofive-hour trip unpleasant and unreliable. Travel volumes on key highways connecting Central and
 Southeast Florida are expected to exceed capacity by 2030, resulting in further delays and reduction in
 reliability and safety.
- Demonstrated market travel growth Intercity travel on Florida's Turnpike between Orlando and Miami
 grew by an average of 3.2 percent per year from 2001 to 2016. Average annual growth on I-95 from 2001
 to 2015 was approximately 2.1 percent.
- Demonstrated market demographic growth Between 1980 and 2020, population in the market area has
 grown by an annual average of 2.0 percent and employment has grown by an annual average of 2.4 percent.
 Within one mile of proposed Brightline stations, annual population growth has ranged from 2 percent to 5
 percent since 1990 indicating strong growth in the urban core at the heart of the Brightline alignment.
- No comparable service Brightline can provide travel time savings of 25 percent to 50 percent when
 compared to existing surface modes (auto, bus and rail) and Brightline's journey time of around three hours
 from Orlando to Miami is competitive with air on door-to-door travel times. There is no comparable
 service to Brightline for intercity travel in the existing market.
- Established willingness to pay The fares used in this study are backed up by two primary research efforts

 a stated preference survey and a pricing research study commissioned by Brightline which confirmed willingness to pay for the Brightline service at the price points utilized. Fares are highly competitive with existing modes of travel when time, tolls, and travel costs are considered and are generally lower than other comparable rail services in the U.S.
- Long-standing interest Given the profile of the travel market and the central location of the rail line, there
 has been interest among stakeholders and the public in developing passenger service on the Florida East
 Coast corridor for decades.

1.5 ESTIMATED RIDERSHIP AND REVENUE

WSP prepared estimates for annual ridership and farebox revenue for both the short- and long-distance markets of the Brightline service. This forecast accounts for all elements important to future ridership potential including targeted market segments and induced ridership.

Ridership and revenue for the initial years of Brightline is expected to start at relatively low levels and grow to a stabilized volume after three years for each segment. The low levels represent the time it takes for ridership to build up to long-term forecast levels as travelers become acquainted with the new rail service and adjust their trip-making habits. For detailed discussion of the ramp-up parameters by trip type, see Section 6.1.1. The short-distance service is expected to reach stabilized volumes in 2025, whereas the long-distance service is expected to reach stabilized





volumes in 2026. Furthermore, the forecast is adjusted for short-term pandemic recovery effects through 2024 and long-term pandemic recovery effects for all years; see Section 6.1.2 for details.

Ridership and revenue for the full forecast length is summarized in Figure 1-4 and Figure 1-5 and the accompanying Table 1-1 and Table 1-2.



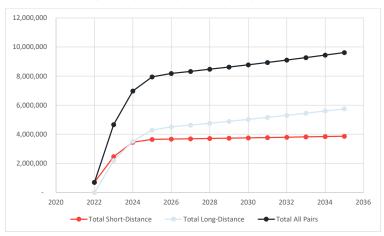


TABLE 1-1: BRIGHTLINE ANNUAL RIDERSHIP FORECAST - BASE CASE

Year	Short-Distance	Long-Distance	Total
2022	699,236	-	699,236
2023	2,463,252	2,200,807	4,664,059
2024	3,450,237	3,524,928	6,975,165
2025	3,651,235	4,289,144	7,940,379
2026	3,670,994	4,507,722	8,178,716
2027	3,691,111	4,630,983	8,322,093
2028	3,711,588	4,757,755	8,469,343
2029	3,732,432	4,888,142	8,620,574
2030	3,753,645	5,022,252	8,775,897
2031	3,775,233	5,160,193	8,935,426
2032	3,797,200	5,302,081	9,099,281
2033	3,819,551	5,448,032	9,267,582
2034	3,842,290	5,598,167	9,440,456
2035	3,865,422	5,752,610	9,618,031

*Note that modeled projections for 2022 ridership are as of January 1, 2022. Actual ridership for first quarter 2022 was approximately 249,000, indicating that Brightline ridership for 2022 may exceed the estimated 699,236 short-distance rides for the year.



Brightline Ridership and Revenue Study - April 2022



FIGURE 1-5 BRIGHTLINE ANNUAL TICKET REVENUE FORECAST (2021\$, \$MILLIONS) - BASE CASE

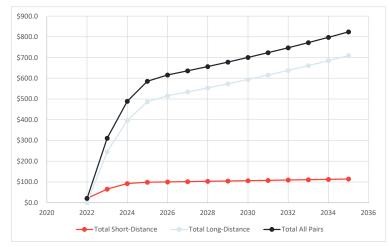


TABLE 1-2: BRIGHTLINE ANNUAL TICKET REVENUE FORECAST (2021\$, \$MILLIONS) - BASE CASE

Year	Short-Distance	Long-Distance	Total	
2022	\$21.2	-	\$21.2	
2023	\$65.5	\$245.5	\$311.0	
2024	\$92.6	\$396.6	\$489.1	
2025	\$98.8	\$486.6	\$585.4	
2026	\$100.2	\$515.7	\$615.9	
2027	\$101.7	\$534.2	\$635.9	
2028	\$103.2	\$553.5	\$656.6	
2029	\$104.7	\$573.4	\$678.1	
2030	\$106.2	\$594.1	\$700.3	
2031	\$107.8	\$615.6	\$723.3	
2032	\$109.3	\$637.8	\$747.2	
2033	\$111.0	\$660.9	\$771.8	
2034	\$112.6	\$684.8	\$797.4	
2035	\$114.3	\$709.6	\$823.9	





TABLE 1-3 FORECAST BRIGHTLINE - ANNUAL SEGMENT VOLUMES AND REVENUES, 2026

	MILES	MARKET SHARE	ADDRESSABLE MARKET	RIDERSHIP	2026 FARE (2021\$)	REVENUE (\$M, 2021\$)
Short-Distance						
Miami - West Palm Beach	66.5	5.6%	9,973,112	554,484	\$44.63	\$24.7
Miami - Boca Raton	42.0	4.3%	13,298,990	578,070	\$31.97	\$18.5
Miami - Fort Lauderdale	25.0	0.6%	57,529,071	360,402	\$22.60	\$8.1
Miami - Aventura	14.0	0.2%	221,022,888	491,274	\$12.56	\$6.2
Aventura - West Palm Beach	53.0	4.0%	9,037,783	363,994	\$39.97	\$14.5
Aventura - Boca Raton	28.0	0.5%	19,901,338	102,240	\$25.08	\$2.6
Aventura - Fort Lauderdale	11.0	0.2%	158,270,353	283,129	\$15.32	\$4.3
Fort Lauderdale - West Palm Beach	41.5	0.9%	24,250,574	228,926	\$31.97	\$7.3
Fort Lauderdale - Boca Raton	17.0	0.3%	137,918,979	372,622	\$16.99	\$6.3
Boca Raton - West Palm Beach	25.0	0.3%	103,853,596	335,852	\$22.60	\$7.6
Total Short-Distance		0.5%	755,056,685	3,670,994	\$27.31	\$100.2
<u>Long-Distance</u>						
Miami - Orlando	234.5	11.5%	13,689,565	1,576,025	\$124.24	\$195.8
Aventura - Orlando	221.0	12.8%	4,056,266	518,324	\$118.42	\$61.4
Fort Lauderdale - Orlando	209.5	11.1%	10,788,827	1,194,065	\$111.02	\$132.6
Boca Raton - Orlando	193.0	13.0%	3,601,660	467,981	\$112.24	\$52.5
West Palm Beach - Orlando	168.0	11.5%	6,508,150	751,326	\$97.70	\$73.4
Total Long-Distance		11.7%	38,644,468	4,507,722	\$114.40	\$515.7
Total All Pairs		1.0%	793,701,153	8,178,716	\$75.31	\$615.9

In this table, the pandemic recovery adjustment discussed in Section 6.1.2 is made to Brightline ridership but not the addressable market, suppressing the reported Brightline market share by approximately 1%.

1.6 ESTIMATED MARKET SHARE

As shown in **Table 1-3**, the forecast indicates that by 2026, Brightline will serve approximately 12 percent of the overall market for travel between Southeast Florida and Central Florida, which is expected to comprise the largest portion of Brightline revenues. In the short-distance market, Brightline will serve approximately 0.5 percent of the overall market, though with significant variance by station pair, with a high of 5.6 percent market share for the Miami – West Palm Beach station pair and a low of 0.2 percent for the Aventura – Fort Lauderdale and Miami – Aventura station pairs. Consistent with experience with other transit systems, market capture grows with route distance as the time and cost of accessing and departing the stations are spread over longer trips.



- 11

Brightline Ridership and Revenue Study - April 2022



TABLE 1-4 SHORT-DISTANCE TRAVEL RIDERSHIP MODEL MARKET SHARES BY CITY PAIR, 2035

	BRIGHTLINE	LOCAL BUS	RAIL (TRI RAIL)	AUTO
Miami - West Palm Beach	5.7%	0.0%	1.6%	92.6%
Miami - Boca Raton	4.5%	0.0%	1.1%	94.4%
Miami - Fort Lauderdale	0.6%	0.4%	0.2%	98.8%
Miami - Aventura	0.2%	0.7%	0.1%	99.0%
Aventura - West Palm Beach	3.7%	0.0%	3.6%	92.8%
Aventura - Boca Raton	0.5%	0.0%	1.2%	98.3%
Aventura - Fort Lauderdale	0.2%	0.1%	0.3%	99.4%
Fort Lauderdale - West Palm Beach	0.9%	0.0%	0.5%	98.7%
Fort Lauderdale - Boca Raton	0.2%	0.4%	0.3%	99.0%
Boca Raton – West Palm Beach	0.3%	0.4%	0.6%	98.7%
Total	0.5%	0.4%	0.4%	98.8%

TABLE 1-5 LONG-DISTANCE TRAVEL RIDERSHIP MODEL MARKET SHARES BY CITY PAIR, 2035

	BRIGHTLINE	AIR	RAIL (AMTRAK)	BUS	AUTO
Orlando – West Palm Beach	12.1%	0.0%	0.2%	0.4%	87.3%
Orlando – Boca Raton	13.8%	0.0%	0.2%	0.0%	86.0%
Orlando – Fort Lauderdale	12.2%	1.7%	0.2%	0.6%	85.3%
Orlando – Aventura	14.1%	0.0%	0.2%	0.0%	85.7%
Orlando – Miami	13.5%	2.1%	0.2%	0.4%	83.8%
Total	13.0%	1.2%	0.2%	0.4%	85.2%

1.7 OVERVIEW OF THE INVESTMENT GRADE STUDY PROCESS

The ridership and fare revenue forecasts presented in this report are characterized as being investment-grade with respect to accuracy, reliability, and credibility. ¹⁰ The integrity of the study is underpinned by the following key features:

- · Independent approach by experienced travel demand forecasting consultants.
- Forecasting model constructed from the bottom up using data gathered from regional planning agencies, stakeholder organizations, and recognized commercial sources.

¹⁰ The key features noted in this section ensure highly reliable forecasts. However, it is not possible to forecast future events with certainty. Assumptions regarding economic growth, competition between modes, and external factors affecting overall travel demand and Brightline usage may prove inaccurate. Changes from these assumptions could produce lower or higher ridership than the estimates contained in this report. Please see our disclaimer for more information.





- Stated Preference Survey designed to measure characteristics of existing intercity travel demand in Southeast Florida and between Southeast Florida and Central Florida.
- A critical, benchmarked assessment of economic growth projections that are used to estimate the overall future growth in travel demand.
- The development of a forecasting model for Brightline based on current travel, transport system, and economic growth data, as well as Brightline's actual results through 2019.
- The adoption of appropriate assumptions regarding factors affecting Brightline usage.
- Alternative model estimates (sensitivity testing) intended to quantify the impacts of fare changes on forecast results
- Emphasis on near-term forecasts investment decision makers commonly place greater emphasis on the
 early years of operation than the later years (which include growth that is expected, but not certain, to
 occur).

Outputs of the investment-grade forecast that were used to assess the economic, financial, and business planning dimensions of the proposed investment include the following:

- · Overall ridership demand estimates
- Station-pair ridership estimates
- · Market share analysis
- · Market breakdown by user type (business/non-business, etc.) and geography
- · Ridership demand elasticity with respect to fare
- Ridership demand with respect to level of service
- · User benefit metrics (such as value of time)

WSP segmented its technical approach and analysis into five distinct areas of study outlined below. Each of these study areas are discussed in greater detail within their respective chapters of this report.

- Market assessment (Chapter 2 and 3)
- Stated preference survey and mode choice model (Chapter 4)
- Ridership model development (Chapter 5)
- Ridership and revenue forecast results (Chapter 6)
- Sensitivity testing (Chapter 7)

1.8 STUDY PROCESS

The travel demand model developed by WSP for the Brightline system is a custom-built Excel- and pgSQL database-based model with inputs derived from a variety of software. A custom-built model was necessary because no other model currently exists for accurately forecasting interregional travel by rail between Southeast Florida and Central Florida. The ridership model used primarily GIS-based inputs to develop the zonal structure, with origin-destination and auto travel time data primarily sourced from Replica, a private third-party data provider. Significant data input was also gathered from the Central Florida Regional Planning Model (CERPM) and the Southeast Florida Regional Model (SERPM), from travel counts collected by the Florida Department of Transportation (FDOT), as well as from public data sources on transit ridership, fares, and travel times.



13

Brightline Ridership and Revenue Study - April 2022



To determine the extent and magnitude of the demand for a new mode of travel between Central Florida and Southeast Florida, WSP undertook a thorough assessment of the existing and potential future intercity travel market, the attributes of the current modes of travel in the corridor, and prospects for future growth. The study included the following key activities:

- Research to establish market size and catchment area Residents and visitors to cities in the corridor make hundreds of millions of trips per year, but only a select portion of these trips involve travel between the central business districts and surrounding activity centers that would be served by Brightline stations. To identify the addressable market, WSP gathered extensive data on current levels of travel between the city pairs by mode, trip purpose, and time (time of day, day of week). WSP used vendor-provided origindestination data and findings from recent primary research on traveler preferences to determine the size of the market. The research established an existing addressable market of hundreds of millions of intercity trips per year within Southeast Florida and between Central Florida and Southeast Florida, in areas reasonably served by the stations (see Section 2.10, Chapter 3, Section 6.3, and in particular Table 6-15). Trips whose origins and destinations are within a 45-minute drive of a Brightline station were included in the addressable market and were reduced by 12 percent to account for trips that require a car and a further 8.8 percent to remove travel by truck. Because the ridership model takes into account access and egress cost and time, and because the model was calibrated to survey data on the distance between stations and origins/destinations, most modeled Brightline trips are from and to points much closer than a 45-minute drive to the Brightline station, particularly for short-distance travel; however, consistent with best practice in travel demand modeling, the broadest possible logical catchment area was used for each station. These findings on the size and characteristics of the market are consistent with previous studies undertaken for rail projects in Florida and provide a reasonable base for the demand forecast.
- Identification of travel network and competing modes of travel The demand forecasting process also
 requires a thorough understanding of the travel network and the schedule, journey time, and cost attributes
 of all modes of travel using the network. This report outlines the assumptions and data sources WSP used
 to establish the highway, rail, bus, and air travel network. The report also documents the attributes of each
 mode of travel used as inputs to the demand forecast. See Chapter 3 and Section 5.1.
- Assessment of the prospect for growth in travel An investment grade forecast requires thorough
 examination of the prospect for growth in the overall travel market. By gathering data from regional
 transportation planning agencies and other accepted public and commercial sources, WSP established
 reasonable growth rates for the overall market based on observed trends in each segment. Based on
 observed trends in each of the metropolitan regions within the corridor, WSP expects the overall number of
 long-distance intercity trips between Central and Southeast Florida to grow by 1.6 percent per year and
 shorter-distance trips between the cities in Southeast Florida to grow by 0.9 percent per year. See Chapter
 3.
- Primary research on traveler preferences and willingness to pay When travelers choose to make a journey by auto or by rail they weigh the time and money cost of travel and make a choice based in part on their travel budget and willingness to pay. Travel behavior is also influenced by trip purpose (such as business or leisure) and other factors such as party size and need for a vehicle at the destination. While Brightline is an existing mode of travel in Southeast Florida, Brightline will be an entirely new type of service for Central Florida whose unique features can only be tested in hypothetical scenarios that place Brightline against other competing modes. The current state-of-the-practice uses a mode choice stated preference survey as a basis for understanding how individuals (or groups of individuals) value individual attributes, such as access time, in-vehicle travel time, headways, and cost, of a transportation choice. See Chapter 4 for the description of the stated preference (SP) survey administration and analysis.





- Demand forecasting WSP employed best practices in discrete choice analysis and travel demand
 forecasting to determine diversions from existing modes of travel to Brightline and ridership volumes on
 the Brightline system by station pair. See Chapter 4 for discussion of how SP survey responses were used
 to develop a statistical model of mode choice and Chapter 5 for discussion of how the mode choice models
 were assessed through a ridership model to arrive at estimates of the passenger rail market share and the
 Brightline ridership forecast.
- Sensitivity testing The report provides the findings of sensitivity tests demonstrating the effect of changes
 to fares, a key forecast input, on ridership and revenue. These sensitivity tests are used to establish the
 stability of the forecast model and inform project planning. See Chapter 7.

This study was carried out in the context of previous public- and private-sector sponsored rail implementation studies in Florida that attempted to better understand the potential of passenger rail to relieve congestion and promote mobility and economic development. WSP evaluated the following studies and used them as benchmarking references for the findings in this analysis:

- Florida Overland Express (FOX): a public-private partnership between FDOT and FOX for high-speed rail
 connecting Tampa, Orlando, and Miami. The State withdrew support for the project in 1999.
- Investment Grade Ridership Study for the Tampa-Orlando corridor: performed in 2002 on behalf of the Florida High Speed Rail Authority. The Florida High Speed Rail Enterprise published a two-page update to that forecast in September 2009.
- Florida Intercity Passenger Rail Vision Plan: prepared by FDOT in 2006, the plan builds upon previous studies exploring the potential of high-speed rail to assist in meeting the State's mobility needs.
- 2012 All Aboard Florida Ridership and Revenue Study: In 2012, All Aboard Florida Operations, LLC (now Brightline) commissioned Louis Berger (now WSP) to develop a ridership and revenue forecast study for the re-introduction of passenger rail on the existing Florida East Coast right of way. Hereafter in this report, this study is cited as (LBG/WSP 2012).
- 2018 Brightline Ridership and Revenue Study: In 2017 and 2018, All Aboard Florida Operations, LLC (now Brightline) commissioned Louis Berger (now WSP) to develop an investment grade ridership and revenue study for the re-introduction of passenger rail on its existing right of way. This study was conducted in two distinct phases, with Phase I evaluating Brightline service between Southeast Florida and Orlando, while Phase II evaluated the incremental ridership and revenue associated with an extension of service to Tampa with an intermediate stop at Disney World.

1.9 FORECAST METHODOLOGY UPDATES: 2017-2018 STUDIES VERSUS 2022 STUDY

WSP previously undertook a forecast for Brightline in 2017-2018. In the ensuing five years leading up to the 2022 ridership report, several important dynamics have developed in Florida and the United States in general. The COVID-19 pandemic features prominently among these dynamics. However, its effects on travel patterns, mode choice, and long-lasting impacts on tourism are only just beginning to be understood. While Florida's reopening was swift, major attractors/employers like Disney World privately decided to close during the early pandemic and reopened with stricter restrictions than was required by the state. More recently, Super Bowl LV was hosted at Raymond James Stadium in Tampa in 2021, reaffirming Florida's draw for attractions and major events. This shows that between the government and varied private employers, the response to any future pandemic developments may be mixed and uncertain.



10

Brightline Ridership and Revenue Study - April 2022



Taking these and other developments into account, the results described in Section 1.4 therefore reflect several key changes and updates from previous forecasts undertaken by WSP. These changes and updates include:

- A refreshed assessment of first-mile/last-mile access/egress to Brightline stations, newly segmented by the length of the access/egress trips
- The inclusion of additional stations in Aventura and Boca Raton
- · Updated origin-destination data showing a slight increase to the addressable market for long-distance trips
- Changes in modal usage increases in flights and Tri Rail usage, decrease in bus ridership
- · Inclusion of transit-oriented development, which contributes to transit trip generation and attraction
- · Updated socioeconomic forecasts
- Updated stated preference survey in late 2021, allowing for new estimation of willingness to pay and comparison of preferences between costs, travel times, and frequency
- Updated opening date for long-distance service
- More granular assessment of ramp-up factors, including to account for the re-opening of short-distance service in Southeast Florida
- Calibration of the ridership model to observed Brightline trip data between Miami, Fort Lauderdale, and West Palm Beach in 2019
- Calibration of the ridership model to stated preference survey data on the distance of access/egress trips
 to/from Brightline stations, allowing more realistic understanding of possible shift of Brightline trips to
 new in-line stations
- Updates for pandemic impacts short-term impacts from health/economy, long-term impacts due to societal shifts in travel behavior
- Updated input fares, including the addition of 0.8 percent growth per year in real terms

In general, the estimates for the long-distance ridership of the Brightline have shifted somewhat upward due to the addition of stations in Southeast Florida, the changes in the size of the addressable market, and the changes in the market share of Brightline for these pairs, which are a function of the mode choice constants chosen. The changes in short-distance ridership are more complex: the addition of Aventura and Boca Raton stations pull ridership upward; however, the calibration to 2019 ridership resulted in an increase in the Brightline market share for the Miami – West Palm Beach pair, but a lowering of mode constants and ridership for the shorter station pairs, reflecting the increasing preference for rail as a mode of travel versus auto as trip distance increases.

1.10 WSP BACKGROUND AND QUALIFICATIONS

WSP, headquartered globally in Montréal, Canada, and within the United States in New York City, is a global firm, providing services at every stage of the transportation project lifecycle, from strategic visioning and planning through design and construction of projects. Their group of nationally recognized travel demand modeling specialists have over three decades of experience developing, updating, and applying travel demand models and have long been at the forefront of innovation in multimodal travel demand modeling. Four of the five largest metropolitan regions in the U.S. are using WSP-developed and delivered travel demand models to evaluate investments today.

WSP (beginning as Louis Berger) has been supporting the development of Brightline with ridership and revenue forecasting services since 2012 through contracts with Florida East Coast Industries and All Aboard Florida Operations. WSP created the investment grade model used in planning the initial service between Miami and West Palm Beach, and the long-distance service to Orlando. The ridership and revenue forecast was reviewed and





accepted by the Federal Railroad Administration for inclusion in the project's Final Environmental Impact
Statement and was reviewed separately and accepted by the Florida Department of Transportation. The ridership and
revenue analysis was updated in 2018. Since 2018, WSP has used the model to estimate the impact of new stations
in Aventura and Boca Raton and a potential extension from Orlando to Tampa, among other model applications.

WSP had also conducted due-diligence ridership and revenue forecasting for the Miami to Orlando and Orlando to Tampa segments of the proposed Florida High-Speed Rail on behalf of a lender in 2010.

Furthermore, WSP drew upon extensive relevant travel demand forecasting experience in the construction of this report, including the following work:

- WSP was recently selected to update the South Florida regional (SERPM) travel demand model. The objective of the update to SERPM Version 9.0 is to facilitate the incorporation of recent advances in demand modeling into the planning missions of the Florida Department of Transportation (FDOT) and the Miami-Dade, Broward, and Palm Beach Metropolitan Transportation Organizations (MPOs). The update also provides an opportunity for the staff of the region's agencies to become more comfortable with SERPM and use it to its full advantage on the wide range of regional planning undertaken across the region.
- WSP conducted a ridership and revenue study for the Baltimore-Washington Rapid Rail SCMAGLEV
 system. The analysis included creation of a customized travel demand analysis tool, a stated preference
 survey, a market assessment, trip tables, a mode choice model, and other analyses. The ridership and
 revenue report was reviewed by the Federal Railroad Administration and its consultant, and was included
 in the project's Draft Environmental Impact Statement published in 2021.
- WSP developed a ridership and revenue model for the Dallas Houston High Speed Rail project on behalf
 of lenders in the project. The modeling included market estimation, a stated preference survey, and analysis
 of highway and air travel data between Dallas and Houston, among other approaches.
- Over the past 7+ years, WSP has provided USDOT's Build America Bureau with numerous demand and
 revenue due diligence studies for toll roads, ports, and other revenue-generating transportation assets.
 Through our due diligence process, WSP identifies short- and long-term market risks that could have a
 meaningful impact on the Sponsor's revenue forecast.
- For an equity investor in a toll road, WSP evaluated how a pre-pandemic demand and revenue forecast
 should be updated to account for post-pandemic economic and travel behavior impacts. The study
 evaluated the mobility impacts of various post-pandemic changes in our economy and society. It also
 considered the impacts and expected persistence of increase working from home, unlinked trips shifting to
 the midday, and the expected length of the jobs recovery.

WSP has a proven record of developing accurate and conservative demand and revenue forecasts for existing facilities and proposed transportation improvements. Key examples demonstrating the accuracy of WSP's forecasting include the following:

- WSP was engaged by the Port Authority of New York and New Jersey to develop and maintain a
 traffic and toll revenue forecasting model for the six interstate tolled bridge and tunnel crossings the
 agency operates. Actual traffic volumes and revenues continually tracked within ½ of one percent of
 forecast for 10 years through recessions and toll hikes.
- The Port Authority contracted with WSP to develop forecasts of ridership on its JFK and Newark airport AirTrain service. Actual ridership exceeded the forecasts by 10 to 15 percent.



17

Brightline Ridership and Revenue Study - April 2022



- WSP produced traffic and revenue forecasts for a private investor considering a bid for acquisition of
 the Dulles Greenway in Northern Virginia. Actual traffic volumes and operating revenue following the
 acquisition exceeded the WSP forecast.
- WSP was retained by the Colorado Department of Transportation to develop a model to forecast traffic
 and revenue for proposed toll-managed lanes on the I-70 corridor between Denver and the world-class
 ski resorts west of Denver. The actual traffic volumes and traffic flow on I-70 during peak ski season
 travel, as well as operating revenue, have continuously been within 2 percent of WSP's forecasts.





2.0 THE MARKET FOR INTERCITY RAIL IN SOUTHEAST AND CENTRAL FLORIDA

Despite the distances between city centers, the communities and economies of Central and Southeast Florida are interconnected in many ways. Substantial numbers of people travel between Orlando and Miami for business, work, recreation, and other purposes. This section outlines the characteristics of the overall intercity travel market and provides evaluation of prospects for growth.

2.1 REGIONAL SOCIOECONOMICS

The travel market profiles for the Central and Southeast Florida regions depend on a number of socioeconomic and demographic factors. This regional study area was determined based on the three existing stations: West Palm Beach, Fort Lauderdale, and Miami; and three new stations under construction: Orlando, Boca Raton, and Aventura. In this section, Southeast Florida contains the contiguous Miami urbanized area and includes Palm Beach, Broward, and Miami-Dade counties. Central Florida is composed of Orange, Seminole, Osceola, Lake and Brevard counties. The study area has a large base of population and employment and has experienced substantial growth.

A key advantage to the corridor in the development of new intercity passenger service in Central and Southeast Florida is that the right-of-way passes through the most densely populated and highest growing areas in the region. These regions are also strong in terms of employment income levels.

Table 2-1 reports baseline demographic information for the station areas in 2020. Almost 3.3 million people live in block groups located within a 10-mile radius of the stations, with nearly 0.8 million in Miami and 0.9 million in Fort Lauderdale. The number of the study area households in that area stood at approximately 1.6 million. Including vacant and seasonally occupied units, there were approximately 1.5 million housing units within 10 miles of the stations.

TABLE 2-1 STATION AREA DEMOGRAPHICS

	ORLANDO AIRPORT	WEST PALM BEACH	BOCA RATON	FORT LAUDERDALE	AVENTURA	МІАМІ	TOTAL IN STATION AREAS
Total Population	383,025	500,125	532,287	891,494	768,245	793,762	3,292,198
Total Households	174,214	206,378	261,800	412,377	386,706	450,048	1,608,485
Total Housing Units	151,867	220,863	280,046	408,297	346,128	366,189	1,503,956

Source: WSP, 2022 from data provided by U.S. Census, 2020

Note: The 10-mile radii overlap for some station areas – for these overlaps, the demographics are counted in both station areas

The total column counts overlapping areas only once.

The trip table growth rates used in the ridership models were determined by mode of travel – that is, a growth rate was modeled for each of auto, air, bus, and rail (that is Amtrak and Tri Rail) travel. These growth rates are discussed in Section 3.1 through Section 3.7. Since travel in Florida is currently dominated by auto travel, the trip table growth rates in the ridership model are primarily a function of the econometric models used to estimate the future growth of



Brightline Ridership and Revenue Study - April 2022

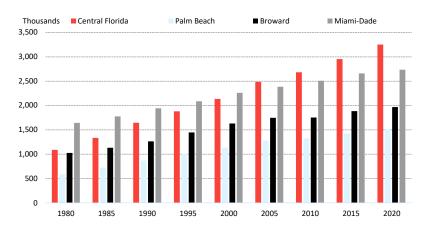


auto travel in Florida. These econometric models are discussed in further detail in Appendix 2. The econometric models relied upon forecasted growth rates for employment and income by Moody's Analytics, a third-party provider of socioeconomic forecasts. These Moody's Analytics forecasts are a key input into the forecasts in this report and are detailed in this section. In order to provide further backing to these forecasts, this section also discusses growth rates from other sources, including regional models and other third-party forecasters. Furthermore, this section also discusses projected growth rates for population, as a further benchmark. The forecasts for population and the forecasts by providers other than Moody's are not inputs into the ridership model.

2.2 POPULATION DATA & FORECASTS

In 2020, over 6.2 million people lived in Southeast Florida, making it the seventh ranked urbanized area in the nation (behind New York, Los Angeles, Chicago, Dallas, Houston, and Washington DC; and ahead of Philadelphia and Atlanta) and the most populous metropolitan area in the Southeastern U.S.¹¹ Together with Central Florida, the study area consists of eight counties and had a combined population of 9.5 million in 2020. The area's population growth since 1980, when it had nearly 4.3 million residents, is estimated at about 2.0 percent a year. **Figure 2-1** depicts the population increase between 1980-2020.¹²

FIGURE 2-1 POPULATION, 1980-2020



Source: WSP, 2021 from data provided by Woods & Poole Economics, 2021 which aggregated data from U.S. Census Bureau Note: Central Florida is composed of Orange, Osceola, and Seminole counties.

The Central Florida region had about 34.4 percent of the area population in 2020. The region experienced an average of 2.8 percent growth per year in the 1980-2020 period, versus a 1.6 percent growth rate in Southeast Florida over the same period. Just under 29 percent of the study area population resided in Miami-Dade County, 20.8 percent lived in Broward County, and 16.0 percent of the region's population lived in Palm Beach County. Palm Beach County had the lowest population base in 1980 but it grew at 2.4 percent per year since, with much of

¹² Woods & Poole Economics



¹¹ Woods & Poole Economics



its growth occurring before 2000. The growth momentum in Broward and Miami-Dade counties also declined since 2000. These statistics are reported in **Table 2-2**.

TABLE 2-2 AVERAGE ANNUAL GROWTH IN POPULATION

GEOGRAPHY	1980-2020	2000-2020	2010-2020	2015-2020
Central Florida	2.8%	2.1%	1.9%	1.9%
Southeast Florida Region	1.6%	1.1%	1.1%	0.8%
Palm Beach	2.4%	1.4%	1.3%	1.2%
Broward	1.6%	0.9%	1.2%	0.9%
Miami-Dade	1.3%	1.0%	0.9%	0.6%
Source: Woods & Poole Economics				

In Southeast Florida, the Miami-Dade TPO, Broward MPO, and the Palm Beach TPA collaborate on regular updates to a long-range transportation plan for the three-county urbanized area through the Southeast Florida Transportation Council (SEFTC). ¹³ The latest plan was adopted in 2020 and included updates to the socioeconomic outlook through 2045 that underpin travel demand. For Central Florida, MetroPlan Orlando's (MPO for Orange, Oscoola, and Seminole counties) 2045 Long Range Transportation Plan from 2020 included population projections for 2045. ¹⁴ ¹⁵ The population forecasts adopted by SEFTC and MetroPlan Orlando represent the results of a collaborative forecasting process conducted by the planning organizations in coordination with state and local agencies and neighboring regional planning authorities. The forecasts are updated on a five-year cycle during the re-examination of the long-range transportation plan. Figure 2-2 shows the reported population from these sources.

 $^{{}^{15}\,}MetroPlan\,Orlando, "2045\,Metropolitan\,Transportation\,Plan", 2020, \\ \underline{https://metroplanorlando.org/wp-content/uploads/2045MTP_TS12_MultimodalNeeds_November2020.pdf}$

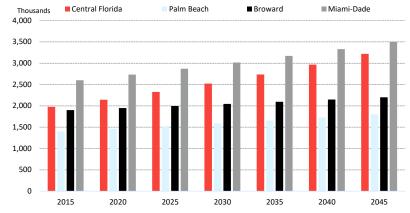


21

Brightline Ridership and Revenue Study - April 2022



FIGURE 2-2 MPO POPULATION FORECAST BY COUNTY, 2015-2045 (IN THOUSANDS)



Source: WSP, 2021 from data provided by Southeast Florida Transportation Council, Southeast Florida Regional Transportation Plan, 2020 and from MetroPlan Orlando, 2045 Long Range Transportation Plan.

Note: 2020-2044 interpolated from 2015 data and 2045 forecast. Central Florida is composed of Orange, Osceola, and Seminole counties

Overall, the study area population is expected to grow at about 0.9 percent a year through 2045, a pace that is below the pace observed for the previous four decades. The SEFTC forecast indicated the Southeast region will grow at an average annual rate of 0.8 percent through 2045. Specifically, regional population is expected to reach 7.5 million in 2045. This estimate includes over 3.5 million residents in Miami-Dade County, an area that is expected to grow at one percent a year. MetroPlan forecasted Central Florida to grow at an annual average rate of 1.6 percent through 2045, with population reaching 3.2 million by 2045. Table 2-3 displays the latest 2015-2045 outlook.

TABLE 2-3 ALTERNATIVE POPULATION FORECAST SOURCES, 2045 (IN THOUSANDS)

		MPO			BEBR		WOC	DS & P	OOLE	N	MOODY'	S
Geography	2015	2045	CAGR	2015	2045	CAGR	2015	2045	CAGR	2015	2045	CAGR
Central Florida	1,976	3,218	1.6%	2,882	4,423	1.4%	2,954	4,623	1.5%	2,063	3,312	1.6%
SEF Region	5,900	7,500	0.8%	5,860	7,395	0.8%	5,969	7,736	0.9%	5,969	7,889	0.9%
Palm Beach	1,400	1,800	0.8%	1,378	1,759	0.8%	1,424	2,024	1.2%	1,424	2,146	1.4%
Broward	1,900	2,200	0.5%	1,827	2,238	0.7%	1,885	2,412	0.8%	1,885	2,472	0.9%
Miami-Dade	2,600	3,500	1.0%	2,654	3,398	0.8%	2,660	3,300	0.7%	2,660	3,271	0.7%

Source: MetroPlan Orlando, 2045 Long Range Transportation Plan; Southeast Florida Transportation Council, 2045 Southeast Florida Regional Transportation Plan (scenario 3 accounting for pandemic); BEBR (medium); Woods & Poole; Moody's Note: MPO and Moody's Central Florida includes Orange, Osceola, and Seminole counties. BEBR and Woods & Poole Central Florida includes Brevard, Lake, Orange, Osceola, and Seminole counties. SEF includes Palm Beach, Broward, and Miami-Dade counties.

To help validate modeling assumptions for future growth in intercity trips, WSP utilized the established travel demand forecasts of the MPOs. To ensure that these forecasts represent reasonable levels of growth when compared



¹³ Palm Beach TPA, "Southeast Florida Regional Transportation Plan 2045", 2020, https://www.palmbeachtpa.org/static/sitefiles/Plans_and_Resources/Regional_Transportation_Plan/SEFTC_2045_RTP.pdf

¹⁴ MetroPlan Orlando Scenario 3 2045 population projection, which accounts for "pandemics or other emergencies disrupt the region's population, visitor, and economic growth, affecting travel and development patterns". Other scenarios include: 1) Traditional Trends: What happens if historic trends and behaviors continue unchanged; 2) Tech Transformations: Major technology and innovation changes make Central Florida a destination for businesses and a younger workforce; and 4) Climate Consequences: Frequent extreme weather events and major sea level rise for the state's coastal residents to move inland.



to more recent projections, WSP undertook a review of alternative population forecast sources. Three alternative sources were available at the county level. The Bureau of Economic and Business Research (BEBR) at the University of Florida produces population projections based on U.S. Bureau of Census (BOC) forecasts of natural increase and net migration flows. WSP also obtained projections developed by Woods & Poole Economics, a private consulting firm that maintains and annually updates county-level projections for the U.S. With its detail and frequent updates, this source is often used for comparison with official estimates in demand forecasts and due diligence studies. Additionally, WSP obtained projections produced by another private firm, Moody's Analytics Economic and Consumer Credit Analytics (ECCA) Forecast. The data from these sources are also reported in Table 2-3.

Central Florida is expected to grow at a minimum of 1.4 percent a year and the rates are consistently reported across the four sources. The private consulting firms reported more optimistic outlooks for Palm Beach and Broward counties, with population growth being at least 0.2 percent higher than those reported by MPOs and BEBR. Estimates for Miami-Dade County on the other hand, were reported to be at least 0.1 percent lower.

2.3 EMPLOYMENT DATA & FORECASTS

In 2020, employment in the study area reached 5.7 million, which was about 60 percent of Florida's 9.5 million total. The Southeast Florida region in particular was a major employment center in Florida and comprised over 40 percent (3.8 million) of the state's total employment base. Employment in Central Florida reached 1.9 million, which represented almost 20 percent of the Florida total.

Historically, employment growth in the study area has fluctuated slightly more so than population. Over the past four decades, employment grew at 2.4 percent a year. Employment growth dropped to 1.7 percent between 2000 and 2020, due to the 2008 recession, but has rebounded to 2.1 percent a year since 2010. **Figure 2-3** depicts the employment data over the 1980-2020 period.

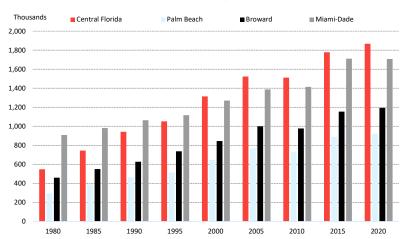


FIGURE 2-3 EMPLOYMENT, 1980-2020

Source: WSP, data provided by Woods & Poole Economics



23

Brightline Ridership and Revenue Study - April 2022



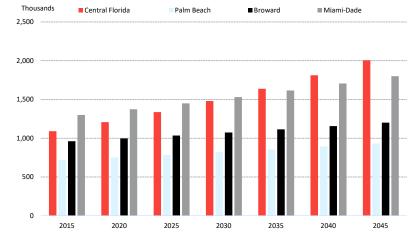
The significant growth over the past four decades was primarily driven by employment in Central Florida and Palm Beach County, with respective estimates having reached 3.1 percent and 2.9 percent annually since 1980. Miami-Dade County meanwhile grew at 1.6 percent a year since 1980 and nearly zero growth since 2015. **Table 2-4** reports the regional data.

TABLE 2-4 AVERAGE ANNUAL GROWTH IN EMPLOYMENT

GEOGRAPHY	1980-2020	2000-2020	2010-2020	2015-2020				
Central Florida	3.1%	1.8%	2.1%	1.0%				
SEF Region	2.1%	1.6%	2.0%	0.4%				
Palm Beach	2.9%	1.8%	2.3%	0.8%				
Broward	2.4%	1.7%	2.0%	0.7%				
Miami-Dade	1.6%	1.5%	1.9%	0.0%				
Source: Woods & Poole Economics, 2021								

In keeping with the population outlook, the MPO estimated that employment will rise at 1.1 percent a year through 2045, which represents a much slower increase compared to the 2.4 percent growth in the past four decades. In Southeast Florida, regional employment is expected to reach 3.9 million in 2045, growing at 0.9 percent annually, with just under two million jobs in Miami-Dade. In Central Florida, employment is expected to grow at 2.1 percent annually, reaching two million jobs in 2045 (**Figure 2-4**).

FIGURE 2-4 MPO EMPLOYMENT FORECAST BY COUNTY, 2015-2045



Source: WSP, 2021 from data provided by Southeast Florida Transportation Council, Southeast Florida Regional Transportation Plan, 2020; MetroPlan Orlando 2045 Long Range Transportation Plan; Palm Beach Long Range Transportation Plan 2045; Broward 2045 Commitment; and Miami-Dade 2045 Long Range Transportation Plan. Note: 2015 actual, 2020-2045 interpolated from 2040 forecast. Central Florida is composed of Orange, Osceola, and Seminole counties.





Three alternative sources for employment forecasts were available at the county level and can be compared against the MPO data. The Florida Department of Economic Opportunity (FDEO) produces industry and occupation projections for an eight-year forecast period. Their projections for 2020-2028 were used to extrapolate for 2045. The other sources involved employment projections developed by Woods & Poole Economics (CEDDS - Complete Economic and Demographic Data Source, 2021) and Moody's Analytics (ECCA Forecast). These forecasts include projections through 2045. The four sets of estimates are reported in Table 2-5.

TABLE 2-5 ALTERNATIVE EMPLOYMENT FORECAST SOURCES, 2045 (IN THOUSANDS)

		MPO		FDEO		WOODS & POOLE			MOODY'S			
Geography	2015	2045	CAGR	2015	2045	CAGR	2015	2045	CAGR	2015	2045	CAGR
Central Florida	1,091	2,005	2.1%	1,173	2,447	2.5%	1,778	3,411	2.2%	1,065	1,571	1.3%
SEF Region	2,980	3,931	0.9%	2,491	4,264	1.8%	3,752	6,393	1.8%	2,510	3,320	0.9%
Palm Beach	720	931	0.9%	589	1,036	1.9%	888	1,634	2.1%	586	835	1.2%
Broward	960	1,200	0.7%	786	1,408	2.0%	1,154	1,970	1.8%	798	1,041	0.9%
Miami-Dade	1,300	1,800	1.1%	1,116	1,822	1.6%	1,711	2,789	1.6%	1,126	1,444	0.8%

Source: MetroPlan Orlando, 2045 Long Range Transportation Plan; Southeast Florida Transportation Council, 2045 Southeast Florida Regional Transportation Plan (scenario 3 accounting for pandemic); FDEO; Woods & Poole; Moody's.

Note: MPO and Moody's Central Florida includes Orange, Osceola, and Seminole counties. Woods & Poole Central Florida includes Brevard, Lake, Orange, Osceola, and Seminole counties. FDEO Central Florida includes Lake, Orange, Osceola, Seminole and Sumter counties. SEF includes Palm Beach, Broward, and Miami-Dade counties.

Overall, the variations within the employment forecasts may suggest the uncertainty around commute, employment and business locations, and how consumers are choosing to receive goods and services, as a result of the pandemic.

The FDEO projections are noticeably higher than the MPO forecasts in terms of the overall rate of growth through 2045, especially for Palm Beach and Broward counties. In addition, FDEO reported that the two counties will have some of the highest growth rates in the study area, rather than the least as reported by the MPO. It also reported stronger growth for Central Florida, which indicates that the additional areas included in the FDEO forecasts, namely Lake and Sumter counties, are expected to drive employment growth in that region.

Woods & Poole Economics also reported similar trends to FDEO, but their estimates are significantly higher. The respective employment for 2015 and 2045 for the study area are reported to be 32 percent and 64 percent higher than those reported by the MPOs. Moody's estimates seem to be in line with the MPOs and FDEO, except that the growth rate for Central Florida is much lower, at 1.3 percent, while all the other sources reported over two percent increase a year.

2.4 INCOME

Total personal income in the study area was over \$565 billion (2021 dollars) in the year 2020 and \$555 billion in 2019. The 2020 estimate represents 45.1 percent of all personal income in the state of Florida. ¹⁷ Per capita personal income for the study area was estimated at \$59,577 and it increased by 1.6 percent on average annually between 1980 and 2020. Palm Beach County in particular has always had the highest per capita income in the study area. The 1980 estimate of \$36,676 was 17.3 percent over the study area average of \$31,269. The difference rose to 50.4

¹⁷ St. Louis Fed, "Total Personal Income in Florida", https://fred.stlouisfed.org/series/FLOTOT#6



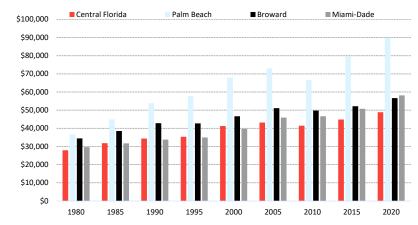
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Brightline Ridership and Revenue Study - April 2022



percent in 2020 with an estimate of \$89,766 per capita in Palm Beach County. Figure 2-5 reports the per capita income statistics.

FIGURE 2-5 REAL PER CAPITA PERSONAL INCOME, 1980-2020 (2021 DOLLARS)



Source: WSP, from data provided by Woods & Poole Economics

The changes in per capita income growth over the past four decades are reported in **Table 2-6**. Palm Beach County had the largest gains in per capita personal income over this period, with average annual increase of 2.3 percent between 1980 and 2020 but a slower pace at 1.8 percent since 2015. Miami-Dade County on the other hand, accelerated to 2.1 percent between 2015 and 2020 from 1.7 percent since 1980. Relative to Southeast Florida, the increase in per capita income in Central Florida was more moderate. Over the past four decades, income growth has ranged between 1.2 percent to 1.4 percent.

TABLE 2-6 REAL AVERAGE ANNUAL PER CAPITA PERSONAL INCOME CHANGE OVER TIME

GEOGRAPHY	1980-2020	2000-2020	2010-2020	2015-2020			
Central Florida	1.4%	1.2%	1.2%	1.3%			
SEF Region	1.8%	1.7%	1.5%	1.7%			
Palm Beach	2.3%	2.0%	1.7%	1.8%			
Broward	1.3%	1.1%	0.9%	1.1%			
Miami-Dade	1.7%	1.7%	1.8%	2.1%			
Source: Woods & Poole Economics							

Figure 2-6 shows the breakdown of households by income level for the study area between 2000 and 2020. The majority of households earned between \$25,000-75,000 a year, following by those earning between \$75,000-125,000. Also, households in the \$25,000-75,000 income bracket dropped while those in next income bracket increased. Central Florida had seen a 3.3 percent increase in households within the \$75,000-125,000 income group and Southeast Florida gained 2.4 percent.



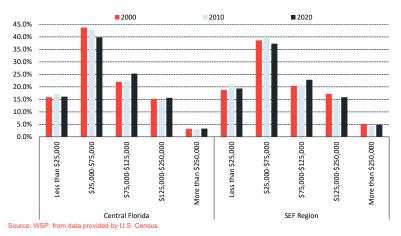
¹⁶ Florida Department of Economic Opportunity, "Employment Projections", https://floridajobs.org/workforce-statistics/data-center/statistical-programs/employment-projections





FIGURE 2-6 HOUSEHOLD INCOME (THOUSANDS OF HOUSEHOLDS, INCOME BRACKET IN 2021 DOLLARS)

brightline



While the number of households earning less than \$25,000 a year rose in 2010, which was likely due to the 2008 Recession, the number has declined since but not to the 2000 levels. The percentage of households in the lowest income bracket was higher in Southeast Florida than in Central Florida, with the difference being about three percent between 2000-2020. On the opposite end, the number of households earning over \$250,000 a year in Central Florida has increased while the number in Southeast Florida dropped slightly. While Southeast Florida has had a higher percentage of households in the highest income bracket, such percentage has dropped from 5.1 percent to 4.8 percent.

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27

2.5 TRANSIT-ORIENTED DEVELOPMENT

Transit-oriented development (TOD) is a core community development practice that includes a mix of uses between housing, office, retail space and/or amenities integrated into a walkable neighborhood and located within approximately a half-mile of public transportation. Transit-oriented development has become increasingly important in urban planning and the focal point of local and municipal efforts, as TODs provide better access to jobs and housing for people of all ages and incomes, which helps to enhance connectivity for area residents and businesses, leading to better accessibility to jobs, businesses, residential and commercial districts, and schools.

Local governments in Florida have increasingly adopted TOD in their comprehensive plans, land development codes, and development review processes, with the long-term goal of transforming Florida's existing auto-oriented largely suburban patterns of development into more compact, livable patterns that support walking, biking, transit, and shorter-length auto trips. The focus on TOD is a key element of the scenario planning analysis included in both the 2045 Southeast Florida Regional Transportation Plan (RTP) and the MetroPlan Orlando 2045 Metropolitan Transportation Plan (MTP). Both long-term plans highlight the importance of development and densification around transit corridors and consider a future scenario with strong population and employment growth within TODs.

By definition, TOD is expected to produce and attract a larger number of transit trips with origin/destinations in the vicinity of transit stops/stations. WSP included an analysis of the potential effects of TOD on Brightline ridership both in the short term (2019 to 2023) and long term (2023 to 2035).

For the short-term analysis, WSP accessed publicly available online datasets maintained by cities along the Brightline alignment, as well as by real estate websites such as LoopNet, and compiled a list of new development built or planned within 0.5 miles from each Brightline station. The threshold of 0.5 miles is generally considered as the maximum radius for TOD around a station or transit stop. The increase in trips linked to TOD was calculated by multiplying the total gross floor area (GFA) of new development for each Brightline station by an average daily trip generation rate of 10 new daily trips per 1,000 SF of GFA¹⁸. Available information on planned development is relatively limited, so the daily trip generation rate used here is an average among values suggested for residential and office buildings, to indicate the likely mixed-development nature of these plans. The trip generation rate applies to all modes of travel and as such is treated as an increase in the overall addressable market.

The long-term analysis accounted for the future scenarios described in the 2045 Southeast Florida RTP and the MetroPlan Orlando 2045 MTP. Both long-term plans identify one scenario of intense development around major transit corridors, with the majority of future growth in population and employment taking place near stations. WSP considered an average of all scenarios described in these two long-term plans and assumed a 50 percent increase in trips linked to TOD within 0.5 miles from all the Brightline Stations except for Orlando Airport, because that station location's specific characteristics are not suitable for TOD.

Table 2-7 shows the degree to which travel by all modes is expected to increase in coming years because of TOD in the areas immediately adjacent to Brightline stations. TOD is expected to accelerate in the later years of the forecast. From 2019 to 2023, the number of trips made by all modes of travel from the areas immediately adjacent to Brightline stations (other than at Orlando Airport, where TOD is not assumed to occur) ranges from an increase of 0.2% in Boca Raton to an increase of 6.6% in West Palm Beach due to TOD. This growth is additional to the background socioeconomic growth of the region. From 2023 to 2035, the modeled growth in trips by all modes from these areas due to TOD is 50% at all stations except Orlando Airport. These additional trips are considered a part of Brightline's addressable market, and are allocated to different modes of travel through the ridership model, as is the case with all other trips in the addressable market.

¹⁸ ITE, Trip Generation Manual, 9th Edition, 2012, https://trid.trb.org/view.aspx?id=1222542





TABLE 2-7: TOD-RELATED INCREASE IN TRAVEL NEAR BRIGHTLINE STATIONS

STATION	TOD-RELATED INCREASE IN TRAV	TOD-RELATED INCREASE IN TRAVEL WITHIN 0.5 MILES FROM THE STATION							
	from 2019 to 2023 (percent increase)	from 2023 to 2035 (percent increase)							
Miami	5.7%	50.0%							
Aventura	6.0%	50.0%							
Fort Lauderdale	1.5%	50.0%							
Boca Raton	0.2%	50.0%							
West Palm Beach	6.6%	50.0%							
Orlando Airport	0.0%	0.0%							

2.6 TRAVEL AND TOURISM

WSP analyzed tourism and business travel data from Visit Florida, the official tourism marketing corporation for the state of Florida. According to the latest pre-pandemic data from Visit Florida, visitation has been growing strongly in the state for the past nine years, at about 5.3 percent a year. In 2019, the state welcomed 131.4 million overnight visitors, a 3.4 percent increase from the prior year. Due to the COVID-19 pandemic, visitations dropped by 39.6 percent to 79.3 million, a ten-year low, in 2020, before increasing by 54.6 percent to 122.4 million in 2021. Figure 2-7 shows historical visitation to the state from 2010-2021.

While 2021 totals remained 6.6 percent lower than 2019 visitations, The Economic Estimating Conference of the Florida Office of Economic and Demographic Research forecast places 2022 visitation totals at 133.1 million, a higher level than 2019. This forecast is supported by Visit Florida data from the final two quarters of 2021, when total visitation surpassed 2019 pre-pandemic levels and domestic visitation reached the highest level in state history. The Conference forecasts continued strong visitation growth past 2022, with projected 4.7 percent annual growth from 2022 to 2031. Canadian and overseas visitation is projected by the Conference to not return to 2019 levels until 2028. However, domestic visitation is expected to more than compensate for the lagging recovery in Canadian and overseas visitation. Figure 2-8 shows visitation forecasts to the state for 2022-2031, with 2021 actual visitor estimates included for comparison purposes.

¹⁹ Florida Economic Estimating Conference, "Long-Run Tables", Dec. 2021, http://edr.state.fl.us/content/conferences/fleconomic/floridaeconomicresultslongrun.pdf

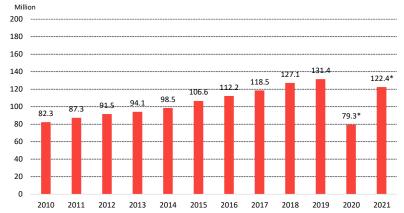


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Brightline Ridership and Revenue Study - April 2022

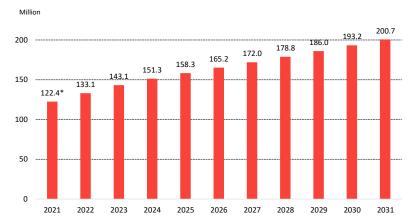


FIGURE 2-7: HISTORICAL TRENDS IN FLORIDA VISITATION: 2010-2021



Source: WSP, 2021 with data provided by Visit Florida, 2021. *Data for 2020 and 2021 is preliminary and subject to revision.

FIGURE 2-8: FLORIDA VISITATION FORECAST: 2022-2031



Source: Economic Estimating Conference of the Florida Office of Economic and Demographic Research, 2021. *Data for 2021 represents 2021 actual visitation estimates from Visit Florida, for comparison purposes.

Robust employment is needed to support the strong tourism and business travel industry in Florida. Figure 2-9 shows travel related employment between 2015 and 2021, as well as projected leisure and hospitality employment from 2022 - 2025. The growth in visitation was supported by a 35 percent increase in travel related employment





between 2010 and 2019, which is about 3.4 percent annually, peaking at 1.25 million jobs by 2019. Even with the COVID-19 pandemic causing a 39.6 percent drop in spending in this sector, employment only dropped by 20.3 percent. The Economic Estimating Conference of the Florida Office of Economic and Demographic Research forecast on leisure and hospitality employment, which was compiled in July 2021, shows some further declines in 2021, though we anticipate this is slightly conservative, as visitation numbers in the latter half of 2021 substantially rose. The forecast projects employment reaching pre-pandemic 2019 levels in 2024.20

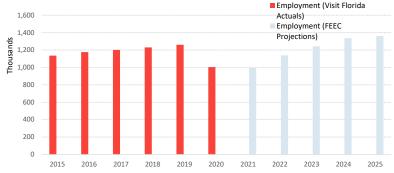


FIGURE 2-9: TRAVEL RELATED EMPLOYMENT IN FLORIDA

Source: WSP, 2021 with data provided by Visit Florida and Florida Economic Estimating Conference, 2021

2.7 DOMESTIC VISITATION

In 2019, over 114.5 million domestic out-of-state visitors traveled to Florida, an all-time high and an increase of 2.5 percent from 2018. Based on survey data collected by Visit Florida between 2013-2017, 92 percent of all domestic visitors traveled to the state for leisure activities, mostly during the spring and summer months. Domestic business travelers primarily visited Central Florida (40 percent), followed by Southeast Florida (21 percent). Table 2-8 details the main purpose of visitors' trips by type of trip. Changes in the way the COVID-19 pandemic have impacted travel in the area are explored in Section 6.1.2 of this report.

²⁰ Florida Economic Estimating Conference, "Long-Run Tables", Dec. 2021, http://edr.state.fl.us/content/conferences/fleconomic/floridaeconomicresultslongrun.pdf 31



Brightline Ridership and Revenue Study - April 2022



TABLE 2-8: DOMESTIC VISITORS MAIN TRIP PURPOSE

PURPOSE	2013	2014	2015	2016	2017	AVERAGE
Leisure	89%	90%	93%	93%	93%	92%
General Vacation	38%	40%	38%	38%	39%	39%
Visit Friends/Relatives	26%	25%	26%	25%	25%	25%
Getaway Weekend	10%	11%	13%	13%	10%	11%
Special Event	8%	8%	8%	9%	10%	9%
Other Leisure/Personal	7%	6%	7%	8%	8%	7%
Business	11%	10%	7%	7%	7%	8%
Transient Business	5%	4%	4%	2%	4%	4%
Convention/Seminar/Meeting	6%	5%	3%	5%	3%	4%
Source: WSP 2021 with data provide	d by Visit Fla	rida 2017				

In terms of origin, the states of Georgia, New York, and Texas accounted for the largest number of domestic visitors to Florida in 2017. The average age of domestic leisure visitors to Florida in 2017 was 49.6. The largest percentage (27 percent) of visitors to Florida were ages 50 to 64, following by ages 35 to 49 (26 percent).

According to the Florida Economic Estimating Conference, rapid recovery and growth in domestic visitation to the state is forecast to exceed the rates for overall visitation: a 2.8 percent decrease in visitation between 2020 and 2021 is followed by a 35 percent increase in 2022, with domestic visitation numbers recovering to a higher level than 2019. The Conference forecasts continued strong domestic visitation growth, with projected 4.2 percent annual growth from 2022 to 2031. This growth is expected to support similar recovery and growth rates for employment in the tourism and travel sectors, with a 3.6 percent decrease in employment between 2020 and 2021 followed by a 41.2 percent increase in 2022, and a 3.8 percent annual growth rate for 2022-2031

2.8 CANADIAN VISITATION

The top market for international visitors to Florida is Canada, with 3.5 million visiting Florida in 2019. According to the 2013-2017 visitor data, Canadian visitors primarily traveled to the state for leisure (88 percent) and stayed for an average of 21.2 nights. Most arrived in Florida via plane (73 percent), while over one fourth made the trip by car (26 percent).

The Florida Economic Estimating Conference forecasts a major pandemic-related drop in visitors from Canada between 2019 and 2021 due to continued pandemic border closures and travel restrictions. This is followed by a rapid, partial recovery in 2022, with total Canadian visitation numbers 48.0 percent of those in 2019. The Conference forecasts continued visitation growth of 9.4 percent annually from 2022 to 2031, with numbers recovering to pre-pandemic levels in 2028.

2.9 OVERSEAS VISITATION

In 2019, 10.8 million visitors arrived from other international (non-Canada) destinations. These visitors were primarily travelling to the state on vacation or holiday (75 percent) and stayed for an average of 11 nights, similar to length of stay in 2014 (10.7). Trip purpose for visitors by year is detailed in Table 2-9.





TABLE 2-9: INTERNATIONAL VISITORS MAIN TRIP PURPOSE

PURPOSE	2014	2015	2016	2017	AVERAGE			
Vacation/Holiday	74%	74%	73%	75%	74%			
Visit Friends/Relatives	12%	12%	13%	13%	13%			
Business	6%	7%	6%	6%	6%			
Conference/Convention/Trade	5%	5%	5%	4%	5%			
Other	3%	3%	4%	3%	3%			
Source: WSP, 2021 with data provided by Visit Florida, 2017								

According to the Florida Economic Estimating Conference forecast, a 75.1 percent decrease in overseas visitation between 2020 and 2021, due to continued pandemic border closures and travel restrictions. In 2022, there is a partial recovery, with total overseas visitation numbers 39.5 percent of those in 2019. The Conference forecasts continued visitation growth of 11.9 percent annually from 2022 to 2031 with numbers recovering to pre-pandemic levels in 2028. Overall growth between 2020 and 2031 is higher than the rate for Canadian travelers, but lags growth in domestic visitations.

2.10 ADDRESSABLE MARKET GEOGRAPHY FOR BRIGHTLINE

Addressable market geography, or catchment area, for the Brightline service was determined based on the proposed station locations in Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach, and Orlando. Based on WSP's review of literature concerning the usage of similar services elsewhere, the catchment area was set to encompass an area within a 45-minute drive of a Brightline station. Since Brightline usage becomes less attractive as trips have endpoints that are further away from the stations (and thus access and egress times and costs go up), in practice, most trips using Brightline have endpoints much closer to the stations than to the edges of the catchment areas. This is particularly true for short-distance trips, as the access and egress times and costs make up a greater proportion of the overall trip time and cost.

In Central Florida, the catchment area encompasses Seminole County, Orange County, and parts of Osceola County in the Greater Orlando area. In Southeast Florida, the catchment area includes parts of Miami-Dade County, Broward County, and Palm Beach County.

Figure 2-10 and Figure 2-11 show the average auto travel time from various points in Southeast and Central Florida to the nearest proposed Brightline station. Because the ridership model takes into account access and egress cost and time and because the model was calibrated to survey data on the distance between stations and origins/destinations, the predicted likelihood of Brightline usage is much higher for trips that begin and end close to Brightline stations.

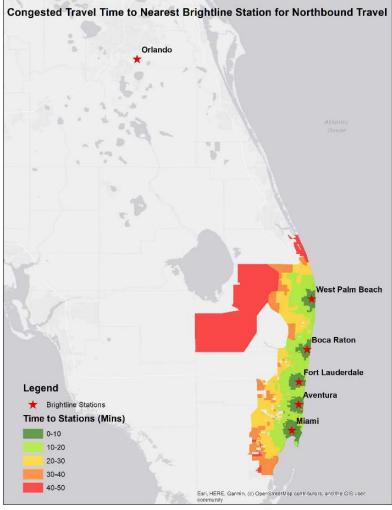


33

Brightline Ridership and Revenue Study - April 2022



FIGURE 2-10 AVERAGE AUTO TRAVEL TIME TO NEAREST BRIGHTLINE STATION - NORTHBOUND



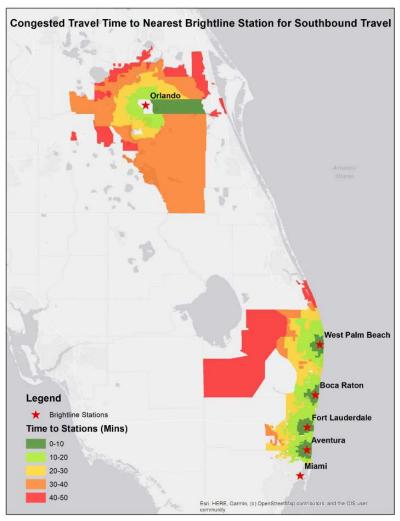
Source: WSP analysis of Replica, 2022





FIGURE 2-11 AVERAGE AUTO TRAVEL TIME TO NEAREST BRIGHTLINE STATION - SOUTHBOUND

brightline



Source: WSP analysis of Replica, 2022



35



One of the key inputs to the mode choice model used to develop the Brightline ridership and revenue forecast is the size of the total addressable market for the proposed service. The total addressable market:

- Considers all trips within the addressable geographical market (Section 2.10) that can be logically served
 by the proposed Brightline long- and short- distance service
- · Includes all existing modes of travel (i.e. auto, rail, bus, taxi/TNC, air)
- Includes all market segments (visitors, residents) and trip purposes (business, leisure)
- · Considers travel party size and composition

This section provides a description of the existing modes of travel between the city pairs for long- and short-distance trips as well as an account of mode-specific historical, current, and future market sizes. The existing market size estimates for each mode form the basis of the trip tables for the base year, while future sizing is based on the estimated annual growth rates.

Travel between Central and Southeast Florida currently takes place by car, bus, rail, and air. Within Southeast Florida, travel takes place by car, bus, rail, and taxi/TNC. **Table 3-1** and **Table 3-2** show a comparison of the various travel alternatives available for travel between city pairs, with information on travel time, cost, frequency, reliability, and comfort. The modes other than Brightline face significant constraints on their growth: auto and bus travel are limited by significant congestion and roadway capacity limitations in Florida including on Florida's Turnpike, Tri Rail and Amtrak growth are limited by government funding, and travel by plane is limited by the cost and availability of landing slots.





TABLE 3-1 TRAVEL ALTERNATIVES BY CITY PAIR AND MODE, LONG-DISTANCE

ROUTE	TRAVEL MODE	TRAVEL TIME (APPROX.)	TRAVEL COST (APPROX., 2021\$)	FREQUENCY (PER DIRECTION)	RELIABILITY	COMFORT
	Brightline	3.5 hours	\$90-125	Every 0.5-1h	High	High
	Auto	4 - 5 hours	\$45-70 ²¹		Medium	Medium
Orlando -	Amtrak	5.5 hours	\$50-200	2 per day	Low	Medium
Miami	Air	2.5 - 3 hours*	\$150	16 per day	Medium	Low
	Bus	4.5 hours	\$40	16 per day	Medium	Low
	Taxi/TNC	4 - 5 hours	\$225-295		Low	Medium
	Brightline	3 hours	\$80-110	Every 0.5-1h	High	High
	Auto	3.5 - 5 hours	\$40-65 ²²		Medium	Medium
Orlando – Fort	Amtrak	4.5 - 5 hours	\$50-200	2 per day	Low	Medium
Lauderdale	Air	2.5 - 3 hours*	\$90	7 per day	Medium	Low
	Bus	4 hours	\$30	17 per day	Medium	Low
	Taxi/TNC	3.5 - 5 hours	\$205-260		Low	Medium
	Brightline	2 hours	\$70-100	Every 0.5-1h	High	High
Orlando –	Auto	3 - 4 hours	\$30-50 ²³		Medium	Medium
West Palm	Amtrak	4.5 hours	\$40 - 200	2 per day	Low	Medium
Beach	Bus	3.5 hours	\$40	8 per day	Medium	Low
	Taxi/TNC	3 - 4 hours	\$170-225		Low	Medium

Source: WSP analysis of Brightline, Amtrak, Wanderu, Uber, Lyft, and auto Google data, 2021.

Note: *Air travel times include 90 minutes to account for airport arrival and security times

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37

Brightline Ridership and Revenue Study - April 2022



TABLE 3-2 TRAVEL ALTERNATIVES BY CITY PAIR AND MODE, SHORT-DISTANCE

ROUTE	TRAVEL MODE	TRAVEL TIME (APPROX.)	TRAVEL COST (2021\$)	FREQUENCY	RELIABILITY	COMFORT
	Brightline	1.25 hours	\$40	Every 0.5-1h	High	High
West Palm	Auto	1.5 hours	\$15-35		Medium	Medium
Beach -	Tri Rail	1.5 - 2 hours	\$8.75	25 per day	High	Medium
Miami	Bus	N/A	N/A	N/A	N/A	N/A
	Taxi/TNC	1.5 hours	\$70-115		Medium	Medium
	Brightline	0.75 hours	\$30	Every 0.5-1h	High	High
West Palm	Auto	1 hour	\$10-20		Medium	Medium
Beach – Fort	Tri Rail	1 hour	\$6.25	25 per day	High	Medium
Lauderdale	Bus	N/A	N/A	N/A	N/A	N/A
	Taxi/TNC	1 hour	\$50-80		Medium	Medium
	Brightline	0.5 hours	\$20	Every 0.5-1h	High	High
Fort	Auto	0.5 hours	\$5-15		Medium	Medium
Lauderdale – Miami	Tri Rail	0.75 hours	\$5	25 per day	High	Medium
- wiami	Bus	0.75 hours	\$2.65	10 per day	Low	Low
	Taxi/TNC	0.5 hours	\$36-70		Medium	Medium

Source: WSP analysis of Brightline, Tri Rail, Broward County Transit, Miami-Dade Transit, Uber, Lyft, and auto Google data, 2021

3.1 AUTO

Auto is the prevalent mode of travel within Southeast Florida and the dominant mode of travel between Southeast and Central Florida. Two primary auto routes collect a significant majority of traffic between Southeast Florida and Central Florida – Florida's Turnpike and I-95. While Florida's Turnpike is faster and more direct, it is a toll road, whereas I-95 is a free route. The two other highway routes between the two regions – US-27 and I-75 – add one and two hours respectively to the travel time between the two regions. Florida's Turnpike is primarily used for longer-distance trips between Southeast and Central Florida, whereas I-95 and US-27 can be used for Southeast and Central Florida trips but are primarily used for more local trips (as well as by travelers avoiding tolls on the Turnpike).

Southeast Florida has a dense and often significantly congested highway network, but Florida's Turnpike and I-95 remain the major north-south arteries connecting the three Southeast Florida cities under discussion in this report. Other north-south arteries are either signaled (US-1, US-441) or further inland (SR-826, I-75, Florida's Turnpike Homestead Extension).

3.1.1 HISTORICAL AND CURRENT MARKET SIZE

Historical traffic counts on Florida's Turnpike and I-95 at points in between Southeast Florida and Central Florida have shown significant growth over the past decades.²⁴ Traffic on Florida's Turnpike represents about 80 percent of

²⁴ Data extracted from FDOT Florida Transportation Information (FTI). fti_1999.mdb- fti_2019.mdb Access datasets requested through https://www.fdot.gov/statistics/trafficdata traffic team email: co-fti@dot.state.fl.us



²¹ Using the auto travel cost assumptions discussed elsewhere in the report, the fuel and wear-and-tear cost of driving an auto from Miami to Orlando is approximately \$45, whereas the comparable cost from West Palm Beach to Orlando is approximately \$30. Furthermore, many trips will use Florida's Turnpike, for which the toll is approximately \$20 between Miami and Orlando. Many trips will also use other regional toll roads (for example the Sawgrass Expressway), or the tolled express lanes on I-95.

²² See above.

²³ See above.



the total traffic volume between Central and Southeast Florida. WSP identified two counter stations on Florida's Turnpike between West Palm Beach and Orlando that are representative of the traffic traveling on the Turnpike between Central and Southeast Florida. Traffic on these stations had grown at a 3.5 percent a year from 2005 to 2019, with a slight decline during the years of the recession.

The traffic on I-95 represents about 20 percent of the total traffic volume traveling between Central and Southeast Florida. The traffic counter selected for I-95 is in St. Lucie, FL – an intermediate point between the main urban areas of Orlando and West Palm Beach. The data indicated an average annual traffic growth of approximately 1.7 percent from 2005 to 2019. Annual average daily traffic (AADT) counts at four counters on the major roads connecting Southeast Florida and Central Florida, including the two counters discussed above, are shown in **Figure 3-1** and **Figure 3-2**.

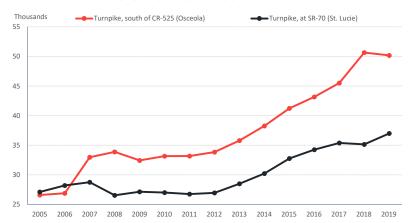


FIGURE 3-1: FLORIDA'S TURNPIKE HISTORICAL AADT COUNTS

Source: WSP analysis of data from FDOT

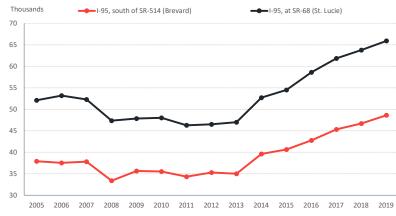


39





FIGURE 3-2: I-95 HISTORICAL AADT COUNTS



Source: WSP analysis of data from FDOT

Traffic flows between Central and Southeast Florida on the Turnpike and I-95 are characterized as follows:

- Day of week patterns Between 2012-2019, weekends had the busiest day at all four counters, with average traffic on being at least 11.7 percent above the average day. Wednesdays and Thursdays were the least busy days at all four counters. The prominence of weekends is particularly pronounced on Saturdays. At the Turnpike counters, Saturday traffic counts were 23.9 percent above the average day and on 1-95, Saturday traffic were 17.6 percent above average. Furthermore, the Turnpike counters exhibit directionality on the weekends. In 2019, 24.0 percent more traffic was observed on Saturdays in the northbound direction than southbound while 21.1 percent less traffic was observed on Mondays in the northbound direction than southbound.²⁵ Similar, but much more muted, effects are seen on 1-95.
- Time of day patterns From investigating hourly traffic counter data from June 2016, various counters on I-95 and the Turnpike appear to behave with fairly idiosyncratic travel patterns by time of day. The St. Lucie County counter on Florida's Turnpike peaks at roughly midday every day of the week in both directions of travel. The St. Lucie County counter on I-95 displays traditional peaking (with weekday peaks in the morning and afternoon, and weekend peaks at midday), but traffic levels appear higher at the afternoon weekday peak in both directions than in the morning peak. The Osceola County counter on Florida's Turnpike displays traditional peaking, with weekday morning peak traffic heading northbound, and weekday afternoon peak traffic heading southbound. At all counters, the highest-traffic hours tend to each represent roughly 8.5 percent of daily traffic.

²⁵ Directional traffic counts from site 97-0421 are not available from FDOT. Site 97-9913 directional percentage data is reported instead.





Type of vehicle – In 2020, in Port St. Lucie, the Turnpike counts were split into approximately 82 percent
autos, 14 percent heavy trucks, and 4 percent medium trucks, and I-95 counts were split into approximately
83.5 percent autos, 12 percent heavy trucks, and 4.5 percent medium trucks. On US-27 in Lake Placid,
approximately 80 percent of vehicles were autos, with 13.5 percent heavy trucks and 6.5 percent medium
trucks.

Accurately evaluating historical traffic growth within the three Southeast Florida cities is more complex, since there are a significant number of potential origins and destinations in between the three main cities and therefore an important number of local trips that cannot be accurately accounted for. In order to gain an insight of the number of historical trips, WSP investigated traffic counters between the three Southeast Florida cities on both 1-95 and Florida's Turnpike, using FDOT's Florida Traffic Online web portal. The AADTs at the four counters are shown in Figure 3-3 and Figure 3-4. From 2005 to 2019, traffic grew more quickly at both Florida's Turnpike counter sites (1.4 percent on average) than at the 1-95 counters (0.6 percent on average), a pattern which can be explained by a combination of growing incomes in Southeast Florida and capacity issues on 1-95. Traffic counts on both main routes, however, indicate an upward trajectory.

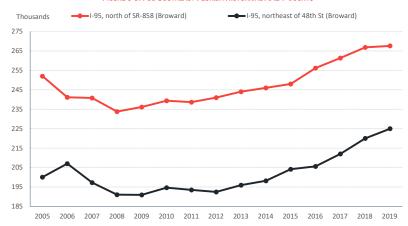


FIGURE 3-3: I-95 SOUTHEAST FLORIDA HISTORICAL AADT COUNTS

Source: WSP analysis of data from FDOT

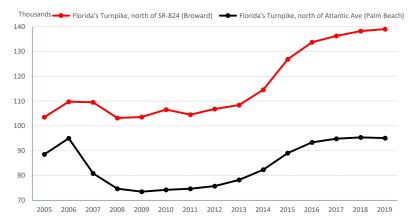
²⁶ FDOT, "2020 Historical AADT Report; Site 9961 – SR-91, S of Neptune Rd/CR525", https://tdaappsprod.dot.state.fl.us/fto/reports/HISTAADT_2020/979961_2020.pdf.



Brightline Ridership and Revenue Study - April 2022



FIGURE 3-4: FLORIDA'S TURNPIKE SOUTHEAST FLORIDA HISTORICAL AADT COUNTS



Source: WSP analysis of data from FDOT

WSP relied on data from Replica, a third-party provider of origin-destination and travel time data, to establish the size of the current auto market for both long- and short- distance trips. Replica is a data platform developed from a nationwide activity-based travel model. It provides comprehensive mobility data for each trip including origin, destination, distance, duration, start time, primary mode, trip purpose, etc. It also provides demographic information like age, race, household income and vehicle ownership. This dataset included all trips between origin and destination zones within Florida, for all U.S. Census Tracts – this zonal structure and level of precision was used in the WSP ridership model, and thus the entire ridership study.

The Replica dataset represents movements by all modes of travel. Since the vast majority of trips within Florida are made by auto, the counts of travel by auto and counts of travel by all modes are highly similar. As such, Replica figures are presented in this section as if all trips in the Replica dataset were made by auto – the Brightline ridership model subtracts out all trips made by other modes in calculating the actual number of trips made by auto.

In order to ensure that the data is representative of the auto market within the addressable market geography for Brightline, WSP had to perform the following adjustments to the Replica data:

- Deduct trips made using other modes of travel so that the data represents auto trips only, using the existing
 market size estimates for each mode described earlier in this section.
- Reducing the number of trips by 12 percent to account for the purpose of travelers who need to use a car for
 either intermediate stops during their trips or for onward travel. This figure was sourced from the stated
 preference survey discussed in Chapter 4. These travelers are considered captive to travel by auto and as
 such are not considered a part of Brightline's addressable market.
- Reducing the number of trips by a further 8.8 percent to account for and remove person-trips made by
 drivers of trucks this share was estimated using traffic counts sourced from various relevant traffic
 counters on I-95, Florida's Turnpike, and US-27.





Increasing the number of trips by 4.6 percent because of seasonality and day-of week effects. The Replica
dataset represents travel movements for an average Thursday and Saturday in September to November
2019. Since the base year of WSP's ridership model represents the average day in 2019, a seasonality and
day-of-week adjustment needed to be made. This adjustment was estimated using traffic counts sourced
from various relevant traffic counters on I-95, Florida's Turnpike, and US-27.

Table 3-3 shows the resulting annual travel counts.

TABLE 3-3 ADDRESSABLE MARKET 2019 - ESTIMATED ANNUAL PERSON TRIPS (ROUNDED)

		AVENTURA	FORT LAUDERDALE	BOCA RATON	WEST PALM BEACH	ORLANDO AIRPORT		
From/To	Miami	205,120,000	53,352,000	12,332,000	9,255,000	12,180,000		
	Aventura		148,397,000	18,660,000	8,473,000	3,632,000		
	Fort Lauderdale			129,302,000	22,680,000	9,664,000		
	Boca Raton				97,222,000	3,225,000		
	West Palm Beach					5,831,000		
-	Total Short	704,793,000						
	Total Long	34,532,000						
٦	Total (Both)	739,325,000						

Source: WSP analysis of Replica data, 2022

Table 3-4 shows the share of trips in the addressable market that are made by residents, visitors, or individuals whose home location is not known, separately for the short- and long-distance travel market.

TABLE 3-4 LONG-DISTANCE CITY PAIR O-D SHARES

DISTANCE TYPE	RESIDENT	VISITOR	UNKNOWN
Long-Distance	52%	45%	3%
Short-Distance	92%	2%	5%

Source: WSP analysis of Replica data, 2022

3.1.2 GROWTH FORECAST

In order to estimate future growth for the long-distance auto travel market, WSP developed an econometric model of traffic on Florida's Tumpike. The model used historical monthly AADT counts for the 2001-2019 period for a traffic counter station located at a point north of Okeechobee Road/SR-70 on Florida's Tumpike. The economic variables considered included local and regional population, employment, number of households, income, and gas prices obtained from Moody's Analytics and U.S. Energy Information Administration (EIA). Seasonal variation by month of year was also taken into account in the model development. This monthly count data also partially served as a validation of the long-distance origin-destination trip estimates provided by Replica.

The traffic model specification was evaluated by comparing fitted versus actual traffic over the recent historical period going back to January of 2001 as shown in **Figure 3-5**. The differences between fitted and actual model results are statistically small enough to provide confidence in the model's ability to map key drivers to actual traffic levels. **Figure 3-6** presents the historical observed and forecast traffic of Central – Southeast Florida's Turnpike



Brightline Ridership and Revenue Study - April 2022



Traffic. Traffic at the counter grew at 2.4 percent annually on average between 2001 and 2019. The econometric model forecasts a 1.5 percent average annual growth between 2019 and 2045. This econometric model was used to grow long-distance auto trips in WSP's ridership model.

FIGURE 3-5 FLORIDA'S TURNPIKE TRAFFIC MODEL PERFORMANCE (ACTUAL VS. FITTED - MONTHLY)

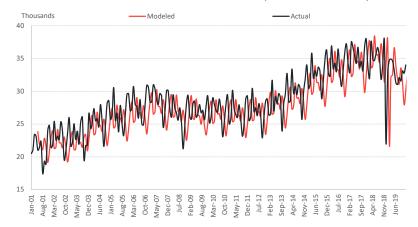
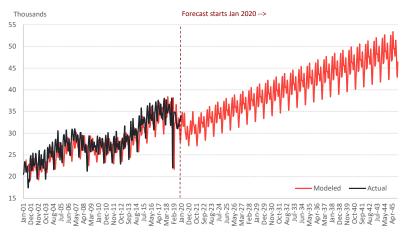


FIGURE 3-6 ECONOMETRIC ANALYSIS AND PROJECTION OF FLORIDA'S TURNPIKE TRAFFIC (MONTHLY)







In a separate model, a related exercise was conducted to forecast the trips on Florida's Turnpike, I-95, and US-27. A weighted average of the traffic is created as another proxy for long-distance trips between Southeast and Central Florida. WSP assumed that 85 percent of trips on the Turnpike are long-distance Southeast and Central Florida trips, whereas 30 percent of trips on I-95 and 50 percent of trips on US-27 are long-distance Southeast and Central Florida trips. Site locations of the traffic counters were:

- Turnpike: north of Okeechobee Road/SR-70
- I-95: SR-9/I-95, south of SR-514 in Brevard County
- I-27: SR-25/US-27, south of SR-60, S OF Owens Road in Polk County

The results of the second model are depicted in **Figure 3-7** and **Figure 3-8**. Over the analysis period between 2012 and 2019, the average annual growth rate of the weighted traffic count was 4.2 percent. As with the previous model, the results account the forecast of socioeconomic variables such as employment, gasoline prices, and income. The outputs generated a forecast of 1.9 percent average annual growth in traffic volumes for long-distance trips between Southeast and Central Florida. This model was used as confirmation that the econometric model used to grow long-distance auto trips in WSP's ridership model is reasonable and robust.

FIGURE 3-7 LONG-DISTANCE TRAFFIC MODEL PERFORMANCE (ACTUAL Vs. FITTED - MONTHLY)

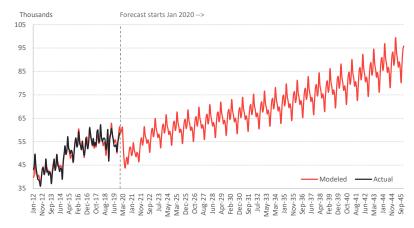


45

Brightline Ridership and Revenue Study - April 2022



FIGURE 3-8 ECONOMETRIC ANALYSIS AND PROJECTION OF LONG-DISTANCE TRAFFIC (MONTHLY)



Growth estimates for the short-distance market are based on the growth rates modeled in the Southeast Florida Regional Planning Model (SERPM), maintained by the Florida Department of Transportation. This regional planning model estimates a 0.9 percent annual growth rate for travel in the Southeast Florida region, broadly in line with regional employment and population growth forecasts discussed in Sections 2.2 and 2.3.

3.2 INTERCITY BUS (COACH)

A number of private companies offer intercity coach buses between Central and Southeast Florida. These trips can take approximately 4-6 hours depending on stops and there is currently existing service between the Orlando metro and Miami, Fort Lauderdale, and West Palm Beach.

3.2.1 HISTORICAL AND CURRENT MARKET SIZE

The private intercity bus operators currently serving the Central-Southeast Florida market include Greyhound, FlixBus, RedCoach, Megabus, and Jet Set Express. WSP estimated an average of 46 daily departures per direction between Central and Southeast Florida in 2019 based on published bus schedules of all the operators listed above.

To estimate volumes, WSP reviewed public schedules for 2021 from bus company websites or travel aggregators. The number of riders was estimated using daily buses from Central Florida to the Miami, Fort Lauderdale, and West Palm Beach areas. WSP assumed an average of 10 passengers per vehicle and an O-D distribution pattern similar to that of the rail travel market. The estimates were then slightly lowered to account for annual growth between 2019 and 2021. The 2019 daily volumes presented in **Table 3-5**. Bus ridership has roughly remained at the same levels between Central and Southeast Florida over the past 10 years, with little change in the number of buses between the regions. While some intercity buses do have more local stops within Southeast Florida that could more directly serve Boca Raton, estimated ridership is speculative for these more local stops, and ridership was grouped to Miami, Fort Lauderdale, and West Palm Beach.





TABLE 3-5: ESTIMATED DAILY INTERCITY LONG-DISTANCE BUS PERSON TRIPS

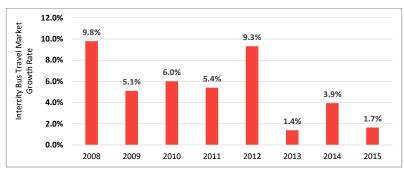
	CITY PAIR	2019 TRIPS	2019 ANNUALIZED TRIPS
	Orlando to Miami	200	73,000
C	Orlando to Fort Lauderdale	160	58,400
Oı	rlando to West Palm Beach	80	29,200
	Total	440	160,600

Source: WSP, 2021

3.2.2 GROWTH FORECAST

Future-year bus ridership volumes were estimated by applying growth rates obtained from the Chaddick Institute for Metropolitan Development at DePaul University, which monitors intercity bus travel patterns across the country.²⁷ Based on the Institute's most recent estimates, published in 2015, an initial surge in intercity bus travel growth observed after 2007 slowed – as shown in **Figure 3-9**.

FIGURE 3-9 HISTORICAL GROWTH IN INTERCITY BUS TRAVEL IN THE UNITED STATES



Source: WSP analysis of data from the Chaddick Institute, 2016

Reports and analysis published in the years after 2015 point to two opposing forces in the Florida market and nationwide industry: supply was growing before the COVID-19 pandemic along major routes, with RedCoach and FlixBus entering the Florida market and Megabus adding frequency to existing routes. However, overall capacity

²⁷ Chaddick Institute for Metropolitan Development at DePaul University, "The Remaking of the Motor Coach: 2015 Year in Review of Intercity Bus Service in the United States", 2016, <a href="https://las.depaul.edu/centers-and-institutes/chaddick-institute-for-metropolitan-development/research-and-publications/Documents/2015%20Year%20in%20Review%20of%20Intercity%20Bus%20Service%20in%20the%20United%20States.pdf



47

Brightline Ridership and Revenue Study - April 2022



had gone down, with a marked reduction in nationwide schedules and routes offered by Greyhound. Furthermore, as ridership plummeted during the COVID-19 pandemic, the intercity bus industry received very limited federal relief funds, unlike the airline, rail, and transit sectors, suggesting that the industry may have difficulty recovering from the reduced ridership and revenue numbers seen during the pandemic. Taking these forces into account, WSP applied the lower, 1.7 percent CAGR seen in 2015 to estimate future-year bus ridership.

3.3 SHORT-DISTANCE BUS (TRANSIT)

Within Southeast Florida, three public agencies operate local and express bus services linking station pairs between West Palm Beach, Boca Raton, Fort Lauderdale, Aventura, and Miami.

Additionally, two private operators, Palmland Bus Lines and Miami Port Express, offer limited intercity services along the corridor, with Palmland offering twice weekly service and Miami Port Express offering shuttle service between Fort Lauderdale Airport and Port Miami. These are excluded from analysis, due to their limited schedules and/or limited ridership and schedule data.

For the public bus routes serving the corridor, possible alternative transit routes for short-distance Brightline pairs were selected for analysis based on the following criteria:

- Lines selected have station stops within a 15-minute driving distance of a pair of Brightline stations, per Google Maps data
- Travel times calculated reflect end-to-end travel time from bus stop to bus stop, with the bus stop nearest to
 the Brightline station selected at each end

Table 3-6 summarizes the daily trip totals in both directions between each of the station pairs in Southwest Florida.

TABLE 3-6: LOCAL BUS RIDERSHIP AND FARES BY STATION PAIR (2021\$)

STATION PAIRS	OPERATOR(S)	DAILY TRIPS	ANNUALIZED TRIPS	FARE
West Palm Beach / Boca Raton	Palm Trans	1,193	435,445	\$2.00
Boca Raton / Fort Lauderdale	Broward County Transit	1,425	520,125	\$2.00
Fort Lauderdale / Aventura	Broward County Transit	510	186,150	\$2.00
Fort Lauderdale / Miami	Broward County Transit Miami-Dade Transit	1,720	627,800	\$2.65
Aventura / Miami	Miami-Dade Transit	4,438	1,619,870	\$2.25
Subtotal		9,285	3,389,025	

Source: WSP analysis of public bus schedules and fares





For the Fort Lauderdale / Miami route, Broward County Transit (BCT) and Miami-Dade Transit operate express routes along 1-595 and 1-95, with BCT's 595 Express Routes 114 and 110 included in this analysis, along with MDT's Route 95 Express Dade/Broward service. These routes each offer approximately 10 rush hour buses per day per direction and attract a total of approximately 1,720 riders per day. This service has experienced strong growth – as of 2014, the service carried only approximately 1,000 riders per day (average annual daily basis from BCT reports).

3.4 TAXI/TNC

Uber and Lyft are widely available in Miami, Fort Lauderdale, and West Palm Beach. A ride from Miami to Fort Lauderdale costs approximately \$35 to \$70 with Uber (before tipping), depending on a variety of factors such as time of day, availability of drivers, and the prevalence of special occasions or events that might lead to surge pricing, where a multiplier is applied to the base fare in response to high demand. Both Uber and Lyft were offering shared rides with significant savings for travelers until 2019 but had to interrupt this service during the COVID-19 pandemic. Uber started reintroducing shared rides under their "Uber X Share" pilot program in Miami in November 2021

The growth of Uber has been relatively fast in South Florida: it only took about 5 months for Miami to achieve 7,500 driver partners, compared 20 months for Los Angeles. In addition, the South Florida market MSA is one of the leading MSAs for trips per driver (Hall & Krueger, 2015). In terms of the number of trips provided within South Florida, the Citizens for Improved Transit reported in a 2015 article that Uber provided over 5 million rides after operating for slightly more one year from its launch in 2014. Given the growth trajectory of UberX driver partners, this estimate is probably much lower than the current number of annual trips provided to the region (CIT, 2015).

Traditional taxis are widely available across Southern Florida as well. For reference, a ride from Miami to Fort Lauderdale would cost approximately \$70 to \$80 plus tip.

3.5 LONG-DISTANCE RAIL (AMTRAK)

The rail travel market analyzed in this study is separated into long- and short-distance markets. Amtrak provides services for the long-distance market, from Miami to Orlando twice a day (one train takes approximately 5 hours, and the second takes approximately 7.5 hours, as it travels via Tampa). The Amtrak service makes 11 stops between Miami and Orlando, including Fort Lauderdale and West Palm Beach. In Miami, the Amtrak station is in Hialeah, approximately a 20-minute drive northwest of downtown. In Fort Lauderdale, the Amtrak station is on the west side of 1-95, approximately a 10-minute drive west of downtown. In West Palm Beach, the Amtrak station is a short walk from the Brightline station. In Orlando, the Amtrak station is downtown, approximately a 25-minute drive northwest from the airport.

3.5.1 HISTORICAL AND CURRENT MARKET SIZE

Boarding/alighting data for all Amtrak stations in Florida is presented in Figure 3-10, which shows ridership to, within, and from the state fluctuating between 800,000 and 1.25 million trips annually. The fluctuations around an overarching trend of growth between 2006 and 2012 reflect shifts in economic conditions as well as competitive dynamics overall in the intercity travel market (fuel prices, growth in intercity bus travel, etc.).

However, Amtrak ridership between Central and Southeast Florida is limited to only a relatively small portion of the total boardings estimates shown in **Figure 3-10**. WSP estimated the proportion of Central to Southeast Florida trips using 2008 Amtrak station-pair ridership data. The resulting count is approximately 52,900 trips in 2019, as shown in the city-pair breakdown in **Table 3-7**. The 2019 intercity trip estimate uses the 2008 passenger trip distribution with some adjustments to account for changes in Amtrak Florida station boardings.

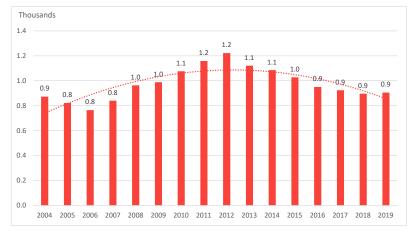


49

Brightline Ridership and Revenue Study - April 2022







Source: Florida Department of Transportation (FDOT) 2005, 2009, 2015-2019 Freight & Passenger Rail Plans; 2015 Multimoda Mobility Performance Measures Source Book.

3.5.2 GROWTH FORECAST

WSP estimated future-year estimates of Amtrak ridership between Central and Southeast Florida by applying the compound annual growth rate of Amtrak Florida stations boardings between 2005 and 2019, resulting in a CAGR of 0.7 percent, as shown in **Table 3-7**.

TABLE 3-7 HISTORICAL AND FUTURE AMTRAK PASSENGER VOLUMES

CITY PAIR	2008	2019	2045	CAGR
Orlando - West Palm Beach	10,338	10,663	12,769	0.70%
Orlando - Fort Lauderdale	9,946	11,017	13,192	0.70%
Orlando - Miami	15,762	13,663	16,361	0.70%
Orlando - Aventura	8,562	8,180	9,796	0.70%
Orlando - Boca Raton	8,665	9,349	11,196	0.70%
Total	53,273	52,873	63,313	0.70%

Source: WSP analysis of data from Amtrak and FDOT

3.6 SHORT-DISTANCE RAIL (TRI RAIL)

The short-distance rail market within Southeast Florida is primarily served by Tri Rail, a commuter rail line managed by the SFRTA connecting Miami and West Palm Beach, making a total of 18 station stops over 72 miles.





The system has five stations in Miami-Dade County, seven in Broward County, and six in Palm Beach County, as shown in Figure 3-11. This service runs 15 times a day per direction. The Tri Rail system's stations are located outside of the downtown areas of Fort Lauderdale and Miami, where Brightline's stations are located. In all three cities, shuttle connections are provided to the airports. In Miami, connection is available to Metrorail at the Metrorail Transfer station, whereas in Fort Lauderdale and West Palm Beach, Amtrak and Tri Rail share a station. Tri Rail's southernmost station is near the Miami airport, approximately a 20-minute drive northwest of downtown. A planned extension of the Tri Rail system will offer direct connectivity from Miami International Airport to Brightline's Miami Central Station. This study does not consider any impacts from this planned extension.



FIGURE 3-11: TRI RAIL SYSTEM MAP

Source: Tri Rail

Figure 3-12 shows annual Tri Rail system ridership obtained from the Tri Rail monthly operation statistics and the National Transit Database (NTD). System ridership grew at an annualized rate of 2.4 percent between 2010-2019, although that rate of growth has slowed in the latter years to about 1.0 percent annually between 2015-2019. This slowdown in ridership matches with observed trends on a variety of local and commuter transit services across the same time period.



51





FIGURE 3-12: TRI RAIL SYSTEM RIDERSHIP



Source: WSP analysis of data from National Transit Database

While Figure 3-12 shows the ridership of the entire Tri Rail system, the ridership model only took into account Tri Rail ridership that used stations close enough to Brightline stations such that the two systems could reasonably serve as alternatives. These stations, which are nearby the West Palm Beach, Boca Raton, Fort Lauderdale, Aventura, and Miami Brightline stations respectively, were:

- Mangonia Park, West Palm Beach, and Lake Worth
- · Delray Beach, Boca Raton, and Deerfield Beach
- · Cypress Creek, Fort Lauderdale, Fort Lauderdale Airport, and Sheridan Street
- · Hollywood, Golden Glades, Opa-locka, and Metrorail Transfer
- Hialeah Market and Miami Airport

3.6.1 GROWTH FORECAST

WSP examined the 2018 Tri Rail On-Board Survey Final Report, which included on-board and platform intercept origin and destination survey for Tri Rail that can be used to determine the portion of Tri Rail ridership traveling between the cities to be served by Brightline. The survey indicated that approximately 75 percent of total ridership has both an origin and destination in the central city locations to be served by Brightline. **Table 3-8** presents the estimate of applicable Tri Rail ridership by city pair. The 2045 estimates reflect the growth implied by the trend presented in **Figure 3-12**, with a lower rate (1.34%) than the annualized rate of 2.4 percent between 2010-2019 to reflect the slowing of growth in the latter years.





TABLE 3-8: CURRENT AND PROJECTED DAILY SHORT-DISTANCE TRI RAIL TRIPS

CITY PAIR	2019	2045	CAGR
West Palm Beach - Boca Raton	593,256	837,801	1.34%
West Palm Beach - Aventura	313,561	442,814	1.34%
Miami - West Palm Beach	216,197	305,315	1.34%
Miami - Fort Lauderdale	343,496	485,088	1.34%
Miami - Boca Raton	144,837	204,540	1.34%
Fort Lauderdale - West Palm Beach	442,977	625,576	1.34%
Fort Lauderdale - Boca Raton	460,514	650,342	1.34%
Fort Lauderdale - Aventura	429,370	606,360	1.34%
Aventura - Boca Raton	270,019	381,324	1.34%
Aventura - Miami	125,485	177,211	1.34%
Total	3,339,712	4,716,370	1.34%

Source: WSP analysis of data from Tri Rail, 2021

3.7 AIR

Air travel is available at two airport pairs for travel from Southeast Florida to Central Florida. From Orlando International Airport (IATA airport code MCO), flights are available to Fort Lauderdale-Hollywood International Airport (IATA code FLL – via Spirit and Silver Airways) and Miami International Airport (IATA code MIA – via American and Delta). Currently, no flights from Central Florida are available to Palm Beach International Airport (IATA code PBI).

3.7.1 HISTORICAL AND CURRENT MARKET SIZE

Air travel volumes for the long-distance travel market were derived using data obtained from the Federal Aviation Authority (FAA) 10 percent sample of tickets and corroborated against the Orlando International Airport air traffic reports published by Greater Orlando Aviation Authority (GOAA). WSP compiled and reviewed historical data from the FAA 10 percent sample of tickets database. These data were used to trace historical volumes of air travel between each of the city pairs that offer air travel.

Historical air traffic data going back twenty years in **Figure 3-13** show a general decline in air passenger volumes between Central and Southeast Florida, largely accelerated by the additional airport security requirements instituted after the events of September 11, 2001, followed by the economic recession of 2008. Between 2000 and 2019, the passenger volumes declined at -1.5 percent per year on average, while the recovery from the recession has resulted in a 11.0 percent annual growth since 2014. **Figure 3-13** also shows that since 2000, air passenger traffic between

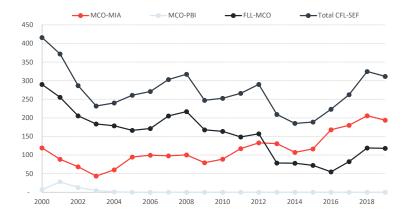


Brightline Ridership and Revenue Study - April 2022



Orlando (MCO) and Miami (MIA) has steadily grown (at 2.8 percent a year) while the volumes of trips between MCO and FLL have steadily declined (at ~4.6 percent a year), and trips between MCO and PBI have declined to zero. In 2000, passenger volume between Orlando and Miami was less than half of that of the volume between Fort Lauderdale and Orlando. Since 2012, the trend has reversed, and the Central and Southeast Florida airline travel has been dominated by passengers between Orlando and Miami.

FIGURE 3-13 ANNUAL AIR TRAFFIC VOLUME BETWEEN CENTRAL AND SOUTHEAST FLORIDA



Source: FAA 10 Percent Tickets Database, 2021

Table 3-9 shows the change in trip volumes between 2010 and 2019 by airport pair in both annual and daily terms.

TABLE 3-9 ANNUAL AIR PASSENGER VOLUMES, FAA 10 PERCENT TICKET SAMPLE

CITY PAIR	2010	2015	2019	CAGR
Orlando (MCO) - West Palm Beach (PBI)	40	0	0	-
Orlando (MCO)- Fort Lauderdale (FLL)	163,500	72,100	117,950	-3.6%
Orlando (MCO)- Miami (MIA)	88,900	116,450	193,520	9.0%
Total	252,440	188,550	311,470	2.4%

Source: FAA 10 Percent Tickets Database, 2021

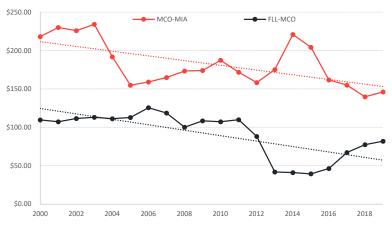
Figure 3-14 presents the average one-way air fares for both the Orlando-Miami and Orlando-Fort Lauderdale markets in 2021 dollars estimated from the FAA database of tickets. This figure shows that the cost of air travel between all city pairs has declined over time. In particular, the cost between Orlando and Miami has dropped at -2.1 percent a year and the cost of travel between Orlando and Fort Lauderdale declined at -1.5 percent a year.



Brightline Ridership and Revenue Study - April 2022



FIGURE 3-14 AVERAGE ONE-WAY AIR FARES (2021\$)



Source: FAA 10 Percent Tickets Database, 2021

3.7.2 GROWTH FORECAST

WSP estimated the future growth of the Central to Southeast Florida travel market based on the FAA's Terminal Area Forecasts (TAF) for all three airports (MCO, FLL and MIA). TAF is the official forecast of aviation activity at U.S. Airports and are econometrically driven demand-side forecasts.

Figure 3-15 compares Central to Southeast Florida air passenger volumes against the volume of total enplanements at the three airports. The figure shows that the share air passenger traffic between Central and Southeast Florida has been declining (at -1.5 percent a year) relative to the total volume of air passenger enplanements at all three airports (which grew at 2.5 percent a year). The study team applied this trend of declining shares to the TAF projected growth in enplanements at all three airports.

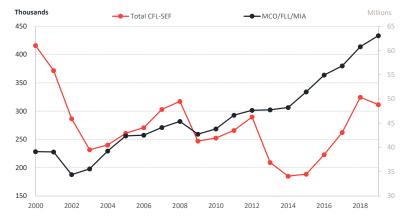


55

Brightline Ridership and Revenue Study - April 2022



FIGURE 3-15 COMPARISON OF AIR TRAFFIC VOLUMES



Source: FAA Terminal Area Forecast, 2021

The resulting volume of air passenger traffic between Central and Southeast Florida was further segmented to distinguish between travel to Fort Lauderdale and Miami. **Table 3-10** presents the estimates of air passengers in the Brightline service travel market. The resulting air passenger volumes in the Central to Southeast Florida market grow at 0.7 percent, which is less than a quarter of the rate projected for total enplanements of study area airports of 2.6 percent. This positive growth is attributed to growth observed within the Orlando-Miami city pair.

TABLE 3-10 ESTIMATES OF AIR PASSENGERS IN THE BRIGHTLINE SERVICE TRAVEL MARKET

CITY PAIR	2010	2015	2019	2045	CAGR
Orlando (MCO)- Fort Lauderdale (FLL)	163,500	72,100	117,950	55,699	-3.0%
Orlando (MCO)- Miami (MIA)	88,900	116,450	193,520	262,122	3.1%
Central Florida – Southeast Florida	252,400	188,550	311,470	317,821	0.7%
Total Enplanements (MCO/FLL/MIA)	43,830,778	51,467,415	63,072,401	107,433,335	2.6%
Percent of Enplanements	0.6%	0.4%	0.5%	0.3%	

Source: WSP analysis of data from FAA

3.8 COMPETING FUTURE IMPROVEMENTS

The Transportation Improvement Program (TIP) and the Long Range Transportation Plan (LRTP) from MPOs in Southeast Florida and Central Florida provide information on planned and funded future roadway and transit improvements, covering Miami-Dade, Broward, Palm Beach, Seminole, Orange, and Osceola counties. WSP





reviewed and summarized the TIP and LRTP from Miami-Dade TPO²⁸, Broward MPO²⁹, Palm Beach TPA³⁰, and MetroPlan Orlando (Seminole, Orange, and Osceola counties).³¹

While various roadway widening projects are planned for the region, they are not expected to be sufficient to reverse the long-term trend of increasing roadway congestion in Florida. Notably, many of the roadway improvements planned in Florida are the extensions or openings of priced managed lanes, which can provide somewhat quicker trips than free routes, but at a high toll cost. In general, the review of the various MPO plans indicates that Brightline's long-term mobility position is not expected to be significantly disrupted by planned and funded competing projects. WSP considered the improvements listed in this section in its forecast of future travel times for competing alternatives to Brightline, as well as future travel times for station access and egress.

Figure 3-16 illustrates the funded projects included in the 2021 TIP and 2045 LRTP of Miami-Dade TPO that occur on corridors that can potentially compete with the Brightline corridor. Of note is the expansion of the I-95 Express Lanes – into Broward County, to the Broward County/Palm Beach County line in the 2020-2025 period, and further into Palm Beach County in the 2036-2045 period. Furthermore, various widening projects are scheduled on Florida's Turnpike in all three counties, as illustrated in Figure 3-17 and Figure 3-18. Tables listing each of the improvements can be found in Appendix 3. In its assessment of the growth of auto travel times in the future, which is a key input into the ridership model, WSP included an understanding that roadway widenings would continue to occur along roadways that compete with Brightline, as well as along roadways that cat as access/egress routes to and from Brightline stations.

³² Notably, roadway widenings have a mixed-at-best record of reducing congestion – generally speaking, building additional capacity induces more travel demand that can partially counter, or in some cases even more than negate, the time savings created by the additional capacity.



57

Brightline Ridership and Revenue Study - April 2022



FIGURE 3-16: MIAMI-DADE TPO TRANSPORTATION PROJECTS



Two further potential transportation improvement projects in the Miami metro area were not evaluated in this ridership study:

• SFRTA is planning to extend Tri Rail commuter rail service to the Miami Central Station.³³ This extension would not only connect Tri Rail ridership directly to downtown, but also link Tri Rail directly to Brightline service. This report does not consider the potential impacts of this extension of Tri Rail service. Brightline believes the Tri Rail connection will be beneficial for intercity rail ridership since it will allow easier access to and egress from Miami Central Station for intercity trips, especially for people living in more western portions of the Miami metro area.

³³ SFRTA, "Tri Rail Downtown Miami Link Service" 2021, https://www.tri-rail.com/pages/view/downtown-miami-link



²⁸ Miami-Dade TPO: https://miamidade2045lrtp.com/

²⁹ Broward

MPO:https://www.browardmpo.org/images/WhatWeDo/2045_MTP/MTP_Final_Report_Amendment_01_0128202_l.pdf

³⁰ Palm Beach TPA: https://www.palmbeachtpa.org/static/sitefiles/LRTP/2045LRTP.pdf

³¹ MetroPlan Orlando: https://metroplanorlando.org/plans/metropolitan-transportation-plan/



FIGURE 3-18: PALM BEACH TPA TRANSPORTATION PROJECTS



The Orlando Metropolitan Transportation Plan (MTP) provides information on the future roadway and transit improvements for the greater Orlando region, including widening projects on the Turnpike that could potentially compete with the Brightline corridor. These projects are illustrated in Figure 3-19.



• In February 2022, commuter rail rights along Florida East Coast Railway were sold by Brightline to an affiliate.³⁴ This commuter service, along with any possible infrastructure improvements to allow more capacity along the railway, is not considered in this study. Again, as owner of the commuter rights, Brightline and its affiliates support development of the commuter service because Brightline believes the service will be beneficial for intercity rail ridership since it will allow easier access to and egress from Brightline's stations for intercity trips.

FIGURE 3-17: BROWARD MPO TRANSPORTATION PROJECTS



³⁴ The Next Miami, "Brightline Affiliate Pays \$245M for Access Rights to Build Miami-Dade, Broward Commuter Rail System", 2022



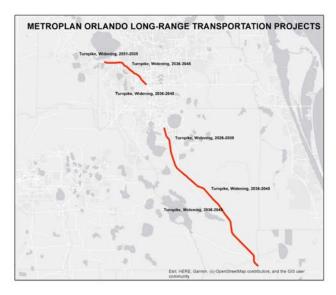


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3.9 BRIGHTLINE ADDRESSABLE MARKET SUMMARY

The preceding sections described volumes, origin-destination patterns, and prospects for growth, by mode, for travel between the cities and regions to be served by Brightline passenger rail service. Brightline will supplement these existing modes of with a new service that provides advantages in terms of direct city-center to city-center service, integration with existing transit services, reduced travel time, reliability, comfort, and convenience.

The overall travel market that constitutes a base of potential customers for Brightline can be summarized as follows.



TABLE 3-11 ADDRESSABLE MARKET 2019 – ESTIMATED ANNUAL PERSON TRIPS (ROUNDED)

		AVENTURA	FORT LAUDERDALE	BOCA RATON	WEST PALM BEACH	ORLANDO AIRPORT
From/To	Miami Central	205,120,000	53,352,000	12,332,000	9,255,000	12,180,000
	Aventura		148,397,000	18,660,000	8,473,000	3,632,000
	Fort Lauderdale			129,302,000	22,680,000	9,664,000
	Boca Raton				97,222,000	3,225,000
	West Palm Beach					5,831,000
Total Short		704,793,000				
Total Long			34,532,000			
Т	otal (Both)		739,325,000			

Source: WSP analysis of Replica data, 2022

- Over 94,000 daily person-trips (34 million annually) by residents and visitors between the catchment areas in Central Florida and Southeast Florida
 - o 99 percent of these trips currently occur by auto via Florida's Turnpike, I-95, or US-27
 - 1 percent of these trips utilize direct air service between Orlando and Miami or Orlando and Fort Lauderdale
 - Existing Amtrak rail services and bus services serve less than 1 percent of the existing travel market
- Over 1.9 million daily person-trips (705 million annually) by residents and visitors between Miami, Aventura, Fort Lauderdale, Boca Raton, and West Palm Beach
 - 99 percent of these trips currently occur by auto via Florida's Turnpike, I-95, US-1, or other regional roadways
 - o Less than 1 percent of these trips utilize local bus services
 - Less than 1 percent of these trips utilize existing commuter rail service that serves local stops between Miami and West Palm Beach

The trip table was further assessed based on trip characteristics, including travel party size and the business/non-business share of trips, as outlined below.

3.9.1 TRIP CHARACTERISTICS

3.9.1.1 PARTY SIZE

Information on travel party size in Florida was available from three sources:

- A comparison of Replica person travel counts against vehicle counts on the Turnpike, I-95, and US-27
- The stated preference (SP) survey (see detailed discussion in Section 4.2.2)
- Data from Visit Florida





Replica and vehicle counts: Since traffic counts collected by FDOT on the Tumpike, 1-95, and US-27 are in vehicle terms, and the origin-destination dataset collected from Replica is in person terms, it is possible to calculate an implied vehicle occupancy for travel between Southeast Florida and Central Florida. In order to conduct this analysis, trucks were removed from the traffic counts. The resulting implied vehicle occupancy is 2.2, which is within the range of expected occupancies for regional travel. This result provides confidence in the overall travel market figures provided by Replica for Southeast Florida to Central Florida travel.

SP survey: Respondents to the SP survey for both long-distance and short-distance trips reported reference trips with the following party size characteristics, as detailed in Table 3-12.

TABLE 2 42.	SD SHDVE	V DADTY SIZE	_ A.I. De	FEDERICE TRIPS

TRIP DISTANCE	1 TRAVELER	2 TRAVELERS	3 TRAVELERS	4 OR MORE TRAVELERS
Long-Distance	23%	26%	22%	29%
Short-Distance	24%	24%	17%	35%

Visit Florida: Survey data gathered by Visit Florida in 2017 suggests that the average travel party size for domestic visitors to Florida was two, with 43 percent of travel parties consisting of two persons, followed closely by solo travelers (36 percent). Trips taken by visitors between Central and Southeast Florida and within Southeast Florida would thus be expected to have smaller party sizes when compared to all trips.

TABLE 3-13: DOMESTIC VISITORS TO FLORIDA - PARTY SIZE

	1 TRAVELER	2 TRAVELERS	3 OR MORE TRAVELERS
Domestic Visitors to Florida	36%	43%	21%

Source: Visit Florida, 2017

3.9.1.2 BUSINESS/NON-BUSINESS TRAVEL SHARE

The trip table was further segmented into business trips and non-business trips. A different share of business trips was estimated for each station pair. Development of these segment-specific shares relied on origin-destination survey results compiled in the 2012 All Aboard Florida Ridership and Revenue Study (LBG/WSP 2012) for both short- and long-distance trips, as well as national estimates for long-distance trips based on the 2001 National Household Transportation Survey (NHTS), the latest source of data on national long-distance trips and trip purpose. These two sources are summarized in Table 3-14.



63

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Brightline Ridership and Revenue Study - April 2022



TABLE 3-14: TRIPS BY PURPOSE - SURVEY RESULTS

	TRIP PURPOSE	SHORT-DISTANCE	LONG-DISTANCE	LONG-DISTANCE NHTS
	Leisure/recreation/social	39.2%	46.8%	55.5%
	Personal business (trip made or personal, family, religious, or medical reasons)	22.7%	27.2%	12.6%
	Go to/from work or school	11.6%	3.3%	12.7%
	Go to/from an airport	7.3%	1.3%	
	Non-Business Total	80.8%	78.6%	80.8%
	Company business	12.6%	14.5%	15.9%
C	Combination of business and leisure	3.4%	4.6%	
	Business/Business and Leisure Total	16.0%	19.1%	15.9%
20	Other	3.1%	2.3%	3.4%

Source: LBG/WSP 2012; NHTS, 2001

These survey results suggest that business travelers account for 12 to 16 percent of all trips taken nationally, with this range rising to 16 to 19 percent when accounting for travel that combines both business and leisure (e.g., a flight into a destination for a Friday business meeting that's combined with weekend sightseeing). This is confirmed by the 2021 intercept survey, which showed that 15.1 percent of long-distance travelers were business travelers. Additionally, the results suggest that the business travel share for long-distance travel is greater than that for short-distance travel. WSP combined these results with regional travel model data for Southeast and Central Florida, Visit Florida data for out-of-state visitors, data from Visit Florida's local partners on both in-state and out-of-state visitors, and an assessment of large business travel destinations (such as central business districts and convention centers) in relation to Brightline station locations to arrive at station pair-specific business/non-business shares in the addressable market. These are presented in Table 3-15.

A substantial amount of in-state business travel links the economies within Southeast Florida and Drlando, as business meetings, client meetings, and general business contribute to travel demand. Additionally, the Miami Beach Convention Center in Miami and Orange County Convention Center in Orlando attract large volumes of business travelers. Data from the Greater Miami Convention and Visitors Bureau suggest that conventions at the Miami Beach Convention Center are a particular draw for in-state business travel, with



Brightline Ridership and Revenue Study - April 2022



conventions accounting for 25 percent of all business trips to Miami by Florida residents in 2019.³⁵ Of the Fortune 500, 18 companies are headquartered in Florida, foremost including Publix (#87).³⁶

Extensive business links between Southeast Florida and Orlando and other states further contribute to out-of-state business travel demand, and WSP has assumed a higher expected business share for segments to and from the Orlando International Airport, as airport access travelers from outside of Florida contribute to Brightline demand. Based on the survey data outlined above, these long-distance airport access travelers would have a higher expected business traveler share.

 $^{^{36}}$ The Center Square, "18 companies headquartered in Florida made Fortune 500 list", 2020, https://www.thecentersquare.com/florida/18-companies-headquartered-in-florida-made-fortune-500-list/article_49ce313a-a5fe-11ea-8d81-a7200ece8c19.html



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Brightline Ridership and Revenue Study - April 2022



TABLE 3-15: BUSINESS TRAVEL SHARE IN ADDRESSABLE MARKET BY STATION PAIR

All Pairs 84% 16% MIA - AVE 86% 14% MIA - FTL 85% 15% MIA - BOC 84% 16% MIA - WPB 83% 17% MIA - MCO 81% 19% AVE - FTL 86% 14% AVE - BOC 86% 14% AVE - WPB 86% 14% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - WPB 86% 19% BOC - WPB 86% 14% BOC - MCO 82% 18%	STATION PAIR	LEISURE %	BUSINESS %
MIA - FTL 85% 15% MIA - BOC 84% 16% MIA - WPB 83% 17% MIA - MCO 81% 19% AVE - FTL 86% 14% AVE - BOC 86% 14% AVE - WPB 86% 14% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - WPB 84% 16% FTL - WPB 86% 14% BOC - WPB 86% 14% BOC - MCO 82% 18%	All Pairs	84%	16%
MIA - BOC 84% 16% MIA - WPB 83% 17% MIA - MCO 81% 19% AVE - FTL 86% 14% AVE - BOC 86% 14% AVE - WPB 86% 14% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - WPB 84% 16% FTL - WPB 86% 14% BOC - WPB 86% 14% BOC - MCO 82% 18%	MIA - AVE	86%	14%
MIA - WPB 83% 17% MIA - MCO 81% 19% AVE - FTL 86% 14% AVE - BOC 86% 14% AVE - WPB 86% 14% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - WPB 84% 16% FTL - MCO 81% 19% BOC - WPB 86% 14% BOC - MCO 82% 18%	MIA - FTL	85%	15%
MIA - MCO 81% 19% AVE - FTL 86% 14% AVE - BOC 86% 14% AVE - WPB 86% 14% AVE - MCO 82% 18% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - WPB 84% 16% BOC - WPB 86% 14% BOC - MCO 82% 18%	MIA - BOC	84%	16%
AVE - FTL 86% 14% AVE - BOC 86% 14% AVE - WPB 86% 14% AVE - MCO 82% 18% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - WPB 84% 16% BOC - WPB 86% 14% BOC - MCO 82% 18%	MIA - WPB	83%	17%
AVE - BOC 86% 14% AVE - WPB 86% 14% AVE - MCO 82% 18% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - MCO 81% 19% BOC - WPB 86% 14% BOC - MCO 82% 18%	MIA - MCO	81%	19%
AVE - WPB 86% 14% AVE - MCO 82% 18% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - MCO 81% 19% BOC - WPB 86% 14% BOC - MCO 82% 18%	AVE - FTL	86%	14%
AVE - MCO 82% 18% FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - MCO 81% 19% BOC - WPB 86% 14% BOC - MCO 82% 18%	AVE - BOC	86%	14%
FTL - BOC 86% 14% FTL - WPB 84% 16% FTL - MCO 81% 19% BOC - WPB 86% 14% BOC - MCO 82% 18%	AVE - WPB	86%	14%
FTL - WPB 84% 16% FTL - MCO 81% 19% BOC - WPB 86% 14% BOC - MCO 82% 18%	AVE - MCO	82%	18%
FTL - MCO 81% 19% BOC - WPB 86% 14% BOC - MCO 82% 18%	FTL - BOC	86%	14%
BOC - WPB 86% 14% BOC - MCO 82% 18%	FTL - WPB	84%	16%
BOC - MCO 82% 18%	FTL - MCO	81%	19%
	BOC - WPB	86%	14%
	BOC - MCO	82%	18%
WPB - MCO 82.0% 18.0%	WPB - MCO	82.0%	18.0%

Source: WSP, 2021

Whereas **Table 3-15** discusses the share of business travel in the addressable market, a higher percentage of Brightline trips are expected to be business trips. This is a function of travelers on business trips exhibiting greater willingness to pay for improved mobility, as is discussed in further detail in Chapter 4.

The following sections describe the portion of the addressable market that are likely to choose Brightline service for travel.



³⁵ Greater Miami Convention & Visitors Bureau, "2019 Visitor Industry Overview", https://www.miamiandbeaches.com/getmedia/414b53a1-6b69-4eae-91f2ed4585389a58/2019 Visitor Industry Overview 051320.aspx?ext=.pdf



4.0 STATED PREFERENCE SURVEY AND MODE CHOICE MODEL

4.1 OVERVIEW OF METHODS

The demand for Brightline service was estimated through a process that involved two distinct phases:

- Primary market research via a stated preference survey. Data describing the travel patterns, behavior and
 attitudes of existing and potential users of the service were collected through surveys. These data were used
 to develop mathematical models of mode choice preferences, which in turn estimate travelers' comparative
 preferences for various modes of travel, travel time savings, costs, station distances, and headways. These
 results are an input to the ridership model for its estimation of how many travelers will choose Brightline
 service in the future.
- Travel demand model development. A travel demand model was constructed for all Brightline station pairs in this study. Service attributes of the various mode alternatives serving both markets were compiled and interacted with mode choice models to generate market share estimates under both build and no build conditions, thereby providing estimates of to the future usage of Brightline service. This model was calibrated to the existing usage of various model of travel (including rail, bus, and air), and was further calibrated to observed usage of Brightline service between Miami and West Palm Beach in 2019.

4.2 STATED PREFERENCE SURVEY OVERVIEW

WSP conducted a stated preference (SP) survey of travelers in Southeast and Central Florida during October 2021 to help understand potential demand for Brightline intercity rail and mobility services. Following the current state-of-the-practice, SP survey data is used to understand how individuals (or groups of individuals) value different attributes of a transportation choice including time, cost, and mode-specific characteristics such as on-board comfort and seamless door-to-door service. The resulting SP survey data were used to estimate mode choice models for different market segments that represent how travelers choose between available modes and how they respond to changes in fares. The model choice models are key inputs in the travel demand model that was used to forecast Brightline ridership and revenues.

The survey was administered in three different ways.

- Intercept WSP intercepted travelers at five locations in Central and Southeast Florida and asked whether they would be willing to participate in a travel survey. Locations were Orlando International Airport, the Fort Drum Florida Turnpike rest stop, Fort Lauderdale International Airport, Miami International Airport and PortMiami. A total of 1,501 in-person surveys were collected over a two-week period in October 2021 using this approach. About 46.7 percent of respondents were Southeast Florida residents, 11.1 percent were Greater Orlando residents, 5.5 percent were Greater Tampa residents, 2.1 percent were other Florida residents, and 25.7 percent were domestic visitors. The sample includes only 1.8 percent international visitors because a pandemic travel ban was in effect during the data collection period. 27 percent of the persons that participated in the intercept survey were Brightline customers.
- e-Panel The survey was distributed to members of an e-Panel residing in Southeast Florida, Greater
 Orlando, or Greater Tampa. The e-Panel, which is managed by a market research firm, is composed of
 persons who have expressed interest in participating in survey research and receive payment for their
 participation on a survey by survey basis. Input from a total of 1,831 residents was obtained using this
 approach. Respondents residing in Southeast Florida, Greater Orlando and Greater Tampa accounted for



67





- 53.9 percent, 23.7 percent, and 22.4 percent of the sample, respectively. 47.8 percent of the e-Panel respondents from Southeast Florida were Brightline customers.
- Brightline customer database Brightline distributed a link to the survey to its customers using the customer
 email addresses obtained for marketing purposes. A total of 1,104 surveys were collected using this
 approach. The majority of the respondents (77 percent) reside in Southeast Florida, 3.8 percent in Greater
 Orlando, 1.1 percent in Greater Tampa, 12.3 percent elsewhere in Florida, 4.8 percent elsewhere in the U.S.
 and 0.8 percent abroad.

The residential location of the survey participants in summarized below in Table 4-1.

TABLE 4-1: RESPONDENT PLACE OF RESIDENCE BY SURVEY ADMINISTRATION METHOD

PLACE OF RESIDENCE	INTERCEPT	E-PANEL	CUSTOMER DATABASE
Greater Miami	52%	54%	77%
Greater Orlando	11%	24%	4%
Tampa Bay Area	5%	22%	1%
Other Florida	2%	0%	12%
Domestic Visitors	25%	0%	5%
International Visitors	2%	0%	1%
No response	2%	0%	0%
Total	1,502	1,831	1,104

While not all respondents were presented with the same survey instrument, every survey included the following types of questions:

- Screening questions: Screening questions determine whether a person is qualified to participate in the survey.
 To participate in the stated preference mode choice exercise, respondents were required to be 18 years of age or older and to have traveled at least once within the past three months between an origin and destination pair that will be served by Brightline. The city pairs included in the survey include the following origin and destinations: Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach, Orlando, and Tampa.
- Reference trip: Qualified respondents were asked to provide information about a recent trip taken between a
 Brightline city pair. Information requested about the past trip included purpose, party size, and mode of
 transportation. The reference trip provides a realistic context for the stated choice exercise.
- Choice exercise: Participants were presented with six hypothetical choice scenarios that consisted of four
 options for travel between the reference trip city pair. For each scenario, respondents were asked to choose
 one option based on the information presented, including mode (i.e., car, bus, train, air and Brightline service
 with or without mobility service), cost, travel time, and (for public modes) frequency. The reference trip
 described above was used to frame the context of the hypothetical choice experiments.
- Demographics: Participants were asked to provide their age, gender, household size, household income, number of working adults, and number of motor vehicles in the household.

Combining the three survey administration methods, more than 4,400 surveys were collected. The following section presents the highlights of the data collected during the survey efforts.





4.2.1 PAST TRIP

Reference trip origin-destination pair – The large majority of the respondents to the e-Panel survey (82.6 percent) and the customer survey (79.3 percent) reported a reference trip between Southeast Florida and Central Florida, which is a long-distance trip. 41.8 percent of respondents to the intercept survey reported a long-distance trip. The remaining respondents reported a reference trip within Southeast Florida, which is a short-distance trip.

4.2.2 LONG-DISTANCE TRIPS (BETWEEN SOUTHEAST FLORIDA AND CENTRAL FLORIDA)

Trip purpose – Business trips accounted for 53.2 percent, 46.1 percent and 15.1 percent of the e-Panel, customer and intercept survey participants, respectively. The remaining trips are considered non-business (i.e., leisure trips, visiting family and friends, commuting, medical trip purposes). The results reflect two factors: Brightline's higher rate of capture for business travel than leisure travel and a survey design in the e-Panel and customer surveys that asked respondents to discuss their business travel in priority to their leisure travel, for sample size purposes.

Transportation mode – The majority of the e-Panel and the customer survey participants, 84.3 and 89.7 percent, respectively, made their reference trip by car. Intercept survey participants reported long-distance reference trips by car (38.3 percent), by air (56.4 percent) and by other modes (1.6 percent). The range of results reflect the high proportion of intercept surveys that were conducted within the Orlando, Fort Lauderdale, and Miami airports.

Party size—Solo travelers accounted for 19.5 percent, 22.3 percent and 29.8 percent of the e-Panel, customer and intercept survey participants, respectively. More than half of e-Panel respondents (57.6 percent) reported a party size of more than two. Among respondents to the marketing survey and the intercept survey, the percent of reference trips with party of more than two was 47.7 percent and 39.6 percent.

4.2.3 SHORT-DISTANCE TRIPS (WITHIN SOUTHEAST FLORIDA)

Trip purpose – Business trips accounted for 39 percent, 33.7 percent and 3.3 percent of the e-Panel, customer and intercept survey participants, respectively. The remainder of the reference trips were non-business trips. The results reflect three factors: the higher rate of participation in intercept surveys by non-business travelers relative to business travelers, Brightline's higher rate of capture for business travel than leisure travel and a survey design in the e-Panel and customer surveys that asked respondents to discuss their business travel in priority to their leisure travel, for sample size purposes.

Transportation mode – Most respondents reported short-distance reference trips by car: 86.5 percent of e-Panel respondents, 78.4 percent of customer survey respondents and 90.1 percent of intercept respondents. Tri Rail and TNCs accounted for 11.0 percent and 5.5 percent of short-distance reference trips reported in the intercept survey.

Party size – For short-distance reference trips, 25.6 percent, 39.0 percent and 19.2 percent of respondents to the e-Panel, customer and intercept survey, respectively, reported a solo reference trip. 25.6 percent of e-Panel respondents, 6.9 percent customer survey respondents and 42.1 percent of intercept survey respondents reported a party size of four or more persons.

4.2.4 STATED CHOICE EXERCISE

The purpose of the choice exercise was to explore the survey respondent's interest in various travel mode options, including Brightline, based on in-vehicle travel time, access time, frequencies, cost and other mode-specific attributes. The choice exercise is the principal section of the survey, and the resulting data is a significant input into the ridership model and thus the ridership forecast.

The choice exercise section started with a general introduction of the Brightline service between Southeast Florida, Orlando and Tampa. The overview did not present the Brightline travel time, headways and fare assumptions used



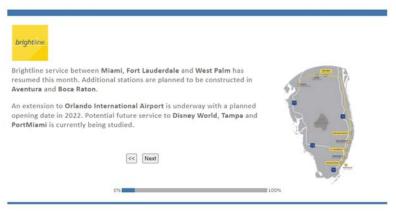
69

Brightline Ridership and Revenue Study - April 2022



in the study because the choice exercise that follows provides varying levels of these operating characteristics in each choice set. The introduction is followed by instructions about how to complete the choice exercise.

FIGURE 4-1 STATED PREFERENCE SURVEY INTRODUCTION SCREEN



As part of the exercise, each respondent was presented with 10 to 12 hypothetical choice sets. Each choice set included four of the following five main mode options:

- Brightline
- Auto (Personal Car for respondents who made the reference trip by car or who indicated that a car was
 available for their trip; Rental Car will be used for respondents who indicated that no car was available)
- Air (only for trips between Southeast Florida and Central Florida)
- Amtrak Train (only for trips between Southeast Florida and Central Florida)

Each mode option was described using all or some of the following characteristics or attributes:

- · Access time (for public modes only) time to travel to the main mode
- In vehicle travel time travel time in main mode
- · Frequency (for public modes only) number of trains, flights, buses per hour
- Cost fare(s) for public modes; gas, tolls, parking, and rental fee for rental car.

In each choice set, respondents were asked to choose between the four options. They were instructed to make the choice considering a trip with the same origin and destination pair as the reference trip and the same characteristics as that trip in terms of purpose and travel party. Responses provide insight into how travelers value the travel time savings, service frequency and amenities that Brightline offers while taking into account the characteristics of other available modes of travel.

To make the exercise more realistic, travel times and other service characteristics for existing modes were customized based on each respondent's origin and destination pair.





FIGURE 4-2 STATED PREFERENCE SURVEY HYPOTHETICAL CHOICE TASK EXAMPLE

Assuming the four options below are your only options to travel to Greater Orlando taking into account the circumstances of your trip (for instance, trip purpose, travel party), which option would you choose?



4.2.5 DEMOGRAPHICS

Socioeconomic characteristics: Respondents reported socioeconomic and demographic characteristics including age, gender, household size, household income, the number of working adults in the household, and the number of motor vehicles in the household. The median age of the respondents to the intercept, e-Panel and customer database surveys was 30 to 34, 35 to 39, and 55 to 64, respectively. The household income distribution of the e-Panel respondents closely matched that of the market area residents with about one quarter reporting a household income of at least \$100,000. Intercept respondents were more likely to have a higher household income, with more than one third of respondents having a household income of \$100,000 or more compared to one quarter of residents. This is expected because intercity travelers tend to have higher household incomes than the general population. Almost three quarters (72.4 percent) of respondents to the customer survey reported a household income of at least \$100,000.

4.2.6 OTHER QUESTIONS

Depending on the survey administration method, some respondents were asked additional questions, summarized as follows:

Brightline awareness: The large majority of e-Panel respondents from Southeast Florida and Greater Orlando had heard of Brightline before starting the survey (86.4 percent and 72.4 percent, respectively). More than half (55.5 percent) of the e-Panel respondents from Greater Tampa had heard about Brightline.

Support for Brightline: Of the e-Panel respondents who had heard of Brightline before participating in the survey, the majority favor Brightline: 67.4 percent of Southeast Florida respondents, 64.6 percent of Greater Orlando respondents and 58.3 percent of Greater Tampa respondents stated that they strongly favor or somewhat favor Brightline. Most of the remaining respondents did not have an opinion about Brightline with only 5.6 percent of respondents stating that they are opposed to Brightline.

Interest in Brightline: If Brightline would have been available for the reference trip, 76.4 percent of e-Panel respondents and 88.5 percent of customer database respondents would have definitely or probably considered using



7

Brightline Ridership and Revenue Study - April 2022



it. These responses are a significant input into the determination that 12% of trips made within Florida are autocaptive and as such are not a part of Brightline's addressable market.

First-mile/last-mile: Respondents to the e-Panel and customer database surveys who expressed interest in Brightline were asked how they would most likely have accessed the Brightline station closest to their origin to board the train if Brightline would have been available for that trip. Table 4-2 shows the percent of respondents (for both surveys combined) who selected each of the access modes. Respondents had the option to select more than one mode. Thirty percent of respondents selected the Brightline mobility service with private car and 18.6 percent selected the Brightline mobility service with shared car. Table 4-3 shows the percent of respondents who selected only one of the following station access modes: drive and park, drop-off, transit, Brightline mobility service, TNCs, taxi, walk; respondents who selected only micro-mobility modes (i.e., bike, scooter, moped) and respondents who selected at least one micro-mobility mode. Nine percent stated that they would only use the Brightline mobility service, while only 4.5 percent said they would only take TNCs. Table 4-4 and Table 4-5 show the same information for the station egress trip, which is the trip from the arrival Brightline station and the destination.

TABLE 4-2: SELECTED FIRST-MILE MODES

	HOUSEHOLD INCOME					
Modes	Total	Less than \$40K	\$40 - \$100K	\$100K+	Not disclosed	Total
Drive and park	1,274	49.3%	59.7%	52.1%	56.1%	54.4%
Dropped off by friend/family	800	37.1%	38.8%	27.8%	31.7%	34.1%
Transit	173	10.4%	6.5%	6.5%	6.1%	7.4%
Brightline ride service with private car	705	24.6%	30.4%	34.7%	24.4%	30.1%
Brightline ride service with shared van	436	16.1%	18.3%	22.8%	7.9%	18.6%
TNCs (e.g., Uber, Lyft)	548	19.6%	21.9%	26.6%	28.0%	23.4%
Taxi	114	3.9%	3.3%	8.0%	0.6%	4.9%
Walk	99	3.9%	2.6%	5.6%	6.7%	4.2%
Ride my bike	89	4.6%	3.5%	3.4%	4.3%	3.8%
Bikeshare	54	3.0%	2.0%	2.5%	0.6%	2.3%
Ride my scooter	64	4.3%	2.2%	2.6%	0.6%	2.7%
Scooter share	49	2.7%	2.2%	1.9%	0.6%	2.1%
Ride my moped	35	2.9%	0.9%	1.4%	0.6%	1.5%
Moped share	24	1.3%	0.6%	1.5%	0.0%	1.0%
Other	21	0.5%	0.4%	1.1%	3.7%	0.9%
Don't know	32	2.0%	1.1%	1.1%	1.8%	1.4%
All Respondents	2,344	100%	100%	100%	100%	100%





TABLE 4-3: FIRST-MILE MODE SELECTIONS SUMMARY

brightline

		HOUSEHOLD INCOME				
Modes*	Total	Less than \$40K	\$40 - \$100K	\$100K+	Not disclosed	Total
Drive and park only	593	23.6%	26.9%	23.9%	29.9%	25.3%
Drop-off only	221	12.7%	9.5%	7.1%	9.1%	9.4%
Transit only	32	2.1%	1.1%	0.9%	2.4%	1.4%
Brightline ride only	209	8.0%	9.2%	9.6%	7.3%	8.9%
TNCs only	106	3.6%	3.3%	6.5%	4.3%	4.5%
Taxi only	15	0.4%	0.7%	0.7%	0.6%	0.6%
Walk only	28	1.3%	0.5%	1.5%	3.0%	1.2%
Micro-mobility only	39	4.6%	0.6%	0.9%	0.6%	1.7%
One or more micro-mobility	218	14.6%	7.3%	8.6%	4.3%	9.3%
All Respondents	2,344	100%	100%	100%	100%	100%

TABLE 4-4: SELECTED LAST-MILE MODES

		HOUSEHOLD INCOME				
Modes*	Total	Less than \$40K	\$40 - \$100K	\$100K+	Not disclosed	Total
Picked up by friend/family	857	43.4%	40.3%	28.4%	34.1%	36.6%
Rent a car	478	25.0%	18.6%	19.6%	17.7%	20.4%
Brightline ride service with private car	892	27.3%	37.9%	46.3%	35.4%	38.1%
Brightline ride service with shared van	584	20.2%	23.7%	31.2%	16.5%	24.9%
Other TNC (e.g., Uber, Lyft) service	692	21.4%	27.4%	36.0%	36.0%	29.5%
Transit	101	5.9%	3.9%	3.5%	4.9%	4.3%
Taxi	131	5.0%	3.3%	8.6%	4.3%	5.6%
Walk	163	10.7%	5.7%	5.6%	6.7%	7.0%
Bikeshare	72	4.5%	2.2%	3.4%	1.2%	3.1%
Scooter share	52	3.0%	2.2%	2.0%	0.6%	2.2%
Moped share	32	2.0%	1.1%	1.5%	0.0%	1.4%
Other	29	0.7%	0.7%	1.6%	3.7%	1.2%
Don't know	75	4.5%	2.4%	2.1%	7.9%	3.2%
All Respondents	2,344	100%	100%	100%	100%	100%

73



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TABLE 4-5: LAST-MILE MODE SELECTION SUMMARY

		HOUSEHOLD INCOME				
Modes*	Total	Less than \$40K	\$40 - \$100K	\$100K+	Not disclosed	Total
Pickup only	385	19.6%	20.2%	10.1%	17.7%	16.4%
Rental car only	165	9.8%	6.7%	5.7%	5.5%	7.0%
Transit only	29	1.8%	1.3%	0.7%	1.2%	1.2%
Brightline ride only	433	14.1%	19.8%	20.7%	15.9%	18.5%
TNCs only	215	5.0%	8.3%	12.7%	10.4%	9.2%
Taxi only	34	1.1%	1.1%	2.0%	1.8%	1.5%
Walk only	40	2.1%	2.1%	0.9%	2.4%	1.7%
Micro-mobility only	16	1.4%	0.4%	0.6%	0.0%	0.7%
One or more micro-mobility	136	8.6%	4.8%	5.9%	1.2%	5.8%
All Respondents	2,344	100%	100%	100%	100%	100%

Past Brightline trip: A subset of the customer database survey respondents were asked about a pre-pandemic Brightline trip. Table 4-6 and Table 4-7 below show how customers traveled from their origin to the departure station (the access trip) and from the arrival station to their destination (the egress trip).

TABLE 4-6: PAST BRIGHTLINE TRIP STATION ACCESS

	PERCENT
Drive and Park Personal Car	56%
Dropped off by family/friend	12%
TNCs (e.g., Uber/Lyft)	2%
Taxi	15%
Transit	3%
Walk	6%
Other	6%
Don't know	0%
Total Respondents	370



TABLE 4-7: PAST BRIGHTLINE TRIP STATION EGRESS

	PERCENT
Picked up by family/friend	13%
TNCs (e.g., Uber/Lyft)	44%
Taxi	6%
Transit	12%
Walk	23%
Other	2%
Don't know	1%
Total Respondents	370

4.3 MODE CHOICE MODEL ESTIMATION

Data from the hypothetical choice experiments was evaluated using discrete choice analysis techniques to determine the factors driving mode choice decisions. The anticipated differences in travel behavior distinguished by travel distance (long- and short-distance travel) and by trip purpose (business and non-business travel) required the iterative development and testing of four separate mode choice models.

4.3.1 CONCEPTUAL OVERVIEW

The basic concept driving discrete choice analysis is the idea of utility maximization. Utility in economics is described as the satisfaction an individual gains from the consumption of goods or services. Each alternative in a decision maker's choice set provides a level of utility that is both a function of the attributes specific to that alternative, as well as the decision maker's own characteristics.

The utility function derived for each alternative in a choice set is typically characterized by a linear combination of explanatory variables as shown below and will also generally comprise a constant term, often termed the alternative specific constant (ASC) or mode constant. The mode constant reflects the relative preference towards a given alternative among the set of choices available, after accounting for and holding the effects of the other variables in the utility function fixed. (The example below is for three competing modes—all modes relevant to each market were considered in our study).

$$\begin{split} &U_{BL} &= ASC_{BL} + (\beta_1 \times IVTT_{BL}) + (\beta_2 \times OVTT_{BL}) + (\beta_3 \times Cost_{BL}) + \dots \\ &U_{AUTO} &= ASC_{AUTO} + (\beta_1 \times IVTT_{AUTO}) + (\beta_2 \times OVTT_{AUTO}) + (\beta_3 \times Cost_{AUTO}) + \dots \\ &U_{AIR} &= ASC_{AIR} + (\beta_1 \times IVTT_{AIR}) + (\beta_2 \times OVTT_{AIR}) + (\beta_3 \times Cost_{AIR}) + \dots \\ &U_{RAIL} &= ASC_{RAIL} + (\beta_1 \times IVTT_{RAIL}) + (\beta_2 \times OVTT_{RAIL}) + (\beta_3 \times Cost_{RAIL}) + \dots \\ &U_{BIS} &= ASC_{BIS} + (\beta_1 \times IVTT_{BIS}) + (\beta_2 \times OVTT_{BIS}) + (\beta_3 \times Cost_{BIS}) + \dots \end{split}$$

Where:

IVTT = In-vehicle travel time

OVTT = Out-of-vehicle travel time



75

Brightline Ridership and Revenue Study - April 2022



The magnitudes of coefficients $(\beta_l - \beta_3)$ which represent the relative importance of each modal attribute such as time and cost, are obtained by statistically evaluating the trade-offs respondents from the SP survey made in their hypothetical choice experiments. The estimated coefficients are interacted with actual values of modal attributes to calculate probabilities of each mode choice using the nested logit formulation shown below:

Prob (Auto)=
$$\frac{e^{U_{auto}}}{e^{U_{auto}}+e^{(\theta_P\Gamma_P)}}$$

Prob (Public)=
$$\frac{e^{(\theta_P \Gamma_P)}}{e^{U_{auto}} + e^{(\theta_P \Gamma_P)}}$$

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Where:

= Utility equation for a given mode of travel

 θ_P = Nesting coefficient (0 < θ_P < 1)

 Γ_P = Public nest logsum

$$\Gamma_{P} = LN \left[e^{\left(\frac{U_{RAIL}}{\theta_{P}}\right)} + e^{\left(\frac{U_{BUS}}{\theta_{P}}\right)} + e^{\left(\frac{U_{AIR}}{\theta_{P}}\right)} + e^{\left(\frac{U_{BL}}{\theta_{P}}\right)} \right]$$

The conditional probability of choosing Brightline, rail, air, or bus, given the selection of a public mode of travel is estimated using the general expression below:

$$\text{Prob (BL | Public)} = \frac{e^{\left(\frac{U_{BL}}{\theta_p}\right)}}{e^{\left(\frac{U_{BAH}}{\theta_p}\right) + e^{\left(\frac{U_{BL}}{\theta_p}\right) + e^{\left(\frac{U_{BL}}{\theta_p}\right)} + e^{\left(\frac{U_{BL}}{\theta_p}\right) + e^{\left(\frac{U_{BL}}{\theta_p}\right)} + e^{\left(\frac{U_{BL}}{\theta_p}\right)}}}$$

4.3.2 VALUE OF TIME

Value of time (VOT) is the estimated price an individual is willing to pay to save time on a given journey. This measure compares the estimated coefficients of travel time variables against the cost coefficient and provides a useful summary metric to evaluate the conceptual consistency of an estimated model. The dollar per hour VOT represents the rate at which an individual is willing to substitute time and cost. This measure is typically calculated as the ratio of the travel time coefficient (converted from minutes to hours) to the cost coefficient as shown below.

$$VoT = \frac{\beta_{traveltime \, (utils/min \,)} \times 60_{\, (min/hour)}}{\beta_{\, cost(utils/\$)}}$$

The United States Department of Transportation (USDOT) has provided guidelines for recommended values of time based on estimated hourly wages, trip length and trip purpose. WSP used these guidelines to estimate the corresponding set of anticipated VOT ranges specific to the income composition of the survey data collected. These guidelines were used to confirm the conceptual consistency of estimated models.





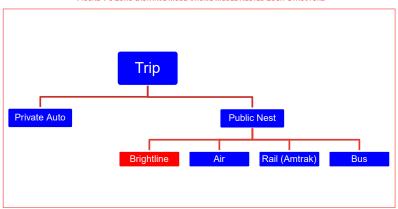
4.3.3 MODEL ESTIMATION BY TRIP DISTANCE

The USDOT guidelines also point to distinct travel behaviors based on travel distance. Therefore, WSP estimated two separate sets of models for the long- and short-distance markets. Respondents who traveled from Central Florida (the region around Orlando) to Southeast Florida were categorized as long-distance travelers while respondents traveling within the Southeast Florida area were categorized as short-distance travelers.

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4.3.3.1 LONG-DISTANCE MODEL

Due to the relatively small sample size of business travelers, WSP estimated mode choice models using a pooled sample of both business and non-business traveler data while using interactions with a business travel categorical variables as the mechanism for segmentation by trip purpose. This approach allowed a direct comparison of the practical and statistical differences between business and non-business travelers, and thereby helped identified explanatory variables that should not be segmented by trip purpose, and that should remain common among both groups of travelers. For non-business trips, the effect of household income on price sensitivity was accounted for by applying the same pooled data segmentation approach described above to statistically distinguish the response to cost across three broad income segment groups: low income (<\$50,000), medium income (\$50,000 - \$100,000), and high income (>\$100,000). Figure 4-3 presents the nesting structure applied in model application while Table 4-8 presents the corresponding model coefficients distinguished by trip purpose. The model shows that travelers are less sensitive to OVTT with the Brightline mobility service than to OVTT using other station access modes. The implied IVTT VOT for business travelers is approximately \$44/hour. The implied IVTT VOTs for non-business travelers range from approximately \$13/hour to \$27/hour depending on the traveler household income. The VOT are within acceptable ranges.



77

FIGURE 4-3 LONG-DISTANCE MODE CHOICE MODEL NESTED LOGIT STRUCTURE

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TABLE 4-8: LONG-DISTANCE MODE CHOICE MODELS

	BUSINESS	N		
	ALL INCOMES	<\$40K	\$40-\$100K	\$100K+
In-vehicle travel time	-0.00537	-0.00537	-0.00537	-0.00537
Cost	-0.00738	-0.02409	-0.01582	-0.01195
Out-of-vehicle travel time (with Brightline mobility service)	-0.00373	-0.00373	-0.00373	-0.00373
Out-of-vehicle travel time (without Brightline mobility service)	-0.00739	-0.00739	-0.00739	-0.00739
Headways	-0.00035	-0.00035	-0.00035	-0.00035
Nesting coefficient	0.75	0.75	0.75	0.75
Implied IVTT VOT (\$ per hour)	\$43.65	\$13.37	\$20.37	\$26.96

4.3.3.2 SHORT-DISTANCE MODEL

The pooled data approach used to estimate the long-distance models did not generate similar analytical advantages for the short-distance travel market and WSP therefore elected to estimate separate nested logit models for the business and non-business markets. Figure 4-4 shows the nesting structure used to estimate the short-distance models while Table 4-9 presents the corresponding model specifications. The implied VOT is \$24 per hour for business travelers and \$16 per hour for non-business travelers. The VOTs are within acceptable range.

FIGURE 4-4 SHORT-DISTANCE MODE CHOICE MODEL NESTED LOGIT STRUCTURE

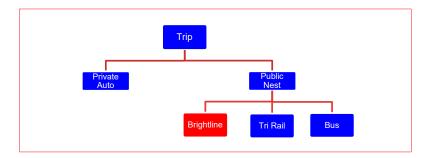




TABLE 4-9: LONG-DISTANCE MODE CHOICE MODELS

	WITH	I CAR	WITHOUT CAR		
	BUSINESS	NON-BUSINESS	BUSINESS	NON-BUSINESS	
In-vehicle travel time	-0.0057	-0.0057	-0.0057	-0.0057	
Cost	-0.0141	-0.0215	-0.0141	-0.0215	
Out-of-vehicle travel time	-0.0087	-0.0087	-0.0087	-0.0087	
Headways	-0.0001	-0.0001	-0.0001	-0.0001	
Nesting coefficient	0.90	0.90	0.90	0.90	
Implied IVTT VOT (\$ per hour)	\$23.98	\$15.76	\$23.98	\$15.76	



79

Brightline Ridership and Revenue Study - April 2022



5.0 TRAVEL DEMAND MODEL DEVELOPMENT

WSP constructed a travel demand model to represent travel patterns of the Central and Southeast Florida regions as described in preceding sections. To operationalize the mode choice model WSP assembled a database of level of service information for each mode of travel. In-vehicle travel times, operating costs, fare costs, and station access times were developed for each origin and destination pair for each mode of travel. Using this level of service data, the nested mode choice model representing the travel behavior of each market segment was applied to the corresponding trip table to derive travel utilities and implied mode shares for all O-D pairs in both the long- and short-distance travel markets.

Adjustments to the mode constants were made to match predicted shares against the targets implied by trip table mode splits. Once calibrated, the adjusted model specifications were applied to a build scenario that included the Brightline service as an additional travel alternative. The difference between the build and no-build scenarios was used to estimate the diversions from existing modes and arrive at an initial estimate of Brightline ridership. The final ridership forecast also included an estimate of the potential induced ridership due to the introduction of Brightline service in the corridor.

5.1 LEVEL OF SERVICE ASSUMPTIONS

WSP developed level of service (LOS) profiles for each of the intercity travel modes considered in this study. As outlined above, these LOS variables would be applied to the mode choice model equations described earlier to estimate travel utilities for each available mode. Given the structure of WSP's mode choice models, the LOS variables of interest include the following:

- · Private auto
 - In-vehicle travel time
 - Out-of-pocket travel cost includes cost of gas and tolls and is divided by number of vehicle occupants
- · Public modes
 - Service headways (minutes)
 - Out-of-vehicle travel time (OVTT) includes access and egress travel time to/from stations and terminal time
 - In-vehicle travel time (IVTT)
 - Fare
 - Other travel costs for access and egress to/from stations





5.1.1 AUTO TRAVEL TIME

Auto is the predominant mode of travel in much of Florida and the level of service variables describe the trip lengths and costs that travelers typically encounter. These typical travel times and costs are factors in travelers' choice of what mode of travel to use for a trip.

WSP utilized travel time data extracted from Replica for the 2019 base year at U.S. Census tract level, and confirmed the reasonableness of Replica travel times against those observed in various regional travel demand models as well as Google Maps.

Replica only provides travel time data for the zone pairs with at least one existing trip in that time period. For the remaining zone pairs and time periods, WSP post-processed the Replica travel time data by integrating them with other data sources. The following steps were employed in the development of the travel time estimates:

- If there's a long-distance pair (distance > 50 miles) that only has travel time for one of the time periods,
 WSP assumed other time periods have the same travel time.
- For the remaining pairs without travel time data from Replica, WSP derived travel time from
 OpenStreetMap in and kept values in all four time periods the same for long-distance pairs (distance > 50
 miles).

Table 5-1 shows an example of the estimated average travel times for each city pair. WSP performed other spot checks of travel times and distances and found the dataset to be generally consistent with travel times from the Google Maps API, the Florida Statewide Model (FLSWM), the Central Florida Regional Planning Model (CFRPM), and the SERPM for validation.

CITY PAIR	DISTANCE	AVERAGE TRAVEL TIME (MINUTES)
West Palm Beach - Miami	65 mi	83
West Palm Beach - Fort Lauderdale	45 mi	56
Fort Lauderdale - Miami	21 mi	29
Orlando – Miami	229 mi	260
Orlando – Fort Lauderdale	210 mi	237
Orlando – West Palm Beach	168 mi	190

TABLE 5-1 AUTO TRAVEL TIMES, 2019

Source: WSP analysis of Replica data, 2019

For future model years, it was assumed that the growth in auto trips modeled would lead to a growth in travel times by auto. This slowdown in auto travel was applied to access and egress trips for Brightline stations (as well as for other transit stations and airports), to auto trips between catchment areas, and to all bus trips.

5.1.2 AUTO TRAVEL COSTS

In order to calculate the costs of traveling by auto in Florida, WSP considered three aspects: gas prices, tolls, and vehicle operating costs (primarily wear-and-tear). The total cost of operating an auto (including the cost of fuel) in 2019 was found to be \$0.20 per mile (or approximately \$0.11 per person at an average expected vehicle occupancy),



81

Brightline Ridership and Revenue Study - April 2022



and was grown at 2.64% per year in real terms on the basis of updated forecasts from the U.S. Energy Information Administration (EIA). We note that as of March 2022, the average price of fuel in the U.S. is significantly above these figures.

WSP also conducted a detailed review of potential toll costs incurred by auto users in the Brightline service travel corridor. Based on the various O-D pairs, WSP compiled an estimate of toll costs based on published rates obtained from TollGuru, a third-party private provider of toll information³⁷. **Table 5-2** provides the resulting estimate of toll costs represented in per mile terms for each of the major movements in the corridor. Notably, the per mile tolls are higher for long-distance travel since those trips are more likely to use Florida's Turnpike, whereas short-distance trips within Southeast Florida may use various toll roads, including the tolled express lanes on I-95, but there are also a number of toll-free alternatives. These results were incorporated into the travel demand model calculations for auto travel utility. Because these toll rates are for the average trip between two catchment areas (regardless of whether or not they use toll roads), they are significantly lower than actual per mile toll rates on the toll roads.

TABLE 5-2 PER MILE TOLL COSTS FOR ALL TRIPS IN BRIGHTLINE CATCHMENT AREA (2021\$)

	DISTANCE (MILES)	AVG COST \$/MILE (PEAK)	AVG COST \$/MILE (OFF-PEAK)
Orlando – Southeast Florida	165-229	0.017	0.016
Within Southeast Florida	27-73	0.011	0.007

5.1.3 BUS LEVEL OF SERVICE ASSUMPTIONS

WSP reviewed bus schedules of key players in the Florida intercity bus market (Greyhound, FlixBus, RedCoach, Megabus, and Jet Set Express). Table 5-3 represents the travel time, service frequency and travel cost assumptions applied to both business and non-business travel in the ridership model for bidirectional travel between city pairs served by direct intercity bus service. Service frequency was examined by time of day, with "AM Headway" representing the service frequency from 7am to 10am, "MD Headway" 10am-4pm, "PM Headway" 4pm-8pm, and "NT Headway" 8pm-7am. Similarly to in vehicle travel time, headways are evaluated by averaging the frequencies of bidirectional travel.

³⁷ TollGuru, "Florida Toll Calculator", https://tollguru.com/florida-toll-calculator





TABLE 5-3: LONG-DISTANCE BUS ASSUMPTIONS

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LEVEL OF SERVICE PARAMETER	ORLANDO- MIAMI	ORLANDO – FORT LAUDERDALE	ORLANDO – WEST PALM BEACH
In Vehicle Travel Time (minutes)	280	225	205
Fare Cost (2021\$)	\$35.42	\$33.42	\$38.15
AM Headway (minutes)	60	90	120
MD Headway (minutes)	86	71	240
PM Headway (minutes)	70	54	80
NT Headway (minutes)	113	130	149

Source: WSP analysis of public schedules and fares

Within Southeast Florida, three public agencies operate local and express transit bus services linking station pairs between West Palm Beach, Boca Raton, Fort Lauderdale, Aventura, and Miami. To represent the current local transit bus market in the mode choice model, WSP assumed the service parameters for each city pair presented in both Table 5-4 and Table 5-5, representing the SB and NB parameters. For the Fort Lauderdale to Miami city pair, Broward County Transit provides a rush hour-only express bus service from Fort Lauderdale and locations in suburban Broward County to Miami.

TABLE 5-4: SHORT-DISTANCE BUS ASSUMPTIONS - SB

LEVEL OF SERVICE PARAMETER	WPB – BOCA RATON	BOCA RATON - FORT LAUDERDALE	FORT LAUDERDALE – AVENTURA	FORT LAUDERDALE – MIAMI	AVENTURA - MIAMI
In Vehicle Travel Time (minutes)	104	68	71	50	89
Fare Cost (2021\$)	\$2.00	\$2.00	\$2.00	\$2.65	\$2.75
AM Headway (minutes)	9	19	19	22	2
MD Headway (minutes)	9	25	20	-	3
PM Headway (minutes)	10	21	19	-	3
NT Headway <i>(minutes)</i>	28	98	86	427	12

83

Source: WSP analysis of public schedules and fares

1150



TABLE 5-5: SHORT-DISTANCE BUS ASSUMPTIONS - NB

LEVEL OF SERVICE PARAMETER	WPB – BOCA RATON	BOCA RATON - FORT LAUDERDALE	FORT LAUDERDALE – AVENTURA	FORT LAUDERDALE – MIAMI	AVENTURA - MIAMI
In Vehicle Travel Time (minutes)	98	72	67	43	84
Fare Cost (2021\$)	\$2.00	\$2.00	\$2.00	\$2.65	\$2.75
AM Headway (minutes)	9	19	19	-	3
MD Headway (minutes)	17	25	20	-	3
PM Headway (minutes)	11	22	20	30	2
NT Headway (minutes)	31	69	86	660	12

Source: WSP analysis of public schedules and fares

5.1.4 EXISTING RAIL LEVEL OF SERVICE ASSUMPTIONS

WSP reviewed Amtrak schedules to obtain assumptions regarding long-distance rail travel and these are presented in Table 5-6 while short-distance rail assumptions were obtained from Tri Rail schedules and are presented in Table 5-7. In vehicle travel time was calculated from listed schedules for both Amtrak and Tri Rail on their respective websites. Prices for long-distance rail were taken from Amtrak's booking portal. While prices for Amtrak service are responsive to demand, WSP averaged across various dates to get an approximate single price. Short-distance fare cost assumptions were taken from the listed fare schedule on Tri Rail's website and were taken from an average listed cost posted on their website, headways for long-distance rail are taken as the average time between the two trains that operate per day, per direction, while they are calculated for short-distance as the average wait time between Tri Rail operating hours, which are roughly 4am - 12am.

TABLE 5-6 LONG-DISTANCE RAIL ASSUMPTIONS

LEVEL OF SERVICE PARAMETER	ORLANDO – MIAMI	ORLANDO – FORT LAUDERDALE	ORLANDO – WEST PALM BEACH
In Vehicle Travel Time (minutes)	362	318	261
Headway (minutes)	240	240	240
Fare Cost Coach (2021\$)	\$38.00	\$35.00	\$27.00
Fare Cost Rooms (2021\$)	\$216.00	\$211.00	\$198.00

84

Source: WSP analysis of public schedules and fares



TABLE 5-7 SHORT-DISTANCE RAIL ASSUMPTIONS

LEVEL OF SERVICE PARAMETER	IN VEHICLE TRAVEL TIME (MINUTES)	FARE COST (2021\$)	HEADWAY (MINUTES PER DIRECTION)
WPB – Boca Raton	31	5	48
WPB – FTL	59	6.25	48
WPB - Aventura	77	8.13	48
WPB – Miami	103	8.75	48
Boca Raton – FTL	28	3.75	48
Boca Raton – Aventura	46	5.63	48
Boca Raton – Miami	72	6.25	48
FTL – Aventura	20	4.38	48
FTL - Miami	44	5	48
Aventura - Miami	24	3.13	48

Source: WSP analysis of public schedules and fares

5.1.5 AIR LEVEL OF SERVICE ASSUMPTIONS

Air travel between Orlando and Fort Lauderdale and Miami is a small but active component of the travel market. To determine level of service parameters, WSP evaluated published schedules and obtained one-way fare data by analyzing reported costs from the FAA 10 percent ticket sample. The resulting assumptions are presented in **Table 5-8**.

TABLE 5-8 AIR TRAVEL ASSUMPTIONS

LEVEL OF SERVICE PARAMETER	ORLANDO- MIAMI	ORLANDO – FORT LAUDERDALE	ORLANDO – WEST PALM BEACH
In Vehicle Travel Time (minutes)	70	74	N/A
Fare Cost (2021\$)	\$157	\$88	-
Headway (minutes)	90	210	-

Source: WSP analysis of public schedules and fares

5.1.6 BRIGHTLINE LEVEL OF SERVICE ASSUMPTIONS

Brightline service is planned to run hourly in each direction, operating from the early morning to the late evening. The current plan is to operate on average 36 trains per day, with 18 southbound and northbound trains running between Miami and West Palm Beach, making all Southeast Florida stops. Of these 36, 32 (or 16 southbound and northbound) will make long-distance trips to MCO.



85

Brightline Ridership and Revenue Study - April 2022



Based on this proposed running schedule, WSP developed the following assumptions for Brightline service characteristics. In vehicle travel time considers the time of departure to arrival at the relevant station pair, including a two-minute dwell time at any intermediate stop. Travel times shown below are an average of travel times for both directions. Some station pairs may take up to eight minutes slower depending on direction, though total travel times between Orlando Airport and Miami Central are constant at 209 minutes, including dwell time. The ridership model considers travel time in each direction specifically.

Fares were developed in conjunction with Brightline and are discussed in detail in Section 6.1.3. For the headways, AM, MD, and PM periods are defined as 7am-10am, 10am-4pm, and 4pm-8pm respectively. Headways at night include trains that run from the start of operation to 7am and from 8pm to the end of operation. This includes five trains per direction in Southeast Florida and three trains per direction between MCO and Southeast Florida stations. The fares shown in Table 5-9 are for the 2019 base year of the model – from these levels, fares are assumed to grow at 0.8% per year in real terms.

TABLE 5-9 BRIGHTLINE SERVICE ASSUMPTIONS

LEVEL OF SERVICE PARAMETER	IN VEHICLE TRAVEL TIME (MINUTES)	2021 FARE COST (2021\$)	HEADWAY (MINUTES PER DIRECTION, AM/MD/PM)	HEADWAY (MINUTES PER DIRECTION, NIGHT)
Orlando Airport – West Palm Beach	129	\$93.88	60	220
Orlando Airport – Boca Raton	154	\$107.86	60	220
Orlando Airport – Fort Lauderdale	172	\$106.69	60	220
Orlando Airport – Aventura	187 ³⁸	\$113.80	60	220
Orlando Airport – Miami Central	209 ³⁹	\$119.39	60	220
West Palm Beach – Boca Raton	23	\$21.72	60	132
West Palm Beach – Fort Lauderdale	41	\$30.73	60	132
West Palm Beach - Aventura	56	\$38.41	60	132
West Palm Beach – Miami Central	78	\$42.89	60	132
Boca Raton – Fort Lauderdale	16	\$16.33	60	132
Boca Raton – Aventura	30	\$24.10	60	132
Boca Raton – Miami Central	53	\$30.73	60	132
Fort Lauderdale – Aventura	13	\$14.72	60	132
Fort Lauderdale – Miami Central	35	\$21.72	60	132
Aventura – Miami Central	21	\$12.07	60	132

³⁹ The model uses 209 minutes, but express service may operate as quickly as 194 minutes, which Brightline may institute in response to observed demand. This study assumes that all trains make all stations stops.



³⁸ The model uses 187 minutes, but express service may operate as quickly as 179 minutes, which Brightline may institute in response to observed demand. This study assumes that all trains make all stations stops.



5.1.7 STATION ACCESS AND EGRESS

Through analysis of relevant data from the SP survey, WSP confirmed that travelers place a higher value on the time it takes to access a public mode of travel (OVTT) than an equivalent amount of time spent traveling on board that mode (IVTT). Because OVTT is an important parameter in mode choice, WSP took care in developing assumptions for access and egress from Brightline stations and other public modes of transport in the region. The steps in determining OVTT estimates for Brightline, Amtrak, air travel, commuter rail, and bus are outlined below along with key assumptions.

OVTT can be split into access time from the trip's origin zone to the origin station ("the first mile"), time spent at the origin station before boarding the vehicle (terminal access time), time spent at the destination station after alighting from the vehicle (terminal egress time), and egress time from the destination station to the destination zone ("the last mile").

Terminal time (both access and egress) varies according to mode of travel, station characteristics, and customer behavior. Users of long-distance modes of travel such as long-distance rail and air travel tend to spend a larger amount of time at the terminal than local bus users, for example. This is usually linked to longer headways between trips in the schedule, a more complex ticketing process, customers' perception of the risk of "missing the trip", and, in the case of airports, time-consuming security checks. The size and physical characteristics of the terminals also play an important role in determining average terminal time for passengers. For instance, a larger rail terminal, like the Brightline Miami station, will induce longer terminal times for passengers than smaller stations like Brightline Aventura. Additionally, customers will behave differently according to how familiar they are with the terminal: new customers and tourists who have never used the service will tend to arrive earlier at the station to account for any uncertainties or possible delays, while repeat customers and commuters who are very familiar with the terminal are likely to spend less time at the station. WSP researched the literature and relevant case studies to generate a set of assumptions for terminal access and egress time for all the segments described above, summarized in Table 5-10 below:



87

Brightline Ridership and Revenue Study - April 2022



TABLE 5-10 TERMINAL TIME ASSUMPTIONS (MINUTES)

STATION /	ACCES	S TIME	EGRE	SS TIME	SHARE OF REPEAT	SHARE OF	WEIGHTED	WEIGHTED
MODE	Repeat Customers	New Customers	Repeat Customers	New Customers	CUSTOMER S	NEW CUSTOMERS	ACCESS TIME	EGRESS TIME
Brightline - Miami	10	15	2	5	50%	50%	12.5	3.5
Brightline - Aventura	5	10	2	2	50%	50%	7.5	2
Brightline - Fort Lauderdale	5	10	2	2	50%	50%	7.5	2
Brightline - Boca Raton	5	10	2	2	50%	50%	7.5	2
Brightline – West Palm Beach	5	10	2	2	50%	50%	7.5	2
Brightline - Orlando Airport	10	13	2	5	50%	50%	11.5	3.5
Tri Rail	5	10	2	5	70%	30%	6.5	2.9
Amtrak	10	15	2	5	30%	70%	13.5	4.1
LD Bus	5	10	0	0	50%	50%	7.5	0
SD Bus	5	7.5	0	0	50%	50%	6.25	0
Air	60	120	20	20	50%	50%	90	20

The second and more complex fraction of OVTT is the time between stations and origin/destination zones, and how this time is perceived by customers. WSP developed a first mile/last mile (FMLM) analysis to estimate each station's specific characteristics in terms of access/egress mode share distribution, time, and cost. This analysis accounted for multiple aspects including the land use around each station, the type of market served, what FMLM transportation options are available, the average fares for taxis, TNCs, and transit, and available information on travel behavior.

As a starting point, WSP calculated actual average travel times from and to the stations. Consistent with the process for developing zone-to-zone times for auto travel, WSP assembled travel times from each U.S. Census Tract in Florida to each Brightline station, and to the nearest airport, Tri Rail station, and long-distance bus station. Access/egress time for local bus was assumed to be 10 minutes each. This data extraction was done for peak and off-peak time periods.

For each station, the market was segmented into three clusters according to driving distance from the station: short-distance (less than 3 minutes' drive), medium distance (between 3- and 15-minutes' drive), and long-distance (above 15 minutes' drive). This was done with the objective of capturing the differences in mode share, travel costs, and travel behavior specific to short-, medium-, and long-distance FMLM trips. As an example, the average access time per mile should be higher in the shortest-distance cluster, where the modal share of walking and bicycles is much higher than for longer distances. This segmentation also allowed WSP to analyze differences between stations. For example, station access time and cost for Miami Brightline, with a higher urban density and availability of transit options, should be differentiated from other Brightline stations where a larger share of modal access is by private vehicles, either drive-and-park or pick-up/drop-off.





WSP analyzed available data from the SERPM8 mode, and specifically this model's assumptions for transit access mode share. The SERPM8 model assigns access trips to three categories: "KNR" (includes auto drop-off and taxi/TNC), "PNR" (park-and-ride), and "WALK" (includes walking and bicycle). Table 5-11 shows the respective shares for these three modes to access both Tri Rail stations and other transit service in the SERPM8 model for 2015 — the most recent available base year for the Southeast Florida regional model.

TABLE 5-11: SERPM8 MODEL - 2015 TRANSIT TRIPS BY ACCESS TYPE (EXCLUDING ACCESS BY TRANSIT)

ACCESS MODE	KNR (DROP-OFF + TAXI/TNC)		
Tri Rail Only	24%	33%	42%
Tri Rail + Express Bus + Metrorail + Metromover + BRT	12%	26%	62%

In addition to the SERPM8 data, WSP researched available data from the National Household Travel Survey, the National Cooperative Rail Research Program (NCRRP), and previous studies conducted by local agencies such as the Miami Dade TPO, and generated a set of assumptions as a base of the FMLM analysis. Modal shares for all modes were estimated for each station and each distance cluster. These modal shares were used to calculate access/egress times and costs for each station and each distance cluster. For access/egress times, the inputs are presented in the table below as a multiple of the auto driving time for the access/egress trip – as other modes of access/egress travel are usually slower than travel by auto, the time multiples are above 1.0. For access/egress costs, the results were divided by average travel party size to obtain per mile cost for each traveler. Table 5-12 below shows the base year (2019) results of the analysis as an example.

TABLE 5-12: ACCESS/EGRESS TIMES AND COSTS (2019 MODEL YEAR, 2021\$)

	TIME MULTIPLE			COST PER MINUTE		
STATION	<3 Mins.	3-15 Mins.	>15 Mins.	<3 Mins.	3-15 Mins.	>15 Mins.
Miami Central	2.18	1.92	1.22	\$0.54	\$0.29	\$0.25
Aventura	2.18	1.82	1.11	\$0.52	\$0.25	\$0.16
Fort Lauderdale	2.18	1.46	1.11	\$0.32	\$0.25	\$0.15
Boca Raton	2.18	1.82	1.11	\$0.30	\$0.21	\$0.15
West Palm Beach	2.18	1.46	1.11	\$0.33	\$0.28	\$0.17
Orlando Airport	3.33	1.08	1.08	\$0.00	\$0.34	\$0.16

5.1.7.1 BRIGHTLINE MOBILITY SERVICE

With the introduction of Brightline+ in 2021, passengers are able to book private rides and shared rides for travel to and from station locations directly through the Brightline app. The service allows passengers the option of adding a ride to or from a destination within five miles of a Brightline station to their trip for an added charge. This service would be expected to impact real or perceived access / egress costs, as well as the distribution of station access / egress mode shares, in addition to allowing Brightline to directly tap into an additional ridership and revenue opportunity. However, Brightline+ is currently an experimental offering, with Brightline analyzing its impact to



69

Brightline Ridership and Revenue Study - April 2022



revenues and passenger experience. Due to its experimental nature, and limited data on its impact to access / egress costs, Brightline+ was not incorporated into the model.

An additional mobility option, BrightBike, was added in 2022 in West Palm Beach to provide a bikeshare offering for travel to and from the city's Brightline station. Bikes can be unlocked through the BrightBike app, and offer an affordable and zero emissions option for travel in the city's downtown. 40 As with Brightline+, the service is currently an experimental offering, and it was not incorporated into the model.

5.2 RIDERSHIP MODEL CALIBRATION

As discussed in Section 4.3.1, the utility function derived for each mode of travel is typically characterized by a linear combination of explanatory variables as well a constant term. This constant term is called the alternative specific constant, or, commonly, the ASC or mode constant. The mode constant reflects the relative preference towards a given mode of travel among the set of choices available, after accounting for and holding the effects of the other variables (such as cost, frequency, and travel time) in the utility function fixed.

The mode choice models estimated through the stated preference survey can be used to estimate mode constants for each mode of travel; however, it is generally preferred to calibrate a ridership model to observed mode-choice behavior before it is used to predict future ridership.

In keeping with best practice in mode choice forecasting, adjustments were made to the mode constants of existing modes of travel (auto, rail, bus, air, and Brightline for Miami, Fort Lauderdale, and West Palm Beach stations) in order to align the predicted and observed travel counts by mode. This process calibrates the ridership model to a known real-world baseline. The calibration process sought to ensure the ridership model's outputs were matching three datasets:

- · Brightline ridership figures from 2019 for Miami, Fort Lauderdale, and West Palm Beach stations
- · Ridership figures for 2019 for bus, rail, and air, for both short- and long-distance travel
- The estimated spatial distribution of existing Brightline riders' true trip origins and destinations, by
 distance from the Brightline stations the distances were estimated through an assessment of stated
 preference survey responses of existing customers, as well as customer zip code data collected by
 Brightline
- Notably, the ridership model was not informed by any actual Brightline results from 2021 onward, and as
 such the 2022 ridership and revenue forecast is entirely an entirely forward-looking view based on the other
 points of calibration discussed in this section and the assumed future Brightline service parameters
 discussed in this report

The trip attribute data for each individual mode described in the previous section was applied to the mode choice model's level-of-service variable coefficients (e.g., in-vehicle travel time, access/egress travel time, total trip costs etc.) for the 2019 base year and the resulting trip counts were compared against observed real-world trip counts. For the calibration to 2019 Brightline ridership, actual fares, frequency, and travel speeds from 2019 were used – the actual fares, service frequency, and travel speed were all lower than is expected going forward for Brightline. Furthermore, an inverse ramp-up adjustment was applied to allow the model to be calibrated to a synthetically stabilized version of 2019 results.

⁴⁰ WPBF News, "Brightline launches bike-share program", 2022, https://www.wpbf.com/article/brightline-launches-bike-share-program-brightbike-to-encourage-more-eco-friendly-transportation/39442054





The calibration of the ridership model was conducted with high accuracy. Compared to 2019 Brightline ridership figures, the ridership model predicts 2.8% more trips for the Miami – Fort Lauderdale pair, 0.6% more trips for the Miami – West Palm Beach pair, and 2.9% more trips for the Fort Lauderdale – West Palm Beach pair.

Table 5-13 shows the comparison of the results from the stated preference survey and the ridership model with regard to what percentage of Brightline trips have origins and destinations how many miles from the Brightline stations, alongside the market share of Brightline for trips in each distance bucket. All trips in this calibration analysis, by definition, are short-distance trips. As expected, Brightline is more likely to be used to make trips with an origin or destination near the station.

The table also shows a calibration adjustment for various distance buckets – this adjustment was added to the Brightline mode constant for trips made to/from trips in each distance bucket; a separate adjustment was added for both the access and egress distance. These mode constant adjustments were applied to zones a certain number of minutes of auto travel time away from the Brightline stations (as opposed to a certain number of miles away).

TABLE 5-13: MODEL CALIBRATION TO ACCESS AND EGRESS TRIP LENGTH FOR BRIGHTLINE TRIPS

MILES		SHARE		MARKET SHARE	MINUTES	ASC
FROM (>=)	TO (<)	SURVEY	MODEL	MODEL	MINMAX.	ADJ.
0	1	19%	26%	2.9%	0-2	2.5
1	3	24%	33%	1.3%	2-4	2.0
3	5	18%	13%	0.4%	4-6	1.5
5	10	20%	16%	0.2%	6-8	1.0
10	15		8%	0.2%	8-10	0.5
15	20	20%	2%	0.2%		
20	30	20%	0%	0.3%		
30	100		0%	0.5%		

Once the predicted and observed trip counts were aligned for existing modes of travel, the study then made the appropriate adjustments to the mode constants for Brightline for new station pairs. A review of the literature on calibration reveals varying treatments for the adjustment of mode constants for new services, including benchmarking to comparable modes. These adjustments were made to ensure:

a reasonable ordinal ranking of mode constant preferences across all modes available (that is, to maintain
the preference for Brightline expressed in the survey relative to the existing public modes),



91

Brightline Ridership and Revenue Study - April 2022



- a reasonable ordinal ranking of mode constants for various Brightline station pairs it is both expected and
 borne out in the model calibration that a more positive mode constant is expected for longer Brightline
 trips than shorter Brightline trips, and
- reasonable rates of Brightline market share based on examination of other similar intercity travel systems
 and markets in the United States and elsewhere.

Forecasts for new rail service in the U.S. and abroad often seek to benchmark the rail service against air travel given the similarities in amenities, access/egress attributes, and overall travel time (factoring in the security and terminal wait time of modern air travel). When making adjustments to the Brightline mode constant during the calibration process, WSP used the mode constant for air as a benchmark, approximately aligning the long-distance Brightline mode constant to the passenger count weighted average of the calibrated air mode constants.

Mode constants for Brightline for short-distance station pairs were chosen in relation to the calibrated mode constants for the three existing short-distance station pairs – these mode constants are underlined in **Table 5-14**. The Brightline mode constants for the remaining short-distance station pairs were primarily chosen by assessing the relationship of the calibrated mode constants for local bus and Tri Rail for station pairs with calibrated Brightline constants to the station pair of interest.

Table 5-14 shows the mode constants for all modes and all Brightline station pairs. Note that autos are defined to have a zero mode constant for all station pairs. That is, autos continue to be preferred to all other modes, including Brightline, in scenarios with identical costs and travel times. The mode constants describe the overall travel population's aggregate preferences for each mode, but the mode choice framework is consistent with travelers having different modal preferences – the mode constants help determine what percentage of travelers choose each mode, and those travelers are the ones who prefer that mode more than the average traveler.

TABLE 5-14: RIDERSHIP MODEL MODE CONSTANTS

		BRIGHTLINE	AIR	BUS	AMTRAK	LOCAL BUS	TRI RAIL
Miami Central	West Palm Beach	-3.10	-	-	-	-	-3.35
Miami Central	Boca Raton	-3.65	-	•	-	-	-3.75
Miami Central	Fort Lauderdale	-6.00	-	•	-	-4.15	-5.55
Miami Central	Aventura	-6.95	-	-	-	-4.25	-6.50
Aventura	West Palm Beach	-3.10	-	-	-	-	-2.65
Aventura	Boca Raton	-5.60	-	-	-	-	-3.80
Aventura	Fort Lauderdale	-6.95	-	i	-	-6.00	-5.15
Fort Lauderdale	West Palm Beach	-5.20	-	-	_	-	-4.70
Fort Lauderdale	Boca Raton	-6.20	-	i	-	-4.90	-4.95
Boca Raton	West Palm Beach	-6.00	-	-	-	-4.65	-4.45
Miami Central	Orlando Airport	-2.00	-1.70	-4.60	-4.00	-	-
Aventura	Orlando Airport	-2.00	-	-	-4.00	-	-
Fort Lauderdale	Orlando Airport	-2.00	-2.80	-4.40	-4.00	-	-
Boca Raton	Orlando Airport	-2.00	-	-	-4.00	-	-
West Palm Beach	Orlando Airport	-2.00	-	-4.25	-4.00	-	-

Overall, the calibration process resulted in an increase of preference for auto travel relative to the other modes, and decreases in the preference for existing public modes: air, bus, and rail. By benchmarking the long-distance Brightline mode constant to that for existing air travel, a comparable premium travel mode, as well as to the Miami





- West Palm Beach Brightline mode constant, the overall preference for auto versus public modes is preserved. This indicates that although Brightline will be an attractive choice for many travelers, and a complementary addition to existing modes of travel, autos will continue to be the predominant mode for both short- and long-distance travel in Florida in the future.

5.3 INDUCED RIDERSHIP

Introduction of a new mode of travel, particularly premium rail service, which is more convenient and improves travel time, can often encourage travelers to make trips they may not have made in the absence of the new service. This effect is known as induced demand. Previous studies have found that the introduction of intercity rail service can result in levels of induced travel ranging from 5 percent to 35 percent on the new service; a sample of these is presented in **Table 5-15**. The highest levels of induced travel have been observed on high-speed rail services serving multiple markets over distances of 200 to 500 miles.

TABLE 5-15: INDUCED TRAVEL RATE COMPARISONS

SOURCE	YEAR OF ANALYSIS	ROUTE	DISTANCE (MILES)	AVERAGE SPEED	FORECAST OR OBSERVED	INDUCED DEMAND
Brightline		Miami to Orlando	236	~80mph		
Cascetta, Coppola, Velardi, 2013	2008	Rome to Naples	140	~99mph	Observed	27.9%
Midwest HSR Association, 2009	1993	Madrid to Sevilla	290	117mph	Observed	34%
Midwest HSR Association, 2009		Multiple Japanese Routes			Observed	6-23%
Midwest HSR Association, 2009	1981	Paris to Lyon	254	131mph	Observed	26%
Amtrak Vision for the NEC, 2012	2040	Washington to Boston	438	140mph	Forecast	19.9%

With the full implementation of Brightline service from Miami to Orlando, WSP expects substantial opportunity for induced travel. The full service will result in a measurable reduction in the overall generalized cost of travel and WSP used the general cost of travel principle to estimate the change in travel impedances that result from the introduction of the Brightline service between Miami and Orlando. Variants of the generalized cost approach are often used for induced travel estimates including a recent study of proposed high-speed rail conducted for the State of California.



93





Assuming the total number of trips (T) generated between a given O-D pair is a function of both socioeconomic and demographic factors (SED), as well as a measure of travel impedance – characterized by the generalized cost or utility of travel (U), as shown below:

- T = SED * U
 - Where:
 - SED = the socioeconomic/demographic factors characterizing both the origin and destination
 - o U = generalized utility of travel between the origin and destination

And:

- U = LN(expUauto + expUair + expUrail + expUbus + ...)
- Where U_{compB} is the total utility before the introduction of Brightline service and U_{compA} is the total utility
 after the introduction of Brightline service
 - $\circ \quad Induced demand percent = (U_{compA} U_{compB})/U_{compB}$

That is, the induced demand is a function of the percentage increase in overall utility provided by all transportation options collectively as a result of the introduction of Brightline service. This induced trip methodology generates an incremental change in trip volumes – all additional trips are assumed to use Brightline (since they were induced due to the introduction of Brightline service).





6.0 BRIGHTLINE RIDERSHIP AND REVENUE FORECAST

The significant time savings, frequent service, and reliability that Brightline provides has substantial potential to generate ridership and fare revenue. To determine the overall level of this potential, WSP prepared annual Base Case forecasts for future operations.

The results shown in this chapter focus on three years: 2023, the first year of revenue service assumed for all stations in this study; 2026, the first stabilized year after ramp-up and recovery from the pandemic; and 2035, the horizon model year.

In order to estimate ridership and revenue figures for the full range of years shown in this section, the ridership model was calculated for three model years: 2019, 2023, and 2035, with the remaining years calculated by linear interpolation.

This section presents the results of these forecasts with reporting on market share, source of Brightline ridership, segment loading, and other performance metrics.

6.1 OVERALL LEVEL OF RIDERSHIP AND REVENUE

The mode choice modeling tool and ridership model described in Chapters 4 and 5 allows WSP to compare the travel time, access, and cost attributes of competing modes of travel against the origin and destination patterns of travelers.

Responses to the stated preference survey indicate travelers' willingness to pay for travel time savings and their relative preferences for costs, travel times, frequency of travel options, and access/egress times. This information resulted in a mode choice model, which was input into the ridership model, which was in turn calibrated for both the observed experience on Brightline service in 2019 between Miami and West Palm Beach and also for the usage of other modes of travel.

Further analysis of the survey data and the ridership model allowed us to account for Brightline as a new mode of travel and recognize the premium level of service it will provide relative to the existing modes. Given the known attributes of the existing modes serving the corridor, the size of the overall travel market, and the attributes of service to be offered by Brightline, WSP used the ridership model to estimate the proportion of travelers that will choose Brightline for trips between Southeast Florida and Orlando, as well as for trips within Southeast Florida. The forecast also includes an estimate of the extent to which Brightline will generate new travel demand based on the new level of connectivity it provides and the marketing efforts to be conducted by the operators. Figure 6-1 displays the forecast ridership results, in aggregate annual values, for Brightline service. Riders represent passengers making a one-way trip on Brightline, with a round-trip generating two riders.

In 2026, the number of riders on Brightline is expected to total approximately 8.2 million. This volume of riders, about 22,000 per day, includes riders who now travel by other modes, but would find Brightline more desirable than auto, rail, and bus services now connecting the cities. As travel demand in the corridor grows, WSP projects that ridership will grow to over 9.6 million riders in 2035. Due to the various components of the ridership forecast, the overall growth in the number of riders on Brightline is expected to average 1.8 percent per year once demand reaches stabilized state, ahead of the growth in population and employment within Southeast Florida and Central Florida, but slower than the anticipated growth in air trips and approximately in line with auto trips between the two regions.



Brightline Ridership and Revenue Study - April 2022



FIGURE 6-1 BRIGHTLINE ANNUAL RIDERSHIP FORECAST - BASE CASE

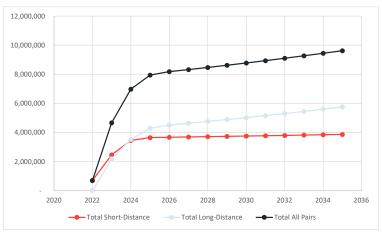


TABLE 6-1: BRIGHTLINE ANNUAL RIDERSHIP - BASE CASE

Year	Short-Distance	Long-Distance	Total
2022	699,236	-	699,236
2023	2,463,252	2,200,807	4,664,059
2024	3,450,237	3,524,928	6,975,165
2025	3,651,235	4,289,144	7,940,379
2026	3,670,994	4,507,722	8,178,716
2027	3,691,111	4,630,983	8,322,093
2028	3,711,588	4,757,755	8,469,343
2029	3,732,432	4,888,142	8,620,574
2030	3,753,645	5,022,252	8,775,897
2031	3,775,233	5,160,193	8,935,426
2032	3,797,200	5,302,081	9,099,281
2033	3,819,551	5,448,032	9,267,582
2034	3,842,290	5,598,167	9,440,456
2035	3,865,422	5,752,610	9,618,031

Fares applied in the ridership revenue calculation are distinguished by station origin and destination pair. Average distance-based fares for the short-distance market range, from \$12 to \$43, and for the long-distance market, from \$94 to \$119 (2021 fares in 2021 dollars). Brightline operations can be expected to generate total farebox revenues of approximately \$616 million (2021 dollars) in 2026, the first stabilized year after ramp-up as indicated in **Figure 6-2**.





FIGURE 6-2 BRIGHTLINE ANNUAL TICKET REVENUE FORECAST (2021\$, \$MILLIONS) - BASE CASE

brightline

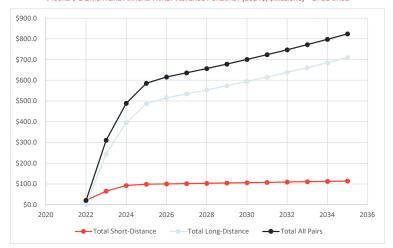


TABLE 6-2: BRIGHTLINE ANNUAL TICKET REVENUE FORECAST (2021\$, \$MILLIONS) - BASE CASE

Year	Short-Distance	Long-Distance	Total
2022	\$21.2	-	\$21.2
2023	\$65.5	\$245.5	\$311.0
2024	\$92.6	\$396.6	\$489.1
2025	\$98.8	\$486.6	\$585.4
2026	\$100.2	\$515.7	\$615.9
2027	\$101.7	\$534.2	\$635.9
2028	\$103.2	\$553.5	\$656.6
2029	\$104.7	\$573.4	\$678.1
2030	\$106.2	\$594.1	\$700.3
2031	\$107.8	\$615.6	\$723.3
2032	\$109.3	\$637.8	\$747.2
2033	\$111.0	\$660.9	\$771.8
2034	\$112.6	\$684.8	\$797.4
2035	\$114.3	\$709.6	\$823.9

6.1.1 RAMP-UP

Most transit projects experience a period of time during which ridership is building up to long-term forecast levels as travelers become acquainted with the new rail service and adjust their trip-making habits. This process is



97

commonly referred to as ridership ramp-up. It is accounted for by assuming that ridership and revenue initially start at relatively low levels and grow to a stabilized volume after years of operation for each segment.

WSP analyzed the ramp-up profile of the original Brightline southern segment (MIA-WPB) when it first opened, as well as the expected secondary ramp-up for that same segment when it resumes operations after being suspended for 18 months due to the COVID-19 pandemic. Additionally, WSP estimated the long-distance ramp-up profile for the future extension of the Brightline service to Orlando, as well as ridership ramp-up for the new in-line stations between Miami and West Palm Beach.

WSP obtained actual ridership data for the original Brightline southern segment from opening year in 2018 until the decision to suspend service in Q1 of 2020. After adjusting for actual opening dates of each segment, the full system witnessed about a 30 percent increase in ridership from 2018 to 2019. As Brightline resumes operations on the Miami-West Palm Beach segment, WSP assumed that ridership for the first year would be relatively lower at 60 percent of the long-term forecast, in line with current ridership recovery figures experienced by other Florida agencies such as Tri Rail and Central Florida RTA. After that, WSP assumed a gradual ramp-up of 75 percent for the second year and 95 percent for the third year until the Miami-West Palm Beach segment reaches its full ridership potential. These factors are presented in Table 6-3.

TABLE 6-3: RAMP-UP - REOPENING OF MIAMI-WEST PALM BEACH SEGMENT

RAMP-UP PERIOD	RAMP-UP FACTOR
Year 1 (2022)	60%
Year 2 (2023)	75%
Year 3 (2024)	95%

Source: Ridership recovery figures for Tri Rail and Central Florida RTA, as reported by APTA

WSP had to make ramp-up assumptions for the new service offered by Brightline's future extension to Orlando and the new in-line stations between Miami and West Palm Beach. There are no set standards for ramp-up assumptions in passenger rail forecasting and few direct analogues in the U.S. to the Brightline service. WSP researched relevant case studies in the literature and found that the ramp-up profile for new rail service can vary widely, but most systems reach their long-term ridership level between 2 to 4 calendar years after opening. When accounting for the specific and rare circumstances of new high-speed rail service being introduced in an area where no other similar service was previously offered, a useful case study is the example of the Eurostar service starting operations between London and Paris in 1994. Eurostar observed about 50 percent of the long-term ridership in the first year of operations, about 75 percent in the second year, 90 percent in the third year, and fully realized ridership in the fourth year. A different and faster ramp-up profile should be considered when new service is introduced in areas already served by higher speed rail and/or where the market is already aware and accustomed to this mode of travel. For example, the high-speed rail network in Spain (AVE) started operations between cities that had already been connected by rail for years and showed a ramp up profile of about 80 percent of final demand in the first year and 95 percent in the second year.

With the objective of capturing the differences in travel behavior described above, WSP segmented the market for the future service extension to Orlando by the travelers' place of residence and familiarity with transit. Central Florida residents would, for the most part, be initially unaware of the service and would slowly discover it and adopt it, as opposed to Southern Florida residents who have been using and seeing Brightline stations and vehicles before and would be more willing to try the new extension for long-distance trips. Visitors who are not residents of either Southern or Central Florida were segmented by their familiarity with transit. Residents of U.S. states where the transit mode share for commuting is greater than 5 percent and international residents coming from countries with an established HSR network in place were considered "familiar with transit", while all other visitors were assigned to





the "not familiar with transit" segment. **Table 6-4** below shows the ramp-up profiles for all the segments described above, in accordance with relevant cases studies and differences in travel behavior.

TABLE 6-4: RAMP-UP - EXTENSION TO ORLANDO - LONG-DISTANCE TRIPS

RAMP-UP PERIOD	CENTRAL SOUTHERN FLORIDA FLORIDA RESIDENTS		VISITO Familiar with Transit	ORS Not Familiar with Transit	COMBINED TOTAL
Year 1 (2023)	50%	75%	75%	60%	65.5%
Year 2 (2024)	75%	95%	95%	75%	86.0%
Year 3 (2025)	95%	100%	100%	95%	97.75%

Source: Case studies of Eurostar service between London and Paris, high-speed rail service in Spain

Ridership ramp-up rates for the new in-line stations, presented in **Table 6-5**, was assumed to follow the same accelerated ramp-up profile as Southern Florida residents taking long-distance trips, as most potential customers from these areas are assumed to have ridden and/or seen the Brightline trains in the past and are more familiar with the service. The ramp-up for the in-line stations was furthermore assumed to be capped at the ramp-up rate being experienced by the existing Southeast Florida stations.

TABLE 6-5: RAMP-UP - NEW IN-LINE STATIONS BETWEEN MIAMI AND WEST PALM BEACH

RAMP-UP PERIOD	RAMP-UP FACTOR
Year 1 (Nov. 22 - Oct. 23)	75%
Year 2 (Nov. 23 - Oct. 24)	95%
Year 3 (Nov. 24 – Oct. 25)	100%
RAMP-UP PERIOD	RAMP-UP FACTOR
2022	13%
2023	75%
2024	95%
2025	100%

Source: Case study of high-speed rail in Spain

As shown in the tables above, Brightline could benefit from raising awareness of their service among potential customers who do not reside in Southern Florida and/or are not familiar with transit. A successful marketing campaign can accelerate ramp-up and increase ridership quicker in the first years of operations. Advertising the Brightline service to the public can be especially effective if targeted to markets that are more likely to be open to try the new service. The marketing campaign could include physical advertisements across local and national airports and train stations, but also traditionally congested stretches of highways in Central Florida, showing car drivers the option of avoiding traffic with a comfortable train ride. Other channels could include TV and radio commercials, as well as internet advertisements linked to travel and tourism websites. Potential collaborations with tourist and business destinations across southern and central Florida and other trip generators could also prove to be a successful way to rapidly ramp-up ridership.

6.1.2 PANDEMIC RECOVERY RATE

The onset of the COVID-19 pandemic in early 2020 drastically impacted all segments of the travel market, as health concerns, persistent and sometimes unpredictable travel restrictions, the rise of remote and/or flexible work, and the transition of conferences, tradeshows, and meetings to virtual or hybrid settings reduced local, regional, national,



99

Brightline Ridership and Revenue Study - April 2022



and international mobility. These trends continue to play out at the time of this report's publishing, with continued uncertainty about the timing and level of recovery for the business, international, and leisure travel markets.

To account for these uncertainties, WSP segmented future Brightline ridership based on type (business/non-business) and distance (short-/long-distance), developing pandemic recovery rate assumptions as presented in **Table 6-6.** An outline of the methodology used to arrive at these numbers follows further below.

TABLE 6-6: ASSUMED RATE OF PANDEMIC RECOVERY BY TRAVEL SEGMENT/TYPE

TRAVEL CATEGORY	2022	2023	2024	2025+
Short-Distance - Leisure	75%	95%	100%	100%
Short-Distance - Business	55%	70%	95%	95%
Short-Distance – All Trips	70%	90%	99%	99%
Long-Distance - Leisure	80%	85%	100%	100%
Long-Distance - Business	55%	70%	85%	95%
Long-Distance – All Trips	75%	80%	95%	99%

Source: WSP, 2021

WSP arrived at these numbers based on an extensive analysis of real-time passenger and ridership counts across various segments of the travel market, including Transportation Security Administration (TSA) airport checkpoint travel numbers for U.S. airports, passenger counts at Orlando International Airport, Miami International Airport, and Ft. Lauderdale-Hollywood International Airport, Tri Rail commuter rail ridership, and SunRail commuter rail ridership, 41 A selection of passenger and ridership counts that were analyzed, and how each compares to the same period in 2019 (the "pandemic recovery rate"), is outlined in Table 6-7.

WSP further conducted a review of survey results from business travelers and corporate leaders compiled by industry groups, analyses published by global consulting firms, and forecast guidance from airport and port authorities, Visit Florida and its local partners, Amtrak, airlines, and the hospitality industry, to arrive at segment-specific pandemic recovery rates. Overall, WSP expects leisure travel demand for Brightline service to recover quickest, with long-distance leisure demand fueled by strong out-of-state visitation to Florida, with Visit Florida reporting visitor totals in the second half of 2021 that exceeded 2019 levels. 42 Short-distance leisure demand

⁴² Visit Florida, "Florida Visitor Estimates and Travel Industry Trend Indicators", 2022, https://visitflorida.app.box.com/s/yybwlayqp5ul95851p1vobhwjpsxr2cr



⁴¹ Brightline service between Miami, Ft. Lauderdale, and West Palm Beach was suspended in March 2020 due to the Coronavirus pandemic; service resumed in November 2021.



recovery is expected to initially lag long-distance demand, as travelers may elect to use other modes (TNCs or taxis, personal or rental automobile) for these trips, due to health or other concerns, and as evidenced by lower recovery

brightline

rates for the Tri Rail and SunRail commuter rail services over the course of the year. Finally, business travel is expected to lag leisure travel, recovering more slowly to a baseline slightly lower than pre-pandemic, as remote work and virtual or hybrid conferences and meetings reduce travel demand and corporate travel budgets.

TABLE 6-7: PANDEMIC RECOVERY RATES FOR SELECT TRAVEL MARKETS

SOURCE	Q1 2021	Q2 2021	Q3 2021	Q4 2021
TSA Airport Screenings - Nationally	44.95%	66.89%	77.85%	82.42%
FL Airport Passenger Counts (MCO, MIA, FTL)	56.93%	84.31%	88.84%	N/A
Tri Rail Ridership	47.93%	53.68%	58.29%	66.13%
SunRail Ridership	40.60%	47.14%	47.70%	53.76%
Florida Visitor Estimates	76.59%	98.15%	105.61%	100.25%

Sources: Transportation Security Administration; Bureau of Transportation Statistics; Federal Transit Administration National Transit Database; South Florida Business Journal; Visit Florida

6.1.3 FARES

Brightline fares assumed in the modeling process were provided to WSP by Brightline. The fare structure and levels were developed by Brightline based on the findings in the 2012 Stated Preference Survey, the Pricing Research Survey conducted by Integrated Insights, as well as insights from the WSP ridership model in years since. Table 6-8 summarizes the 2026 fares for different station pairs. These fares represent a weighted average of all classes of travel on Brightline service.

101



CITY PAIR	FARE
MIA - AVE	\$12.56
MIA - FTL	\$22.60
MIA - BOC	\$31.98
MIA - WPB	\$44.63
MIA - MCO	\$124.24
AVE – FTL	\$15.32
AVE – BOC	\$25.08
AVE – WPB	\$39.97
AVE - MCO	\$118.43
FTL – BOC	\$16.99
FTL – WPB	\$31.98
FTL - MCO	\$111.03
BOC – WPB	\$22.60
BOC - MCO	\$112.24
WPB - MCO	\$97.70

Source: Brightline, 2022

Brightline assumes a real annual growth in fares of 0.8 percent. By comparison, Amtrak fares between 2010 and 2019 for the Acela service between Washington D.C., New York, and Boston grew at a nominal rate of 3.1 percent per year, as outlined in Table 6-9, demonstrating the ability of a rail service to grow fares over time in real terms.







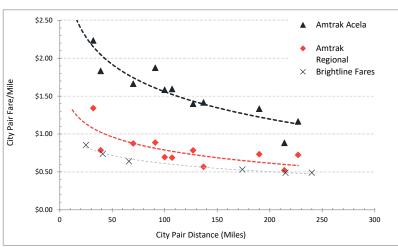
TABLE 6-9: AVERAGE FARES FOR AMTRAK'S ACELA SERVICE, 2010-2019

YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	CAGR
Average Fares	\$136.74	\$145.50	\$149.44	\$158.92	\$165.22	\$168.39	\$170.15	\$173.49	\$176.76	\$179.46	3.1%

Source: Amtrak, 2020

As shown in the comparison chart below, per mile rates for the Brightline long-distance market are noticeably lower than comparable Amtrak fares for similar travel distances. Figure 6-3 plots both Northeast Corridor and Acela services' per-mile fare rates for various city pairs, as well as per-mile fares for select Brightline city pairs. Brightline fares are close to the Amtrak Regional Service fares over comparable distances, and are far lower than the fares observed on Amtrak Acela service that offers amenities that more closely correspond to the premium service features on Brightline service.

FIGURE 6-3 COMPARISON OF BRIGHTLINE FARES TO AMTRAK NORTHEAST CORRIDOR FARE RATES (2021\$)



Source: WSP analysis, 2022, of data from Amtrak, 2017

6.2 RIDERSHIP & REVENUE FORECAST DETAIL

As indicated in Chapters 4 and 5, the ridership and revenue forecasts are based on state-of-the-practice mode choice modeling and ridership modeling techniques used to evaluate how the introduction of Brightline service will influence travel choices in the market. The ridership model allows WSP to develop a head-to-head comparison of Brightline with existing modes of travel based on the travel time and cost of each mode, and the origin and destination patterns of travelers. Given the location and preferences of travelers, the forecast estimates Brightline's capture of the overall travel market, which is a key element of overall ridership and revenue potential.



103

Brightline Ridership and Revenue Study - April 2022



WSP conducted a detailed analysis of potential ridership using the ridership model. Details of this analysis are presented in this section.

6.2.1 MARKET SHARE

The central station locations offered by Brightline will allow the railroad to provide an alternative source of transportation for travelers with origins or destinations near the urban cores of Southeast Florida and near major activity centers in Central Florida. The ridership model forecast shows that the addition of the Brightline service will complement the existing modes of travel between these core locations.

The following tables and figures show the ridership model's estimate of 2035 market shares of Brightline service as a percentage of the addressable market.

Figure 6-4 indicates Brightline will contribute to the public modes of travel (auto, bus, and rail service currently provided by Tri Rail). In 2035, Brightline will serve approximately 0.5 percent of the travel market within Southeast Florida – bringing the total market share served by public transit to 1.2 percent. Table 6-10 shows that Brightline's market share is anticipated to be highest for travel between Miami and West Palm Beach, approximately 5.7 percent, and lowest for Fort Lauderdale to Aventura or Boca Raton, where the short distances involved favor auto travel.

Bus, 0.4%
Rail (Tri Rail), 0.4%
Auto, 98.8%

FIGURE 6-4 SHORT-DISTANCE TRAVEL RIDERSHIP MODEL MARKET SHARES, 2035





TABLE 6-10 SHORT-DISTANCE TRAVEL RIDERSHIP MODEL MARKET SHARES BY CITY PAIR, 2035

brightline

	BRIGHTLINE	LOCAL BUS	RAIL (TRI RAIL)	AUTO
Miami - West Palm Beach	5.7%	0.0%	1.6%	92.6%
Miami - Boca Raton	4.5%	0.0%	1.1%	94.4%
Miami - Fort Lauderdale	0.6%	0.4%	0.2%	98.8%
Miami - Aventura	0.2%	0.7%	0.1%	99.0%
Aventura - West Palm Beach	3.7%	0.0%	3.6%	92.8%
Aventura - Boca Raton	0.5%	0.0%	1.2%	98.3%
Aventura - Fort Lauderdale	0.2%	0.1%	0.3%	99.4%
Fort Lauderdale - West Palm Beach	0.9%	0.0%	0.5%	98.7%
Fort Lauderdale - Boca Raton	0.2%	0.4%	0.3%	99.0%
Boca Raton – West Palm Beach	0.3%	0.4%	0.6%	98.7%
Total	0.5%	0.4%	0.4%	98.8%

Figure 6-4 indicates that in 2035, Brightline will serve approximately 13 percent of the travel market between Southeast Florida and Central Florida. The ridership model shows that while auto travel along the Turnpike, I-95, and US-27 will remain the predominant mode used by many travelers given their origin and destinations, preferences, or need for a vehicle en route or at their destination, Brightline will provide a convenient and attractive alternative for a key segment of the market.

Brightline service will provide a particularly vital addition to the public modes of travel (air, bus, and rail) which currently do not offer the frequency, capacity or comfort that Brightline will provide. Before the introduction of Brightline service, the public modes of travel accounted for less than 2 percent of the overall travel market between Southeast Florida and Central Florida, with auto travel accounting for the remaining share.

105

FIGURE 6-5 LONG-DISTANCE TRAVEL RIDERSHIP MODEL MARKET SHARES, 2035

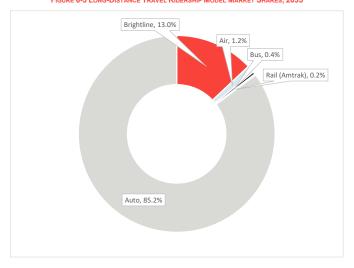


TABLE 6-11 LONG-DISTANCE TRAVEL RIDERSHIP MODEL MARKET SHARES BY CITY PAIR, 2035

	BRIGHTLINE	AIR	RAIL (AMTRAK)	BUS	AUTO
Orlando – West Palm Beach	12.1%	0.0%	0.2%	0.4%	87.3%
Orlando – Boca Raton	13.8%	0.0%	0.2%	0.0%	86.0%
Orlando – Fort Lauderdale	12.2%	1.7%	0.2%	0.6%	85.3%
Orlando – Aventura	14.1%	0.0%	0.2%	0.0%	85.7%
Orlando – Miami	13.5%	2.1%	0.2%	0.4%	83.8%
Total	13.0%	1.2%	0.2%	0.4%	85.2%







TABLE 6-12 SUMMARIZED BRIGHTLINE RIDERSHIP MODEL MARKET SHARES BY CITY PAIR, 2035

	AVENTURA	FORT LAUDERDALE	BOCA RATON	WEST PALM BEACH	ORLANDO	
Miami	0.2%	0.6%	4.5%	5.7%	13.5%	
Aventura		0.2%	0.5%	3.7%	14.1%	
Fort Lauderdale			0.2%	0.9%	12.2%	
Boca Raton				0.3%	13.8%	
West Palm Beach					12.1%	
Total (Short)			0.5%			
Total (Long)			13.0%			
Total (Both)	1.1%					



107

Brightline Ridership and Revenue Study - April 2022



TABLE 6-13 BRIGHTLINE ANNUAL RIDERSHIP BY STATION PAIR, 2035

STATION	AVENTURA	FORT LAUDERDALE	BOCA RATON	WEST PALM BEACH	ORLANDO AIRPORT	
Miami Central	550,904	394,483	655,242	627,672	2,136,809	
Aventura		267,563	98,808	355,466	651,142	
Fort Lauderdale			358,526	227,536	1,499,714	
Boca Raton				329,222	569,857	
West Palm Beach					895,087	
	Total (Short)			3,865,422		
Total (Long)			5,752,610			
	Total (Both)			9,618,031		

TABLE 6-14 ADDRESSABLE MARKET 2019 – ESTIMATED ANNUAL PERSON TRIPS (ROUNDED)

		AVENTURA	FORT LAUDERDALE	BOCA RATON	WEST PALM BEACH	ORLANDO AIRPORT		
From/To	Miami	205,120,000	53,352,000	12,332,000	9,255,000	12,180,000		
	Aventura		148,397,000	18,660,000	8,473,000	3,632,000		
	Fort Lauderdale			129,302,000	22,680,000	9,664,000		
	Boca Raton				97,222,000	3,225,000		
	West Palm Beach					5,831,000		
٦	Γotal Short	704,793,000						
	Total Long	34,532,000						
Т	otal (Both)		739,325,000					

Source: WSP analysis of Replica data, 2022

6.2.2 MARKET SHARE COMPARISON TO OTHER INTERCITY RAIL MARKETS

A 10-15 percent capture rate for Brightline service for long-distance travel between Central Florida and Southeast Florida is broadly consistent with an examination of market shares observed in other similar intercity travel systems and markets in North America and Europe, which found a broad range of possible outcomes. A summary of these is presented in **Table 6-15**.

The nearest point of comparison is Amtrak's Northeast Corridor (NEC): between Greater Washington DC/Baltimore and New York City, Amtrak trains carry 27 percent of travelers; between New York City and Greater Boston/Providence, Amtrak's share is 15 percent. Both metropolitan area pairs are roughly comparable to Orlando and Southeast Florida in terms of driving distance and driving travel time. Further north, VIA Rail Canada carries 5 percent of travelers between the cities of Toronto, Ottawa, and Montreal, though average speeds and train frequencies are lower than those on the NEC and those planned for Brightline.





TABLE 6-15: COMPARISON OF OTHER INTERCITY PASSENGER RAIL SYSTEM MARKET SHARES

brightline

SOURCE	YEAR OF ANALYSIS	ROUTE	DISTANCE (MILES)	AVERAGE SPEED	RAIL SHARE	CAR SHARE	AIR SHARE	BUS SHARE
Brightline		Miami to Orlando	236	~80mph				
NEC Commission, 2015	2015	DC/Baltimore to NYC	228	~82mph	27%	43%	6%	24%
NEC Commission, 2015	2015	NYC to Boston/Providence	228	~66mph	15%	65%	8%	13%
VIA Rail Canada, 2020	2018	Toronto – Ottawa – Montreal	356	~60mph	5%	90%		
Trafikverket, 2021	2019	Stockholm to Gothenburg/Boras	290	~97mph	40%	39%	19%	1%
Trafikverket, 2021	2019	Stockholm to Malmo	380	~84mph	27%	33%	39%	1%
Trafikverket, 2021	2019	Stockholm to Copenhagen	408	~77mph	13%	30%	57%	0%
L.E.K., 2019	2018	London to Manchester	211	~90mph	45% (37% HSR, 8% conventional)	40%	9%	6%
Midwest HSR Association, 2009	1991	Madrid to Sevilla, pre-HSR in 1991	290	~40mph	14%	60%	11%	15%
Midwest HSR Association, 2009	1992	Madrid to Sevilla, post-HSR in 1992	290	117mph	54%	34%	4%	8%

6.2.3 RIDERS' PREVIOUS MODES OF TRAVEL

Table 6-16 shows that the largest proportion of Brightline riders in the short-distance travel market will be drawn from auto travelers. WSP anticipates that in 2035, 57 percent of Brightline riders traveling between Miami, Aventura, Fort Lauderdale, Boca Raton, and West Palm Beach will be travelers who, without the Brightline service, would have made their journey by car. Although auto is substantial source of Brightline ridership, less than 1 percent of overall auto volume traveling between the Southeast Florida stations' catchment areas is diverted to Brightline. This is consistent with the limited number of station locations and the focus of Brightline service on capturing city center to city center travel.

For short-distance travel, the proportion of riders on Brightline drawn from bus services is expected to amount to approximately 17 percent. This represents a diversion of 15 percent of bus travel serving travel between the five station catchment areas. Brightline service is expected to draw approximately 27 percent of its ridership from existing Tri Rail service. This represents a diversion of 25 percent of Tri Rail travel serving the five station areas.



109

 For each mode, share of users shifting to Brightline
 LOCAL BUS
 RAIL (TRI RAIL)
 AUTO

 Share of Brightline riders' original mode
 15%
 25%
 0.3%

 17%
 27%
 57%

TABLE 6-16 SHORT-DISTANCE BRIGHTLINE RIDERS' PREVIOUS MODES OF TRAVEL

For long-distance travel, Brightline is expected to attract between 16 percent and 23 percent of users currently traveling by air, rail, or bus (see Table 6-17). When added together, travelers drawn from public modes of travel will account for 2.9 percent of Brightline ridership. Brightline will attract about 9 percent of travelers who would otherwise have used private autos. These former auto users are expected to make up a significant majority of total Brightline long-distance ridership.

TABLE 6-17 LONG-DISTANCE BRIGHTLINE RIDERS' PREVIOUS MODES OF TRAVEL

	BUS	RAIL (AMTRAK)	AIR	AUTO	
For each mode, share of users shifting to Brightline	19%	23%	16%	9%	1
Share of Brightline riders' original mode	0.9%	0.4%	1.6%	97%	1

Brightline service within Southeast Florida, and linking Southeast Florida and Central Florida, will draw most of its ridership from travelers that would have otherwise used a private auto or existing public modes of travel for their trip. New trips, prompted by the convenience and travel time savings that Brightline will introduce to the market will make up 15 percent of total Brightline ridership in 2035 for short-distance trips, and 19% for long-distance trips. The sources and characteristics of induced travel are described in more detail in Section 5.3, alongside a discussion of induced demand shares observed on comparable rail systems, which demonstrates that the induced demand shares modeled for Brightline are within a reasonable range.

6.2.4 LOCATION OF TRIP ENDPOINTS

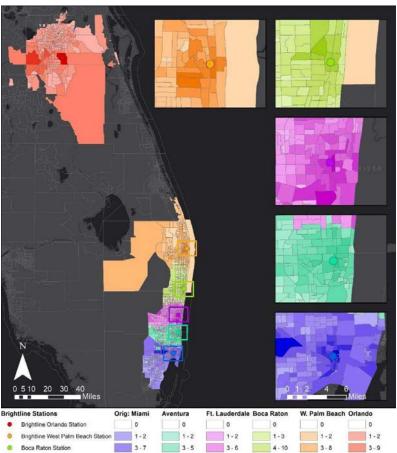
Figure 6-5 shows the distribution of the origin zones of travelers' trips segmented by the first Brightline station they use to make the trip (that is, their access station), and Figure 6-6 similarly shows the distribution of the destination zones of travelers' trips segmented by the last Brightline station they use to make the trip (that is, their egress station). Both figures show the number of daily Brightline trips made to and from each zone. The two maps are highly similar, showing that trip counts and locations are highly symmetric by direction (southbound versus northbound).

Furthermore, these figures demonstrate that trips are disproportionately made from zones nearby the stations, especially in Southeast Florida, which is expected behavior given that both short- and long-distance trips use those stations. A few outlier zones can be seen, and they denote places with high expected trip generation: zones including Disney World, Fort Lauderdale-Hollywood International Airport, and Miami International Airport.



FIGURE 6-5 DISTRIBUTION OF DAILY ORIGIN COUNTS FOR BRIGHTLINE TRIPS, 2023

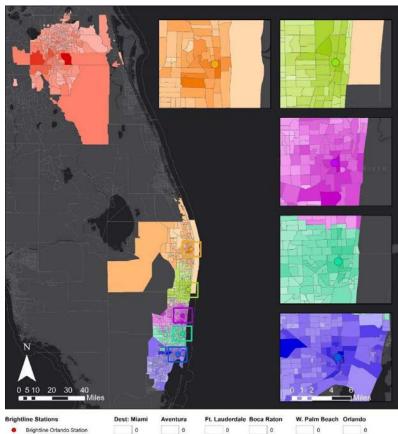
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112

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6.3 FORECAST GROWTH SUMMARY

Brightline ridership performance into the future was estimated by determining the outlook for growth in the intercity travel market between Central and Southeast Florida.

The average annual forecast growth rate for Brightline ridership from the first stabilized year (2026) through 2035 is 1.8 percent. This level of growth is higher than forecasted growth in population and employment (at 1.0 percent per year for both), but it is also lower than the corresponding estimate of growth in air passenger traffic and is approximately in line with the forecasted growth in long-distance auto trips in Florida.

FIGURE 6-7 COMPARISON OF BRIGHTLINE FORECAST GROWTH TO OTHER GROWTH RATES

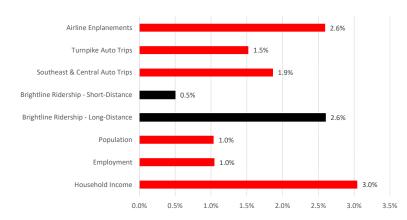


Table 6-18 shows the estimated growth in the addressable market for Brightline. For the short-distance market in Southeast Florida, the addressable market is expected to grow at approximately 0.9 to 1.0 percent per year – slightly higher than the expected growth in Brightline ridership, partially due to real growth in fares. For the long-distance market, the addressable market is expected to grow at approximately 1.6 percent per year, lower than the expected growth in Brightline ridership, partially due to the impact of increasing congestion on the major roads between Southeast Florida and Central Florida. Table 6-19 shows the same information in annual terms.

TABLE 6-18 ADDRESSABLE MARKET GROWTH (DAILY TRIPS)

STATION	2019	2023	2035	2019-2023 (CAGR)	2023-2035 (CAGR)
Short-Distance	1,930,940	2,005,021	2,272,055	0.9%	1.0%
Long-Distance	94,608	100,799	122,692	1.6%	1.7%
Total	2,025,548	2,105,820	2,394,747	1.0%	1.1%



113

Brightline Ridership and Revenue Study - April 2022



TABLE 6-19 ADDRESSABLE MARKET GROWTH (ANNUAL TRIPS)

STATION	2019	2023	2035	2019-2023 (CAGR)	2023-2035 (CAGR)
Short-Distance	704,793,246	731,832,658	829,299,914	0.9%	1.0%
Long-Distance	34,531,745	36,791,758	44,782,660	1.6%	1.7%
Total	739,324,991	768,624,415	874,082,575	1.0%	1.1%

6.4 RIDERSHIP AND REVENUE BY STATION

The overall ridership and revenue forecast totals summarized in Section 6.1 are based on forecast estimates of travel between various station pairs in Southeast Florida and Central Florida. **Table 6-20** shows the ridership model's estimate of the combined daily boardings and alightings at the six station locations. As expected, Orlando generates the highest count of forecasted boardings and alightings, with Miami station also representing a high number of forecasted boardings and alightings. The infill stations of Aventura and Boca Raton show somewhat lower expected boardings and alightings, which is consistent with those station areas' lower densities. The ridership figures are further broken out into station pairs in **Table 6-21**.

TABLE 6-20 TOTAL DAILY BRIGHTLINE BOARDINGS AND ALIGHTINGS BY STATION, 2035

STATION	BOARDINGS & ALIGHTINGS	ANNUALIZED BOARDINGS & ALIGHTINGS
Miami Central	12,080	4,409,200
Aventura	5,324	1,943,260
Fort Lauderdale	7,604	2,775,460
Boca Raton	5,567	2,031,955
West Palm Beach	6,739	2,459,735
Orlando Airport	15,920	5,810,800

TABLE 6-21 BRIGHTLINE ANNUAL RIDERSHIP BY STATION PAIR, 2035

STATION	AVENTURA	FORT LAUDERDALE	BOCA RATON	WEST PALM BEACH	ORLANDO AIRPORT		
Miami Central	550,904	394,483	655,242	627,672	2,136,809		
Aventura		267,563	98,808	355,466	651,142		
Fort Lauderdale			358,526	227,536	1,499,714		
Boca Raton				329,222	569,857		
West Palm Beach					895,087		
	Total (Short)		3,865,422				
	Total (Long)		5,752,610				
	Total (Both)		9,618,031				





Table 6-22 summarizes the market share, addressable market, and annual volumes and revenues for 2035, by station pair. These tables show the long-distance station pairs generating most of the ridership and revenue of the Brightline system, with a particular concentration on the Miami-Orlando and Fort Lauderdale-Orlando station pairs.

TABLE 6-22 FORECAST BRIGHTLINE - ANNUAL SEGMENT VOLUMES AND REVENUES, 2026

	MARKET SHARE	ADDRESSABLE MARKET	RIDERSHIP	2026 FARE (2021\$)	REVENUE (\$M, 2021\$)
Short-Distance					
Miami - West Palm Beach	5.6%	9,973,112	554,484	\$44.63	\$24.7
Miami - Boca Raton	4.3%	13,298,990	578,070	\$31.97	\$18.5
Miami - Fort Lauderdale	0.6%	57,529,071	360,402	\$22.60	\$8.1
Miami - Aventura	0.2%	221,022,888	491,274	\$12.56	\$6.2
Aventura - West Palm Beach	4.0%	9,037,783	363,994	\$39.97	\$14.5
Aventura - Boca Raton	0.5%	19,901,338	102,240	\$25.08	\$2.6
Aventura - Fort Lauderdale	0.2%	158,270,353	283,129	\$15.32	\$4.3
Fort Lauderdale - West Palm Beach	0.9%	24,250,574	228,926	\$31.97	\$7.3
Fort Lauderdale - Boca Raton	0.3%	137,918,979	372,622	\$16.99	\$6.3
Boca Raton - West Palm Beach	0.3%	103,853,596	335,852	\$22.60	\$7.6
Total Short-Distance	0.5%	755,056,685	3,670,994	\$27.31	\$100.2
<u>Long-Distance</u>					
Miami - Orlando	11.5%	13,689,565	1,576,025	\$124.24	\$195.8
Aventura - Orlando	12.8%	4,056,266	518,324	\$118.42	\$61.4
Fort Lauderdale - Orlando	11.1%	10,788,827	1,194,065	\$111.02	\$132.6
Boca Raton - Orlando	13.0%	3,601,660	467,981	\$112.24	\$52.5
West Palm Beach - Orlando	11.5%	6,508,150	751,326	\$97.70	\$73.4
Total Long-Distance	11.7%	38,644,468	4,507,722	\$114.40	\$515.7
Total All Pairs	1.0%	793,701,153	8,178,716	\$75.31	\$615.9

Note: In this table, the pandemic recovery adjustment discussed in Section 6.1.2 is made to Brightline ridership but not the addressable market, suppressing the reported Brightline market share by approximately 1%.



115

Brightline Ridership and Revenue Study - April 2022



7.0 FORECAST SENSITIVITY

WSP conducted additional simulations to determine the sensitivity of the ridership model forecast outputs to changes in fares, a key input parameter. The findings of these tests are summarized in **Table 7-1** and **Table 7-2**. They show that long-distance ridership is more sensitive to changes in fares than short-distance ridership, and that as currently set, long-distance fares are marginally above revenue-maximizing levels, whereas short-distance fares are below revenue-maximizing levels. They also demonstrate that the ridership model is behaving as expected in that ridership drops as fares are raised and rises as fares are lowered.

In total, a 10 percent increase in fares would be expected to reduce ridership by 7.8 percent, but increase revenue by 1.5 percent, whereas a 10 percent decrease would increase ridership by 8.5 percent, but reduce revenues by 2.4 percent. These results suggest that a change in fare inputs into the model would not materially change revenue outcomes.

TABLE 7-1 SENSITIVITY TEST RESULTS, RIDERSHIP AND REVENUE PERCENT CHANGE, 2023 (FARES +10%)

STATION	MIAMI CENTRAL		AVENTURA		FORT LAUDERDALE		BOCA RATON		WEST PALM BEACH		ORLANDO AIRPORT	
	Ridership Impact	Revenue Impact										
Miami Central			-3%	7%	-4%	5%	-5%	4%	-7%	2%	-11%	-2%
Aventura					-3%	7%	-5%	4%	-7%	2%	-11%	-2%
Fort Lauderdale							-3%	6%	-6%	4%	-10%	-1%
Boca Raton									-5%	5%	-10%	-1%
West Palm Beach		-9% 0%								0%		
Total Ridership		-7.8%										
Total Revenue		1.5%										

TABLE 7-2 SENSITIVITY TEST RESULTS, RIDERSHIP AND REVENUE PERCENT CHANGE, 2023 (FARES -10%)

STATION		MIAMI CENTRAL AVENTURA		FORT BOO		BOCA RATON		WEST PALM BEACH		ORLANDO AIRPORT		
	Ridership Impact	Revenue Impact	Ridership Impact	Revenue Impact	Ridership Impact	Revenue Impact	Ridership Impact	Revenue Impact	Ridership Impact	Revenue Impact	Ridership Impact	Revenue Impact
Miami Central			3%	-8%	5%	-6%	6%	-5%	7%	-3%	12%	1%
Aventura					3%	-7%	5%	-5%	7%	-3%	12%	1%
Fort Lauderdale							4%	-7%	6%	-4%	11%	0%
Boca Raton									5%	-6%	11%	0%
West Palm Beach											10%	-1%
Total Ridership	8.5%											
Total Revenue		-2.4%										





8.0 CONCLUSION

With frequent service between city centers in the corridor, Brightline offers the prospect of substantial time savings and other amenities to current users of auto, bus, traditional rail, and air. To determine how these time savings, and the preference for different modes of travel, would alter travel behavior and generate ridership and revenue for Brightline, WSP undertook a detailed examination of current travel behavior, and conducted surveys that determined traveler preferences and willingness to pay. Best practices in discrete choice analysis and travel demand modeling were employed and findings were tested against existing ridership on Brightline and other modes of travel. The analysis revealed that introduction of Brightline service would complement existing modes of travel and draw substantial numbers of travelers.

8.1 OTHER GLOBAL ASSUMPTIONS

The analysis conducted by WSP for this Base Case forecast made the further global assumptions outlined below. A departure from these assumptions could significantly affect ridership and revenues in the future. These assumptions include:

- Macroeconomic cycles are assumed to be averaged across all years of the forecast, and as such, regional or national recessions are not explicitly forecast.
- No major resurgence or extension of the pandemic will occur, including due to material new variants.
- There is no material change to Florida's socioeconomic growth trajectory as a result of climate change, weather events, or the increasing severity of tidal coastal flooding.
- Future technologies do not cause significant changes to roadway capacities or vehicle operating speeds.
 - Though industry consensus is that significant change in mobility is on the way, there is no agreement regarding where, when, or how this change will occur.
 - Future technologies, such as autonomous vehicles, are likely to increase vehicle miles traveled, especially in the context of zero-occupant vehicles engaged in vehicle positioning or goods movement. However, the number of vehicles may also decrease, especially in the context of greater shared mobility.
 - These changes are more likely to occur in the later years of the forecast than in the near future given technological progress to date.
 - o Therefore, WSP does not assume any major shifts in how people or goods travel.
- Other than the improvements considered in this report, no new competing transportation facilities will be constructed, and no significant improvements will be made to competing facilities.



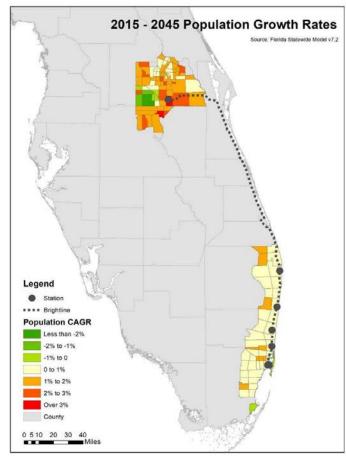


Further Illustrated Socioeconomic Data

Figure A-1 to Figure A-3 present changes in population density (number of people per square mile), employment density (number of jobs per square mile), and per capita income between 2015-2045 in the vicinity of the station locations, as forecasted by the Florida Statewide Model v7.2 (FLSWM) travel demand model. In the FLSWM forecast, both population and employment density growth will be highest near the Orlando station catchment area. The station location in Orlando is well suited to cater to visitors coming from or going to the Orlando International Airport. While employment density will continue grow moderately in the Miami and Fort Lauderdale areas, it is areas to the north of these stations that are expected to experience the most significant income growth of over 0.5 percent a year.

APPENDIX

FIGURE A-1 STATION AREA POPULATION DENSITY, 2015-2045

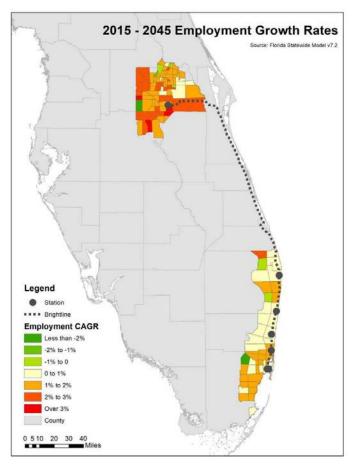


Source: WSP, from data provided by U.S. Census & FLSWM





FIGURE A-2 STATION AREA EMPLOYMENT DENSITY, 2015-2045

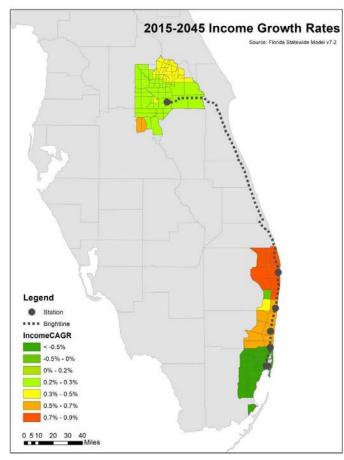


Source: WSP, from data provided by U.S. Census & FLSWM

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APPENDIX

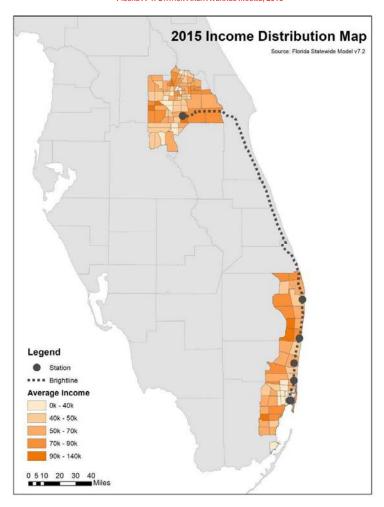
FIGURE A-3 STATION AREA INCOME GROWTH, 2015-2045



Source: WSP, from data provided by U.S. Census & FLSWM



FIGURE A-4: STATION AREA AVERAGE INCOME, 2015

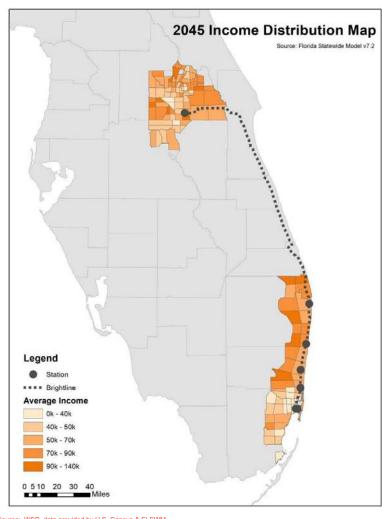


Source: WSP, data provided by U.S. Census & FLSWM



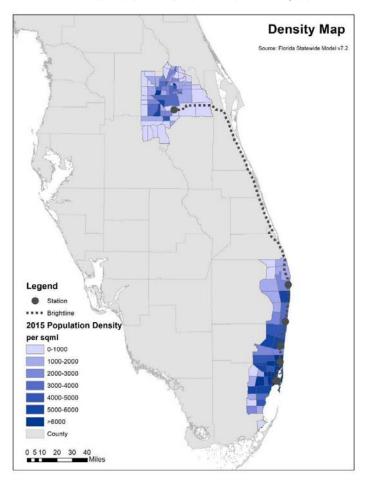
APPENDIX

FIGURE A-5: STATION AREA AVERAGE INCOME, 2045



Source: WSP, data provided by U.S. Census & FLSWM

FIGURE A-6: OVERVIEW – STATION AREA POPULATION DENSITY, 2015

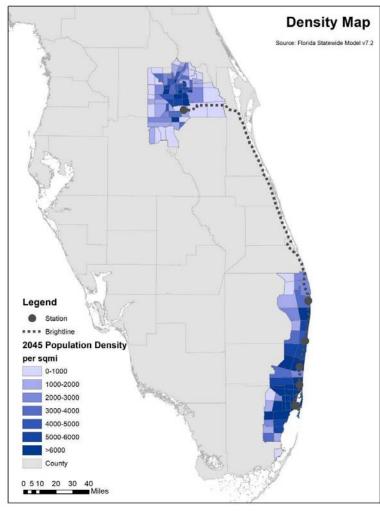


Source: WSP, data provided by U.S. Census & FLSWM



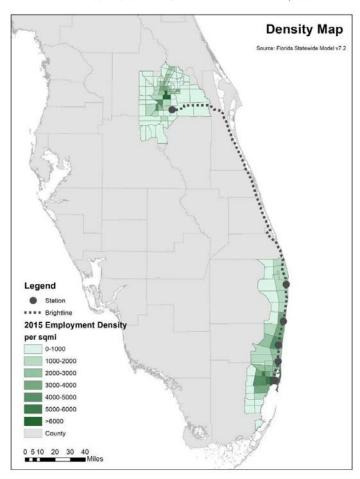
APPENDIX

FIGURE A-7: OVERVIEW - STATION AREA POPULATION DENSITY, 2045



Source: WSP, data provided by U.S. Census & FLSWM

FIGURE A-8: OVERVIEW - STATION AREA EMPLOYMENT DENSITY, 2015

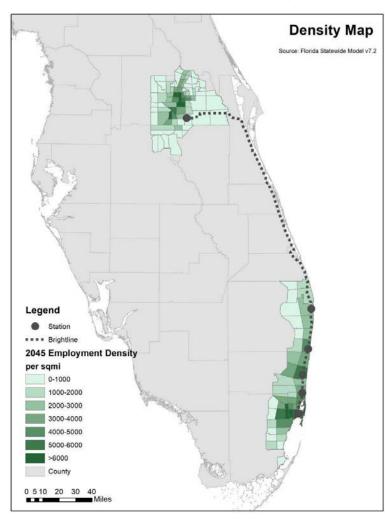


Source: WSP, data provided by U.S. Census & FLSWM



APPENDIX

FIGURE A-9: OVERVIEW - STATION AREA EMPLOYMENT DENSITY, 2045



Source: WSP, data provided by U.S. Census & FLSWM

Details of Econometric Assessment of Growth in Intercity Auto Travel

As discussed in Section 3.1, WSP developed two econometric models of traffic on Florida's Turnpike, I-95, and US-27. The models used historical monthly AADT counts for the 2001-2019 period for traffic counter stations from the Florida Traffic Online Application.⁴³ The economic variables considered included:

- Florida and regional (Miami-Fort Lauderdale-West Palm Beach MSA, Orlando-Kissimmee-Sanford MSA, Palm Bay-Melbourne-Titusville MSA) population, employment, number of households, and income from Moody's Analytics as introduced in Chapter 2
- Gasoline prices obtained from the U.S. Energy Information Administration (EIA) Annual Energy Outlook 2021⁴⁴
- Bureau of Labor Statistics consumer price index for All Urban Consumers used to convert current prices to 2021 dollars⁴⁵
- · Seasonal variation by month of year

Florida's Turnpike data is not stationary and required a differencing model to avoid model mean and variance changing over time. Additionally, model specification involved logarithmic transformations with lagged variables. Variables of Florida's Turnpike model included monthly historic and future forecast series of:

- Total non-agricultural employment for the study area
- · Median household income for the study area
- Lower Atlantic (PADD 1C) All Grades All Formulations Retail Gasoline Prices (Dollars per Gallon)
- · Binary variable to isolate the effect of monthly and seasonal traffic patterns

The specification of the forecast equation is provided in **Table B-1**. Overall, the forecast model explains 86 percent of the variation in the historical series.

⁴⁵ Bureau of Labor Statistics, https://data.bls.gov/pdq/SurveyOutputServlet



APPENDIX

TABLE B-1: TRAFFIC MODEL FORECAST SPECIFICATION - FLORIDA'S TURNPIKE

Method: ARMA Maximum Likelihood (B	FGS)				
Sample: 2001M03 2019M12					
Included observations: 226					
С	-0.11682	0.020286	-5.75885	0	
D(LOG(FET_REGION))	0.764147	0.264163	2.892711	0.0042	
D(LOG(GAS_SOUTH))	-0.06	0.034798	-1.72419	0.0862	
D(LOG(RHHMEDINC_MMIA(-1)))	0.50737	0.290274	1.747903	0.082	
D_AUG2001	0.011083	0.014144	0.783629	0.4342	
D_AUG2003	0.088349	0.014505	6.090759	0	
D_SEP2009	0.056401	0.020401	2.764567	0.0062	
D_DEC2018	-0.60988	0.533833	-1.14245	0.2546	
D_JAN2019	0.501409	0.48606	1.031578	0.3035	
D_MAY2019	-0.0583	0.038304	-1.52196	0.1296	
@MONTH=2	0.126282	0.034448	3.665832	0.0003	
@MONTH=3	0.240957	0.025991	9.270595	0	
@MONTH=4	0.041442	0.024778	1.672535	0.096	
@MONTH=5	0.116473	0.026566	4.384366	0	
@MONTH=6	0.080775	0.026128	3.091521	0.0023	
@MONTH=7	0.190368	0.025222	7.547702	0	
@MONTH=8	0.045861	0.023788	1.927912	0.0553	
@MONTH=9	0.006054	0.02222	0.272438	0.7856	
@MONTH=10	0.194819	0.023768	8.19655	0	
@MONTH=11	0.210984	0.023559	8.955387	0	
@MONTH=12	0.158281	0.029447	5.375114	0	
D	-0.78403	0.056014	-13.997	0	
SIGMASQ	0.001572	0.000137	11.48787	0	
R-squared	0.855613	Mean depe	Mean dependent var		
Adjusted R-squared	0.839965	S.D. depen	S.D. dependent var		
S.E. of regression	0.041829	Akaike info	Akaike info criterion		
Sum squared residuals	0.355179	Schwarz cr	Schwarz criterion		
Log likelihood	407.0819	Hannan-Qu	Hannan-Quinn criterion		
F-statistic	54.67929	Durbin-Wat	Durbin-Watson stat		
Prob(F-statistic)	0			•	

While the first model forecasted traffic along Florida's Turnpike, the other estimated traffic for long-distance trips between Southeast and Central Florida. WSP assumed that 85 percent of on the Turnpike are long-distance Southeast and Central Florida trips, whereas 30 percent of trips on 1-95 and 50 percent of trips on US-27 are long-distance Southeast and Central Florida trips. Site locations of the traffic counters were:

- Turnpike: north of Okeechobee Road/SR-70
- I-95: SR-9/I-95, south of SR-514 in Brevard County
- . I-27: SR-25/US-27, south of SR-60, S OF Owens Road in Polk County



⁴³ FDOT, "Florida Traffic Online (2020)", https://tdaappsprod.dot.state.fl.us/fto/

⁴⁴ EIA, "Annual Energy Outlook 2022", https://www.eia.gov/outlooks/aeo/tables_ref.php

The model specification involved logarithmic transformation with lagged variables. Variables of Florida's Turnpike model included monthly historic and future forecast series of:

- Total non-agricultural employment for the study area
- · Median household income for Florida
- Lower Atlantic (PADD 1C) All Grades All Formulations Retail Gasoline Prices (Dollars per Gallon)
- · Binary variable to isolate the effect of monthly and seasonal traffic patterns

The resulting model explains over 95 percent of the variation in the historical series and is reported in Table B-2.

TABLE B-2: TRAFFIC MODEL FORECAST SPECIFICATION - LONG-DISTANCE

Dependent Variable: LOG(AADT) Method: Least Squares				
Sample: 2012M01 2019M12				
Included observations: 96				
C	3.786087	1.164681	3.250749	0.0017
LOG(FET REGION)	1.633187	0.25775	6.336319	0.0017
LOG(GAS SOUTH)	-0.20827	0.025843	-8.0591	0
LOG(RHHMEDINC)	-0.56079	0.260917	-2.14931	0.0347
D MAR2012	0.111984	0.014664	7.636572	0
D SEP2017	0.148199	0.01455	10.18575	0
D DEC2018	-0.25201	0.016588	-15.1919	0
@MONTH=2	0.031056	0.019273	1.611405	0.1111
@MONTH=3	0.121276	0.015411	7.869424	0
@MONTH=4	0.053559	0.019199	2.789649	0.0066
@MONTH=5	0.022415	0.014311	1.566257	0.1213
@MONTH=6	-0.02097	0.016652	-1.25908	0.2118
@MONTH=7	0.002207	0.019532	0.113003	0.9103
@MONTH=8	-0.02778	0.016616	-1.67202	0.0985
@MONTH=9	-0.10776	0.017604	-6.12146	0
@MONTH=10	-0.01707	0.014329	-1.19121	0.2372
@MONTH=11	0.050992	0.01626	3.136084	0.0024
@MONTH=12	0.06396	0.019862	3.220213	0.0019
R-squared	0.952299	Mean depe	endent var	10.81679
Adjusted R-squared	0.941903	S.D. deper	ident var	0.135221
S.E. of regression	0.032593	Akaike info	Akaike info criterion	
Sum squared residuals	0.082859	Schwarz cr	Schwarz criterion	
Log likelihood	202.4203	Hannan-Qı	Hannan-Quinn criterion	
F-statistic	91.59952	Durbin-Wa	tson stat	1.032283
Prob(F-statistic)	0	•		

APPENDIX

3. Future Florida Highway Improvements

TABLE C-1: MIAMI-DADE TPO TRANSPORTATION PROJECTS

FACILITY	LIMIT FROM	LIMIT TO	DESCRIPTION	STAGING
Turnpike Extension / SR 821	N of Campbell Dr (MP 4)	Tallahassee Rd (MP 6)	Widen from 4 to 6 lanes with express lanes	2020-2025
Turnpike Extension / SR 821	SR 836	NW 106 ST (MP 26-34)	Widening the Turnpike/SR 821 from the Dolphin Expressway/SR 836 to NW 106th Street from 6 to 10 travel lanes. The new lanes will be express lanes	2020-2025
SR 9A (I-95)	North of Biscayne Canal	South of SR 860 (Miami Gardens Dr)	Widen/resurface existing lanes	2020-2025
Turnpike Extension / SR 821	MP 5 - SW 288 St / Biscayne Dr	MP 11 - SW 216 St	Widen from 6 to 8 lanes	2026-2030
Turnpike Extension / SR 821	MP 2 - SW 312 St / Campbell Dr	MP 5 - SW 288 St / Biscayne Dr	Widen from 4 to 6 lanes	2031-2035
Turnpike Extension / SR 821	MP 17 - Don Shula Expwy / SR 874	MP 39 - I-75	Transportation Systems Management and Operations improvements	2036-2045
Turnpike Extension / SR 821	MP 0 - US 1	MP 2 - SW 312 St / Campbell Dr	Widen from 4 to 6 lanes Includes interchange improvement: MP 0 - US 1	2036-2045
SR 9A (I-95)	SR 5 (US 1/ Dixie Hwy)	South of SR 860 (Miami Gardens Dr)	Planning Study Segment 1-4	2036-2045
I-95 (SR 9)	US 1(South Dixie Hwy/SR 5)	Broward County Line	Ultimate Plan Study (Managed Lanes/Capacity /Operations)	2036-2045

Source: WSP analysis of project list from Miami-Dade TPO





TABLE C-2: BROWARD MPO TRANSPORTATION PROJECTS

FACILITY	LIMIT FROM	LIMIT TO	DESCRIPTION	STAGING
SR-9/I-95	S of SR- 842/Broward Boulevard	N of SR- 870/Commercial Blvd	Add Special Use Lane	2020-2025
SR-9/I-95	SW 10th St	Broward/Palm Beach County Line	Add Special Use Lane	2020-2025
I-95/I-595 Express Lanes	Stirling	Broward Blvd	I-95/I-595 express lanes direct connect, Add Lanes	2020-2025
Southern Turnpike Mainline/SR91	MP 71 - Sawgrass Expwy/SR-869	MP 73 - Broward/Palm Beach County Line	Provide one auxiliary lane in each direction	2020-2025
Southern Turnpike Mainline/SR91	MP 47 - Turnpike Ext/ SR-821	MP 51 - Johnson St	Widen to 10 lanes with managed lanes; includes interchange improvements at MP 47 - Turnpike Extension @ SR-821 and MP 49 - Hollywood Blvd/Pines Blvd @ SR-820	2026-2030
Southern Turnpike Mainline/SR91	MP 51 - Johnson St	MP 53 - Griffin Rd/SR 818	Widen to 10 lanes with managed lanes; includes interchange improvement at MP 53 - Orange Dr/Griffin Rd/SR-818	2026-2030
Southern Turnpike Mainline/SR91	MP 71 - Sawgrass Expwy/SR-869	MP 73 - Broward/ Palm Beach County Line	Widen to 10 lanes with managed lanes	2026-2030
I-95	S of Hallandale Beach Blvd	N of Hollywood Blvd	Add highway capacity	2031-2035
I-95	S of Commercial Blvd	N of Cypress Creek Rd	Add highway capacity	2031-2035
Southern Turnpike Mainline/SR91	MP 54 - I-595	MP 70 - Wiles Rd	Conduct study to widen from 6/8 to 10/12 lanes with managed lanes	2031-2035
I-95	SR-84	S of Broward Blvd	Add highway capacity	2036-2045
I-95 Source: WSP analysis of	N of Broward Blvd	Sunrise Blvd	Add highway capacity	2036-2045

Source: WSP analysis of project list from Broward MPO

wsp



APPENDIX

TABLE C-3: PALM BEACH TPA TRANSPORTATION PROJECTS

FACILITY	LIMIT FROM	LIMIT TO	DESCRIPTION	STAGING
Turnpike	WPB Service Plaza	Okeechobee Blvd	Widen from 4 to 8 lanes with managed lanes	2020-2025
Turnpike	Beeline Hwy/SR- 710	Indiantown Rd	Widen from 4 to 8 lanes	2026-2030
Turnpike	Okeechobee Blvd	Beeline Hwy/SR-710	Widen from 4 to 8 lanes with managed lanes	2026-2030
Turnpike	Atlantic Ave	Boynton Beach Blvd	Widen from 6 to 10 lanes with managed lanes	2026-2030
Turnpike	Broward County	Glades Rd	Widen from 6 to 10 lanes with managed lanes	2026-2030
Turnpike	Glades Rd	Atlantic Ave	Widen from 6 to 10 lanes with managed lanes	2026-2030
I-95	Indiantown Rd	Martin County Line	Widen from 6 to 8 lanes	2036-2045
I-95	Congress Ave (Overpass)	Blue Heron Blvd	Add managed lanes (potentially convert HOV, add 2 managed lanes)	2036-2045
I-95	Southern Blvd	Congress Ave (Overpass)	Add managed lanes (potentially convert HOV, add 2 managed Lanes)	2036-2045
I-95	Linton Blvd	Southern Blvd	Add managed lanes (potentially convert HOV, add 2 managed Lanes)	2036-2045

Source: WSP analysis of project list from Palm Beach TPA



APPENDIX

TABLE C-4: METROPLAN ORLANDO LONG-RANGE TRANSPORTATION PROJECTS

FACILITY	LIMIT FROM	LIMIT TO	DESCRIPTION	STAGING
Turnpike	Kissimmee Park Rd	US 192/441	Widen to 8 lanes	2026-2030
SR 91 / Turnpike	S of SR 408 / Gotha Rd	SR 50 / Colonial Dr	Widen to 10 lanes	2031-2035
SR 91 / Turnpike	SR 482 / Sand Lake Rd	S of SR 408 / Gotha Rd	Widen to 10 lanes	2036-2045
SR 91 / Turnpike	SR 60 / Yeehaw Junction	CR 525 / Kissimmee Park Rd	Widen to 8 lanes	2036-2045
SR 91 / Turnpike	Osceola / Okeechobee CL	SR 60 / Yeehaw Junction	Widen to 6 lanes	2036-2045
SR 91 / Turnpike	Taft Vineland Road	SR 482 / Sand Lake Rd	Widen to 10 Lanes	2036-2045

Source: WSP analysis of project list from MetroPlan Orlando

APPENDIX

4. Ridership and Revenue Results

TABLE D-1: FORECASTED FARES, RIDERSHIP, AND REVENUES SUMMARIZED

	Average Fares (2021\$)				Ridership			s (in 2021\$,	millions)
Year	Short- Distance	Long- Distance	Total	Short- Distance	Long- Distance	Total	Short- Distance	Long- Distance	Total
2022	\$30.37	-	\$30.37	699,236	-	699,236	\$21.2	\$0.0	\$21.2
2023	\$26.59	\$111.56	\$66.68	2,463,252	2,200,807	4,664,059	\$65.5	\$245.5	\$311.0
2024	\$26.83	\$112.50	\$70.12	3,450,237	3,524,928	6,975,165	\$92.6	\$396.6	\$489.1
2025	\$27.06	\$113.45	\$73.73	3,651,235	4,289,144	7,940,379	\$98.8	\$486.6	\$585.4
2026	\$27.31	\$114.40	\$75.31	3,670,994	4,507,722	8,178,716	\$100.2	\$515.7	\$615.9
2027	\$27.55	\$115.36	\$76.41	3,691,111	4,630,983	8,322,093	\$101.7	\$534.2	\$635.9
2028	\$27.79	\$116.33	\$77.53	3,711,588	4,757,755	8,469,343	\$103.2	\$553.5	\$656.6
2029	\$28.04	\$117.31	\$78.66	3,732,432	4,888,142	8,620,574	\$104.7	\$573.4	\$678.1
2030	\$28.29	\$118.30	\$79.80	3,753,645	5,022,252	8,775,897	\$106.2	\$594.1	\$700.3
2031	\$28.54	\$119.29	\$80.95	3,775,233	5,160,193	8,935,426	\$107.8	\$615.6	\$723.3
2032	\$28.80	\$120.29	\$82.11	3,797,200	5,302,081	9,099,281	\$109.3	\$637.8	\$747.2
2033	\$29.05	\$121.31	\$83.28	3,819,551	5,448,032	9,267,582	\$111.0	\$660.9	\$771.8
2034	\$29.31	\$122.33	\$84.47	3,842,290	5,598,167	9,440,456	\$112.6	\$684.8	\$797.4
2035	\$29.57	\$123.35	\$85.66	3,865,422	5,752,610	9,618,031	\$114.3	\$709.6	\$823.9





APPENDIX

TABLE D-2: FORECASTED ADDRESSABLE MARKET AND BRIGHTLINE SHARE, SUMMARIZED

	Add	dressable Ma	rket	Bri	ghtline Shar	е
Year	Short- Distance	Long- Distance	Total	Short- Distance	Long- Distance	Total
2022	724,976,904	36,213,249	761,190,153	0.1%	-	0.1%
2023	731,832,658	36,791,758	768,624,415	0.3%	6.0%	0.6%
2024	739,492,621	37,399,223	776,891,843	0.5%	9.4%	0.9%
2025	747,233,673	38,016,737	785,250,411	0.5%	11.3%	1.0%
2026	755,056,685	38,644,468	793,701,153	0.5%	11.7%	1.0%
2027	762,962,532	39,282,584	802,245,116	0.5%	11.8%	1.0%
2028	770,952,102	39,931,258	810,883,360	0.5%	11.9%	1.0%
2029	779,026,293	40,590,664	819,616,957	0.5%	12.0%	1.1%
2030	787,186,010	41,260,981	828,446,991	0.5%	12.2%	1.1%
2031	795,432,169	41,942,389	837,374,559	0.5%	12.3%	1.1%
2032	803,765,698	42,635,073	846,400,771	0.5%	12.4%	1.1%
2033	812,187,533	43,339,219	855,526,752	0.5%	12.6%	1.1%
2034	820,698,619	44,055,017	864,753,636	0.5%	12.7%	1.1%
2035	829,299,914	44,782,660	874,082,575	0.5%	12.8%	1.1%

Note: In this table, the pandemic recovery adjustment discussed in Section 6.1.2 is made to Brightline ridership but not the addressable market, suppressing the reported Brightline market share by approximately 1% (that is, approximately 12.8% vs. 13.0% in total long-distance market share).

APPENDIX

TABLE D-3 FORECAST BRIGHTLINE - ANNUAL SEGMENT VOLUMES AND REVENUES, 2035

	MILES	MARKET SHARE	ADDRESSABLE MARKET	RIDERSHIP	2035 FARE (2021\$)	REVENUE (\$M, 2021\$)
Short-Distance						
Miami - West Palm Beach	66.5	5.7%	11,074,621	627,672	\$47.95	\$30.1
Miami - Boca Raton	42.0	4.4%	14,817,743	655,242	\$34.35	\$22.5
Miami - Fort Lauderdale	25.0	0.6%	64,058,619	394,483	\$24.28	\$9.6
Miami - Aventura	14.0	0.2%	245,565,843	550,904	\$13.50	\$7.4
Aventura - West Palm Beach	53.0	3.6%	9,827,495	355,466	\$42.94	\$15.3
Aventura - Boca Raton	28.0	0.5%	21,663,394	98,808	\$26.94	\$2.7
Aventura - Fort Lauderdale	11.0	0.2%	172,215,250	267,563	\$16.46	\$4.4
Fort Lauderdale - West Palm Beach	41.5	0.9%	26,514,293	227,536	\$34.35	\$7.8
Fort Lauderdale - Boca Raton	17.0	0.2%	150,171,170	358,526	\$18.25	\$6.5
Boca Raton - West Palm Beach	25.0	0.3%	113,391,486	329,222	\$24.28	\$8.0
Total Short-Distance		0.5%	829,299,914	3,865,422	\$29.57	\$114.3
<u>Long-Distance</u>						
Miami - Orlando	234.5	13.4%	16,002,061	2,136,809	\$133.48	\$285.2
Aventura - Orlando	221.0	13.9%	4,677,672	651,142	\$127.23	\$82.8
Fort Lauderdale - Orlando	209.5	12.1%	12,441,581	1,499,714	\$119.28	\$178.9
Boca Raton - Orlando	193.0	13.7%	4,162,292	569,857	\$120.58	\$68.7
West Palm Beach - Orlando	168.0	11.9%	7,499,054	895,087	\$104.96	\$94.0
Total Long-Distance		12.8%	44,782,660	5,752,610	\$123.35	\$709.6
Total All Pairs		1.1%	874,082,575	9,618,031	\$85.66	\$823.9

Note: In this table, the pandemic recovery adjustment discussed in Section 6.1.2 is made to Brightline ridership but not the addressable market, suppressing the reported Brightline market share by approximately 1% (that is, approximately 12.8% vs. 13.0% in total long-distance market share).





APPENDIX D

WSP USA SOLUTIONS BRING DOWN LETTERS AND PROJECT OPERATIONS AND MAINTENANCE AND ANCILLARY REVENUE REPORT





April 2, 2024

Jeff Swiatek Chief Financial Officer Brightline Trains Florida LLC 350 NW 1st Ave, Suite 200 Miami, FL 33128

Subject: Brightline Operations and Maintenance and Ancillary Revenue Report

Dear Mr. Swiatek:

I am writing in regard to the Brightline Operations and Maintenance and Ancillary Revenue Report prepared by Louis Berger U.S., Inc., which has subsequently been renamed as WSP USA Solutions Inc. ("WSP") on behalf of Brightline Trains Florida LLC (the "Company"), and dated March 10, 2019 (the "Report"). With respect to the Report, we note the following:

The Report provides an evaluation of the Company's estimated operation and maintenance costs and estimated ancillary revenue for the Company's passenger operations between Miami and Orlando.

The information contained in the Report was prepared based on economic parameters, assumptions and operating conditions which we considered relevant and reasonable as of the date of such Report. This data was obtained from information provided by the Company, from publicly available information and sources, and from third-party data obtained in the course of preparation of the Report, so described in the Report. No additional information has been brought to our attention that would lead us to believe that there would be a material change to the findings, estimates, conclusions, and analyses reflected in the Report.

WSP has not made any adjustments in the Report to reflect changes in the timing of start-up of revenue service from Miami to West Palm Beach or start-up of revenue service to Orlando. We provide no assurance as to the accuracy of any third-party information included in the Report and bear no responsibility for the results of any actions taken based on the third-party information contained in the Report.

Sincerely,

WSP USA SOLUTIONS INC.

Rhett Fussell, PE Senior Vice President

Wox From

4th Floor One Penn Plaza New York, NY 10119 +1 212-465-5000

wsp.com



Virgin Trains USA Operations and Maintenance Cost and Ancillary Revenue Independent Review

Miami to Orlando

March 10, 2019

Table of Contents

Exe	cutive Summaryi
ī.	Background
	Operations / Maintenance / Corporate and Other Expenses
	Ancillary Revenues
IV.	Summary of Findings 1

Executive Summary

Louis Berger has been retained to conduct an Independent Review of two components of the Virgin Trains USA, intercity passenger rail project between Miami and the Orlando, Florida Airport (Full Build Project), namely: (1) the estimated operations and maintenance costs, and (2) the estimated ancillary revenue. The Independent Review provides an objective, due diligence evaluation to inform potential creditors and investors of these two components of the Project.

Virgin Trains USA (formerly Brightline) is the business entity created to design, develop, acquire, construct, install, equip, own, and operate a 235-mile intercity passenger rail service, under the brand name "Virgin Trains USA" between downtown Miami and Orlando International Airport with additional stops in the West Palm Beach and Fort Lauderdale central business districts. Construction is complete for the first phase of the Project (Miami to West Palm Beach) within the right-of-way of the Florida East Coast Railway, LLC (FECR). The Virgin Trains team continues an extensive effort to coordinate the planning and development of the Project with FECR, with the rolling stock supplier—Siemens Industries, and with advertisers and other business partners.

Approach to the Independent Review

Louis Berger performed the due diligence of Virgin Train USA's Financial Model and has prepared the Independent Review of estimated operations and maintenance costs and ancillary revenue for the Project as represented in the Financial Model using the following approach and data sources: (1) review by Louis Berger subject matter experts of studies, plans, budgets, contracts, and other analyses provided by Virgin Trains USA; and (2) interviews with key Virgin Trains USA management and staff. Louis Berger's independent review of operations, maintenance and ancillary revenue is based on an assumption that the design, permitting and construction portion of the project will be completed in the second quarter of 2022, revenue operations in the third quarter 2022, with operations expected to stabilize by 2023. This review is strictly a review of costs and revenue on a fully constructed and stabilized project.

Project Goals and Description

Virgin Trains USA's primary goals for the Project are to:

- Provide reliable and convenient intercity passenger rail service between Miami and Orlando in approximately 3 hours;
- Provide intercity rail service that is sustainable as a private commercial enterprise by attracting sufficient riders to meet revenue projections and operate at an acceptable profit level.

Virgin Trains USA will own the passenger rail service and be responsible for the Project financing, development, construction, operation, and maintenance.

The rolling stock has been manufactured by the global manufacturing leader, Siemens Industries, at its Sacramento, California facility. Virgin has received and commissioned five train sets. Once the full system is complete the company will have eight trains sets each comprised of two locomotives, and 5 passenger cars. There will also be one spare locomotive for redundancy; however, there will be no spare passenger cars.

Siemens Industries is also under contract to perform required servicing, running repair, and scheduled maintenance of Virgin Trains USA train sets at the Heavy Repair Facility at Orlando and the West Palm Beach Running Repair Facility (RRF) as part of a long-term (30-year) Vehicle Maintenance Agreement (VMA).

FECR personnel historically maintain FECR property (rail infrastructure as well as communications and signals). FECR will maintain the rail infrastructure as well as the communication and signals infrastructure for the jointly used right-of-way between Miami and Cocoa under the terms of a Joint Use Agreement (JUA) that enables the two services to operate concurrently on the FECR property. Under the terms of this agreement, Virgin Trains USA has the sole right to operate passenger service between Miami and West Palm Beach, and eventually to Cocoa (and then west to Orlando), and FECR has the sole right to operate freight rail service in the corridor from Jacksonville to Miami. The corridor between Cocoa and Orlando is not FECR property. It is unclear at this time whether FECR

personnel will perform maintenance on the right-of-way and signals between Cocoa and Orlando either under an amendment to the JUA or whether Virgin Trains USA will address this maintenance using another structure or instrument. In the interim, per mile costs for maintenance have been developed by Virgin Trains USA based on FECR historic maintenance costs with an additional factor to cover the increase in anticipated maintenance costs from FRA Class 6 track (West Palm Beach-Cocoa) to FRA Class 7 track (Cocoa-Orlando).

At full-stabilized operation, Virgin Trains USA service between Miami and Orlando will operate on generally hourly intervals and include up to 16 one-way trips from Miami to Orlando daily and 16 one-way trips from Orlando to Miami daily, with intermediate station stops at Fort Lauderdale, and West Palm Beach.

Management and Organization

Virgin Trains USA has developed a management and staffing plan that will include 551 full time equivalent (FTE) positions identified by Virgin Trains USA as required to manage and operate the Project. Management and staffing services will be made available to Virgin Trains USA by an affiliate, Virgin Trains USA 1.1.C. (Parent). Virgin Trains USA staffing plan includes appropriate positions, responsibilities and accountabilities necessary to operate a passenger rail service, either through Virgin Trains USA headcount, or through the additional contractors employed by means of subcontractor agreements.

The organization is under the leadership of Patrick Goddard, President of Virgin Trains USA, and other experienced industry professionals.

Virgin Trains USA commenced revenue service between West Palm Beach and Fort Lauderdale on January 13, 2018, and between West Palm Beach and Miami on May 19, 2018, and is in the process of making infrastructure and station improvements and coordinating rolling stock delivery to commence operations between Miami and Orlando in 2022.

Identified Risks and Assessment

The Louis Berger Independent Review identifies in detail a range of potential risks associated with the Project's aforementioned operations and maintenance cost and ancillary revenue components. The Independent Review also identifies the corresponding actions already taken or planned to be undertaken by Virgin Trains USA to address risks typical to a project of this type and size, as well as those risks specific to the Project identified by Louis Berger during its review and evaluation of Virgin Trains USA -provided materials. For the two Project components (operations and maintenance costs, and ancillary revenues), Louis Berger has evaluated Virgin Trains USA's program and approach to identify, address, mitigate, and overcome any apparent issues and risks. The detailed assessment of risks in the Independent Review is summarized by major topic areas and associated conclusions, as follows:

- Management and organization. Through its affiliate, Virgin Trains USA Florida LLC, the Company intends to manage the Project's passenger rail and hospitality operations, sales and marketing, IT, finance, accounting, human resources, legal and right-of-way. The management and organizational structure that the Company has created to operate and maintain Virgin Trains USA service has little or no precedence among U.S. passenger railroad operations. Specifically, the operations and maintenance services and associated costs relative to railroad infrastructure and fleet will largely be provided through contractual arrangements that have been negotiated with Siemens Industries, with FECR, and by Florida Dispatch Company (DispatchCo). The arrangements with these contracts are logical in that each entity is in a strong position to provide the respective contracted services and pricing, including personnel, equipment, and materials. The scope of these contracted services are well defined and the cost structure is clearly laid out, so that the financial implication of these activities is clearly identified.
- The costs of those aspects of the Virgin Trains USA operations and maintenance over which Virgin Trains
 USA will have direct control (e.g., those costs related to station operations safety and maintenance, train
 cleaning and train operations), are relatively certain at this point given that Virgin Trains USA has
 undergone a rigorous exercise to estimate labor costs of the various Virgin Trains USA positions. Virgin

Trains USA will monitor the customer experience for customer satisfaction and comfort relative to the number of personnel employed for customer interfaces.

Louis Berger concludes that Virgin Trains USA has developed a credible business model for delivering the enhanced service product and that the model provides a relatively reliable and stable basis for estimating operations and maintenance costs. Louis Berger concludes that the operations and maintenance costs in Virgin Trains USA's linancial model are sufficient to provide the Virgin Trains USA service, with the understanding that a large portion of the operations and maintenance of Virgin Trains USA will need to manage the third-party contractors to ensure adherence to the contract terms so that the appropriate level and value of operations and maintenance are provided.

- Rolling Stock Procurement. For purposes of this Independent Review, "procurement" includes rolling stock acquisition and maintenance. Virgin Trains USA entered into an agreement with Siemens. Siemens has manufactured and delivered the first five trainsets for Phase One Operations. The acquisition also includes three additional trainsets for the Phase Two Operations and future passenger car and locomotive options, which are included to accommodate growth. Virgin Trains USA has determined that it will operate the system with no spare passenger cars. The company's management advises that Virgin Trains USA has operated the Miami to West Palm Beach segment successfully without spare passenger cars. They advise, that in the case of removing a passenger car from service, Virgin Trains USA manages the number of available passenger car seats via its on-line reservation network. The company believes that it can manage any risk associated with the absence of spare passenger cars in this manner.
- Key to this review, Virgin Trains USA has also executed a long-term (30-year) VMA with Siemens to
 conduct the rolling stock maintenance for the five trainsets and the additional three trainsets, and additional
 cars and locomotives brought on the property pursuant to Siemens agreement.
- Based on its review of the rolling stock, maintenance agreement terms, its review of Siemens's prior experience in rolling stock maintenance agreements involving its equipment, and Siemens intimate familiarity and expertise with their equipment, Louis Berger concludes that the plan to engage Siemens for Rolling Stock maintenance is appropriate and reasonable.
- Personnel. Virgin Trains USA adequately planned, hired and trained sufficient employees to perform revenue service on the West Palm Beach to Miami segment. The projected number of Virgin Trains USA employees at the time of the Full Build Project, as noted above, is 551 positions.
 - Louis Berger concludes that Virgin Trains USA proposed staffing, inclusive of contracted services, exceed the minimum required to meet the projected levels of service in 2023.
- Operations and Maintenance. Based on Virgin Trains USA operations and maintenance costs as laid out below.
 - Louis Berger concludes that the combination of reliance of Virgin Trains USA employees and contractor services provides a viable platform for providing the services envisioned in the business plan.
- Ancillary Revenue. Advertising and other sponsorship agreements are being aggressively pursued. Virgin Trains USA has purchased a share of the company including numing rights for at least two years. The Company has developed a pipeline of sponsorships. Food and beverage, merchandise, parking and other passenger-related ancillary costs and revenues are being closely monitored and managed, and are in line with those of comparable operations.

Louis Berger concludes that the Company's strategies for maximizing the various sources of ancillary revenue are sound and that the budgeted ancillary revenue is reasonable.

Overall Review Process and Finding

Louis Berger has interacted with Virgin Trains USA managers and personnel and evaluated various documents developed by Virgin Trains USA supporting Virgin Trains USA's financial model of the Project's operation and



Louis Berger Assessment: Based on its evaluations and assessments, Louis Berger concludes that Virgin Trains USA's operations and maintenance cost estimates, and its ancillary revenue estimates, are an accurate reflection of its business plans and the consummated contractual agreements.

v Page

Virgin Trains USA O&M Cost/Ancillary Revenue Independent Review

Louis Berger

I. Background

Virgin Trains USA LLC (also known as "the Company") has developed a privately owned and operated express intercity passenger rail service, currently running 67 miles between Miami and West Palm Beach, with future route of 235 miles between Miami and Orlando, Florida, one of the most heavily-traveled corridors in the United States. The Company's passenger rail service will offer leisure, business, and personal travelers fast, reliable, convenient and comfortable travel within Southeast Florida.

The Company expects 16 daily departures from each of Miami and Orlando with stops in Fort Lauderdale and West Palm Beach. Virgin Trains USA's express trains are scheduled to make the 235-mile trip between Miami and Orlando in approximately 3 hours. The maximum authorized speed between Miami and West Palm Beach is 79 mph; between West Palm Beach and Cocoa will be 110 mph; and between Cocoa and Orlando will be 125 mph. The service will include on-board amenities for passengers during the trip. Three train stations are located in the city centers of Miami, Fort Lauderdale, West Palm Beach, and the planned Orlando station will be part of the Orlando Airport. The train stations will offer multiple connections to local commuter rail and public ground transportation, as well at ridesharing.

Louis Berger has been hired to conduct an Independent Review (IR) of the Company's operating and maintenance cost projections, as well as the ancillary revenues for potential creditors and investors.

II. Operations / Maintenance / Corporate and Other Expenses

Through its affiliate Virgin Trains USA Florida LLC, Virgin Trains USA will manage the operations of the passenger rail service, including hospitality operations, sales and marketing, IT, finance, accounting, human resources, legal and right-of-way functions. Operating and maintenance costs represent the on-going costs to operate and maintain the rolling stock, the right-of-way, and stations in a state of good repair, as well as attract and serve customers, and manage all the functions of the organization.

The Company has entered into agreements with certain entities for rail services operations and certain other aspects of the Company's operations, Under the terms of the Joint Use Agreements (JUA) with Florida East Coast Railway, LLC (FECR) (more fully described below). FECR will be responsible for maintenance of shared track and signals. as well as track security, across FECR's existing Miami to Cocoa rail corridor (the "Shared Corridor"). The Company has yet to determine whether FECR or another entity will handle the right-of-way, communications and signals maintenance on the non-FECR owned corridor between Cocoa and Orlando. The maintenance arrangements and cost implications for the Company are discussed in detail below.

The Company and FECR have formed and jointly own a company known as Florida Dispatch Company, LLC ("DispatchCo"). DispatchCo provides dispatch functions for all rail operations, passenger and freight, on FECR tracks between Jacksonville and Miami, Florida and will provide dispatch functions for work trains, track cars, and passenger trains on the segment between Orlando and Cocoa when constructed. The controlling agreements for DispatchCo are the Contribution and Operating Agreement of Florida DispatchCo LLC (f/k/a Florida East Coast DispatchCo LLC, and the Dispatch Services Agreement. The Company believes that partnering with FECR to create the wholly owned subsidiary, DispatchCo, allows both companies to secure superior dispatching services at favorable costs.

In addition, the Company has executed a maintenance agreement with Siemens, the rolling stock provider, for all warranty and preventive maintenance services for rolling stock. Such services are currently being performed at the Company's Running Repair Facility (RRF) in West Palm Beach. The company will be constructing a new maintenance facility in Orlando where all major maintenance activities for the eight trainsets will be performed. Upon opening of the Orlando maintenance facility, the existing RRF in West Palm Beach will revert to its original function, that of performing running repair (inspection, light maintenance, cleaning, and servicing)

Ridership and passenger fare revenues have been evaluated and documented separately. Ancillary revenues (discussed below) represent a separate funding stream comprised of many discrete elements, which combined comprise approximately 14% of the total annual revenues at stabilization.

Overview of Operating Expense Categories

The Company's total estimated operating expenses for stabilized operations (FY 2023) are \$181.0 million, consisting of three categories, Train Related Operating Costs, Variable Costs and Corporate and Other costs. Operating and maintenance expense for stabilized operations are summarized in Table II.1. The table also summarizes each item's contribution to total operating expense as well as percent of total revenue, as an indicator of relative significance to the bottom line.

Table II.1 – Summary of Estimated Operating and Maintenance Expense (FY 2023)
(\$ in millions)

Operating and Maintenance Expense	Amount	% of Opex	% of Revenue
Train Related Operating Costs - See Table A	\$94.3	52%	17%
Variable Costs – See Table B	\$43.2	24%	8%
Corporate and Other Costs – See Table C	\$43.5	24%	8%
Total operating & maintenance expense	\$181.0	100%	32%

A. Train-Related Operating Expenses

Train-related operating expenses are summarized in Table II.A.1 and discussed in greater detail below.

Table II.A.1 – Summary of Estimated Train- Related Operating Expense (FY 2023)
(\$\int \text{millions})\$

Train-Related Operating Expense	Amount	% of Opex	% of Revenue
Train-related labor	\$31.4	17.4%	5.5%
Fuel	\$13.9	7.7%	2.5%
Maintenance of way	\$18.3	10.1%	3.2%
Maintenance of equipment	\$10.8	6.0%	1.9%
Stations	\$5.3	2.9%	0.9%
Parking garages	\$5.8	3.2%	1.0%
WPB maintenance facility	\$1.4	0.8%	0.2%
MCO maintenance facility	\$2.0	1.1%	0.4%
Marketing	\$5.4	3.0%	1.0%
Train operations	\$94.3	52.1%	16.6%

1. Labor

Total Virgin Trains USA labor expenses (exclusive of dispatch, maintenance of equipment, maintenance of way, and communications and signals services which will be contracted from third-party vendors) are expected to be \$31.4 million, including salaries, taxes, benefits and other expenses. The Company expects to employ 551 full-time equivalent employees (FTE's) at stabilization. This is an increase of 42 employees and reflects a significant increase in lower waged service employees, primarily in Stations and Hospitality operations, and a reduction in some higher waged employees. Corporate operations are discussed in Section C, below, with the headcount included here for a more comprehensive picture. Table II.A.2 below summarizes projected FTE's by area of responsibility:

Table II.A.2 - Headcount (FTE) Summary (FY 2023)

Department	Phase I	Phase II	Total
Executive	12		12
Corp Other	74	7	81
Train Maintenance	9	12	21
Engineering	2	2	4
Stations	147	47	194
Security Management (Stations)	7	4	11
Onboard Crews	67	144	211
Transportation Management	13	4	17
Total Labor	331	220	551

At stabilization, rail operations are expected to have approximately 253 FTE's, including on-board staff and maintenance support staff.

- The scheduled passenger service will require 34 six-person train crews, each crew will be staffed with an
 engineer, a train manager/conductor, three on-board attendants, and one utility attendant for a total
 headcount of 204 (68 T&E and 136 on-board attendants).
- The Transportation Management team of 17 FTE's will provide management oversight, FRA required training and reporting, Control Center operations and crew scheduling.
- In addition to the Virgin Trains USA staff, a DispatchCo staff of 22 people will provide all train dispatching services for both Company trains and for all FECR trains. The cost of the DispatchCo employees is shared by the Company and FECR in accordance with the terms of the Dispatch Services Agreement.
- The train maintenance facilities will be staffed with 21 FTE's including the Chief Mechanical Officer, facility manager, facility engineer, train readiness managers, train cleaning staff and custodians.
- In addition to the Virgin Trains USA staff, Siemens staff of 73 people will be performing maintenance services for the rolling stock. The costs paid by the Company for all such services are in accordance with the terms of the 30-year Vehicle Maintenance Agreement (VMA).
- The railroad engineering team of 4 FTE's includes a Chief Railroad Engineer, Railroad Engineer, and 2 Right-of-Way Inspectors overseeing the maintenance of way and the maintenance of way contracts.
- In addition to Virgin Trains USA staff, FECR engineering personnel will handle the actual maintenance and upgrades for right-of-way, signals and communication. The costs paid by the Company for all such maintenance, and subsequent capital work if needed, will be in accordance with the terms of the JUA.

Stations and hospitality operations are expected to have approximately 205 FTE's, including:

- station managers,
- station engineers,
- safety & security staff,
- ticket counter/guest services agents,
- public area attendants and baggage agents,
- in-station café attendants, and
- commissary employees (West Palm Beach and Orlando).

More detail is provided in the Station Operations / Maintenance section below.

Executive and Corporate operations, which will be based in Miami include 93 FTE's and are comprised of the following:

- President and staff
- Sales / Revenue
- Branding / Marketing CFO and staffing for accounting, finance, procurement, tax
- Human Resources staff
- Legal / Government relations
- Information Technology
- Transit Oriented Development
- Corridor Development

Louis Berger Assessment: Based on our review, the Corporate Operations positions identified appear to be consistent with supporting the business plan put forth by Virgin Trains USA.

The following sections describe the proposed operations and staffing.

2. Train Operation

Passenger service between Miami and Orlando is scheduled to commence in the third quarter of 2022. The full operating schedule requires eight trains in active service. Each train will have two diesel locomotives, one at each end, with five cars; one first-class car and four business class cars. All cars will have wide aisles to accommodate wheelchairs and standard "scooters", and ADA-compliant restrooms. All stations will have high-level platforms. The train doors and floors will be level with the station platform, and include an automatic gap closer (an extended "bridge" to fill the gap between the train and the station platform). Business cars will have 58 to 66 seats each, and first-class cars will have 50 seats each.

3. Operations / Rolling Stock Handoff

Train crews and on-board attendants will be based out of both Orlando and West Palm Beach maintenance facilities. In the morning, after reporting to work and completing their job briefing, the train crew performs the required brake tests and inspections prior to moving the train from the maintenance facilities to West Palm Beach Station and Orlando Station to commence revenue service. Relief crews will come on duty during the day at these facilities and take over control of the train as dictated by exigencies of service. After the last run of the day for each train, the crew on duty will return the train to the maintenance facilities for inspection and servicing. The train is then serviced at night by the Siemens maintenance team, readying the train for the next day's operation. All required inspections and maintenance will be conducted during this time.

Louis Berger Assessment: Based on our review, the operations and hand-offs appear to be well thought out. The number of trainsets is more than adequate to meet the regrerements of service. The amount of deadhead mileage has been minimized by the location of the maintenance and layover facilities close to the passenger service terminal.

4. Train Crews and Operations

Each train crew consists of an Engineer and a Train Manager/Conductor. The train crew is accompanied by four on board service Attendants. All train service employees begin work and end their shift at either the maintenance facility in West Palm Beach or the maintenance facility in Orlando The proximity of these facilities to the stations in West Palm Beach and Orlando (each approximately a mile away) allows for efficient operation.

The schedule provides a total of 32 one-way trips per day (16 one-way trips from Miami and 16 one-way trips from Orlando). The typical layover at Orlando is approximately 35 minutes for trains coming from Miami, suitable for minor cleaning; and the typical Miami terminal station layover is 65 minutes for trains coming from Orlando. The service will run seven days per week. 34 crews are required to operate the service.

<u>Louis Berger Assessment</u>: Based on our review, the operating plans appear reasonable. The proposed staffing appears more than adequate to meet the requirements of service.

5. Fuel Costs

Each locomotive has a fuel capacity of 2,200 usable gallons. Trains could go multiple days without refueling, but the current plan is that fuel will be topped off every night. Fueling is currently done at the West Palm Beach maintenance facility, where there is a 20,000 gallon fuel tank and service island. Fueling facilities will be built at the Orlando maintenance facility which will include a 60,000 gallon fuel tank with space available to add an additional 60,000 tank. Upon institution of Phase Two service, Orlando will become the primary fueling location.

Total fuel expense is expected to be \$13.9 million. Fuel consumption was based on a burn rate determined by current operational experience as well as within the range found in the Masteris fuel study performed on Siemens trains operating under "best time" fuel burn (maximum fuel burn versus "eco mode" fuel burn). Based on current operational experience and adjusted for one additional car per trainset for the 235-mile one-way trip between Miami and Orlando, Virgin Trains USA assumes a locomotive will consume 376 gallons of fuel, or 1.6 gallons/mile.

<u>Louis Berger Assessment:</u> Based on our review and current operating experience, assumptions made for fuel consumption appear to be appropriate.

6. Maintenance-of-Way

The route between Miami and Orlando can be easily divided into three distinct segments: Miami - West Palm Beach; West Palm Beach - Cocoa; Cocoa - Orlando.

The segment between Miami and West Palm Beach is currently a double tracked corridor running through generally urbanized areas. The passenger train speeds on this line segment are not to exceed 79 miles per hour. The passenger station at Miami is an elevated structure with commercial space on the ground floor, and the approach from the north is therefore a ramp type structure to transition the track and trains from ground level to the platform level. Brightline began revenue service between West Palm Beach and Fort Lauderdale on January 13, 2018 and revenue service between Fort Lauderdale and Miami on May 19, 2018. This segment utilizes the existing FECR corridor between West Palm Beach and Miami, terminating at the newly constructed station complex in Miami.

The route between West Palm Beach and Cocoa will utilize the FECR right-of-way, which is currently primarily a single-track right-of-way with strategically placed remotely controlled passing sidings, which currently allow the passing of freight trains in opposite directions, or allow higher speed trains to overcome slower trains.

As part of the Virgin Trains USA project, the West Palm Beach-Cocoa corridor will be converted from a single track mainline to a double track mainline, with crossovers located approximately every seven miles along this line segment. The crossovers will provide the fluidity necessary to accommodate moving the proposed 32 Virgin Trains USA passenger trains per day, the 12 through freight trains per day, as well as the various local freights that operate along the line.

The upgraded rail corridor is proposed to accommodate passenger trains moving at up to maximum authorized speed of 110 miles per hour and freight trains moving at up to maximum authorized speed of 70 miles per hour.

Virgin Trains USA and FECR have entered into a JUA delineating the methodology for cost allocation for maintenance of way and maintenance of signals, and have developed spreadsheets laying out how the proposed cost allocation will be made over time. The methodology, which allocates MOW costs based on gross ton miles and signal costs based on train starts, is reasonable, and measurable. The mutually agreed upon costs, which are based on historic FECR maintenance costs, are based upon agreed upon performance specifications.

The route between Cocoa and Orlando consists of a dedicated corridor, primarily running parallel to and south of Florida Route 528. The 40-mile long route will consist of what is referred to by the Federal Railroad Administration (FRA) as a "Sealed Corridor", that is to say, the entire corridor is grade separated from all roadways crossing the railroad. The line will consist of 26 miles of double tracked main line and 14 miles of single tracked main line. All of the new construction will be 136-pound rail on concrete ties. The line between Cocoa and Orlando is planned

for passenger service only. No freight operation is planned for this line. The maximum authorized speed for passenger trains operating on this line segment will be 125 miles per hour.

As noted, Virgin Trains USA and FECR have entered into a JUA regarding maintenance of way and signals. As currently constituted, that agreement covers maintenance activities occurring on FECR properties only, which is to say, the right of way between Miami and Cocoa. At this time, it is unclear whether Virgin Trains USA and FECR intend to utilize the JUA, or whether Virgin Trains USA will institute an alternate construct to effect the maintenance activities on the 40-mile Cocoa to Orlando corridor. The maintenance costs provided by Virgin Trains USA for the Cocoa to Orlando line segment are predicated on and extrapolated from the agreed upon costs generated for the Miami to Cocoa line segment as part of the JUA.

The dispatch costs allocated for this line segment are fully accounted for in the DispatchCo executed agreements between Virgin Trains USA and FECR, creating the company Florida DispatchCo LLC for the purpose of providing dispatching services for both companies. Louis Berger has reviewed the terms and conditions of the DispatchCo agreements, and the related spreadsheets allocating the costs between Virgin Trains USA and FECR. The methodology for cost allocation is reasonable and mutually agreed upon.

Based on the various agreements between Virgin Trains USA and the Florida East Coast Railroad (FECR), and Company estimates for maintenance costs for the segment between Cocoa and Orlando, total maintenance-of-way (MOW) cost for 2023 (including dispatching) is expected to total \$18.3 million (Table II.A.3) and will be primarily performed by the FECR and/or by a joint Virgin Trains USA /FECR owned entity, DispatchCo. FECR will be responsible for maintenance of shared track and signals (including wayside Positive Train Control "PTC") as well as track security and bridge tenders along the shared corridor. FECR currently manages all these functions for its existing freight rail business. The Company will reimburse FECR for the Company's share of the costs of such services based on the relative number of ton-miles operated by each (in the case of right of way maintenance and operating expenses) or the total number of trains-miles operated by each (in the case of communications and signals facilities). Dispatching will be performed by DispatchCo, a limited liability corporation created by Virgin Trains USA and FECR.

Maintenance of Way	Year 2023 (\$Millions)
Maintenance of track	\$7.3
Signals & Communication	6.7
Bridge Tenders	0.6
Dispatch	2.9
Management fees & Other	0.7
Total Maintenance of Way	\$18.3

Table II.A.3 – Summary of Maintenance of Way Expense (FY 2023)

The operation between Miami and Orlando is 235 miles with stops at the Fort Lauderdale and West Palm Beach stations. Maximum authorized train speed varies depending on the track segment. The track will be inspected and maintained at FRA Class 4 level between Miami and West Palm Beach, at FRA class 6 level between West Palm Beach and Cocoa and at FRA Class 7 level between Cocoa and Orlando.

The right-of-way for the Project will be shared with FECR freight trains between the Miami and Cocoa and passenger trains only will operate in the right-of-way between Cocoa and Orlando.

The budget for rail infrastructure maintenance between Miami and Cocoa has been calculated and agreed upon by Virgin Trains USA and FECR based on the existing MOW costs incurred by FECR, increased to allow for the additional ton-miles operated and the higher standards of inspecting and maintaining the railway to the higher FRA Class of track for passenger rail speed. The MOW costs are assumed to be lower during the operational ramp-up due to the newer rail infrastructure because of the capital investment made in constructing the rail system and reaches steady state by 2023. The budget for rail infrastructure maintenance between Cocoa and Orlando has been

calculated by Virgin Trains USA based on industry standards and the existing MOW costs incurred by FECR on the Miami to Cocoa corridor with additional factors for the increase in FRA track class and speed.

In addition, FECR may from time to time propose that "Replacement Capital Improvements" for the Miami to Cocoa segment such as replacing rails, ties, etc. The cost of this work will be apportioned between Virgin Trains USA and FECR as provided for in the JUA. Virgin Trains USA has presented the estimated cost of these Replacement Capital Improvements based on FECR estimates.

The assumed costs ramp up due to the capital investment made during construction, reaching a steady state in 2023.

Louis Berver Assessment: Based on our review, for the specific dollar amounts identified, Virgin Trains USA has contractual assurances that FFCR (and DispatchCo) will meet required performance specifications. We can confirm that the contracts hinding the parties are consummated, appear solid, and appear to properly protect Virgin Trains USA. These cover all maintenance of way on the Miami to Cocoa corridor. The costs assumed in the Financial Model for MOW are certain in that they are based on a negotiated and consummated agreement between FECR and Virgin Trains USA. The allocated costs for maintenance of way for the Cocoa to Orlando corridor appear to be reasonable, but are not fixed at this point as they are not part of a maintenance agreement.

7. Communications and Signals

The agreement with FECR has the cost of communications and signals allocated based on the total number of train-miles operated by Virgin Trains USA and FECR. Virgin Trains USA has estimated that the cost for Virgin Trains USA will be \$6.7 million per year, and takes into account more frequent inspections and the cost of PTC maintenance.

Louis Berger Assessment: Based on our review, for the specific dollar amounts identified, Virgin Trains USA has contractual assurances that FFCR will meet required performance specifications. These cover all communications and signals (C&S) maintenance on the Miami to Coca corridor. We can confirm that the contracts binding the parties are consummated, appear solid and appear to properly protect Virgin Trains USA. The costs assumed in the Financial Model for communications and signals are reliable in that they are based on a negotiated and consummated agreement between FECR and Virgin Trains USA. The allocated costs for C&S maintenance for the Cocoa to Orlando corridor appear to be reasonable, but are not fixed at this point as they are not part of a maintenance agreement.

8. Management Fee

Under the agreement with FECR, Virgin Trains USA pays FECR an annual management fee of \$500K subject to a 2% annual escalation.

<u>Louis Berger Assessment:</u> The costs assumed in the Financial Model for Management Fees are reliable based on the fact that it is a negotiated and consummated agreement between FECR and Virgin Trains USA.

9. Dispatch

The Company and FECR are joint partners in Florida DispatchCo, the entity that will provide the dispatch functions for the Company's passenger trains and for freight trains within the corridor. The Operating Agreement for Florida DispatchCo and the Dispatch Services Agreement outline the responsibilities and duties for dispatching, including prioritization of dispatching of passenger trains. The cost of dispatch expenses will be allocated pursuant to the terms of the agreement.

At stabilized operations, Virgin Trains USA's share of dispatching cost is projected to be \$2.9 million per year. This cost includes 22 employees (train dispatchers, supervisors and support staff).

Louis Berger Assessment: Based on our review, for the specific dollar amounts identified, Virgin Trains USA has contractual assurances that Florida DispatchCo will meet required performance specifications. We can confirm that the compacts binding the parties are consummated, appear solid and appear to properly protect Virgin Trains USA. The costs assumed in the Financial Model for dispatch are reliable in that they are based on a negotiated and consummated agreement between FECR and Virgin Trains USA.

10. Maintenance of Equipment

Virgin Trains USA has procurement and maintenance agreements for the rolling stock with Siemens, an internationally recognized leader of railear, locomotive and rolling stock component manufacture and maintenance. Siemens is contracted to provide trainsets for the phase one service, additional trainsets (and potentially extra equipment as needed) for the full-service phase, and under separate agreement, to maintain the trainsets for thirty years.

Virgin Trains USIA currently has five train sets on the property. The current trainsets consist of two locomotives, three business-class cars and one first-class car. The two locomotives are Siemens Charger-type 4000 horsepower units. They meet US EPA Tier IV Emission Standards.

The Siemens acquisition also includes three additional trainsets for the Phase Two Operations and future passenger car and locomotive options, which are included to accommodate growth. Virgin Trains USA has determined that it will operate the system with no spare passenger cars. The company's management advises that Virgin Trains USA has operated the Miami to West Palm Beach segment successfully without spare passenger cars. They advise, that in the case of removing a passenger car from service, Virgin Trains USA manages the number of available seats via its on-line reservation network. The company believes that it can manage any risk associated with the absence of spare passenger cars in this manner.

The railcars are of a unique design and are fully ADA compliant. The entry doors, aisle-ways and restrooms are all designed to accommodate a standard wheelchair or travel scooter. Additionally, the cars are designed with an integral "gap-closer", a mechanical platform which extends from the vestibule of the railcar when the side doors are open to close the gap between the railcar and the station platform. Phase two train sets will consist of five cars plus two locomotives. Each train will include four business class cars, and one first-class car.

All trains will be serviced and receive heavy maintenance at the maintenance facility in Orlando. Virgin Trains USA will provide Siemens with certain mobile equipment and tools as per a schedule in the Vehicle Terms and Conditions Agreement between Virgin Trains USA and Siemens. This agreement also addresses terms and conditions, if required, for major component exchange.

Virgin Trains USA's VMA with the rolling stock manufacturer ensures regular ongoing and preventive maintenance, as well as capital maintenance over the life of the contract at a set price with an established cost escalator. Capital maintenance expense for equipment overhauls to extend the useful life of the equipment has been budgeted separately as "maintenance capex".

Locomotive periodic maintenance is done on a regular basis based on OEM and FRA requirements, overhauls are scheduled every six to seven years, depending on miles, with a major (mid-life) overhaul performed at around 15 years. Passenger cars will have periodic maintenance as per OEM requirements and FRA regulations every three to five years, with a major (midlife) overhaul work after 10 years and 15 years. Repairs to accidental damage are extra and performed at a negotiated hourly rate.

"Quick turnaround" cleaning is performed at the terminal stations during layovers by station personnel. More thorough nightly cleaning and fueling is performed at the RRF. Heavy cleaning is generally done on a periodic basis matched up with periodic maintenance events to minimize out of service time.

Louis Berger Assessment: Based on our review, the rolling stock maintenance contract awarded to Siemens includes regular and preventive maintenance costs, as well as capital maintenance. Siemens has extensive experience with long-term maintenance agreements for rolling stock, both domestically and internationally. Virgin Trains USA has contractual assurances that Siemens will meet required performance specifications. We can confirm that the contracts binding the parties are consummated, appear solid and appear to properly protect Virgin Trains USA. The costs assumed in the Financial Model for maintenance of equipment are certain in that they are based on a negotiated and consummated agreement between Siemens and Virgin Trains USA. Operating trains without spare passenger cars is inconsistent with standard industry practice. However, management advises that Virgin Trains USA has operated the Miami to West Palm Beach segment successfully without spare passenger cars.

11. Station Operations / Maintenance

Virgin Trains USA's approach to customer service is unique in the rail industry. Within its Stations Department, Virgin provides customer interface functions normally provided by railroad customer service and stations departments (ticketing, information, baggage handling, on-board service), and hospitality industry-type functions, such as guest lounges, and food and gift kiosks. In addition, Virgin Trains USA, through its Station Security Department provide functions usually more associated with airlines (TSA type luggage and passenger screening and security).

The Financial Model assumes 205 FTE station management and staff. This includes station engineers and public area attendant staff as well as public safety and passenger security staff, providing seven day a week passenger and baggage screening and general security at each station, and supervisors.

Additionally, each station has café attendants for the "Good to Go" food and beverage and merchandise kiosks in the stations. The Orlando station will be open about 16 hours per day (from a half hour before first train of the day departs, until a half hour after last train of the night arrives); while the Miami station will be open from about 6:30 am to 11 pm, or about 17½ hours per day, seven days per week. The commissary staff who will be responsible for all food and beverage ordering and restocking including replenishment of the on-board carts are currently based in West Palm Beach, but will relocate to Orlando in 2022.

Station expenses represents the costs of maintaining each of the stations, and includes day-to-day operating costs as well as long term structural maintenance. Virgin Trains USA has considered the following in developing the budget for station expenses: repairs and maintenance; utilities; supplies & consumables (e.g., boarding tickets, bag tags, paper goods/#isposables, cleaning supplies, and general office supplies); facility upkeep (e.g., landscaping, floor buffing/maintenance, janitorial, and window cleaning); and licenses.

An increase from the prior iteration is primarily driven by \$1 million in Real Estate Taxes which were not in the original model. At the time of the original projections, the state of Florida had not provided direction on methodology or amount. This is still true today, however Virgin Trains USA is being more conservative and including this as part of station expense. The balance of the increase is primarily due to higher common area charges from parent company for Miami station (also not fully defined previously).

12. Parking Facilities

Parking garage expense is budgeted at \$5.8 million, or 3.2% of operating expense, and 1.0% of revenue. Miami Central Station represents \$2.5 million, Fort Lauderdale Station represents \$1.8 million, and West Palm Beach Station represents \$1.5 million of the parking garage expenses. These figures capture base rent, and operating expenses. Operating and maintenance expenses for each station were developed in collaboration with Flagler Development, a sister company experienced in this arena.

13. WPB Maintenance Facility

The WPB Maintenance Facility is budgeted at \$1.4 million, or 0.8% of operating expense, and 0.2% of revenue. This line item includes facilities maintenance and materials and supplies for maintenance. Included in these expenses are supplies (e.g., engine oil, coolant, train wash chemicals, and sand), and general facility upkeep (e.g., waste removal contracts, fire alarm / suppression system contracts, and fuel meter calibration).

14. MCO Maintenance Facility

The MCO Maintenance Facility is budgeted at \$2.0 million, or 1.1% of operating expense, and 0.4% of revenue. This line item includes facilities maintenance and materials and supplies for maintenance. Included in these expenses are supplies (e.g., engine oil, coolant, train wash chemicals, and sand), and general facility upkeep (e.g., waste removal contracts, fire alarm / suppression system contracts, and fuel meter calibration).

Virgin Trains USA O&M Cost/Ancillary Revenue Independent Review

Louis Berger

15. Marketing

After the initial launch and ramp-up of operations, marketing and advertising expenses are projected to stabilize at approximately \$5 million in marketing spend, escalated through 2023. The increase is driven by the first year of operations and favorable ROI business cases involving event-driven and seasonal train experiences. Virgin Trains USA has hired additional, specialized full time employees and executives to execute on this additional spend. Marketing & Advertising expenses per passenger are set higher during the ramp up period. Low cost airlines spend approximately \$0.70 to \$1.80 per passenger.

Louis Berger Assessment: The estimated train-related operating expenses reflect the steady-state operation in 2023 and appear to be sufficient and reflect a full accounting of operating expenses, consistent with subcontractor agreements.

B. Variable Costs

Variable costs are comprised of credit card fees, food and beverage costs (paid and complimentary), merchandise costs, and IT expense for WiFi and IT booking.

Variable costs for stabilized operations (FY 2023) are summarized in Table II.B. The table also summarizes each item's contribution to other operating expenses and percent of total revenue, as an indicator of relative significance to the bottom line.

(\$ di minions)					
Variable Costs	Amount	% of Variable Opex	% of Total Revenue		
Credit Card Fees	15.4	35.6%	2.7%		
Food & Beverage Costs-Paid	12.0	27.8%	2.1%		
Complimentary F&B Costs	7.9	18.4%	1.4%		
Merchandise	2.7	6.2%	0.5%		
Information Technology - WiFi	2.4	5.5%	0.4%		
Information Technology- booking	2.8	6.5%	0.5%		
Total Variable Expense	\$43.2	100%	7.6%		

Table II.B – Summary of Variable Costs (FY 2025)

1. Credit Card Fees

Credit card fees are estimated at 2.8% of total passenger generated revenues and are based on negotiated rates with the merchant services provider.

2. Food & Beverage Costs-Paid

Passenger meal costs represent the cost of providing Food & Beverage service, excluding labor, and are estimated to be 28% of Food & Beverage (F&B) Revenue. See F&B Revenue for further explanation of the revenue side. This expense item can be readily monitored and adjusted as experience identifies optimal preparation and stocking levels for food and beverages.

3. Food & Beverage Costs- Complimentary

The financial model provides for the cost of complimentary Food & Beverage service provided to f.rst-class ("Select") passengers, as well as a snack and beverage for Smart+ passengers. Based on actual experience, Virgin Trains USA anticipates \$1 in complimentary food and beverage per passenger for Phase I, escalating 2% per passenger per year. Phase II anticipates a \$1.00 Smart, \$2.00 Select business model, based on marketing and customer response.

10 Page

Virgin Trains USA O&M Cost/Ancillary Revenue Independent Review

Louis Berger

4. Merchandise

Merchandise is anticipated to comprise \$6.7 million in annual revenue by 2023, as discussed below. Merchandise cost is estimated at 40% of revenue. Merchandise will include model trains and accessories, and hats, T-shirts and other apparel.

5. Information Technology-WiFi and Booking

The Virgin Trains USA model includes \$8.7 million for IT expenses in 2023. Variable costs for IT wifi and IT booking comprise \$5.2 million or approximately 60% of the IT costs. IT booking distribution costs represent fees paid to Navitaire (Virgin Trains USA's reservations system provider) on a per passenger basis, as well as a monthly support fee. The average cost is \$0.42 per passenger. In addition to the variable distribution costs and wifi costs, \$3.5 million in IT expenses (captured in the Corporate "bucket") include telecom data center hosting, network expenses, and hardware and software costs.

Louis Berger Assessment: Based on our review, the variable costs have been documented appropriately.

C. Corporate Costs and Other

Corporate and other costs total approximate \$44 million and approximately 24% of total operating costs, as summarized in Table II.C.1.

Table II.C.1 – Corporate Costs (FY 2023)
(\$\int millions)

Corporate Costs	Amount	% of Corp & Other Opex	% of Total revenue
Corporate-related labor	\$14.7	33.7%	2.6%
Corporate G&A &			
other	\$8.5	19.5%	1.5%
IT	\$3.5	8.01√₀	0.6%
Insurance	\$8.9	20.5%	1.6%
Lease payment	\$7.9	18.2%	1.4%
Corporate & Other	\$43.5	100%	7.7%

1. Corporate Labor

A summary of the proposed 2023 corporate headcount is provided in Table II.C.2.

Table II.C.2 - Corporate Headcount (FTE) Summary (FY 2023)

Department	Phase It	Phase II	Total
Executive	12		12
Corp Other	74	7	81
Total Corporate Labor	86	7	93

Corporate operations, which will be based in Miami include 93 FTE's for Phases I and II and are comprised of the following:

- President and staff
- Sales / Revenue
- Branding / Marketing CFO and staffing for accounting, finance, procurement, tax
- Human Resources staff

11 | Page

Virgin Trains USA O&M Cost/Ancillary Revenue Independent Review

Louis Berger

- Legal / Government relations
- Information Technology

2. Corporate G&A and Other

The largest line item in this category is Professional Services, comprising \$6.2 million in 2019, which is approximately 83% of 2019 costs for Corporate G&A and other.

3. Information Technology

As mentioned in variable costs, the \$3.5 million in IT expenses include telecom data center hosting, network expenses, and hardware and software costs.

4. Insurance

Current insurance broker estimates for 2022 are consistent with the Virgin Trains USA plan. (The Virgin Trains USA projection is within the range provided by the broker). The 2022 insurance expense, adjusted for a full 12 months of revenue service is \$8.7mm, within AON's range of \$7.7mm - \$10.7mm. Adjusted for inflation, 2023 insurance is forecasted to be \$8.9mm.

5. Lease Payment

The lease payment (\$7.9mm) in 2023 is for the Orlando airport's rail station. Virgin Trains USA pays the airport (Greater Orlando Airport Authority GOAA) for the use of the station.

There are fixed monthly costs for the rail platform, Bag operations space, and ticket counter / other. Virgin Trains USA also pays a fixed monthly operational and maintenance fee. There is also a variable expense, individually based on passengers and sales.

Louis Berger Assessment: Based on our review, the Corporate and Other costs have been documented appropriately

III. Ancillary Revenues

The Company expects stabilized ancillary revenue of \$82 million in 2023 comprised of food and beverage, parking, advertising, naming rights, sponsorships/partnerships, merchandise, and other fees. Table III.1 summarizes ancillary revenues that comprise approximately 14.4% of total revenue.

Table III.1 – Summary of Ancillary Revenues (FY 2023)
(\$\int \text{in millions})

Ancillary Revenue	Amount	% of Ancillary Revenue	% of Total Revenue
Ancillary Revenue			
Food & beverage revenue	\$42.8	52.3%	7.6%
Parking garage	\$8.2	10.0%	1.4%
Merchandise	\$6.7	8.2%	1.2%
Other (fees)	\$6.7	8.2%	1.2%
Passenger ancillary revenue	\$64.4	78.7%	11.4%
Advertisement	\$2.9	3.5%	0.5%
Sponsor / partnerships	\$9.5	11.6%	1.7%
Naming rights	\$5.0	6.1%	0.9%
Other revenue	\$17.4	21.3%	3.1%
Total Ancillary Revenue	\$81.8	100%	14.4%

12 Page

Virgin Trains USA O&M Cost/Ancillary Revenue Independent Review

Louis Berger

1. Food and Beverage Revenue

Food and beverage revenue of \$42.8 million represents 53% of total ancillary revenue and assumes an average of \$6.47 per passenger as illustrated in Table III.2, below. Food and beverages will be available for purchase on the trains (beverage carts and live service) and from the Company owned and operated "Good to Go" kiosks in stations. The Company retains the option to buy café cars from Siemans based on customer demand. First class "select" passengers receive complimentary food and beverages, with the option to purchase additional refreshments (e.g. additional alcoholic beverages). Smart+ passengers pay a slightly higher fee to receive a complimentary snack and beverage. Food and beverage revenue includes only the direct payments from passengers- it does not include a pro-rated share of the Select class ticket or the Smart+ fee.

The 2023 Food and Beverage Revenue key assumptions and drivers are as follows:

Table III.2 - Summary of Food and Beverage Revenue Drivers (FY 2023)

Phase	Passenger Type	Passengers	Transactions / Passenger	Revenue / Transaction	Revenue	Average
I	Smart	2,095,266	0.96	\$4.94	\$9,933,587	\$4.74
I	Select	984,206	0.36	\$5.89	\$2,086,597	\$2.12
II	Smart	2,828,863	1.30	\$7.54	\$27,711,167	\$9.80
П	Select	705,333	0.56	\$7.73	\$3,051,476	\$4.33
Total		6,613,669			\$42,782,827	\$6.47

For the future, management is looking at features such as vending type machines on-train for wider selections of F&B and other items. For example, Japan demonstrates the variety of items available from vending machines. The current 2023 plan is eight 5-car trains with enhanced food features / vending machines within each car. The majority of sales are anticipated to take place in the stations.

Louis Berger Discussion/Review: Food and beverage revenue estimates are anticipated to be the top ancillary revenue generator. The Company has limited the complimentary obligations to its Select passengers to one beverage of choice. The Company has brought management of food and beverage services "in house" to control quality offerings and brand offerings. The Company has fully designed and developed its station food areas and train services, and has researched likely consumer visitation and purchasing patterns and behavior in the stations and on trains. Food and beverages will be varied, artisanal, appealing, convenient, fresh, and market (not premium) priced Virgin Trains USA has obtained liquor licenses for stations and trains that will increase consumption and revenues, based on industry experience. Virgin Trains USA has worked closely with rendors and with hospitality professionals to garge interests and preferences in purchase options and experiences, as well as revenue growth trends (assumed at 6% per year, including the projected growth in passengers as well as market rate increases in food and beverage pricing, consistent with discussions with professional sources).

Louis Berger Assessment: Upward trends in food and beverage revenue are expected to accelerate throughout 2019. With longer trips and full service to Orlando in 2022, and with Virgin Trains USA paying consistent attention to customer preferences, Virgin Train USA expects food and beverage service revenues to stabilize in 2023. Assuming the quality, convenience, anecdotal reports, market pricing and growth estimates from initial operations are accomplished as planned, based upon a review of the station layouts and food and beverage plans, the revenue estimate is consistent with the Virgin business model, and in that context, appears to be reasonable.

2. Parking Garage Revenue

Parking is expected to generate \$8.2 million, or 10%, of the total \$81.8 million in ancillary revenue in 2023. The Company has a total of 1,696 parking spaces at its Miami, West Palm Beach and Fort Lauderdale garages which are

each expected to generate average annual revenue of \$4,817/space, or \$13.20 per day (Table III.3). The Company expects to generate high demand for its parking in the downtown areas of Miami, West Palm Beach and Fort Lauderdale from passengers and street parking, plus substantial event parking at the Miami station.

Table 111.3- Summary of Parking Garage Revenue (FY 2023)

(\$ in millions, except revenue per space and day)

Parking Garage	Revenue	Spaces	Revenue per Space	Revenue per Space per Day
Miami	\$4.0	674	\$5,893	\$16.15
Fort Lauderdale	\$2.0	558	3,517	9 . 64
West Palm Beach	\$2.2	464	4, 817	13.20
Total	\$8.2	1,696		
Average			\$4,817	\$13.20

Parking rates assume an hourly rate for Brightline passengers at \$1.00 per hour, plus up to \$5.00 an hour for street parkers in Miami, and \$2.00 an hour for street parkers in Fort Lauderdale and West Palm Beach, which are competitive with the surrounding areas. There will also be a different rate for nights and weekends.

Several initiatives are being piloted or developed to increase parking revenues. An automated license plate recognition system is being deployed all garages to capture daily revenue from long-term parking. Event-drive events also assist in generating additional parkers. Cruise-ship parking is being actively promoted, including West Palm Beach promotions pairing parking with a train ride to Miami. Corporate parking is also being promoted for available excess capacity.

Miami parking yield per hour and net revenue decreases from 2019 to 2023, as the space transitions to being used by customers, down from being used by high-priced non-rail customers. For example, today Virgin Trains USA charges the general public \$20 for Miami Heat game night parking. In the future they will use that parking for rail passengers and charge less, and not offer the space for non-passenger related street events. FTL and WPB do not have this dynamic and thus grow steadily after 2019.

Phase II parking revenue and expense will come from Miami, Fort Lauderdale, and West Palm Beach Stations parking for customers who travel to Orlando. Virgin Trains USA will have no revenue or expense at the Orlando station. The Greater Orlando Airport Authority will own and operate the parking at Orlando Airport, including collection of parking revenue and expenses for the garage.

Phase II parking revenue and expense are attributed to the incremental passengers (the 3.5m or the total 6.6m 2023 passengers) who park in the South and travel to Orlando. Since the garages have a finite space, some of what used to be 100% Phase I parking will be shift#d over to Phase II passengers.

Louis Berger Discussion/Review: The parking fee will be \$1.00 per hour for Virgin Trains USA ticket holders. The discounted rate for parking also include a guaranteed space. Overall in 2023, (excluding event parking in the car count) Virgin Trains USA parkers are expected to generate approximately 97% of cars and 72% of revenues, while street parkers generate about 3% of cars and 5% of revenues. In addition 23% of total parking revenue is driven by event night and weekend revenue generated in the Miami parking garage, as a result of its proximity to areas which host sporting and entertainment events. The projected proportions of cars and revenue differ market by market.

Louis Berger Assessment: The ramp-up to near-full capacity is anticipated in 2019. Multiple strategies are being pursued to accomplish that. The proposed non-event parking revenue estimate is consistent with the Virgin Trains USA business model, and in that context, appears reasonable. The event parking revenue is based on the assumption that Virgin Trains USA will secure approximately 15% of total event parking revenue for concerts and sporting events.

14 Page

3. Naming Rights, Sponsorships / Partnerships and Advertising

Based on market comparables and on-going discussions with advertising and sponsorship prospects, the Company expects to generate \$17.4 million from naming rights, sponsorships/partnerships and advertising.

Virgin Trains USA currently owns the naming rights for the service. Naming rights for stations are anticipated to generate \$5.0 million in 2023, or 6% of all ancillary revenues. This estimate is based on fees for stadiums and similar high-profile venues according to Virgin Trains USA.

Sponsorships are anticipated to generate \$9.5 million in 2023, or 12% of all ancillary revenue in 2023. The Company is aggressively pursuing opportunities for partnerships and sponsorships including "Train Presented by", passenger lounge, time clocks, beverages, Wi-Fi, health (e.g., nursing mothers' room), snacks, and rideshare (e.g., Uber or Lyft). The Company has already developed a solid backlog for 2019 and beyond, and has invested in talent (such as sponsorship lead for the Miami Heat) and related strategies.

Advertising revenue in and around stations is estimated at \$2.9 million and comprises 4% of the anticipated \$81.2 million in ancillary revenues for 2023, the stabilized operations year after ramp-up. Advertising revenues are anticipated to increase 2.5% each year. The Company has contracted with OutFront Media for advertising revenues within stations (i.e., video displays and column wraps) and advertising revenues outside stations (i.e., external billboards).

All stations will be open 7 days per week, with passengers arriving and departing regularly. Each station has been designed and developed to foster additional uses and traffic. Stations areas will accommodate mixed uses and transit oriented development, with shops, offices and residential areas on site and nearby to promote additional station ancillary revenue activity.

Louis Berger Discussion/Review: Naming rights are anticipated to be long-term relationships — approximately 10 years or more. Virgin Trains USAs investment and commitment is in place. Virgin Trains USA has purchased naming rights for at least the next two years, with "right of first refusal" based on anticipated active competition in future years. There is prejectent for similar scale and value for transportation-related agreements in the recent 25 year agreement between the Transbay Transit Center in San Francisco and Salesforce, a software company adjacent to the transit center. The naming rights are expected to increase at 2.5% per year.

As noted, sponsorships are being actively sought, through strategic hires and including support through a contractual agreement with Premier Partnerships. Some sponsorships are expected to be permanent, based on facility infrastructure commitments, while others can be modified over time (such as product placements) Virgin Trains USA is being creative and strategic in seeking sponsorships, for everything from quiet rooms for nursing mothers to washroom faucets to station clocks. Approximately 18% of the projected 2019 sponsorship revenue is under contract, while other categories are being actively pursued. Sponsorship revenues are expected to increase at 2.5% per year.

Virgin Trains USA has an exclusive agreement with OutFront Media for installation of advertising digital screen devices at stations. The agreement specifies separate sponsorship rights and owner's "retained space", and defines the locations and sizes for displays. OutFront Media has the right and responsibility to market, sell, install, display and remove all third-party advertising on advertising displays at all owner locations, as specified in the agreement. Virgin Trains USA receives 60% of revenues, net of commissions to outside advertising agencies and net of initial capital costs. Advertising revenues are conservatively estimated at 70% of the expected value and are expected to increase at 2.5% per year.

Louis Berger Assessment: Sponsorship and advertising revenues represent net revenues, based on agreements with Premier Partnerships and OutFront Media, respectively. The estimates are ambitious but Virgin Trains USA has personnel and strategies in place to pursue them; they are consistent with the Virgin Trains USA husiness model, and in that context, appear reasonable.

4. Merchandise

Merchandise is anticipated to comprise \$6.7 million in annual revenue by 2023, and assumes average revenue per passenger of \$1.02. This will include model trains and accessories, and hats, T-shirts and other apparel. Several



APPENDIX E

FORM OF INDENTURE



INDENTURE OF TRUST

BETWEEN

FLORIDA DEVELOPMENT FINANCE CORPORATION

AND

DEUTSCHE BANK NATIONAL TRUST COMPANY, AS TRUSTEE

DATED AS OF MAY 9, 2024

PROVIDING FOR THE ISSUE OF

\$2,219,280,000

FLORIDA DEVELOPMENT FINANCE CORPORATION
REVENUE BONDS
(BRIGHTLINE FLORIDA PASSENGER RAIL PROJECT)
BRIGHTLINE TRAINS FLORIDA LLC ISSUE, SERIES 2024 (TAX-EXEMPT)

TABLE OF CONTENTS

		Page
	ARTICLE 1.	
	DEFINITIONS	
Section 1.1	Definitions of Certain Terms	3
	ARTICLE 2.	
	SECURITY FOR THE BONDS	
Section 2.1	Grant of Trust Estate	12
Section 2.2	Time of Pledge; Delivery of Trust Estate	13
Section 2.3	Amounts Received Pursuant to the Collateral Agency Agreement	
Section 2.4	Discharge of Indenture	
Section 2.5	Bonds Secured on Equal and Proportionate Basis	13
Section 2.6	Limited Obligations.	13
Section 2.7	Bonds Constitute a Contract	14
Section 2.8	Borrower to Take Certain Action Hereunder	14
	ARTICLE 3.	
	AUTHORIZATION, ISSUANCE AND DELIVERY OF BONDS	
Section 3.1	Authorization, Purpose, Name, Principal Amount, Interest Rates and	
	Method and Place of Payment	
Section 3.2	Execution and Authentication of Bonds	
Section 3.3	Delivery of Bonds	17
	ARTICLE 4.	
	TERMS OF BONDS	
Section 4.1	Form of Bond, Registered Form, Denominations and Numbering of	10
a .: 40	Bonds	18
Section 4.2	Registration of Bonds; Persons Treated as Owners; Transfer and	10
0	Exchange of Bonds	
Section 4.3	[Reserved]	
Section 4.4 Section 4.5	Mutilated, Lost, Stolen or Destroyed Bonds	
Section 4.5	Payment of Debt Service and Redemption Price	20
Section 4.6 Section 4.7	Notice of Redemption	
Section 4.7	[Reserved]	
Section 4.8 Section 4.9	[Reserved]	
Section 4.10	Book-Entry Registration.	
Section 4.10	Delivery of New Bonds upon Partial Redemption of Bonds	21
Section 4.11	Nonpresentment of Bonds	21
500tion 4.12	rouplesentinent of Bonds	21

Section 4.13 Section 4.14 Section 4.15	Cancellation of Bonds	22
	ARTICLE 5.	
	FUNDS AND ACCOUNTS	
Section 5.1	Establishment of Funds and Accounts	
Section 5.2	Debt Service Fund	
Section 5.3	Series 2024 Bond Insurer Fund	
Section 5.4	Series 2024 Rebate Fund	
Section 5.5	Moneys to be Held in Trust	
Section 5.6	Investment of Moneys	25
	ARTICLE 6.	
	COVENANTS OF THE ISSUER	
Section 6.1	Representations, Covenants and Warranties	26
Section 6.2	Conditions Precedent	27
Section 6.3	Maintenance of Existence	
Section 6.4	No Superior or Parity Liens on Trust Estate	27
Section 6.5	Tax Covenant	27
Section 6.6	Compliance with Law	
Section 6.7	No Appointment of Receiver, etc	28
Section 6.8	Rights under Senior Loan Agreement, the Additional Parity Bonds Loan	
	Agreement and the Collateral Agency Agreement	
Section 6.9	[Reserved.]	
Section 6.10	Indebtedness	28
	ARTICLE 7.	
	DEFAULTS AND REMEDIES	
Section 7.1	Events of Default	20
Section 7.1 Section 7.2		
Section 7.2 Section 7.3	Remedies Following and During the Continuance of an Event of Default Use of Moneys Received from Exercise of Remedies	29
Section 7.3	Limitations on Rights of Owners Acting Individually	
Section 7.4 Section 7.5	Trustee May Enforce Rights without Bonds	
Section 7.5	Trustee to File Proofs of Claim in Receivership, Etc.	
Section 7.7	Delay or Omission No Waiver	
Section 7.7	Discontinuance of Proceedings on Event of Default; Position of Parties	
	Restored	
Section 7.9	Waivers of Events of Default	32

ARTICLE 8.

CONCERNING THE TRUSTEE

Section 8.1	Representations, Covenants and Warranties Regarding Execution,	
	Delivery and Performance of Indenture	
Section 8.2	Duties of the Trustee	
Section 8.3	Co-Trustees	
Section 8.4	Compensation of Trustee	
Section 8.5	Resignation or Replacement of Trustee	
Section 8.6 Section 8.7	Conversion, Consolidation or Merger of Trustee	
Section 8.8	Books and Records; Reports	
Section 8.9	Notices. Etc.	
Section 6.9	Notices, Etc	39
	ARTICLE 9.	
	SUPPLEMENTAL INDENTURES AND AMENDMENTS	
Section 9.1	Supplemental Indentures and Amendments Not Requiring Consent of	
	Owners	39
Section 9.2	Supplemental Indentures and Amendments Requiring Consent of Owners	40
Section 9.3	Conditions to Effectiveness of Supplemental Indentures and	
a a.	Amendments	
Section 9.4 Section 9.5	Consent of the Borrower	
Section 9.5	Execution of Supplemental Indentures and Amendments by Trustee	42
	ARTICLE 10.	
AMENDME	ENT OF AND CERTAIN ACTIONS UNDER SENIOR LOAN AGREEM	MENT
Section 10.1	Amendments to Senior Loan Agreement Not Requiring Consent of	
G .: 10.2	Owners	
Section 10.2 Section 10.3	Amendments to Senior Loan Agreement Requiring Consent of Owners Actions of Trustee Requiring Owner Consent Pursuant to the Senior	43
Section 10.5	Loan Agreement or any Additional Parity Bonds Loan Agreement	44
	Loan Agreement of any Additional Farity Bonds Loan Agreement	44
	ARTICLE 11.	
	DEFEASANCE	
Section 11.1	Discharge of Indenture	44
Section 11.2	Defeasance of Bonds	
Section 11.3	Opinion of Bond Counsel	
Section 114	Defeasance of Less than all Bonds	46

ii

ARTICLE 12.

ADDITIONAL PARITY BONDS

Authorization for Additional Parity Bonds

Section 12.1

Section 12.1	Authorization for Additional Parity Bonds	46
Section 12.2	Additional Parity Bonds	
	ARTICLE 13.	
	MISCELLANEOUS	
Section 13.1	Table of Contents, Titles and Headings	46
Section 13.2	Inapplicability of Trust Indenture Act	46
Section 13.3	Interpretation and Construction	46
Section 13.4	Further Assurances and Corrective Instruments	47
Section 13.5	Evidence of Signature of Owners and Ownership of Bonds	47
Section 13.6	Authorization of Officers and Employees	
Section 13.7	Parties Interested Herein.	48
Section 13.8	Issuer and Trustee Representatives	48
Section 13.9	Reporting between the Trustee and Collateral Agent	49
Section 13.10	Manner of Giving Notices	49
Section 13.11	Notices to Rating Agencies	
Section 13.12	No Recourse; No Individual Liability	51
Section 13.13	Events Occurring on Days that are not Business Days	
Section 13.14	Severability	51
Section 13.15	Applicable Law	51
Section 13.16	Execution in Counterparts	52
Section 13.17	Patriot Act	52
	ARTICLE 14.	
	BOND INSURANCE PROVISIONS	
Section 14.1	Nonpayment by the Issuer	52
Section 14.2	Bond Insurance Policy Payment Procedures	52
Section 14.3	Acceleration	
Section 14.4	Subrogation	54
Section 14.5	Bond Insurer as Bondowner	55
Section 14.6	Contractual Rights of the Bond Insurer	55
Section 14.7	Amendments	
Section 14.8	Bond Insurer as Third Party Beneficiary	56
Section 14.9	Notices, Etc	56
Section 14.10	Bond Insurer Premium	56
Section 14.11	Access and Information	
Section 14.12	Notices to Bond Insurer	56
Section 14.13	Bond Insurer Default	57
Section 14.14	Applicability of Article 14	57
EXHIBIT A	- Form of Series 2024 Bond	

iv

INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture") is dated as of May 9, 2024, and is entered into by and between the FLORIDA DEVELOPMENT FINANCE CORPORATION, a public body corporate and politic, and a public instrumentality organized and existing under the laws of the State of Florida (the "Issuer"), and DEUTSCHE BANK NATIONAL TRUST COMPANY, a national banking association organized and existing under and by virtue of the laws of the United States of America, as trustee (together with any successor trustee duly appointed under this Indenture, the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered by the laws of the State of Florida (the "State"), and in particular, Chapter 288, Part VIII, Florida Statutes, as amended (being the Florida Development Finance Corporation Act of 1993), Chapter 159, Part II, Florida Statutes (being the Florida Industrial Development Financing Act), and other applicable provisions of law (collectively, the "Act") to issue its revenue bonds for the purpose of financing and refinancing capital projects that promote economic development within the State; and

WHEREAS, the Issuer was created pursuant to the Act and its members and officers from time to time, including the present incumbents, have been duly appointed, chosen and qualified;

WHEREAS, Brightline Trains Florida LLC, a limited liability company organized under the laws of the State of Delaware and authorized to do business in the State (together with its successors and assigns, the "Borrower") desires to finance and refinance a portion of the costs of the [Project (as defined in the Collateral Agency Agreement)]; and

WHEREAS, the Issuer has determined that the Project will serve the public purposes expressed in the Act by promoting and advancing economic development within the State, and that the Issuer will be acting in furtherance of the public purposes intended to be served by the Act by assisting the Borrower in financing and refinancing all or a portion of the costs of the Project through the issuance of its \$2,219,280,000 aggregate principal amount of Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Florida Trains LLC Issue, Series 2024 (Tax-Exempt) (the "Series 2024 Bonds"); and

WHEREAS, upon the issuance of the Series 2024 Bonds, the Issuer will lend (the "Series 2024 Loan") the proceeds thereof to the Borrower pursuant to a Senior Loan Agreement, dated as of May 9, 2024 (the "Senior Loan Agreement"), between the Issuer and the Borrower, to be used, together with other available funds, to finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of the Borrower and/or one or more of its affiliates for prior expenditures for the Project), to fund certain reserves, if any, and to pay certain costs of issuance; and

WHEREAS, pursuant to the provisions of the Senior Loan Agreement, the Borrower has agreed that it (i) may only expend proceeds of the Series 2024 Bonds on portions of the Project that are located within the jurisdictional limits of the Counties; and (ii) may not expend proceeds

of the Series 2024 Bonds to acquire any building or facility that will be, during the term of the Series 2024 Bonds, used by, occupied by, leased to or paid for by any state, county or municipal agency or entity; and

WHEREAS, the Collateral Agent, the Borrower, the Trustee and various other parties thereto have concurrently entered into the Collateral Agency Agreement; and

WHEREAS, the Borrower has concurrently entered into certain other Financing Documents related to the Project and the issuance of the Series 2024 Bonds; and

WHEREAS, in the event that conditions set forth in Article 12 of this Indenture are satisfied, the Issuer may issue Additional Parity Bonds pursuant to Article 12 of this Indenture, which Additional Parity Bonds shall be equally and ratably secured by the Trust Estate with all other then Outstanding Bonds, without preference, priority or distinction; and

WHEREAS, the Bonds shall be special, limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate and the Collateral, including the payments to be made by the Borrower under the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement, and do not constitute an indebtedness of the Issuer, the State, the Counties or any other political subdivision of the State, within the meaning of any State constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Issuer, the State, the Counties or any other political subdivision of the State, and neither the full faith and credit of the Issuer nor the full faith and credit or the taxing power of the State, the Counties or any other political subdivision of the State is pledged to the payment of the principal of or interest on the Bonds; and

WHEREAS, the execution and delivery of this Indenture has been duly authorized by the Bond Resolution adopted by the Issuer on October 25, 2023; and

WHEREAS, all acts, conditions and things required by the State Constitution and laws of the State and by the rules and regulations of the Issuer to happen, exist and be performed precedent to and in the execution and delivery of this Indenture (and the performance of its obligations hereunder) have happened, do exist and have been performed as so required, in order to make this Indenture a valid and binding indenture of trust for the purposes of creating a valid Security Interest in the Trust Estate and securing the payment of any amounts due in respect of the Bonds in accordance with the applicable terms hereof; and

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

NOW, THEREFORE, for and in consideration of the mutual covenants, and the representations and warranties, set forth herein, the Issuer and the Trustee agree as follows:

ARTICLE 1.

DEFINITIONS

Section 1.1 Definitions of Certain Terms. All capitalized terms used herein (including in the preamble and recitals) but not otherwise defined herein shall have the respective meanings given to them in the Collateral Agency Agreement or, if not defined herein or in the Collateral Agency Agreement, in the Senior Loan Agreement. In addition, the following terms as used in this Indenture shall have the following meanings:

"Accounts" means, collectively, the accounts and sub-accounts established and created by this Indenture.

"Additional Parity Bonds" means any Additional Parity Bonds issued pursuant to Article 12 hereof.

"Additional Parity Bonds Loan" means the loan to the Borrower by the Issuer pursuant to the Additional Parity Bonds Loan Agreement of the entire amount of the proceeds of any Additional Parity Bonds issued pursuant to this Indenture.

"Additional Parity Bonds Loan Agreement" means, for each series of Additional Parity Bonds, the loan agreement or supplemental loan agreement to be executed by the Issuer and the Borrower in connection with the issuance of such Additional Parity Bonds pursuant to Article 12 of this Indenture.

"Authorized Denominations" means denominations of \$5,000 and integral multiples thereof.

"Bond Counsel" means Greenberg Traurig, P.A., or other attorneys selected by the Borrower, and reasonably acceptable to the Issuer, who have nationally recognized expertise in the issuance of municipal securities, the interest on which is excludable from gross income for federal income tax purposes.

"Bond Insurance Policy" means the insurance policy issued at the request of the Borrower by the Bond Insurer guaranteeing the scheduled payment of the principal of and interest on the Insured Series 2024 Bonds when due.

"Bond Insurer" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

"Bond Insurer Advances" has the meaning set forth in Section 14.2(d) hereof.

"Bond Insurer Default" means the existence and continuance of any of the following: (a) the failure of the Bond Insurer to pay when, as and in the amounts required, any amount payable under the Bond Insurance Policy, (b) the Bond Insurer (i) files any petition or commences any case, proceeding or other action under any provision or chapter of the United States Bankruptcy Code or any other similar federal or state law relating to insolvency, bankruptcy, rehabilitation, dissolution, winding-up, arrangement, adjustment, composition, liquidation, reorganization or

similar relief, (ii) makes a general assignment for the benefit of its creditors, or (iii) has an order for relief entered against it under the United States Bankruptcy Code or any other similar federal or state law relating to insolvency, bankruptcy, rehabilitation, dissolution, winding-up, arrangement, adjustment, composition, liquidation, reorganization or similar relief which shall not have been dismissed, stayed or bonded (pending appeal) within sixty (60) days after the entry thereof, (c) a court of competent jurisdiction, the Office of the Commissioner of Insurance of the State of New York or other competent regulatory authority enters an order, judgment or decree (i) appointing a custodian, trustee, agent or receiver for the Bond Insurer or for all or any material portion of its property or (ii) authorizing the taking of possession by a custodian, trustee, agent or receiver of the Bond Insurer (or the taking of possession of all or any material portion of the property of the Bond Insurer), which in each case shall not have been dismissed, stayed or bonded (pending appeal) within sixty (60) days after the entry thereof or (d) the Bond Insurance Policy shall cease (or the Bond Insurer shall claim in writing that it has ceased) to be in full force and effect.

"Bond Insurer Fiscal Agent" has the meaning set forth in Section 14.2(a) hereof.

"Bond Insurer Late Payment Interest" has the meaning set forth in Section 14.2(d) hereof.

"Bond Insurer Late Payment Rate" has the meaning set forth in Section 14.2(d) hereof.

"Bond Insurer Premium" means the amounts payable to the Bond Insurer under the Bond Insurer Premium Letter.

"Bond Insurer Premium Letter" means the Premium Letter, dated the date hereof, among the Bond Insurer, the Borrower and the Trustee, in respect of the premium and other amounts payable by the Borrower in consideration of the issuance of the Bond Insurance Policy by the Bond Insurer.

"Bond Insurer Reimbursement Amounts" has the meaning set forth in Section 14.2(d) hereof.

"Bond Resolution" means Resolution No. 23-12 adopted by the Board of the Issuer on October 25, 2023, authorizing the issuance of the Series 2024 Bonds.

"Bonds" mean the Series 2024 Bonds together with the Additional Parity Bonds, if any, issued from time to time pursuant to this Indenture.

"Bond Year" means, with respect to any series of Bonds, each one-year period ending on the anniversary of the date of delivery of such Bonds or such other period as may be elected by the Issuer in accordance with the Treasury Regulations and notice of which election has been given to the Trustee.

"Business Day" means any day other than a Saturday, a Sunday or a day on which offices of the United States government or the State are authorized to be closed or on which commercial banks in New York, New York, Washington, D.C., or the city and state in which any Trustee is

located are authorized or required by law, regulation or executive order to be closed (unless otherwise provided in a Supplemental Indenture).

"Borrower" means Brightline Trains Florida LLC, a Delaware limited liability company, and its successors and assigns.

"Claim" has the meaning set forth in Section 14.5 hereof.

"Closing Date" means the date the Series 2024 Bonds are issued, authenticated and delivered in accordance with this Indenture.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

"Collateral Agency Agreement" means that certain Collateral Agency, Intercreditor and Accounts Agreement, dated as of the Closing Date, by and among the Collateral Agent, the Trustee, the Account Bank, the Borrower and each other Secured Party that becomes a party thereto, as it may be amended, supplemented or otherwise modified from time to time.

"Collateral Agent" means Deutsche Bank National Trust Company and its successors and assigns, as Collateral Agent, pursuant to the Collateral Agency Agreement.

"Counties" means Miami-Dade County, Broward County, Palm Beach County, Brevard County, Osceola County, Hillsborough County and Orange County, Florida.

"Debt Service Fund" means the Debt Service Fund created by and designated as such in Section 5.1 hereof.

"Debt Service Payment Date" means each date on which principal of and interest on the Bonds is due and includes, but is not limited to, the maturity date of any Bond; each Interest Payment Date and the date of any mandatory redemption payment on any Bond.

"Default Rate" means an interest rate per annum equal to the interest rate per annum that would otherwise be in effect on the Bonds if no Event of Default had occurred, plus 2.0% per annum.

"Defeasance Escrow Account" means an account created pursuant to Section 11.2 hereof.

"Defeasance Securities" means to the extent permitted by law: (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated no lower than the then-current rating on direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America); or

(5) securities eligible for "AA+" defeasance under then existing criteria of S&P, or (6) any combination thereof used to effect defeasance of the Bonds.

"Designated Payment Office of the Trustee" means the Corporate Trust Office of the Trustee, located at 1 Columbus Circle, 17th Floor, Mail Stop NYC01-1710, New York, New York 10019, or any other office designated by the Trustee.

"DTC" has the meaning set forth in Section 4.10 hereof.

"Electronic Means" means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

"Event of Default" means an event described in Section 7.1 hereof.

"Executed Documentation" has the meaning set forth in Section 13.10 hereof.

"Executive Director" means the Executive Director of the Issuer or his designee or the officer or officers succeeding to his principal functions.

"Favorable Opinion of Bond Counsel" means, with respect to any action the occurrence of which requires such an opinion, an opinion of Bond Counsel to the effect that such action is permitted under the Act and this Indenture and will not adversely affect the excludability of the interest on the Bonds to which such action relates (other than the Taxable Bonds) from gross income for federal income tax purposes (with the understanding that such excludability may continue to be subject to any qualifications contained in the opinion delivered upon original issuance of such Bonds).

"Federal Tax Certificate" means with respect to any issuance of Bonds hereunder: (a) one or more certificates or agreements that sets forth the expectations of the Issuer or the Borrower regarding the investment and use of proceeds of any series of the Bonds and other matters relating to Bond Counsel's opinion regarding the federal income tax treatment of interest on such Bonds, including any instructions delivered by Bond Counsel in connection with any such certificate or agreement; and (b) any amendment or modification of any such certificate or agreement that is accompanied by a Favorable Opinion of Bond Counsel.

"Funds" means the funds created by this Indenture.

"Indenture" means this Indenture of Trust and any amendment or supplement hereto permitted hereby.

"Insolvency Proceeding" has the meaning set forth in Section 14.5 hereof.

"Insured Series 2024 Bonds" means the Series 2024 Bonds identified in Section 3.1(b) as having the benefit of the Bond Insurance Policy.

"Interest Account" means the Interest Account created by and designated as such in Section 5.1 hereof.

"Interest Payment Date" means each January 1 and July 1, commencing on July 1, 2024, and continuing for so long as the Bonds are Outstanding.

"Interest Payments" means, with respect to a payment date for the Bonds, the interest (including the interest component of the Redemption Price due in connection with any mandatory redemption payment on any Bond) due on such date on the Bonds.

"Interlocal Agreement" means that certain Interlocal Agreement, dated as of April 12, 1994, among Orange County, Florida, each of the other public agencies which may become a party thereto pursuant to the provisions thereof, and the Issuer, as amended to date, and as the same may be further amended from time to time.

"Issuer" has the meaning set forth in the first paragraph of this Indenture.

"Issuer Representative" means the Chairman, Vice Chairman, Executive Director, Secretary or Assistant Secretary of the Issuer, or any other officer or employee of the Issuer designated in writing to the Trustee by the Chairman, Vice Chairman or Executive Director as an authorized representative of the Issuer for purposes of the Senior Loan Agreement and this Indenture.

"Letter of Representations" means the Letter of Representations dated September 25, 2006, from the Issuer to DTC and any amendments thereto or any successor agreements between the Issuer and any successor securities depository, relating to a book-entry system to be maintained by the securities depository with respect to the Bonds. Notwithstanding any provision hereof, including Article 9 regarding supplemental indentures and amendments, the Issuer may enter into any amendment or successor agreement to the Letter of Representations without the consent of the Owners of the Bonds.

"Majority Holders" means the holders of a majority of the aggregate principal amount of the then Outstanding Bonds.

"Moody's" means Moody's Investor Services and any successor to its rating agency business.

"Nationally Recognized Rating Agency" means any nationally-recognized securities rating agency that is then providing a rating on any of the Bonds at the request of the Borrower.

"Notice Parties" means the Issuer, the Trustee, the Collateral Agent and the Borrower.

"Offering Document" means the Official Statement of the Issuer, dated April 25, 2024, with respect to the Series 2024 Bonds.

"Opinion of Counsel" means a written opinion of an attorney or firm of attorneys, who may be counsel for the Issuer or the Borrower.

"Outstanding" means, as of any date of determination, all Bonds that have been executed, authenticated and delivered under this Indenture, except:

6

- (i) any Bond, or portion thereof, on which all principal and interest due or to become due on or before maturity has been paid:
- (ii) any Bond, or portion thereof, on which the Redemption Price due or to become due has been paid in accordance with the redemption provisions applicable to such Bond:
- (iii) Bonds in lieu of which other Bonds have been executed, authenticated and delivered pursuant to the provisions of this Indenture relating to the transfer and exchange of Bonds or the replacement of mutilated, lost, stolen or destroyed Bonds;
- (iv) Bonds that have been canceled by the Trustee or that have been surrendered to the Trustee for cancellation; and
- (v) Bonds that have been defeased pursuant to and in accordance with Article 11 hereof.

"Owner" of a Bond means the registered owner of such Bond as shown in the registration records of the Trustee.

"Payment Date" has the meaning set forth in Section 14.2(a) hereof.

"Permitted Investments" means to the extent permitted by State law:

- (a) Cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America);
- (b) Investments in commercial paper maturing within 365 days from the date of acquisition thereof and having, at such date of acquisition, the highest short term credit rating obtainable from S&P or Moody's;
- (c) Obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bank or Federal Housing Administration;
- (d) Direct and general obligations of any state of the United States of America or any municipality or political subdivision of such state, or obligations of any municipal corporation, if such obligations are rated at the time of investment in one of the three highest rating categories (without regard to gradation) by S&P, Moody's or other similar nationally recognized rating agency;
- (e) Any security that matures or that may be tendered for purchase at the option of the holder within not more than five years of the date on which it is acquired, if that security has a rating that is in one of the two highest long-term rating categories or highest short-term rating category (without regard to any refinements or gradations of rating category by numerical modifier

or otherwise) assigned by S&P, Moody's or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer that has such a rating;

- (f) Investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any state thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000 and having short-term unsecured debt securities rated not lower than "A-1" by S&P and "P-1" by Moody's:
- (g) Investment agreements, including guaranteed investment contracts, repurchase agreements, deposit agreements and forward delivery agreements, that are obligations of an entity whose senior long-term debt obligations, deposit rating or claims-paying ability are rated, or guaranteed by an entity whose obligations have a rating (at the time the investment is entered into) of either not lower than "A-" by S&P or not lower than "A3" by Moody's, including the Trustee and the Collateral Agent or any of their respective Affiliates, provided that, in connection with any repurchase agreement entered into in connection with the investment of funds held under this Indenture, the Issuer, the Trustee and the Collateral Agent shall have received an opinion of counsel to the provider (which opinion shall be addressed to the Issuer, the Trustee and the Collateral Agent) that any such repurchase agreement complies with the terms of this section and is legal, valid, binding and enforceable upon the provider in accordance with its terms;
- (h) Fully collateralized repurchase agreements with any financial institution which is rated by S&P, Moody's or other similar nationally recognized rating agency in a rating category at least equal to the higher of "A" (or equivalent) or such rating agency's then current rating on the Bonds, if any, that is fully secured by collateral security described in clauses (a), (b), (c), (d) or (e) above. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the PSA Bond Market Trade Association Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in the Trustee's third-party custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to- market daily, with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (f) above; and
- (i) Money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated "AAA" by S&P and "Aaa" by Moody's and (iii) have portfolio assets of at least \$5,000,000,000.

"Potential Event of Default" means an event which, with the giving of notice or lapse of time, would become an Event of Default under this Indenture.

"Principal Account" means the Principal Account created by and designated as such in Section 5.1 hereof.

"Principal Payment Date" means the date of each scheduled payment of principal on the Bonds, including the maturity date.

- "Record Date" has the meaning given to it in Exhibit A hereto.
- "Redemption Account" means the Redemption Account created by and designated as such in Section 5.1 hereof.
 - "Redemption Moneys" has the meaning given to it in Exhibit A hereto.
- "Redemption Price" means the principal, interest and premium, if any, due on a Bond on the date on which it is redeemed prior to maturity pursuant to the redemption provisions applicable to such Bond.
- "Reserved Rights" means the rights of the Issuer under the Senior Loan Agreement, or any Additional Parity Bonds Loan Agreement, to payment of fees, costs and expenses (including fees and expenses of its counsel and its financial advisor), indemnification, obligations to hold harmless, and receipt of notices and other reports contemplated by such Senior Loan Agreement or Additional Parity Bonds Loan Agreement.
- "Responsible Officer" means (i) with respect to the Borrower, any manager, the chief executive officer, the president, the chief financial officer, the chief legal officer, the secretary, vice president or any other authorized designee of the managers of the Borrower, and when used with reference to any act or document of the Borrower, also means any other person authorized to perform the act or execute the document on behalf of the Borrower, (ii) with respect to the Issuer means the Issuer Representative and (iii) with respect to the Trustee or any other Person, the person authorized to perform the act or execute the document on behalf of such Person and any officer of the Trustee with direct responsibility for the administration of this Indenture.
- "S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and any successor to its rating agency business.
 - "SEC" means the United States Securities and Exchange Commission.
- "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.
- "Senior Loan Agreement" means that certain Senior Loan Agreement, dated as of the date hereof, by and between the Issuer and the Borrower, pursuant to which the Issuer agreed to lend the proceeds of the Series 2024 Bonds to the Borrower, as amended, modified and/or supplemented from time to time.
- "Senior Loan Agreement Default" means any "Event of Default" under the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed).
- "Series 2024 Bonds" means the \$2,219,280,000 aggregate principal amount of Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt), and any Series 2024 Bond or Series 2024 Bonds issued in exchange or replacement therefor.

- "Series 2024 Funded Interest Account" means the Series 2024 Funded Interest Account created by and designated as such in Section 5.1 hereof.
 - "Series 2024 Loan" has the meaning set forth in the Recitals.
- "Series 2024 Rebate Fund" means the Series 2024 Rebate Fund created by and designated as such in Section 5.1 hereof.
- "Special Record Date" means a special date fixed to determine the names and addresses of Owners of Bonds for purposes of paying defaulted interest on Bonds in accordance with Section 3.1 hereof.
 - "State" has the meaning set forth in the Recitals.
- "Supplemental Indenture" means any indenture supplementing, amending or otherwise modifying this Indenture that is adopted pursuant to Article 9 hereof.
- "Taxable Bonds" means Additional Parity Bonds, the interest on which is not intended to be excludable from gross income of the Owners thereof for federal income tax purposes.
- "Treasury Regulations" means the temporary, proposed or final federal income tax regulations promulgated by the U.S. Department of the Treasury, together with the other published written guidance thereof as applicable to the Bonds under the Code.
- "Trust Estate" means the property and rights granted to the Trustee pursuant to Section 2.1 hereof.
 - "Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.
 - "Trustee" has the meaning set forth in the preamble to this Indenture.
- "Trustee Representative" means any officer of the Trustee assigned to the corporate trust department or any other officer of the Trustee customarily performing functions similar to those performed by any such officer, with respect to matters related to the administration of this Indenture and having direct responsibility for the administration of this Indenture.
- "Underwriter" means the investment bank or investment banks designated by the Borrower to underwrite the sale of the Series 2024 Bonds.
 - "WSJ Prime" has the meaning set forth in Section 14.2(d) hereof.
- Unless otherwise provided herein, all references to a particular time are to New York City Time.

ARTICLE 2.

SECURITY FOR THE BONDS

- Section 2.1 Grant of Trust Estate. The Issuer, in consideration of the purchase of the Bonds by the Owners thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the Bonds, and in order to secure the performance and observance of all the covenants and conditions set forth in the Bonds and this Indenture, has executed and delivered this Indenture and has pledged and assigned, and by these presents does pledge and assign unto the Trustee and to its successors and assigns forever, subject to the Security Documents, for the benefit of the Owners, all of the following described property, franchises, rights and income, including any title or interest therein acquired after the date hereof (collectively, the "Trust Estate"):
 - (a) all right, title and interest of the Issuer (except for Reserved Rights) in and to the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed), the present and continuing right of the Issuer (except for Reserved Rights) to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed), to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer is entitled to do under such Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed);
 - (b) all moneys from time to time held by the Trustee under this Indenture in any Fund or Account other than (i) the Series 2024 Rebate Fund and any similar fund established with respect to any Additional Parity Bonds, (ii) any Defeasance Escrow Account, and (iii) any other Fund or Account specifically excluded from the Trust Estate pursuant to the terms of a Supplemental Indenture;
 - (c) any right, title or interest of the Issuer (except for Reserved Rights) in and to any Security Interest granted to the Collateral Agent for the benefit of the Trustee (as Secured Debt Representative) on behalf of the Owners of the Bonds under the Security Documents or otherwise, including, without limitation, the Collateral pledged thereunder, and the present and continuing right of the Collateral Agent on behalf of the Trustee (as Secured Debt Representative) to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Security Documents, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Collateral Agent on behalf of the Trustee (as Secured Debt Representative) is entitled to do under such Security Documents;
 - (d) subject to the Collateral Agency Agreement, any right, title or interest of the Issuer (except for Reserved Rights) in and to all funds deposited from time to time and earnings thereon in the Project Accounts, any and all other accounts established from time to time pursuant to the Collateral Agency Agreement, and any and all subaccounts created thereunder, each held by the Collateral Agent under the Collateral Agency Agreement; and

(e) any and all other property, revenues, rights or funds from time to time hereafter by delivery or by writing of any kind specifically granted, assigned or pledged as and for additional security for any of the Bonds, the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed) in favor of the Trustee (as Secured Debt Representative) or the Collateral Agent on behalf of the Trustee (as Secured Debt Representative), including any of the foregoing granted, assigned or pledged by the Borrower or any other Person on behalf of the Borrower, and the Trustee or the Collateral Agent on behalf of the Trustee (as Secured Debt Representative) is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

Nothing in the Bonds or in this Indenture shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby or creating any liability of the Issuer's members, directors, employees or other agents.

- Section 2.2 Time of Pledge; Delivery of Trust Estate. The Trust Estate pledged for the payment of the Bonds, as received by or otherwise credited to the Issuer, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all Persons having claims of any kind in tort, contract, or otherwise against the Issuer irrespective of whether such Persons have notice of such liens. The Issuer hereby authorizes the filing by the Trustee or the Collateral Agent of any financing and continuation statements with respect to all liens and security interests granted or assigned by the Issuer to the Trustee pursuant to this Indenture.
- Section 2.3 Amounts Received Pursuant to the Collateral Agency Agreement. All funds provided by the Collateral Agent to the Trustee pursuant to the Collateral Agency Agreement for deposit into any Fund or Account of this Indenture will be available together with other moneys then on deposit in such Funds and Accounts to be used for the applicable purposes as set forth in this Indenture.
- Section 2.4 Discharge of Indenture. If this Indenture is discharged in accordance with Section 11.1 hereof, the right, title and interest of each Owner in and to the Trust Estate shall automatically terminate and be discharged without any further action; otherwise this Indenture is to be and remain in full force and effect. Subject to the terms of this Indenture, the Trustee shall execute and deliver such certificates or other documents acknowledging the discharge of this Indenture as may be reasonably requested by the Borrower or the Issuer.
- Section 2.5 Bonds Secured on Equal and Proportionate Basis. The Trust Estate shall be held by the Trustee for the equal and proportionate benefit of the Owners of Bonds and any of them, without preference, priority or distinction as to lien or otherwise.
- Section 2.6 Limited Obligations. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED EXCLUSIVELY BY THE TRUST ESTATE AND THE COLLATERAL, INCLUDING THE PAYMENTS TO BE MADE BY THE BORROWER UNDER THE SENIOR LOAN AGREEMENT AND ANY ADDITIONAL PARITY BONDS LOAN AGREEMENT. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE STATE, THE COUNTIES OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE OR GIVE RISE

TO A PECUNIARY LIABILITY OF THE ISSUER, THE STATE, THE COUNTIES OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT OF THE ISSUER NOR THE FULL FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS OR THIS INDENTURE SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF (OR THE APPROVAL OF THE ISSUANCE) THE BONDS. THE ISSUER HAS NO TAXING POWER.

Section 2.7 Bonds Constitute a Contract. The Bonds shall constitute a contract between the Issuer and the Owners of the Bonds for their benefit.

Section 2.8 Borrower to Take Certain Action Hereunder. The Issuer and the Trustee (i) hereby acknowledge that pursuant to Section 3.06 of the Senior Loan Agreement the Borrower has agreed to take all action required to be taken by the Borrower in this Indenture as if the Borrower were a party to this Indenture, and (ii) subject to the terms and provisions of the Senior Loan Agreement and this Indenture, hereby authorize the Borrower to take any such action pursuant hereto.

ARTICLE 3.

AUTHORIZATION, ISSUANCE AND DELIVERY OF BONDS

Section 3.1 Authorization, Purpose, Name, Principal Amount, Interest Rates and Method and Place of Payment.

- (a) Authorization and Amount. (1) There shall be issued under and secured by this Indenture a series of bonds designated as the "Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Florida Trains LLC Issue, Series 2024 (Tax-Exempt)", with such additional series or subseries designation, or otherwise revised or supplemented name or designation as may be selected by the Borrower (the "Series 2024 Bonds"), in the aggregate principal amount of \$2,219,280,000. In order to distinguish between portions of the Series 2024 Bonds, or otherwise at the discretion of the Borrower, the Series 2024 Bonds may be designated, redesignated or renamed from time to time in such a way as to identify or reidentify the Series 2024 Bonds or any one or more subseries of the Series 2024 Bonds. Each Series 2024 Bond, as applicable, shall bear upon the face thereof such designation or redesignation or supplemented or revised name, if any. In the event any Series 2024 Bonds are designated or redesignated from time to time as one or more subseries, all references to a series of the Series 2024 Bonds in this Indenture shall refer to each such subseries unless the context otherwise requires.
 - (2) The Series 2024 Bonds are being issued for the purpose of funding the Series 2024 Loan to the Borrower to be used, together with other available funds, to finance or refinance the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of the Borrower and/or one or more of its affiliates for prior expenditures

for the Project), to fund certain reserves, if any, and to pay certain costs of issuance. The Series 2024 Bonds are being issued by the Issuer in connection with and in furtherance of the essential public and governmental purposes to be served by the Issuer under the Act.

(b) Date, Maturity and Interest. The Bonds shall be dated the date of their original issuance and delivery, and shall bear interest from their date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, on the basis of a 360-day year comprised of twelve 30-day months, payable on each Interest Payment Date as herein provided until payment of the principal or Redemption Price thereof is made or provided for, whether at maturity, upon redemption, acceleration or otherwise. Interest on the Bonds shall be payable in arrears on each Interest Payment Date, commencing on July 1, 2024.

The Series 2024 Bonds shall be issued in the principal amounts, bear interest at the rates and mature, subject to prior redemption as hereinafter set forth, on July 1 in the years set forth below. Certain of the Series 2024 Bonds indicated below (the "Insured Series 2024 Bonds"), shall be entitled to the benefits of a financial guaranty insurance policy to be issued by the Bond Insurer.

	Maturing	Principal	
Bond No.	(July 1)	Amount	Interest Rate
R-1	2034	\$ 16,315,000	5.00%
R-2	2035	21,765,000	5.00
R-3	2036	33,715,000	5.00
R-4	2037	43,790,000	5.00
R-5	2038	52,525,000	5.00
R-6	2041	218,625,000	5.00
R-7	2047	213,210,000	5.25
R-8	2053	485,895,000	5.50
R-9	2044*	326,350,000	5.00
R-10	2047^{*}	213,180,000	5.25
R-11, R-12	2053*	593,910,000	5.25

^{*} Insured Series 2024 Bonds

(c) Method and Place of Payment. The Trustee shall act as paying agent for the purpose of effecting payment of the principal of, redemption premium, if any, and interest on the Bonds.

The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

The principal of and the redemption premium, if any, on all Bonds shall be payable (i) by check or draft, (ii) if the aggregate principal amount of the Bonds held by any Owner exceeds \$1,000,000, by wire transfer to an account designated by such Owner, (iii) in the case of Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in Bonds in book-entry form will be made in accordance with the procedures of DTC or (iv) by such other method as mutually agreed in writing between the Owner of a Bond

and the Trustee at maturity or upon earlier redemption to the Owners in whose names such Bonds are registered on the bond register maintained by the Trustee at the maturity date or redemption date thereof, upon the presentation and surrender of such Bonds at the Designated Payment Office of the Trustee.

The interest payable on each Bond on any Interest Payment Date shall be paid (i) by check or draft sent on or prior to the appropriate date of payment, by the Trustee to the address of the Owner appearing in the registration books on the Record Date, (ii) in the case of Bonds in bookentry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in Bonds in book-entry form will be made in accordance with the procedures of DTC or (iii) by such other method as mutually agreed in writing between the Owner of the Bonds and the Trustee. Any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Bonds, not less than 10 days prior to the Special Record Date, by certified or first-class mail to each such Owner as shown on the Trustee's registration records (or in accordance with the procedures of DTC) on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Bond and the Trustee, provided that the Trustee shall provide the Issuer and the Borrower with a copy of any such agreement.

Section 3.2 Execution and Authentication of Bonds.

- (a) Execution of the Bonds. The Bonds shall be signed by the manual, electronic or facsimile signature of an Issuer Representative, and the Issuer's seal shall be affixed thereto or a facsimile thereof printed thereon and attested by the manual, electronic or facsimile signature of the Executive Director, the Secretary, the Assistant Secretary or another officer of the Issuer. In case any officer whose manual or electronic signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of the Bonds, such manual or electronic signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Bond may bear the electronic or facsimile signature of or may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.
- (b) Authentication of the Bonds. No Bond shall be secured hereby or entitled to the benefit hereof, nor shall any such Bond be valid or obligatory for any purpose, unless a certificate of authentication, substantially in the form set forth in Exhibit A hereto, has been duly executed by the Trustee; and such certificate of the Trustee upon any such Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication shall be deemed to have been duly executed by the Trustee if manually or electronically signed by a Trustee Representative upon receipt by the Trustee of an authentication order, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds. By authenticating any of the Bonds

delivered pursuant to this Indenture, the Trustee shall be deemed to have assented to the provisions of this Indenture.

(c) Recital in Bonds. Each Bond issued under the Act shall contain a statement consistent with Section 2.6 hereof with respect to the Bonds.

Section 3.3 Delivery of Bonds.

- (a) *Delivery*. The Bonds shall be executed in the manner set forth herein and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Series 2024 Bonds on the Closing Date by the Trustee the following documents shall be provided to the Trustee:
 - (1) A certified copy of the Bond Resolution of the Issuer authorizing (A) the execution and delivery of this Indenture and the Senior Loan Agreement, and (B) the issuance, sale, execution and delivery of the Series 2024 Bonds;
 - (2) A copy, certified by an authorized representative of the Borrower, of the resolution or resolutions of the managing member or the board of managers, as the case may be, of the Borrower approving the form of and authorizing the execution and delivery of the Senior Loan Agreement, the Collateral Agency Agreement and the other related documents and instruments, including the other Financing Documents to be delivered on the Closing Date in connection with the issuance of the Series 2024 Bonds to which the Borrower is a party;
 - (3) An original, facsimile or electronic executed counterpart of this Indenture, the Senior Loan Agreement, the Federal Tax Certificate, the Collateral Agency Agreement, and the other Financing Documents to be delivered on the Closing Date in connection with the issuance of the Series 2024 Bonds to which the Issuer or the Trustee is a party;
 - (4) An incumbency certificate with respect to the Issuer Representatives;
 - (5) An approving opinion of Bond Counsel in substantially the form attached to the Offering Document;
 - (6) An Opinion of Counsel to the Issuer, to the effect that this Indenture and the Senior Loan Agreement have been duly authorized, executed and delivered by the Issuer and constitute valid, binding and enforceable limited obligations of the Issuer;
 - (7) One or more Opinions of Counsel to the Borrower reasonably acceptable to the Issuer, Issuer's Counsel and Bond Counsel to the effect that (A) the Borrower has been duly formed and is validly existing as a limited liability company organized in the State of Delaware and authorized to transact business in the State and the Borrower has the limited liability company power and authority under the Delaware Limited Liability Company Act to execute and deliver the Senior Loan Agreement, the Collateral Agency Agreement and the other Security Documents; and (B) the Senior Loan Agreement, the Collateral Agency Agreement, and the other Security Documents have each been duly

authorized, executed and delivered pursuant to requisite limited liability action on the part of the Borrower, and, assuming due authorization, execution and delivery of the same by the other parties thereto, the same constitute valid and binding obligations of the Borrower, enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by, among other things, bankruptcy, insolvency or other laws affecting creditors' rights generally and by principles of equity; and

- (8) A request and authorization of the Issuer to the Trustee to authenticate the Series 2024 Bonds and deliver said Series 2024 Bonds to the Underwriter, upon payment to or on behalf of the Trustee, of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the Underwriter and the amount of such purchase price.
- (b) When the documents specified above have been provided to the Trustee, when the Series 2024 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 2024 Bonds to or upon the order of the Underwriter, but only upon payment by or on behalf of the Underwriter to or on behalf of the Trustee of the purchase price of the Series 2024 Bonds pursuant to the terms of the Financing Documents. Proceeds of the sale of the Series 2024 Bonds shall be applied, upon written instructions from the Issuer, at the direction of the Borrower pursuant to Section 3.01 of the Senior Loan Agreement.

ARTICLE 4.

TERMS OF BONDS

Section 4.1 Form of Bond, Registered Form, Denominations and Numbering of Bonds. The Bonds shall be issuable only as fully registered Bonds in Authorized Denominations (provided that no individual Bond may be issued for more than one maturity), without coupons, in substantially the form set forth in Exhibit A attached to this Indenture, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any Governmental Authority or any custom, usage or requirement of law with respect thereto. The Bonds shall be numbered from R-1 consecutively upward in order of issuance, with the appropriate subseries designation, if any, or in such other manner as the Trustee shall designate, and shall bear appropriate "CUSIP" identification numbers (if then generally in use).

Section 4.2 Registration of Bonds; Persons Treated as Owners; Transfer and Exchange of Bonds.

(a) Records for the registration and transfer of the Bonds shall be kept by the Trustee which is hereby appointed the registrar for the Bonds. The principal of, interest on and Redemption Price of any Bond shall be payable only to or upon the order of the Owner or his legal representative (except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Bond at the Designated Payment Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall execute and deliver in the name of

the transferee or transferees a new fully registered Bond or Bonds of a like maturity, aggregate principal amount and interest rate, bearing a number or numbers not previously assigned.

- (b) Fully registered Bonds may be exchanged at the Designated Payment Office of the Trustee for an equal aggregate principal amount of Bonds of the same maturity and interest rate but of other Authorized Denominations. The Trustee shall execute and deliver Bonds which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.
- (c) All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon transfer or exchange.
- (d) The Trustee may require the payment, by the Owner of any Bond requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.
- (e) The Trustee shall not be required to transfer or exchange (i) all or any portion of any Bond during the period beginning at the opening of business 10 days before the day of the sending by the Trustee of notice calling any of the Bonds for prior redemption and ending at the close of business on the day of such sending or (ii) all or any portion of a Bond after the sending of notice calling such Bond or any portion thereof for prior redemption.
- (f) Except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and interest on or Redemption Price of any Bond shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Bond to the extent of the sum or sums paid.

Section 4.3 [Reserved].

Mutilated, Lost, Stolen or Destroyed Bonds. In the event that any Bond Section 4.4 is mutilated, lost, stolen or destroyed, a new Bond of like series, date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed shall be executed, authenticated and delivered in accordance with the terms and conditions of this Indenture to the Owner of such Bond upon receipt by the Trustee of such evidence, information or indemnity from the Owner of the Bond as the Trustee may reasonably require and, in case of any mutilated Bond, upon the surrender of the mutilated Bond to the Trustee. If any such Bond shall have matured, instead of issuing a duplicate Bond, the Trustee may pay the same without surrender thereof. The Trustee and the Issuer may charge the Owner of the Bond for its reasonable fees and expenses in connection therewith and require payment of such fees and expenses, and in the case of a lost, stolen or destroyed Bond, the Issuer and the Trustee may require indemnity reasonably satisfactory to each, as a condition precedent to the delivery of a new Bond. Every new Bond issued pursuant to this Section by reason of any Bond being mutilated, lost, stolen or destroyed (a) shall constitute, to the extent of the outstanding principal amount of the Bond lost, mutilated, stolen or destroyed, an additional contractual obligation of the Issuer, regardless of whether the mutilated, lost, stolen or destroyed Bond shall be enforceable at any time by anyone, and (b) shall be entitled to all of the benefits of this Indenture equally and proportionately with any and all other Outstanding Bonds.

Section 4.5 Payment of Debt Service and Redemption Price.

- (a) The principal and Redemption Price of any Bond shall be paid to the Owner thereof as shown on the registration records of the Trustee upon the maturity or prior redemption thereof in accordance with Section 3.1 of this Indenture and upon presentation and surrender at the Designated Payment Office of the Trustee.
- (b) Interest on the Bonds shall be paid to the Owner thereof in accordance with Section 3.1 of this Indenture.

Section 4.6 Redemption of Bonds and Redemption Payments.

- (a) The Series 2024 Bonds shall be subject to redemption as set forth in the Form of Bonds attached as Exhibit A to this Indenture.
- (b) On the dates specified herein and in the Form of Bonds attached as Exhibit A to this Indenture, the Issuer shall pay or cause to be paid to the Trustee, but solely from funds received from (or on behalf of) the Borrower, including funds provided pursuant to the Collateral Agency Agreement, for deposit into the Redemption Account of the Debt Service Fund, or any applicable sub-account thereof, moneys sufficient to pay the Redemption Price of the Series 2024 Bonds to be redeemed on the date fixed for redemption. Subject to the terms of Article 5 and the Collateral Agency Agreement, the Issuer and the Trustee shall make such payment solely from moneys available to the Issuer or the Trustee, as applicable, from (or on behalf of) the Borrower, including funds provided pursuant to the Collateral Agency Agreement. The Trustee shall use the moneys paid to it for such purpose and such other available moneys in the applicable Account of the Debt Service Fund to pay the Redemption Price due on the Series 2024 Bonds to be redeemed on the date fixed for redemption. Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture, interest on the Bonds or portions thereof thus called for redemption shall no longer accrue from and after the date fixed for redemption.
- (c) The Trustee shall pay to the Owners of the Bonds so redeemed, the amounts due on their respective Bonds, at the Designated Payment Office of the Trustee upon presentation and surrender of the Bonds.
- Section 4.7 Notice of Redemption. Notice of any redemption of Series 2024 Bonds shall be as set forth in the Form of Bonds attached as Exhibit A to this Indenture.

Section 4.8 [Reserved].

Section 4.9 [Reserved].

Section 4.10 Book-Entry Registration. Except as set forth below in this Section 4.10, the Bonds shall be delivered only in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, acting as the securities depository of the Bonds and the principal of and interest on and Redemption Price of the Bonds shall be paid by

wire transfer to DTC. The Issuer has entered into a Letter of Representations with DTC. DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. If there is no successor securities depository appointed by the Issuer, the Issuer shall execute and the Trustee will authenticate and deliver Bonds to the beneficial owners thereof. The Issuer, at the direction of the Borrower, may determine not to continue participation in the system of book-entry transfers through DTC (or a successor securities depository) at any time by giving reasonable notice to DTC (or a successor securities depository) and the Trustee. In such event, the Issuer will execute and the Trustee will authenticate and deliver Bonds to the beneficial owners thereof pursuant to Section 4.2 hereof. Neither the Issuer nor the Trustee shall have any liability to DTC, Cede & Co., any substitute securities depository, any Person in whose name the Bonds are reregistered at the direction of any substitute securities depository, any beneficial owner of the Bonds or any other Person for (i) any determination made by the Issuer pursuant to this Section or (ii) any action taken to implement such determination and the procedures related thereto that is taken pursuant to any direction of or in reliance on any information provided by DTC, Cede & Co., any substitute securities depository or any Person in whose name the Bonds are reregistered.

Section 4.11 Delivery of New Bonds upon Partial Redemption of Bonds. Upon surrender and cancellation of a Bond for redemption in part only, a new Bond or Bonds of the same series, maturity and interest rate and in an Authorized Denomination equal to the unredeemed portion of the original partially redeemed Bond, shall be executed on behalf of and delivered by the Issuer and the Trustee in accordance with Sections 3.2 and 4.1 hereof.

Section 4.12 Nonpresentment of Bonds. (a) In the event any Bond shall not be presented for payment on any date when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or as set forth herein or in any Supplemental Indenture regarding deemed tenders or redemptions or otherwise, and if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds uninvested or invested in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America) for three (3) years, for the benefit of the Owner of such Bond, without liability for interest thereon to such Owner, who shall thereafter be restricted exclusively to such Bond.

(b) Except as may otherwise be required by applicable law, in case any moneys deposited with the Trustee for the payment of the principal of, or interest or premium, if any, on any Bond remain unclaimed for more than three (3) years after such principal, interest or premium has become due and payable, the Trustee may, and upon receipt of a written request of the Borrower shall, pay over to the Borrower the amount so deposited in immediately available funds, without additional interest, and thereupon the Trustee and the Issuer shall be released from any further liability with respect to the payment of principal, interest or premium, and the owner of such Bond shall be entitled (subject to any applicable statute of limitations) to look only to the Borrower as an unsecured creditor for the payment thereof.

Section 4.13 Cancellation of Bonds. Whenever any Outstanding Bonds have been paid or redeemed or are otherwise delivered to the Trustee for cancellation, upon payment or redemption thereof or before or after replacement, the respective Bonds shall be promptly cancelled by the Trustee. The Issuer may not issue new Bonds to replace Bonds it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange in accordance with the terms of this Indenture.

Section 4.14 Open Market Purchases/Purchase in Lieu of Redemptions. The Borrower or any Affiliate thereof may, to the extent permitted by applicable law, at any time and from time to time purchase Bonds in the open market, on an exchange or by tender or in a privately negotiated transaction at any price. Any Bonds so purchased may be held by or for the account of the Borrower or such Affiliate, and the Borrower may surrender such Bonds to the Trustee for cancellation.

At any time prior to giving notice of redemption, the Trustee shall, upon direction of the Borrower, apply any amounts in the Redemption Account (excluding accrued interest, which is payable from the Interest Account) to the purchase of Bonds subject to optional redemption pursuant hereto or to the Form of Bonds attached hereto as Exhibit A, at public or private sale, as and when and at such prices (including brokerage and other charges) as the Borrower may direct, except that the purchase price may not exceed the Redemption Price then applicable to such Bonds.

Whenever Bonds are called for redemption pursuant to the Form of Bonds attached hereto as Exhibit A, the Trustee may, upon direction of the Borrower, apply amounts in the Redemption Account (excluding accrued interest, which is payable from the Interest Account) or such other funds as may be provided by the Borrower or an Affiliate thereof to purchase some or all of the Bonds subject to optional redemption, on the applicable redemption date, at the Redemption Price then applicable to such Bonds.

Section 4.15 Selection of Bonds to be Redeemed.

- (a) If less than all of the Bonds are subject to redemption, the series, subseries and maturities of the Bonds subject to redemption shall be selected by the Borrower.
- (b) If less than all the Bonds of a series, subseries and maturity are subject to redemption, the particular Bonds of such series, subseries and maturity or portions thereof to be redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

ARTICLE 5.

FUNDS AND ACCOUNTS

Section 5.1 Establishment of Funds and Accounts.

There is hereby created and established the following non-interest bearing Funds and Accounts in the name of the Borrower:

- (a) The Debt Service Fund (the "Debt Service Fund"), and within the Debt Service Fund, four accounts designated (i) the "Interest Account" (the "Interest Account"), (ii) the "Principal Account" (the "Principal Account"), (iii) the "Redemption Account" (the "Redemption Account"); and (iv) the "Series 2024 Funded Interest Account");
 - (b) The Series 2024 Bond Insurer Fund (the "Series 2024 Bond Insurer Fund"); and
 - (c) The Series 2024 Rebate Fund (the "Series 2024 Rebate Fund").

Notwithstanding anything herein to the contrary, the Trustee may from time to time hereafter establish and maintain additional funds, accounts or subaccounts necessary or useful in connection with any other provision of this Indenture or any Supplemental Indenture or to the extent deemed necessary by the Trustee.

Section 5.2 Debt Service Fund.

- (a) Monies on deposit in any Account established within the Debt Service Fund shall be used solely for the payment of principal or purchase price of or interest on the Bonds Outstanding, as set forth in this Indenture. There shall be deposited into the appropriate Account of the Debt Service Fund: (i) amounts remitted or transferred to such Account from the Revenue Account pursuant to Section 5.02(b) of the Collateral Agency Agreement; (ii) any moneys paid to the Trustee pursuant to Section 4.6 hereof and Sections 5.02(b) and 5.09 of the Collateral Agency Agreement with respect to the Redemption Price of the Bonds; (iii) any amounts remitted or moneys transferred to such Account from the Senior DSR Sub-Account pursuant to Section 5.05(c) of the Collateral Agency Agreement; (iv) any moneys deposited into such Account pursuant to Section 7.2 hereof and Section 9.08 of the Collateral Agency Agreement; (v) into the Series 2024 Funded Interest Account, \$132,691,724.17, to pay interest on the Series 2024 Bonds on July 1, 2024 and on each Interest Payment Date thereafter through and including July 1, 2025 (the "Funded Interest Period"), and (vi) all other moneys received by the Trustee that are accompanied by directions that such moneys are to be deposited into such Account.
- (b) Moneys on deposit in the Series 2024 Funded Interest Account shall be applied by the Trustee, prior to the application of any other funds in the Debt Service Fund, to pay interest on the Series 2024 Bonds on July 1, 2024 and on each Interest Payment Date thereafter through and including July 1, 2025.

Notwithstanding the foregoing, upon the redemption of any portion of the Series 2024 Bonds, any funds on deposit in the Series 2024 Funded Interest Account in excess of

the amount necessary to pay interest during the Funded Interest Period on the Series 2024 Bonds remaining Outstanding following such redemption shall be released from the Series 2024 Funded Interest Account and applied by the Trustee as directed by the Borrower, which direction shall be accompanied by a Favorable Opinion of Bond Counsel. After the Funded Interest Period any amounts remaining in the Series 2024 Funded Interest Account shall be released and applied by the Trustee as directed by the Borrower, which direction shall be accompanied by a Favorable Opinion of Bond Counsel.

- (c) If on any Interest Payment Date the funds on deposit in the Interest Account are not sufficient to pay the Interest Payment in full on such Interest Payment Date, the Trustee shall transfer moneys from the Principal Account sufficient to make such payment. If on any Debt Service Payment Date there exists both (i) funds on deposit in the Interest Account in excess of the amount necessary to pay the Interest Payment due on such date, and (ii) insufficient funds on deposit in the Principal Account to make the principal payment due on such date in full, the Trustee shall transfer all or such portion of such excess funds on deposit in the Interest Account to the Principal Account as necessary to provide for such principal payment in full.
- (d) Moneys in each Account of the Debt Service Fund shall be used solely for the payment (within each Account) of the principal of and interest on and the Redemption Price of the Bonds; provided, that (A) moneys paid by the Issuer pursuant to Section 4.6 hereof and Sections 5.02(b) and 5.09 of the Collateral Agency Agreement shall be used to pay the Redemption Price of the Bonds, and (B) moneys held in any Account of the Debt Service Fund following an acceleration of the Bonds upon an Event of Default shall be used as provided in Section 7.3 hereof and Section 9.08 of the Collateral Agency Agreement.
- Section 5.3 Series 2024 Bond Insurer Fund. The Series 2024 Bond Insurer Fund shall be for the sole benefit of the Bond Insurer and shall not be subject to the claim of any other Person, including, without limitation, the Owners. There shall be deposited into the Series 2024 Bond Insurer Fund amounts remitted or transferred to such Fund for Bond Insurer Premium, Bond Insurer Late Payment Interest and costs and expenses owed to the Bond Insurer hereunder and under the other Financing Documents, including amounts remitted or transferred from the Revenue Account pursuant to Sections 5.02(b) and 9.08(c) of the Collateral Agency Agreement. Moneys in the Series 2024 Bond Insurer Fund shall be used solely for the payment of amounts owed to the Bond Insurer.
- Section 5.4 Series 2024 Rebate Fund. The Series 2024 Rebate Fund shall be for the sole benefit of the United States of America, shall be excluded from the Trust Estate as described in Section 2.1(b) hereof, and shall not be subject to the claim of any other Person, including, without limitation, the Owners. The Series 2024 Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto. There shall be deposited into the Series 2024 Rebate Fund all amounts transferred to such Fund pursuant to Section 5.02(b) of the Collateral Agency Agreement. The money deposited in the Series 2024 Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in the Federal Tax Certificate. The Series 2024 Rebate Fund is not a portion of the Trust Estate and is not subject to any lien under this Indenture. Notwithstanding the foregoing, the Trustee with respect to the Series 2024 Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder.

Section 5.5 Moneys to be Held in Trust. The Debt Service Fund, and any other Fund or Account created hereunder (excluding the Series 2024 Rebate Fund, any Defeasance Escrow Account, and any other Fund or Account specifically excluded from the Trust Estate pursuant to the terms of a Supplemental Indenture), shall be held by the Trustee in the name of the Issuer, solely for the benefit of the Owners of the Bonds and the Bond Insurer as specified in this Indenture. The Series 2024 Bond Insurer Fund shall be held by the Trustee for the purpose of making payments of amounts owed to the Bond Insurer hereunder and under the Financing Documents. The Series 2024 Rebate Fund shall be held by the Trustee for the purpose of making payments to the United States pursuant to Section 6.5 hereof. Any Defeasance Escrow Account established pursuant hereto shall be held solely for the benefit of the Owners of the Bonds to be paid therefrom as provided in the agreement governing such Defeasance Escrow Account.

Section 5.6 Investment of Moneys.

- (a) All moneys held as part of any Fund or Account established pursuant to this Indenture shall be deposited or invested and reinvested by the Trustee, at the written direction of the Borrower, in Permitted Investments; provided, however, that moneys in the Debt Service Fund (including moneys in the Series 2024 Funded Interest Account) shall be held in cash or invested solely in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof; and provided further, however, that moneys in any Defeasance Escrow Account may only be invested in Defeasance Securities.
- (b) Earnings from the investment of moneys held in any Fund or Account established pursuant to this Indenture and losses from the investment of moneys held in any such Fund or Account shall be charged against the Fund or Account in which they were realized.
- (c) The Trustee shall sell and reduce to cash a sufficient amount of the investments held in any Fund or Account established pursuant to this Indenture whenever the cash balance therein is insufficient to make any payment to be made therefrom and the Trustee shall not be liable or responsible for any loss or tax resulting from such sale.
- (d) The Trustee shall have no obligation to invest or reinvest moneys if deposited with the Trustee after 11:00 a.m. (New York time) on such day of deposit. Instructions received after 11:00 a.m. (New York time) will be treated as if received on the following Business Day. The Trustee shall have no responsibility for any investment losses resulting from the investment, reinvestment or liquidation of the funds in any Fund or Account. If a selection is not made and a written direction not given to the Trustee, the funds shall remain uninvested with no liability for interest thereon. It is agreed and understood that the entity serving as Trustee may earn fees associated with the investments outlined above in accordance with the terms of such investments. In no event shall the Trustee be deemed an investment manager or adviser in respect of any selection of investments hereunder. It is understood and agreed that the Trustee or its affiliates are permitted to receive additional compensation that could be deemed to be in the Trustee's economic self-interest for (1) serving as investment adviser, administrator, shareholder servicing

agent, custodian or sub-custodian with respect to certain of the investments, (2) using affiliates to effect transactions in certain investments and (3) effecting transactions in investments.

(e) Each of the Issuer and Borrower shall provide the Trustee with appropriate Form W-9 – Request for Taxpayer Identification Number Certification, or Form W-8 Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting, as applicable. It is understood that the Trustee shall only be responsible for income reporting with respect to income earned on the Funds and/or the Accounts and will not be responsible for any other income reporting. This paragraph shall survive the termination of this Indenture or the resignation or removal of the Trustee.

ARTICLE 6.

COVENANTS OF THE ISSUER

Section 6.1 Representations, Covenants and Warranties. The Issuer represents, covenants and warrants that:

- (a) It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every duly authorized Bond and in all proceedings of the Issuer pertaining thereto.
- (b) It is duly authorized under the laws of the State, including particularly and without limitation, the Act, to issue the Bonds for the purposes stated in this Indenture and to execute this Indenture, to pledge the property described herein and pledged hereby and to pledge the Trust Estate in the manner and to the extent herein set forth, that all actions on its part required for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken or will be duly taken as provided herein, and that this Indenture is a valid and enforceable instrument of the Issuer and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Issuer according to the terms thereof.
- (c) It will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging and hypothecating unto the Trustee all and singular the Trust Estate to the payment of the principal of, premium, if any, and interest on the Bonds.
- (d) Promptly after any filing, registration or recording (other than the filing of the Senior Loan Agreement, any Additional Parity Bonds Loan Agreement, this Indenture and any financing statements in connection with the issuance of the Bonds) or any re-filing, reregistration or re-recording of this Indenture, the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement, or any filing, registration, recording, re-filing, re-registration or re-recording of any supplement to any of said instruments, any financing statement or instrument of similar character relating to any of said instruments or any instrument of further assurance which is required pursuant to the preceding paragraph, the Issuer will, upon the written request of the Trustee, cause the Borrower to deliver to the Trustee a certificate of a Responsible Officer

of the Borrower to the effect that such filing, registration, recording, re-filing, re-registration or re-recording has been duly accomplished and setting forth the particulars thereof.

- (e) The execution, delivery and performance of its obligations under this Indenture by the Issuer do not and will not conflict with or result in a violation or a breach of any law or the terms, conditions or provisions of any restriction under any Law, contract, agreement or instrument to which the Issuer is now a party or by which the Issuer is bound, or constitute a default under any of the foregoing.
- (f) Except as described in the Offering Document, to the best of its knowledge, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, threatened against the Issuer affecting the right of the Issuer to execute, deliver or perform its obligations under this Indenture.
- Section 6.2 Conditions Precedent. Upon the date of issuance of any of the Bonds, the Issuer hereby covenants that all conditions, acts and things required of the Issuer by the Constitution or laws and statutes of the State (including, particularly, the Act) or by this Indenture to exist, to have happened or to have been performed precedent to or in connection with the issuance of the Bonds shall exist, have happened and have been performed.
- Section 6.3 Maintenance of Existence. The Issuer pledges and agrees with the Owners of the Bonds that it shall use its best efforts to prevent the State from limiting or altering the rights vested in the Issuer to fulfill the terms of the agreements made with such Owners or from in any way impairing the rights or remedies of such Owners until the Bonds, together with the interest, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Owners, are fully met and discharged.
- Section 6.4 No Superior or Parity Liens on Trust Estate. The Issuer will not, pledge, grant, create or permit to exist in any manner any Security Interest on, or rights with respect to, the Trust Estate, (x) except as specifically permitted pursuant to this Indenture or any other Financing Document or (y) except for a contract or agreement under which the financial obligations of the Issuer and the rights of any Person to require the Issuer to make any payment are (a) limited to (i) moneys in the Funds and Accounts that are to be used pursuant to such contract or agreement for the purposes for which moneys in such Funds and Accounts may be used pursuant to the terms hereof or (ii) moneys of the Issuer that are not part of the Trust Estate; or (b) subordinate to the rights of the Owners of the Bonds under this Indenture.
- Section 6.5 Tax Covenant. The Issuer shall not take any action or omit to take any action with respect to the Series 2024 Bonds or the Additional Parity Bonds, if any, the proceeds of the Series 2024 Bonds or the Additional Parity Bonds, if any, the Trust Estate, the Project or any other funds or property of the Issuer, and it will not permit, to the extent of its control, any other Person to take any action or omit to take any action with respect to the Series 2024 Bonds or the Additional Parity Bonds, if any, the Trust Estate, the Project or any other funds or property of the Issuer if such action or omission would cause interest on any of the Series 2024 Bonds or the Additional Parity Bonds, if any, to be included in gross income for federal income tax purposes. In furtherance of this covenant, the Issuer agrees to comply with the covenants set forth in the applicable Federal Tax Certificate for the Series 2024 Bonds or the Additional Parity Bonds, if any. The covenants set forth in this Section shall remain

in full force and effect notwithstanding the payment in full or defeasance of the Series 2024 Bonds or the Additional Parity Bonds, if any, until the date on which all of the Issuer obligations in fulfilling such covenants have been met. This section shall not apply to Taxable Bonds.

Section 6.6 Compliance with Law. The Issuer shall comply with all Laws and regulations, the State Constitution, the Act and all other State Laws relating to the Bonds, the organization and operation of the Issuer and the subject matter of this Indenture.

Section 6.7 No Appointment of Receiver, etc. The Issuer agrees that it will not apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of the Issuer.

Section 6.8 Rights under Senior Loan Agreement, the Additional Parity Bonds Loan Agreement and the Collateral Agency Agreement. The Senior Loan Agreement, a duly executed counterpart of which will be filed with the Trustee, and any Additional Parity Bonds Loan Agreement, a counterpart of which will be filed with the Trustee if executed, set forth the covenants and obligations of the Issuer and the Borrower with respect to the related Series 2024 Loan and Additional Parity Bonds Loan, and reference is hereby made to the Senior Loan Agreement and Additional Parity Bonds Loan Agreement (if executed) for a detailed statement of such covenants and obligations of the Borrower thereunder. The Issuer will observe all of the obligations, terms and conditions required on its part to be observed or performed under the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement. The Issuer and the Trustee agree that wherever in the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement it is stated that the Issuer will notify the Trustee, gives the Trustee some right, privilege or obligation, or in any way attempts to confer upon the Trustee the ability for the Trustee to protect the security for payment of the Series 2024 Bonds, that such part of the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement shall be as though it were set out in this Indenture in full. The Issuer agrees that the Trustee (subject to the terms of the Collateral Agency Agreement) in its name or in the name of the Issuer may enforce all rights of the Issuer (other than Reserved Rights) and all obligations of the Borrower under and pursuant to the Senior Loan Agreement and Additional Parity Bonds Loan Agreement (if executed) and on behalf of the Owners, whether or not the Issuer is in default hereunder. The Issuer further agrees that the Trustee (subject to the terms of the Collateral Agency Agreement) in its name or in the name of the Issuer may enforce all rights of the Issuer under and pursuant to the Collateral Agency Agreement and hereby designates and authorizes the Trustee to serve as the Secured Debt Representative for the Issuer under the Collateral Agency Agreement.

Section 6.9 [Reserved.].

Section 6.10 Indebtedness. The Issuer shall not create, incur, assume or permit to exist any indebtedness of the Issuer with respect to the Trust Estate pledged under this Indenture, other than the Series 2024 Bonds, any Additional Parity Bonds issued pursuant to Article 12 herein, any Permitted Additional Senior Indebtedness, any Permitted Subordinated Debt, or as otherwise permitted by the Financing Documents.

ARTICLE 7.

DEFAULTS AND REMEDIES

Section 7.1 Events of Default. Any of the following shall constitute an "Event of Default" under this Indenture with respect to all of the Outstanding Bonds:

- (a) Failure to pay any portion of the principal of any Outstanding Bond when due and payable;
- (b) Failure to pay any portion of interest on any Outstanding Bond when due and payable;
- (c) Failure by the Issuer to cure or cause the Borrower to cure any noncompliance with any other provision of this Indenture within 60 days after receiving written notice of such noncompliance from the Trustee or the Collateral Agent (with a copy to the Borrower and the Collateral Agent or the Trustee, as applicable) with respect to the Bonds; provided, however, that such noncompliance shall not be an Event of Default at the end of such sixty (60) day period, so long as: (i) the Issuer is proceeding diligently to cure such breach; and (ii) such breach, in any event, is cured within one hundred twenty (120) days of such written notification from the Trustee or the Collateral Agent;
 - (d) A Senior Loan Agreement Default shall have occurred and be continuing; or
- (e) The occurrence and continuance, with respect to the Issuer, of a Bankruptcy Event (provided that solely for purposes of this clause, all references to the "Borrower" within the definition of the term "Bankruptcy Event" shall be substituted with the "Issuer").

Section 7.2 Remedies Following and During the Continuance of an Event of Default.

- (a) Upon the occurrence and during the continuance of an Event of Default, Owners of at least 25% in aggregate principal amount of the Outstanding Bonds or the Issuer may deliver to the Trustee a written notice, with a copy to the Issuer, the Collateral Agent and the Borrower, that an Event of Default has occurred and is continuing. The Trustee shall not be deemed to have any knowledge of the occurrence of an Event of Default, except with respect to an Event of Default described in Section 7.1(a) or (b) hereof, unless and until it has received such a notice from the relevant party.
- (b) At any time during which an Event of Default has occurred and is continuing commencing on the date of delivery to the Trustee of the notice described in Section 7.2(a) above (except with respect to an Event of Default described in Section 7.1(a) or (b) hereof in which no notice shall be required), the Majority Holders shall have the right to give the Trustee one or more enforcement directions directions trustee to take on behalf of the Owners of the Bonds, subject to the terms of the Collateral Agency Agreement and Section 7.2(c) below, whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners of the Bonds.

28

- (c) Subject to the terms of the Collateral Agency Agreement, upon the occurrence and during the continuance of an Event of Default, if so instructed by the Majority Holders, the Trustee shall, by notice delivered to the Issuer and the Borrower, (i) declare all Bonds, all interest accrued and unpaid thereon, and all other amounts payable in respect thereof to be due and payable, whereupon the same shall become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are waived by the Issuer and (ii) accelerate the underlying Series 2024 Loan under the Senior Loan Agreement (and any other loan pursuant to any Additional Parity Bonds Loan Agreement).
- (d) The Majority Holders may, by written notice to the Trustee, on behalf of all of the Owners of the Bonds, rescind any acceleration and its consequences, if the rescission would not conflict with any judgment or decree and if all existing Events of Default with respect to the Bonds (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived and the Issuer has paid or deposited, or caused to be paid or deposited, with the Trustee a sum sufficient to pay all sums paid or advanced by the Trustee hereunder and the reasonable and documented compensation, expenses and disbursements of the Trustee, its agents and counsel. In case of any such rescission, then and in every such case the Issuer, the Trustee and the Owners of the Bonds, shall be restored to their former positions and rights.
- (e) All rights and actions and claims under this Indenture may be prosecuted and enforced by the Trustee on behalf of the Owners of the Bonds. In the case of pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization or other similar judicial proceeding relative to the Issuer or the Trust Estate, the Trustee, subject to the terms of the Collateral Agency Agreement, shall be entitled to file and prove a claim for the amount of the Issuer's and the Borrower's obligations to the Owners of the Bonds owing and unpaid and to file such other papers or documents as may be necessary in order to have the claims of the Owners of the Bonds allowed in such judicial proceeding and, to the extent permitted by Law, to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same in accordance with the terms hereof and of the Collateral Agency Agreement.
- Section 7.3 Use of Moneys Received from Exercise of Remedies. After an acceleration pursuant to Section 7.2(c) hereof, moneys received by the Trustee from the Collateral Agent pursuant to the Collateral Agency Agreement, this Indenture and the other Security Documents in respect of the Issuer's obligations hereunder with respect to the Bonds shall be applied in accordance with Section 9.08 of the Collateral Agency Agreement, so long as the Collateral Agency Agreement is in effect, and otherwise, first to pay the reasonable and proper fees and expenses (including the reasonable fees and expenses of counsel) of and indemnification payments owing to the Trustee, the Collateral Agent and the Account Bank pursuant to the Security Documents, including those incurred in connection with the exercise of remedies following such Event of Default, and thereafter remaining amounts shall be applied promptly by the Trustee as follows:

<u>First</u>, ratably, to the payments then due and payable by the Borrower to the Series 2024 Rebate Fund and any rebate fund established by a Supplemental Indenture with respect to Additional Parity Bonds;

Second, to all Bond Insurer Premiums owed to the Bond Insurer pursuant to Section 14.10 hereof:

Third, ratably, to all accrued and unpaid interest on the Bonds;

Fourth, ratably, to the outstanding principal amount on the Bonds;

<u>Fifth</u>, to all Bond Insurer Late Payment Interest owed to the Bond Insurer pursuant to Section 14.2(d) hereof; and

<u>Sixth</u>, to the Borrower, upon termination, expiration or payment in full of all commitments, any surplus to be applied at the Borrower's discretion.

Section 7.4 Limitations on Rights of Owners Acting Individually. Subject to the Collateral Agency Agreement, no Owner of any Bonds shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any remedy hereunder or for the enforcement of the terms of this Indenture, unless an Event of Default under this Indenture has occurred and is continuing and the Owner of such Bond has made a written request to the Trustee, and (i) has given the Trustee sixty (60) days to take such action in its capacity as Trustee, (ii) the Trustee shall have been provided reasonable security or indemnity against costs, expenses and liabilities to be incurred in connection with such action to be taken, (iii) the Trustee shall have refused or unreasonably neglected to comply with such request, and (iv) during such sixty (60) day period, no direction inconsistent with such written request shall have been delivered to the Trustee. Nothing in this Section shall affect or impair the right of the Owner of any Bond to enforce the payment of the principal of and interest on or Redemption Price of any Bond at and after the date such payment is due, subject, however, to the limitations on remedies set forth in Section 7.2 hereof. In addition, any action by any Owner of any Bond taken with respect to the Trust Estate shall only be taken in accordance with the provisions of Section 7.2 hereof.

Section 7.5 Trustee May Enforce Rights without Bonds. All rights of action and claims under this Indenture or any of the Outstanding Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto; any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners of any Bonds; and any recovery of judgment shall be for the ratable benefit of the Owners of the Bonds, subject to the provisions hereof and the Collateral Agency Agreement.

Section 7.6 Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Trust Estate, the Trustee shall, subject to the Collateral Agency Agreement, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners of the Bonds allowed in such proceedings for the entire amount due on the Bonds under this Indenture, at the date of the institution of such proceedings and for any additional amounts which may become due by it after such date, without prejudice, however, to the right of any Owner of any Bonds to file a claim on its own behalf, to the extent permitted hereunder.

- Section 7.7 Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner of any Bonds to exercise any remedy, right or power accruing upon any Event of Default or otherwise shall exhaust or impair any such remedy, right or power or be construed to be a waiver of any such Event of Default, or acquiescence therein; and every remedy, right and power given by this Indenture may be exercised from time to time and as often as may be deemed expedient.
- Section 7.8 Discontinuance of Proceedings on Event of Default; Position of Parties Restored. In case the Trustee or any Owner of any Bonds shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or such Owner, then and in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights, and all rights, remedies and powers of the Trustee, the Issuer and the Owners shall continue as if no such proceedings had been taken.

Section 7.9 Waivers of Events of Default. The Trustee, notwithstanding anything else to the contrary contained in this Indenture, shall waive any Event of Default upon the written direction of the Majority Holders; provided, however, that any Event of Default in the payment of the principal of or interest on, or the Redemption Price of, any Bond when due shall not be waived (except as contemplated in Section 7.2(d) hereof) without the consent of the Owner of each Bond affected thereby, unless, prior to such waiver, all such amounts (with interest on amounts past due on any Bond at the interest rate on such Bond) and all expenses of and indemnity payments to the Trustee (with interest on amounts past due with respect to any expenses of the Trustee at a rate per year equal to the highest yield on any series of Outstanding Bonds) in connection with such Event of Default have been paid or provided for. In case of any such waiver, then and in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, but no such waiver shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

ARTICLE 8.

CONCERNING THE TRUSTEE

Section 8.1 Representations, Covenants and Warranties Regarding Execution, Delivery and Performance of Indenture. The Trustee represents, covenants and warrants that:

- (a) The Trustee is a national banking association and is authorized, under its certificate of organization, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate hereunder and to execute, deliver and perform its obligations under this Indenture.
- (b) The execution, delivery and performance of this Indenture by the Trustee have been duly authorized by the Trustee.
- (c) This Indenture is enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

- (d) The execution, delivery and performance of the terms of this Indenture by the Trustee do not and will not conflict with or result in a violation or a breach of any law or the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Indenture, result in the creation or imposition of a lien or encumbrance whatsoever upon the Trust Estate or any of the property or assets of the Trustee
- (e) To the best of the knowledge of the Trustee, there is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under this Indenture.

Section 8.2 Duties of the Trustee. In addition to the other duties and responsibilities set forth herein, the Trustee (subject to the terms of the Collateral Agency Agreement) is hereby appointed as Secured Debt Representative for and on behalf of the Owners of the Bonds under the Collateral Agency Agreement and the Trustee may enforce all rights of the Owners of the Bonds under and pursuant to the Collateral Agency Agreement. The Trustee hereby accepts the duties imposed upon it by this Indenture and the other Financing Documents to which it is a party and agrees to perform said duties, but only upon and subject to the following express terms and conditions:

- (a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the other Financing Documents to which it is a party.
- (b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be responsible for the misconduct or negligence of any agent appointed with due care. Any reasonable expenses of hiring such agent shall be reimbursed by the Borrower, in accordance with the terms of the Senior Loan Agreement, any Additional Parity Bonds Loan Agreements (if executed) and any agreement between the Borrower and the Trustee with respect thereto.
- (c) The Trustee shall not be responsible for any recital herein, in the Bonds or in any of the Financing Documents to which it is a party, for the validity of the execution by the Issuer of this Indenture or any instruments of further assurance or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, for the validity or perfection of the lien on the Trust Estate or for the value of the Trust Estate. The Trustee shall have no obligation to perform any of the duties of the Issuer under this Indenture; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it pursuant to instructions from the Borrower in accordance with Section 5.6 hereof.
- (d) The Trustee shall not be accountable for the use of any Bonds delivered to the Underwriter pursuant to this Indenture. The Trustee may become the Owner of the Bonds with the same rights which it would have if not Trustee.
- (e) The Trustee shall be fully protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document which it in good faith reasonably believes to be genuine and correct and to have been signed or sent by the proper Person or Persons and the Trustee shall be under no duty to make any investigation as to any

statement contained in any such document. Any action taken by the Trustee pursuant to (and as permitted by) this Indenture or the other Financing Documents to which it is a party upon the request or instruction or consent of any Person who at the time of making such request or giving such instruction or consent is the Owner of any Bond shall be conclusive and binding upon any Bonds issued in place thereof.

- (f) The Trustee may employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its rights and duties hereunder and, in the absence of the Trustee's gross negligence or willful misconduct in employing or retaining any such counsel, accountants, appraisers, experts or advisors, may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by the Borrower, the Issuer or by the Trustee, in relation to any matter arising in the administration hereof, and shall not be responsible for any act or omission on the part of any of them. In addition, the Trustee shall not be liable for any acts or omissions of its nominees, correspondents, designees, agents, subagents or subcustodians appointed with due care.
- (g) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed by a Responsible Officer as sufficient evidence of the facts therein contained.
- (h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder or under any Financing Document to which the Trustee is a party, except failure to pay the principal of and interest on, or Redemption Price of, any Bond, unless the Trustee Representative shall be specifically notified in writing of such Event of Default by the Issuer, the Collateral Agent, the Borrower or an Owner of a Bond.
- (i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received and shall be segregated from all other funds held by the Trustee.
- (j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.
- (k) Notwithstanding anything to the contrary in this Indenture or any Financing Document to which the Trustee is a party, the Trustee shall have the right, but shall not be required, to reasonably request in respect of the delivery of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture or any Financing Document to which it is a party, any showings, certificates, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee.
- (l) The permissive right of the Trustee to do things enumerated hereunder or under other Financing Documents shall not be construed as a duty unless so specified herein or therein, and in doing or not doing so, the Trustee shall not be answerable for other than its own gross negligence or willful misconduct.

- (m) Before taking any action or refraining from taking any action under this Indenture or any Financing Document to which it is a party, the Trustee may require that indemnity reasonably satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including costs incurred in defending itself against any and all charges, claims, complaints, allegations, assertions, or demands of any nature whatsoever, except liability which is adjudicated to be a result of the Trustee's negligence or willful misconduct in connection with any such action.
- (n) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.
- (o) No provision of this Indenture, any Financing Document or any other documents related thereto shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of its duties and obligations hereunder or thereunder.
- (p) In accordance with the terms hereof, the Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the Owners of a majority (or other percentage provided for herein) in aggregate principal amount of Bonds outstanding or of the Majority Holders relating to the exercise of any right or remedy available to it or the exercise of any trust or power available to the Trustee hereunder or under any other Financing Document.
- (q) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.
- (r) The Trustee is authorized and directed to enter into the Financing Documents and any other documents related thereto to which the Trustee is a party. In entering into and performing any duties and obligations of the Trustee under the Financing Documents and any other documents related thereto, the Trustee shall be entitled to the provisions of this Indenture, including, without limitation, the protections, immunities, limitations from liability and indemnification accorded to the Trustee under this Indenture.
- (s) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.
- (t) The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee, including, but not limited to, any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, natural disaster, pandemic, epidemic, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility, it being understood that the Trustee shall use reasonable best efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.
- (u) Neither the Trustee nor the Collateral Agent are accountable for the use by the Issuer or the Borrower of the proceeds of the Bonds.

- (v) The Trustee is not required to independently verify compliance with, nor is the Trustee liable, with respect to, any provisions of the Federal Tax Certificate, including calculation with respect to arbitrage rebate.
- (w) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.
- (x) For the avoidance of doubt, nothing herein shall require the Trustee to file financing statements or continuation statements, or be responsible for maintaining the security interests purported to be created as described herein (except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder or under any other Financing Document) and such responsibility shall be solely that of the Borrower.

Section 8.3 Co-Trustees.

- (a) With the consent of the Borrower, the Trustee shall have power to appoint one or more Persons to act as co-trustee under this Indenture, with such powers as may be provided in the instrument of appointment, and to vest in such person or persons any property, title, right or power deemed necessary or desirable, subject to the remaining provisions of this Section.
- (b) Each co-trustee shall, to the extent permitted by applicable law, be appointed subject to the following terms:
 - (i) The rights, powers, duties and obligations conferred or imposed upon any such trustee shall not be greater than those conferred or imposed upon the Trustee.
 - (ii) The Trustee may at any time, by an instrument in writing executed by it, accept the resignation of or remove any co-trustee appointed under this Section.
 - (iii) No co-trustee under this Indenture shall be liable by reason of any act or omission of any other co-trustee appointed under this Indenture.
- Section 8.4 Compensation of Trustee. The Trustee shall be entitled to compensation in accordance with its agreement with the Borrower, which, notwithstanding any other provision hereof, may be amended at any time by agreement of the Borrower and the Trustee without the consent of or notice to the Owners. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder.

Section 8.5 Resignation or Replacement of Trustee.

(a) The present or any future Trustee may resign by giving written notice to the Issuer and the Collateral Agent (with a copy to the Borrower) not less than 60 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of and acceptance by a successor qualified as provided in subsection (c) of this Section. If no successor is appointed within 60 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee at the expense of the Borrower, may petition a

court of competent jurisdiction for the appointment of a successor. The present or any future Trustee may be removed at any time by (i) the Issuer at the direction of the Borrower, so long as no Event of Default has occurred and is continuing, or (ii) the Majority Holders with the consent of the Issuer and, so long as no Event of Default has occurred and is continuing, the Borrower, such consent not to be unreasonably withheld, in each case, by an instrument or concurrent instruments in writing signed by such Owners. Such removal shall take effect only upon the appointment of and acceptance by a successor qualified as provided in subsection (c) of this Section. If no successor is appointed within 60 days following the date designated for the Trustee's removal to take effect, the Issuer, by an instrument signed by an Issuer Representative or the Majority Holders, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Borrower in the manner provided herein.

- (b) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Borrower by an instrument in writing delivered to the Issuer and the Collateral Agent or, if the Borrower refuses or fails to appoint a successor within 60 days, the Issuer or the Majority Holders in the manner provided above.
- (c) Every successor Trustee shall be a bank or trust company in good standing, qualified to do business in the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act hereunder and having a capital and surplus of not less than \$200,000,000. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer (with a copy to the Borrower and the Collateral Agent) an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of the Issuer or its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the Issuer be required by any successor for more fully and certainly vesting in and confirming to such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, such instrument in writing shall, at the reasonable discretion of the Issuer, be made, executed, acknowledged and delivered by the Issuer on request of such successor.
- (d) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Issuer and the Borrower an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, the Borrower or any respective successor thereof, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor Trustee the Trust Estate, rights, powers and duties hereby vested or intended to be

vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

- (e) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed and/or recorded.
- (f) The rights of the Trustee under this Article 8 shall survive the termination of this Indenture and/or the Trustee's resignation or removal.

Section 8.6 Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding provided that so long as no Event of Default has occurred and is continuing, the Owners may appoint a successor trustee other than the entity into which the Trustee may be converted or merged in the manner provided above. In case any of the Bonds shall have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Bonds shall not have been executed, any successor Trustee may execute such Bonds in the name of such successor Trustee.

Section 8.7 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party relating to the Senior Loan Agreement, the Security Documents or this Indenture and which in the reasonable opinion of the Trustee, the Collateral Agent and their respective counsel has a substantial bearing on the interests of the Owners, the Trustee or the Collateral Agent, as applicable, may, subject to the Collateral Agency Agreement, intervene on behalf of the Owners. In addition, the Collateral Agent shall be entitled to the same protections, indemnification and reimbursement for fees and expenses as set forth herein in connection with the Security Documents and all actions taken by or on behalf of the Collateral Agent pursuant to the Security Documents.

Section 8.8 Books and Records; Reports.

- (a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the Bonds and all Funds and Accounts established pursuant to this Indenture. Such books of record and accounts shall be available for inspection by the Issuer, the Borrower, and any Owner or their agents or representatives duly authorized in writing, at reasonable hours and upon reasonable prior written request.
- (b) The Trustee shall maintain records of all receipts, disbursements, and investments of funds with respect to the Funds and Accounts until the fifth anniversary of the date on which all of the Bonds shall have been paid in full.
- (c) The Trustee hereby agrees to provide a monthly report to the Collateral Agent four Business Days prior to each Transfer Date setting forth, among other things, the balance for

each Fund and Account, including any sub-accounts, established and created pursuant to this Indenture. The requirements of this clause (c) shall be performed by the Trustee by granting the Collateral Agent on-line read only access to the Funds and Accounts.

Section 8.9 Notices, Etc. Subject to the provisions of Section 8.2(i) of this Indenture, the Trustee shall promptly deliver to the Issuer, the Borrower (other than with respect to any notices set forth in subclause (a) below) and the Collateral Agent:

- (a) any notice provided to it by the Borrower under the terms of the Senior Loan Agreement and Additional Parity Bonds Loan Agreement (if executed);
- (b) written notice of the occurrence of any Event of Default under this Indenture (with a description of any action being taken or proposed to be taken with respect thereto), including any payment defaults under Section 7.1(a) or (b) hereof and any Senior Loan Agreement Default: and
- (c) written notice of any Security Interest placed on or claim against the Trust Estate (other than the Security Interests created under this Indenture or the other Financing Documents or any other Permitted Security Interest);

provided, however, that the notices referred to in subclause (a) above shall only be delivered (in each case) to the Issuer upon its written request.

ARTICLE 9.

SUPPLEMENTAL INDENTURES AND AMENDMENTS

Section 9.1 Supplemental Indentures and Amendments Not Requiring Consent of Owners. The Issuer and the Trustee may, without the consent of, or notice to, the Owners, but with the prior written consent of the Borrower, enter into a Supplemental Indenture or otherwise supplement, modify or amend this Indenture for any one or more or all of the following purposes:

- (a) to provide for the issuance by the Issuer of the Additional Parity Bonds in accordance with Article 12 hereof;
- (b) to add additional covenants to the covenants and agreements of the Issuer set forth herein;
 - (c) to add additional revenues, properties or collateral to the Trust Estate:
- (d) to cure any ambiguity, or to cure, correct or supplement any defect, mistake, error, omission or inconsistent provision contained herein;
- (e) to amend any existing provision hereof or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify, or to preserve the qualification of, the interest on any Bonds for exclusion from gross income for federal income tax purposes; (ii) to qualify, or to preserve the qualification of, this Indenture or any Supplemental Indenture under the Trust Indenture Act; or (iii) to qualify, or preserve the

qualification of, any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States and under any federal law of the United States;

- (f) to amend any provision hereof relating to the Series 2024 Rebate Fund or a rebate fund established pursuant to a Supplemental Indenture for the issuance of Additional Parity Bonds, if, in the opinion of Bond Counsel, such amendment does not adversely affect the excludability of the interest on the Bonds (other than Taxable Bonds) from gross income for federal income tax purposes;
 - (g) to provide for or eliminate book-entry registration of any of the Bonds;
- (h) to obtain or maintain a rating (but not a particular rating level) of the Bonds by a Nationally Recognized Rating Agency;
 - (i) to facilitate the receipt of moneys;
- (j) to establish additional funds, accounts or subaccounts necessary or useful in connection with the financing or refinancing of the Project;
- (k) to facilitate the movement or relocation of the Operating Account or other Project Accounts established and created at the Deposit Account Bank to a replacement or additional Deposit Account Bank or the movement or relocation of the Project Accounts established and created at the Account Bank to a successor Account Bank:
- (l) to evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee, a Co-Trustee, or a successor paying agent hereunder pursuant to the requirements hereof: or
- (m) in connection with any other change which, in the judgment of the Trustee (who may for such purposes rely entirely upon a legal opinion with respect thereto of counsel selected by, or reasonably satisfactory to, the Trustee, which legal counsel may rely on a rating confirmation by any Nationally Recognized Rating Agency or a certificate of an investment banker or financial advisor with respect to financial matters and on a certificate from the Issuer or Borrower as to factual matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming this Indenture to the terms and provisions of any other Financing Document and, for the avoidance of doubt, the Trustee shall be fully indemnified by the Borrower in connection with any claim, demand, suit, action or proceedings whatsoever arising out of such action pursuant to Section 7.02 of the Senior Loan Agreement.

Section 9.2 Supplemental Indentures and Amendments Requiring Consent of Owners. The Issuer and the Trustee may enter into a Supplemental Indenture or otherwise supplement, modify or amend this Indenture for the purpose of adding any provisions to, changing in any manner, climinating or waiving any of the provisions of this Indenture relating to Bonds or any series of Bonds or modifying the rights of the Owners of Bonds or any series of Bonds in any way under this Indenture (other than as contemplated in Section 9.1 hereof) with the written consent of the Owners of a majority in the aggregate principal amount of the then Outstanding Bonds affected by the proposed amendment, supplement or waiver and with the written consent of the Borrower; provided, however, that no Supplemental Indenture

modifying this Indenture in the way described below may be entered into without the written consent of the Owner of each Bond affected thereby:

- (a) a reduction of the interest rate, principal of or interest on or Redemption Price payable on any Bond, a change in the maturity date of any Bond, a change in any Interest Payment Date for any Bond or a change in the redemption provisions applicable to any Bond (other than notice periods);
- (b) the release or subordination of all or substantially all of the Trust Estate granted by this Indenture and the other Collateral, collectively taken as a whole, from the Security Interest securing the Bonds, except as permitted by the Financing Documents;
- (c) the release or subordination of the Project Revenues or the Project Accounts from the lien of the Senior Security Agreement, except as permitted by the Financing Documents;
- (d) the creation of a priority right in the Trust Estate of another Bond over the right of the affected Bond, except as permitted by the Financing Documents; or
- (e) a reduction in the percentage of the aggregate Outstanding Bonds required for consent to any Supplemental Indenture or the parties whose consent is required.

Section 9.3 Conditions to Effectiveness of Supplemental Indentures and Amendments.

- (a) No Supplemental Indenture shall be effective until (i) it has been executed by the Issuer and the Trustee and, when applicable, the Borrower and (ii) Bond Counsel (or in the case of clause (x) below, other counsel reasonably satisfactory to the Trustee) has delivered a written opinion to the effect that the Supplemental Indenture (x) complies with the provisions of this Article and (y) will not adversely affect the excludability from gross income for federal income tax purposes of interest on any series of Outstanding Bonds other than Taxable Bonds.
- (b) No Supplemental Indenture entered into pursuant to Section 9.2 hereof shall be effective until, in addition to the conditions set forth in subsection (a) of this Section, subject to the provisions of any Supplemental Indenture, Owners of the required percentage of the Bonds have consented to the Supplemental Indenture. It shall not be necessary for the consent of the Owners under Section 9.2 hereof to approve the particular form of any proposed Supplemental Indenture, but it is sufficient if such consent approves the substance thereof. Consents provided by the beneficial owners of the required percentage of the Bonds (in lieu of the registered owners) shall be sufficient to evidence the requisite consents required hereby. A notice that describes the nature of the Supplemental Indenture shall be sent to Owners (or delivered in accordance with the procedures of DTC) promptly after the effectiveness of such Supplemental Indenture. Any failure to send such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such Supplemental Indenture.
- Section 9.4 Consent of the Borrower. Notwithstanding anything herein to the contrary, a Supplemental Indenture under this Article or other amendment, supplement or modification shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such Supplemental Indenture or other amendment, supplement or modification.

Section 9.5 Execution of Supplemental Indentures and Amendments by Trustee. Upon the request of the Borrower or the Issuer and upon delivery of evidence of the consent of the Owners, if required by Section 9.2 of this Indenture, the Trustee shall sign any Supplemental Indenture authorized pursuant to this Article; provided, however, that the Trustee shall not be obligated to sign any Supplemental Indenture pursuant to this Article if the amendment, supplement or waiver, in the judgment of the Trustee, could adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. In signing a Supplemental Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying on, a Favorable Opinion of Bond Counsel with respect to such Supplemental Indenture.

ARTICLE 10.

AMENDMENT OF AND CERTAIN ACTIONS UNDER SENIOR LOAN AGREEMENT

Section 10.1 Amendments to Senior Loan Agreement Not Requiring Consent of Owners. Except with respect to any proposed amendment, supplement, modification or waiver affecting the Reserved Rights, the Issuer hereby delegates and assigns its right to amend, supplement, modify or waive any provision of the Senior Loan Agreement (or any Additional Parity Bonds Loan Agreement) to the Trustee. The Issuer (in the case of any amendment, supplement, modification or waiver affecting the Reserved Rights) and the Trustee (in the case of any other amendment, supplement, modification or waiver) may (i) upon receipt of a Favorable Opinion of Bond Counsel with respect to the proposed amendment, supplement, modification or waiver and (ii) upon the receipt of the written consent of the Borrower, consent to any amendment, supplement, modification or waiver of the Senior Loan Agreement (or any Additional Parity Bonds Loan Agreement), without the consent of, or notice to, the Owners, for any one or more or all of the following purposes:

- (a) to provide for the loan by the Issuer to the Borrower of the proceeds of Additional Parity Bonds issued in accordance with Article 12 hereof;
- (b) to add additional covenants to the covenants and agreements of the Borrower set forth therein:
- (c) to cure any ambiguity, or to cure, correct or supplement any defect, mistake, error, omission or inconsistent provision contained therein;
- (d) to amend any existing provision thereof or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify, or to preserve the qualification of, the interest on any Bonds for exclusion from gross income for federal income tax purposes or (ii) to qualify, or preserve the qualification of, any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States;
 - (e) to facilitate the receipt of moneys;
- (f) to establish additional funds, accounts or subaccounts necessary or useful in connection with the financing or refinancing of the Project;
- (g) to facilitate the movement or relocation of the Operating Account or other Project Accounts established and created at the Deposit Account Bank to a replacement or additional

Deposit Account Bank or the movement or relocation of the Project Accounts established and created at the Account Bank to a successor Account Bank; or

(h) in connection with any other change which, in the judgment of the Trustee (who may for such purposes rely entirely upon a legal opinion with respect thereto of counsel selected by, or reasonably satisfactory to, the Trustee, which legal counsel may rely on a rating confirmation by any Nationally Recognized Rating Agency or a certificate of an investment banker or financial advisor with respect to financial matters and on a certificate from the Issuer or Borrower as to factual matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming the Senior Loan Agreement (or any Additional Parity Bonds Loan Agreement) to the terms and provisions of any other Financing Document.

Section 10.2 Amendments to Senior Loan Agreement Requiring Consent of Owners. Except for the amendments, supplements, modifications or waivers as provided in Section 10.1 hereof, the Issuer (in the case of any amendment, supplement, modification or waiver affecting the Reserved Rights) and the Trustee (in the case of any other amendment, supplement, modification or waiver) may consent to any other amendment, modification or waiver of the Senior Loan Agreement (or any Additional Parity Bonds Loan Agreement) relating to the Bonds or any series of Bonds, with the prior written consent of the Owners of a majority in the aggregate principal amount of the then Outstanding Bonds or of any series of Bonds affected by the proposed amendment or waiver and with the written consent of the Borrower, as set forth in Section 9.2 of this Indenture; provided, however, that no amendment, modification or waiver of the Senior Loan Agreement (or any Additional Parity Bonds Loan Agreement)may be entered into in respect of the matters contemplated below unless the prior the written consent of the Owner of each Bond affected thereby and the Borrower has been obtained:

- (a) a reduction of the interest rate, principal of or interest on the Series 2024 Loan or any other loan made pursuant to any Additional Parity Bonds Loan Agreement, a change in the maturity date of the Series 2024 Loan or any other loan made pursuant to any Additional Parity Bonds Loan Agreement, a change in the Interest Payment Date for the Series 2024 Loan or any other loan made pursuant to any Additional Parity Bonds Loan Agreement or a change in the prepayment provisions applicable to the Series 2024 Loan or any other loan made pursuant to any Additional Parity Bonds Loan Agreement;
- (b) the release or subordination of all or substantially all of the Trust Estate granted by this Indenture and the other Collateral, collectively taken as a whole, from the Security Interest securing the Bonds, except as permitted by the Financing Documents; or
- (c) the release or subordination of the Project Revenues or the Project Accounts from the lien of the Senior Security Agreement, except as permitted by the Financing Documents;

The parties hereto acknowledge and agree that the Security Documents may be amended, waived or otherwise modified (including, without limitation, with respect to the release, sharing or subordination of the Trust Estate or any other Collateral from the Security Interest securing the Bonds) in accordance with the terms of the Collateral Agency Agreement or otherwise in accordance with the terms of the applicable Security Document, and the Trustee is hereby authorized and directed to enter into any such amendment, waiver or modification in accordance with the terms thereof.

The Trustee shall upon being reasonably satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, supplement, modification or waiver to be given in the same manner as provided by Section 9.3 hereof with respect to Supplemental Indentures; provided that prior to the delivery of such notice or request, the Trustee may require that a Favorable Opinion of Bond Counsel be furnished with respect to such amendment, supplement, modification or waiver. Such notice shall briefly set forth the nature of such proposed amendment, supplement, modification or waiver and shall state that copies of the instrument embodying the same are on file at the Designated Payment Office of the Trustee for inspection by all Owners.

Section 10.3 Actions of Trustee Requiring Owner Consent Pursuant to the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement. In the event that the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed) requires certain actions by the Trustee at the direction of a designated portion of the Owners of the applicable Bonds, the Trustee hereby agrees as follows:

- (a) if the Borrower requests consent of the Trustee to be provided at the direction or consent of a designated portion of the Owners of the applicable Bonds, the Trustee shall, upon notice of the same from the Borrower and upon being satisfactorily indemnified with respect to expenses, cause such consent or action to be effective as provided in Section 9.3 hereof with respect to Supplemental Indentures; and/or
- (b) upon receipt of direction or consent with respect to the requisite from Owners of not less than the required percentage of Bonds, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, take any such directed action in accordance with the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed); provided that prior to the delivery of such notice or request, the Trustee may require that a Favorable Opinion of Bond Counsel be furnished with respect to such consent or action.

ARTICLE 11.

DEFEASANCE

Section 11.1 Discharge of Indenture. If 100% of the principal of and interest on and Redemption Price due, or to become due, on all the Bonds, the fees and expenses due to the Trustee and all other amounts payable hereunder have been paid, or provision shall have been made for the payment thereof in accordance with Section 11.2 hereof and the opinion of Bond Counsel required by Section 11.3 hereof has been delivered, then, (a) the right, title and interest of the Trustee in and to the Trust Estate shall terminate and be discharged (referred to herein as the "discharge" of this Indenture); (b) the Trustee shall transfer and convey to or to the order of the Issuer all property that was part of the Trust Estate, including, but not limited to, any moneys held in any Fund or Account hereunder, except any Defeasance Escrow Account created pursuant to Section 11.2 hereof (which Defeasance Escrow Account shall continue to be held in accordance with the agreement governing the administration thereof, subject to Section 4.12 hereof, and consistent with Section 4.12 hereof, subject to any applicable abandoned property law, the Trustee shall pay the Borrower upon request any money held by it for the payment of principal or interest with respect to the Redemption Price that remains unclaimed for three (3) years, and thereafter, the Owners entitled to such Redemption Price must look to the Borrower for

payment); and (c) the Trustee shall execute any instrument requested by the Issuer to evidence such discharge, transfer and conveyance.

Section 11.2 Defeasance of Bonds.

- (a) All or any portion of the Outstanding Bonds shall be deemed to have been paid (referred to herein as "defeased") prior to their maturity or redemption if:
 - (i) if the defeased Bonds are to be redeemed prior to their maturity, the Issuer has given notice or irrevocably instructed the Trustee to give notice of redemption of such Bonds in accordance with this Indenture;
 - (ii) there has been deposited in trust in a Defeasance Escrow Account either moneys in an amount which shall be sufficient, or Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited into or held in the Defeasance Escrow Account, shall be sufficient to pay when due the principal of and interest on or Redemption Price, as applicable, due and to become due on the defeased Bonds on and prior to the redemption date or maturity date thereof, as the case may be;
 - (iii) a verification agent, not unacceptable to the Issuer and the Trustee, has delivered a verification report verifying the sufficiency of the deposit described in paragraph (ii) of this subsection; and
 - (iv) the opinion of Bond Counsel required by Section 11.3 hereof has been delivered.
- (b) The Defeasance Securities and moneys deposited in a Defeasance Escrow Account pursuant to this Section and the principal and interest payments on such Defeasance Securities shall not be withdrawn or used for any purpose other than, and shall be held in trust solely for, the payment of the principal of and interest on and Redemption Price of the defeased Bonds; provided, however, that (i) any moneys received from principal and interest payments on such Defeasance Securities that are not required to pay the principal of and interest on or Redemption Price of the defeased Bonds on the date of receipt shall, to the extent practicable, be reinvested in Defeasance Securities maturing at the times and in amounts sufficient to pay when due the principal of and interest on and Redemption Price to become due on the defeased Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (ii) any moneys or Defeasance Securities may be withdrawn from a Defeasance Escrow Account if (A) the moneys and Defeasance Securities that are on deposit in the Defeasance Escrow Account, including any moneys or Defeasance Securities that are substituted for the moneys or Defeasance Securities that are withdrawn from the Defeasance Escrow Account, satisfy the conditions stated in subsection (a)(ii) of this Section and (B) a verification report and Bond Counsel opinion are delivered that comply with subsections (a)(iii) and (a)(iv) of this Section.
- (c) Any Bonds that are defeased as provided in this Section shall automatically no longer be secured by or entitled to any right, title or interest in or to the Trust Estate, and the principal of and interest on and Redemption Price thereof shall be paid solely from the Defeasance Securities and money held in the Defeasance Escrow Account.

44

Section 11.3 Opinion of Bond Counsel. Prior to any discharge of this Indenture pursuant to Section 11.1 hereof or the defeasance of any Bonds pursuant to Section 11.2 hereof, Bond Counsel (or, with respect to the opinion in clause (i) below, other counsel reasonably satisfactory to the Trustee) must have delivered to the Issuer and the Trustee a written opinion to the effect that (i) all requirements of this Indenture for such discharge or defeasance have been complied with and (ii) such discharge or defeasance will not adversely affect the tax-exempt status of interest on the Bonds of any series (other than Taxable Bonds).

Section 11.4 Defeasance of Less than all Bonds. If less than all of the Bonds, any particular maturity or any Bonds with a particular interest rate within a maturity are defeased, the Trustee shall institute a system to preserve the identity of the individual Bonds or portions thereof that are defeased, regardless of changes in Bond numbers attributable to transfers and exchanges of Bonds.

ARTICLE 12.

ADDITIONAL PARITY BONDS

Section 12.1 Authorization for Additional Parity Bonds. Subject to the restrictions set forth in this Article and upon request by the Borrower, the Issuer may issue Additional Parity Bonds, which shall be ratably and equally secured by the Trust Estate, upon execution of a Supplemental Indenture without consent of the Owners of the Bonds pursuant to Section 9.1 hereof. Except to the extent inconsistent with the express terms of the Additional Parity Bonds issued and the related Supplemental Indenture executed pursuant to this Article 12, all of the provisions, terms, covenants and conditions of this Indenture shall be applicable to any Additional Parity Bonds issued hereunder.

Section 12.2 Additional Parity Bonds. Such Additional Parity Bonds may only be issued if all requirements for the Borrower to issue or incur Permitted Additional Senior Indebtedness set forth in the Financing Documents shall have been satisfied. Such Additional Parity Bonds may be issued in one or more series from time to time.

ARTICLE 13.

MISCELLANEOUS

Section 13.1 Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 13.2 Inapplicability of Trust Indenture Act. No provisions of the Trust Indenture Act are incorporated by reference in or made a part of this Indenture.

Section 13.3 Interpretation and Construction. This Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture. For purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (a) All references in this Indenture to designated "Articles," "Sections," "subsections," "paragraphs," "clauses" and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Indenture. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. If this Indenture has been amended, then such words shall refer to this Indenture as so amended.
- (b) The terms defined in Article 1 hereof have the meanings assigned to them in that Article or in the applicable documents referenced thereby and include the plural as well as the singular.
- (c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP for governmental entities similar to the Issuer as in effect from time to time.
- (d) The term "money" includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.
- (e) In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."
- (f) All references to any contract or agreement in this Indenture or in Section 1.1 hereof shall include all amendments, supplements and modifications thereto.
- (g) This Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

Section 13.4 Further Assurances and Corrective Instruments. The Issuer and the Trustee agree that so long as this Indenture is in full force and effect, the Issuer and the Trustee shall have full power to carry out the acts and agreements provided herein and they will from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may be required for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of this Indenture.

Section 13.5 Evidence of Signature of Owners and Ownership of Bonds.

(a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys or other representatives appointed in writing, and proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Bonds, shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

- (i) the fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and
- (ii) the fact of the ownership by any person of Bonds and the amounts, numbers and date of ownership of such Bonds may be proved by the registration records of the Trustee.
- (b) Any request or consent of the Owner of any Bond shall bind all transferees of such Bond in respect of anything done or suffered to be done by the Issuer or the Trustee in accordance therewith.

Bonds owned or held by or for the account of the Issuer or the Borrower shall not be deemed Outstanding for the purpose of any consent to be provided by the Owners of the Bonds pursuant to this Indenture. At the time of any such calculation, the Issuer and the Borrower shall furnish the Trustee certificates, upon which the Trustee may conclusively rely, describing any Bonds required so to be excluded.

- Section 13.6 Authorization of Officers and Employees. The officers and employees of the Issuer are hereby authorized and directed to take all actions that are necessary, convenient and in conformity with the Constitution and other laws of the State, federal law and this Indenture, to carry out the provisions of this Indenture.
- Section 13.7 Parties Interested Herein. (a) Except as otherwise expressly provided in this Indenture, this Indenture shall be for the sole and exclusive benefit of the Issuer, the Trustee and the Owners, and their respective successors and assigns. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Issuer, the Trustee, the Owners or the Bond Insurer, any right, remedy or claim, legal or equitable, under or by reason of this Indenture or any terms hereof. To the extent that this Indenture confers upon or gives or grants to the Borrower or the Collateral Agent any right, remedy or claim under or by reason of this Indenture, each of the Borrower and the Collateral Agent is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.
 - (b) Deutsche Bank National Trust Company is hereby appointed by the Issuer as collateral agent for the benefit of the Secured Parties with respect to the Security Interests in the Collateral and the rights and remedies granted pursuant to the Security Documents.

Section 13.8 Issuer and Trustee Representatives. Whenever under the provisions hereof or of any Supplemental Indenture the approval of the Issuer or the Trustee is required, or the Issuer or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Issuer by an Issuer Representative and for the Trustee by a Trustee Representative, and the Issuer and the Trustee shall be authorized to act on any such approval or request.

Section 13.9 Reporting between the Trustee and Collateral Agent. Any reports or notices required to be given hereunder or pursuant to any Supplemental Indenture from the Trustee to the Collateral Agent, shall be deemed delivered to the Collateral Agent without any further action on the part of the Trustee, as long as the Trustee and the Collateral Agent are the same entity.

Section 13.10 Manner of Giving Notices. Unless otherwise expressly provided herein, all notices, certificates or other communications provided for herein or under any Supplemental Indenture is duly given if in writing and delivered in person or mailed by first-class mail (registered or certified, return receipt requested), facsimile or overnight air courier guaranteeing next day delivery, to the others' address, or given electronically, as follows:

Issuer: Florida Development Finance Corporation

156 Tuskawilla Road, Suite 2340 Winter Springs, FL 32708 Attention: Executive Director Telephone: (407) 712-6355 Facsimile: (407) 369-4260

with a copy to: Nelson Mullins Riley & Scarborough LLP

390 North Orange Avenue

Suite 1400 Orlando, FL 32801

Attention: Joseph B. Stanton Telephone: (407) 839-4210 Facsimile: (407) 425-8377

E-Mail: joseph.stanton@nelsonmullins.com

Trustee: Deutsche Bank National Trust Company

1 Columbus Circle, 17th Floor Mail Stop NYC01-1710 New York, New York 10019

Attention: Corporates Team, Florida Development Finance

Corporation, SF# AA5976 Facsimile: 732-578-4635

E-mail: sebastian-a.hidalgo@db.com

 $\begin{array}{ccc} Borrower: & Brightline\ Trains\ Florida\ LLC \\ 350\ NW\ 1^{st}\ Avenue,\ Suite\ 200, \end{array}$

Miami, Florida 33128

Jeffrey C. Swiatek, Chief Financial Officer

Telephone: (305) 521-4899

E-mail: Jeff.Swiatek@gobrightline.com

with a copy to: Cynthia Bergmann, General Counsel

Telephone: (305) 521-4875

E-mail: Cynthia.Bergmann@gobrightline.com

Any party hereto may change its address, email address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Notices given by publication will be deemed given on the first date on which publication is made, notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing or transmitting, notices sent by overnight delivery service will be deemed given on the next Business Day after timely delivery to the courier and notices given electronically will be deemed given when sent. Notice given in accordance with the procedures of DTC will be deemed given on the date sent to DTC. Failure to send a notice or communication to an Owner or any defect in it shall not affect its sufficiency with respect to other Owners.

Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of this Indenture and all other related documents and all matters and agreements related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Indenture or any other related document or any instrument, agreement or document necessary for the consummation of the transactions contemplated by this Indenture or the other related documents or related hereto or thereto (including, without limitation, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("Executed Documentation") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When the Trustee acts on any Executed Documentation sent by electronic transmission, the Trustee will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such Executed Documentation, notwithstanding that such Executed Documentation (a) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (b) may conflict with, or be inconsistent with, a subsequent written instruction or communication: it being understood and agreed that the Trustee shall conclusively presume that Executed Documentation that purports to have been sent by an authorized officer of a Person has been sent by an authorized officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 13.11 Notices to Rating Agencies. If additional property, revenues or funds are granted, assigned or pledged as and for additional security hereunder pursuant to Section 2.1(e) hereof, the Trustee shall (if so directed by the Borrower) notify (such notification to be prepared by Bond Counsel) each Nationally Recognized Rating Agency then maintaining a rating on the Bonds, if any, in writing of such grant, assignment or pledge and the nature of such additional security.

No Recourse; No Individual Liability. No recourse shall be had for the Section 13.12 payment of, or premium if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against any past, present or future officer, director, member, trustee, employee or agent of the Issuer or any officer, director, member, trustee, employee or agent or any successor entity, as such, either directly or through the Issuer or any successor entity, under any rule of law or equity, statute or constitution or by enforcement by any assessment or penalty or otherwise. The members of the Issuer, the officers and employees of the Issuer, or any other agents of the Issuer are not subject to personal liability or accountability by reason of any action authorized by the Act, including, without limitation, the issuance of bonds, the failure to issue bonds, the execution of bonds and the making of guarantees. All covenants, stipulations, promises, agreements and obligations of the Issuer or the Trustee, as the case may be, contained herein, in any Supplemental Indenture or in the Bonds shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the Issuer or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Issuer or the Trustee or any natural person executing this Indenture, any Supplemental Indenture, the Bonds or any related document or instrument.

Section 13.13 Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for performance of any act, delivery of any document or the exercising of any right under this Indenture or the Bonds is a day that is not a Business Day, such payment may be made, such act may be performed, such document may be delivered or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in such instrument.

Section 13.14 Severability. Whenever possible, each provision of this Indenture shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Indenture, other than the grant of the Trust Estate to the Trustee, shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Indenture.

Section 13.15 Applicable Law. The laws of the State shall be applied in the interpretation, execution and enforcement of this Indenture.

50

Section 13.16 Execution in Counterparts. This Indenture may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Indenture by signing any such counterpart.

Section 13.17 Patriot Act. In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including without limitation, those related to the funding of terrorist activities and money laundering, including Section 326 of the USA Patriot Act of the United States ("Applicable Law"), the Trustee is required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee. Accordingly, each of the parties agrees to provide to the Trustee, upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee to comply with Applicable Law.

ARTICLE 14.

BOND INSURANCE PROVISIONS

Section 14.1 Nonpayment by the Issuer. The Bond Insurer shall be entitled to pay principal or interest on the Insured Series 2024 Bonds that becomes Due for Payment (as such term is defined in the Bond Insurance Policy) but shall be unpaid by reason of Nonpayment by the Issuer (as such term is defined in the Bond Insurance Policy) and any amounts due on the Insured Series 2024 Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not the Bond Insurer has received a Notice of Nonpayment (as such term is defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

Section 14.2 Bond Insurance Policy Payment Procedures. As long as the Bond Insurance Policy shall be in full force and effect, the Issuer, the Borrower and the Trustee agree to comply with the following provisions:

(a) If, on the third Business Day prior to the Transfer Date immediately preceding an Interest Payment Date or Principal Payment Date on which the principal of or interest on the Insured Series 2024 Bonds is payable (a "Payment Date"), the Borrower has determined that, after making all transfers and deposits required under the Collateral Agency Agreement in respect of amounts due and payable hereunder, there will not be sufficient money to pay the principal of and interest on the Insured Series 2024 Bonds due on such Payment Date, the Borrower shall give notice thereof to the Trustee and the Trustee shall give notice to the Bond Insurer and to its designated agent, if any (the "Bond Insurer's Fiscal Agent"), by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Transfer Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Series 2024 Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent, if any, by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Series 2024 Bonds and the amount required to pay the principal of Insured Series 2024 Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filing the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy; provided, however, that the Bond Insurer

will not be required to make any payment to the extent that on the Payment Date no such deficiency of funds remains.

- (b) The Trustee shall designate any portion of payment of principal on Insured Series 2024 Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund installments, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Series 2024 Bonds registered to the then current Owner, whether DTC, its nominee or otherwise, and a new Series 2024 Bond in a principal amount equal to the amount of principal so paid (without regard to authorized denominations) shall be executed on behalf of and delivered by the Issuer and the Trustee in accordance with Sections 3.2 and 4.1 hereof to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp.; provided, however, that failure by the Trustee to so designate any payment or failure of the Issuer and the Trustee to execute and deliver any replacement Series 2024 Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Series 2024 Bond or the subrogation rights of the Bond Insurer.
- (c) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (as defined below) and the allocation of such funds to payment of interest on and principal of any Insured Series 2024 Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.
- (d) Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Insured Series 2024 Bonds, which account shall be referred to herein as the "Policy Payments Account," over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of the Owners of Insured Series 2024 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to the Owners of Insured Series 2024 Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Series 2024 Bonds under the sections hereof regarding payment of Insured Series 2024 Bonds. It shall not be necessary for such payments to be made by check or wire transfers separate from the check or wire transfer used to pay the principal and interest with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay, but solely from funds received from (or on behalf of) the Borrower, including funds provided pursuant to the Senior Loan Agreement or the Collateral Agency Agreement, to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Bond Insurer Advances") and (ii) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Bond Insurer Late Payment Rate per annum ("Bond Insurer Late Payment Interest," and together with Bond Insurer Advances, the "Bond Insurer Reimbursement Amounts"). As used herein, the "Bond Insurer Late Payment Rate" means the lesser of (a) the greater of (I) a per annum rate of interest equal to the Prime Rate, as published in the Wall Street Journal and as in effect from time to time ("WSJ Prime"), plus 3%, and (II) the then-applicable highest rate of interest on the Insured Series 2024 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. (WSJ Prime is currently available at https://www.wsj.com/market-

data/bonds/moneyrates.) The Bond Insurer Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Series 2024 Bonds and shall be payable by the Trustee from funds received from (or on behalf of) the Borrower, including funds provided pursuant to Section 5.02(b) or Section 9.08(c) of the Collateral Agency Agreement, as applicable, on parity with debt service due on the Series 2024 Bonds. Any additional amounts owing by the Issuer in respect of payments on Insured Series 2024 Bonds as a result of the failure by the Issuer to make such Insured Series 2024 Bond payments when due and payable (including, without limitation, any such additional amounts as may be attributable to penalties or default interest rates), which Insured Series 2024 Bond payments have been timely paid with proceeds of the Bond Insurance Policy, shall be additional amounts owing to the Bond Insurer and not to the Owners of such Insured Series 2024 Bonds and any such additional amounts actually received by the Bond Insurer shall reduce, dollar-for-dollar, the interest payable on Bond Insurer Advances pursuant to clause (ii) above.

(e) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. The Trustee shall notify the Bond Insurer of any funds remaining in the Policy Payments Account after the Trustee has made the payments for which a claim was made to the Owners of the Insured Series 2024 Bonds and shall, at the written direction of the Bond Insurer, promptly remit such funds remaining to the Bond Insurer.

Section 14.3 Acceleration. If any maturity of the Insured Series 2024 Bonds is accelerated pursuant to Section 7.2(c) hereof, the Bond Insurer may elect, in its sole discretion, but shall have no obligation, to pay accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurence Policy with respect to such Insured Series 2024 Bonds shall be fully discharged. If the Bond Insurer does not so elect to pay the Insured Series 2024 Bonds on an accelerated basis, the Bond Insurer shall pay under the Bond Insurance Policy the principal of and interest on the Insured Series 2024 Bonds at the time principal and interest would have been due had the maturity of the Insured Series 2024 Bonds not been accelerated.

Section 14.4 Subrogation. Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of this Indenture and the Insured Series 2024 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for. In the event that the principal of and/or interest on the Insured Series 2024 Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bond Insurer shall be subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. Each obligation of the Issuer to the Bond Insurer under the Financing Documents shall survive discharge or termination of such Financing Documents.

Section 14.5 Bond Insurer as Bondowner. So long as no Bond Insurer Default shall have incurred and be continuing, the Bond Insurer is deemed to be the sole Owner of the Insured Series 2024 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the registered Owners of the Insured Series 2024 Bonds are entitled to take. In furtherance thereof and as a term of this Indenture and each Insured Series 2024 Bond, each Owner of the Insured Series 2024 Bonds appoints the Bond Insurer as its agent and attorney-in-fact with respect to the Insured Series 2024 Bonds and agrees that the Bond Insurer may at any time during the continuation of any proceeding by or against the Issuer or the Borrower under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Insured Series 2024 Bonds delegates and assigns to the Bond Insurer, to the fullest extent permitted by law, the rights of each Owner of the Insured Series 2024 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of the Insured Series 2024 Bonds for the Bond Insurer's benefit and agrees to cooperate with the Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment.

Section 14.6 Contractual Rights of the Bond Insurer. The Issuer and the Trustee acknowledge and agree that:

- (a) the rights granted to the Bond Insurer under this Indenture to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy;
- (b) in determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action hereunder would adversely affect the security for the Insured Series 2024 Bonds or the rights of the related Owners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy;
- (c) any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the registered holders of the Insured Series 2024 Bonds; and
- (d) such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of any of the registered holders of the Insured Series 2024 Bonds or any other person is required in addition to the consent of the Bond Insurer.
- Section 14.7 Amendments. Any amendment, supplement, modification to, or waiver of, this Indenture that adversely affects the rights and interests of the Bond Insurer or adversely alters the security for the Insured Series 2024 Bonds shall be subject to the prior written consent of the Bond Insurer.

Section 14.8 Bond Insurer as Third Party Beneficiary. To the extent that this Indenture or the Senior Loan Agreement confers upon or gives or grants to the Bond Insurer any right, remedy or claim hereunder or thereunder, the Bond Insurer is intended to be and is hereby explicitly recognized as being a third-party beneficiary of such right, remedy or claim and may enforce any such right, remedy or claim conferred, given or granted hereunder or thereunder.

Section 14.9 Notices, Etc. While the Bond Insurance Policy is in effect, the Trustee will provide the Bond Insurer with (a) copies of any notices, financial statements, reports or information provided by or to the Trustee pursuant to the Financing Documents and (b) copies of any notices related to Events of Default, Senior Loan Agreement Defaults, or the exercise of any remedies provided by or to the Trustee (in its capacity as Trustee) pursuant to any other Financing Document. The Trustee shall notify the Bond Insurer of any failure of the Issuer or the Borrower to provide notices, certificates or other information required to be provided by such Person to the Trustee pursuant to this Indenture or the Senior Loan Agreement.

Section 14.10 Bond Insurer Premium. Commencing on July 1, 2034 and on each July 1 thereafter until the final maturity date of the Insured Series 2024 Bonds, the Issuer hereby agrees to pay, but solely from funds received from (or on behalf of) the Borrower, including funds provided pursuant to the Senior Loan Agreement or the Collateral Agency Agreement, to the Bond Insurer the Bond Insurer Premium and other amounts as and when due under the terms of the Bond Insurer Premium Letter. To the extent that any payment of the Bond Insurer Premium is not paid when due, interest shall accrue on such unpaid amounts from the date such amount is due until the date the Bond Insurer is paid in full at a rate equal to the Bond Insurer Late Payment Rate. Such Bond Insurer Premium, together with any unpaid amounts and any interest that may accrue thereon, shall be payable by the Trustee from funds received from (or on behalf of) the Borrower, including funds provided (i) in accordance with Section 5.02(b) of the Collateral Agency Agreement and Section 5.2 hereof or (ii) in accordance with Section 9.08(c) of the Collateral Agency Agreement and clause Second of Section 7.3 hereof, as applicable. The Issuer's obligations under this Section 14.10 shall be deemed satisfied to the extent the Bond Insurer has received payment of the Bond Insurer Premium due from or on behalf of the Borrower pursuant to the terms of the Collateral Agency Agreement.

Section 14.11 Access and Information. The Issuer and the Trustee each covenant and agree to provide the Bond Insurer, at reasonable hours and under reasonable circumstances and upon reasonable prior written request, access to their books and records relating to the Insured Series 2024 Bonds

Section 14.12 Notices to Bond Insurer. Notices to the Bond Insurer shall be sent to the following address (or such other address as the Bond Insurer may designate in writing): Assured Guaranty Municipal Corp., 1633 Broadway, New York, NY 10019, Attention: Managing Director – Municipal Surveillance, Re: Policy No. 223302-N, Telephone: (212) 974-0100, Email: munidisclosure@agltd.com. In each case in which the notice or other communication refers to a claim on the Bond Insurance Policy or an Event of Default, such notice or other communication shall be marked "URGENT MATERIAL ENCLOSED" and a copy shall also be sent to the attention of the General Counsel at the above address and at generalcounsel@agltd.com.

Section 14.13 Bond Insurer Default. Whenever by the terms hereof the consent or approval of the Bond Insurer is required or the Bond Insurer, alone or together with the Owners, is authorized to request or direct the Trustee to take any action, such consent or approval shall not be required, and the Trustee shall not be obligated to comply with such request or direction of the Bond Insurer if a Bond Insurer Default exists and is continuing. If a Bond Insurer Default exists and is continuing nothing contained herein shall limit or impair the rights of the Owners to give any consent or approval or to request or direct the Trustee to take any action, such consent or approval of the Owner shall be effective without the consent or approval of the Bond Insurer otherwise required hereby and the Trustee shall comply with such request or direction notwithstanding that such request or direction is required to be made or given together with or by the Bond Insurer. Nothing in this Section 14.13, however, shall in any way limit or affect the rights of the Bond Insurer as an Owner of Insured Series 2024 Bonds, as subrogee of an Owner of Insured Series 2024 Bonds or as assignee of an Owner of Insured Series 2024 Bonds or to otherwise be reimbursed and indemnified for its reasonable costs and expenses and other payment on or in connection with the Insured Series 2024 Bonds or the Bond Insurance Policy either by operation of law or at equity or by contract.

Section 14.14 Applicability of Article 14. The provisions of this Article 14 shall govern notwithstanding anything to the contrary in this Indenture. The provisions of this Article 14 are solely for the benefit of the Bond Insurer and can be modified or waived in whole or in part by the Bond Insurer or as may be otherwise agreed to in writing among the Issuer, the Borrower and the Bond Insurer without the consent of the Trustee and the Owners of the Bonds.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

CORPORATION

FLORIDA DEVELOPMENT FINANCE

By:______ Assistant Secretary DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee By:_______ Name: Title: By:_______ Name: Title: By:_______ Name:

Title:

Trust Indenture Signature Page Exhibit B-1

EXHIBIT A to the Indenture

FORM OF SERIES 2024 BOND

The Series 2024 Bonds shall be in substantially the following form:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE TO BE ISSUED THEREFOR IS TO BE REGISTERED IN THE NAME OF CEDE & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS TO BE MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS BOOK ENTRY BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. THE ISSUER, THE BORROWER AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY NOMINEE OF DTC OR TO ANY NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE. ANY RESALE, PLEDGE, TRANSFER OR OTHER DISPOSITION OF THIS BOND OR ANY INTEREST HEREIN WITHOUT SUCH REGISTRATION OR QUALIFICATION MAY BE MADE ONLY IN A TRANSACTION WHICH DOES NOT REQUIRE SUCH REGISTRATION OR OUALIFICATION AND WHICH IS IN ACCORDANCE WITH THE INDENTURE.

UNITED STATES OF AMERICA

STATE OF FLORIDA

FLORIDA DEVELOPMENT FINANCE CORPORATION REVENUE BONDS (BRIGHTLINE FLORIDA PASSENGER RAIL PROJECT) BRIGHTLINE TRAINS FLORIDA LLC ISSUE, SERIES 2024 (TAX-EXEMPT)

Registered	Registered
No. R	\$

<u>Interest Rate</u> <u>Maturity Date</u> <u>Dated Date</u> <u>CUSIP</u>

Registered Owner: ** CEDE & CO. **

Principal Amount: DOLLARS

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Indenture described herein.

FLORIDA DEVELOPMENT FINANCE CORPORATION (the "Issuer"), a public body corporate and politic and a public instrumentality organized and existing under the laws of the State of Florida (the "State"), for value received, promises to pay, but solely from the sources herein specified to the registered owner named above, or registered assigns, the principal amount stated above on the maturity date stated above, except as the provisions herein set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said principal amount at the interest rate per annum set forth above in the manner set forth herein, until said principal amount is paid in full.

THE ISSUER PROMISES TO PAY interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the date of delivery of the Series 2024 Bonds at the respective Interest Rate per annum specified above. Interest is payable semiannually on July 1, 2024 and on each January 1 and July 1 thereafter to the date of payment; except, that if this Series 2024 Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), but before the first Interest Payment Date, such principal amount shall bear interest from the date of delivery of the Series 2024 Bonds, unless such date of authentication is after any other Record Date but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Series 2024 Bond or Bonds, if any, for which this Series 2024 Bond is being exchanged is due but has not been paid, then this Series 2024 Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, following an Event of Default, the interest rate in effect on this Series 2024 Bond shall be the Default Rate.

Method and Place of Payment. The principal of and interest on this Series 2024 Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this Series 2024 Bond shall be payable by (i) check or draft of the Trustee mailed, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date, (ii) in the case of Series 2024 Bonds in book-entry form, to DTC in immediately available funds and disbursement of such funds to owners of beneficial interests in Series 2024 Bonds in book-entry form will be made in accordance with the procedures of DTC or (iii) by such other method as mutually agreed in writing between the Owner of this Series 2024 Bond and the Trustee

The interest payable on this Series 2024 Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of this Series 2024 Bond appearing on the bond register maintained by the Trustee at the close of business on the 15th day of the month preceding each Interest Payment Date (the "Record Date").

Authorization of Bonds. This Series 2024 Bond is one of a duly authorized series of bonds

at the maturity or redemption date upon presentation and surrender of this Series 2024 Bond at the

designated payment office of Deutsche Bank National Trust Company, as trustee (the "Trustee").

of the Issuer designated as the "Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC, Issue Series 2024 (Tax-Exempt)" in the aggregate principal amount of \$2,219,280,000 (the "Series 2024 Bonds"), issued pursuant to the authority of and in full compliance with the applicable laws of the State and pursuant to proceedings duly had by the Issuer. The Series 2024 Bonds are issued under and are equally and ratably secured and entitled to the protection given by that certain Indenture of Trust, dated as of May 9, 2024 (said Indenture of Trust, as amended, modified and/or supplemented from time to time in accordance with the provisions thereof, the "Indenture"), between the Issuer and the Trustee, for the purpose of making a loan to Brightline Trains Florida LLC, a Delaware limited liability company (the "Borrower"), to provide funds for the purposes set forth in the Indenture. The loan will be made pursuant to that certain Senior Loan Agreement, dated as of May 9, 2024 (said Senior Loan Agreement, as amended, modified and/or supplemented from time to time in accordance with the provisions thereof, the "Senior Loan Agreement"), between the Issuer and the Borrower. Pursuant to the terms and conditions of the Indenture, the Issuer has pledged and assigned all of its right, title and interest (except for Reserved Rights) in and to the Senior Loan Agreement, including the right to receive all payments thereunder, to the Trustee as security for the Series 2024 Bonds, subject to the Security Documents. Reference is hereby made to the Indenture, which may be inspected at the designated payment office of the Trustee, for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Series 2024 Bonds, and the rights, duties and obligations of the Issuer, the Trustee and the registered owners of the Series 2024 Bonds, and a description of the terms upon which the Series 2024 Bonds are issued and secured, upon which provision for payment of the Series 2024 Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Series 2024 Bonds.

Redemption of Series 2024 Bonds Prior to Maturity. The Series 2024 Bonds are subject to redemption prior to their stated maturity, in accordance with the terms and provisions of the Indenture, as follows:

Make-Whole Redemption

The Series 2024 Bonds are subject to redemption at the option of the Borrower, in whole or in part, at any time prior to July 1, 2032 (the "First Par Call Date"), at a redemption price equal to the Make-Whole Redemption Price, plus interest accrued to but not including the redemption date.

The "Make-Whole Redemption Price" is equal to the sum of:

(a) the principal amount of the Series 2024 Bonds to be redeemed; and

(b) an amount equal to the sum of the remaining unpaid payments of interest to be paid on such Series 2024 Bonds to be redeemed from and including the date of redemption to the First Par Call Date of such Series 2024 Bonds, discounted to the date on which the Series 2024 Bonds are to be redeemed on a semi-annual basis assuming a 360day year consisting of twelve 30-day months at the applicable MMD Rate plus 20 basis points, less accrued and unpaid interest on the Bonds to be redeemed to, but excluding, the redemption date.

"MMD Rate" means, with respect to any redemption date for a particular Series 2024 Bond, the interest rate per annum included in the Municipal Market Data "AAA" scale ("MMD") most recently published on The Municipal Market Monitor (TM3) by Refintiv (or any successor publisher of MMD) on or before the applicable redemption date with a maturity most nearly equal to the period from the redemption date to the First Par Call Date. (MMD is currently available to subscribers at www.tm3.com.)

The Make-Whole Redemption Price of the Bonds described above will be determined by an independent accounting firm, investment banking firm or financial advisor (which accounting firm, investment banking firm or financial advisor shall be retained by the Borrower at the expense of the Borrower to calculate such Make-Whole Redemption Price) and such independent accounting firm's, investment banking firm's or financial advisor's determination of the Make-Whole Redemption Price shall be final and binding in the absence of manifest error. The Trustee and the Borrower may conclusively rely on such accounting firm's, investment banking firm's or financial advisor's determination of such redemption price and shall bear no liability for such reliance.

Optional Redemption. The Series 2024 Bonds are subject to redemption prior to maturity, at the option of the Borrower, on or after July 1, 2032, as a whole or in part, in such order of maturity or sinking fund installments, if any, as directed by the Borrower, at a redemption price equal to the principal amount redeemed, plus accrued interest to but not including the redemption date.

Mandatory Sinking Fund Redemption. The Series 2024 Bonds maturating on July 1, 2041, are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued to but not including the redemption date, on July 1 of the years and in the aggregate principal amounts set forth in the following table:

Redemption Dates	
(July 1)	Principal Amount
2039	\$62,315,000
2040	72,860,000
2041*	83,450,000
* Maturity.	

The Series 2024 Bonds maturating on July 1, 2047, are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued to but not including the redemption date, on July 1 of the years and in the aggregate principal amounts set forth in the following table:

Exhibit A-4

Redemption Dates	
(July 1)	Principal Amount
2045	\$67,470,000
2046	71,005,000
2047^{*}	74,735,000
* Maturity.	

The Series 2024 Bonds maturating on July 1, 2053, are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued to but not including the redemption date, on July 1 of the years and in the aggregate principal amounts set forth in the following table:

Redemption Dates	
(July 1)	Principal Amount
2048	\$70,790,000
2049	74,585,000
2050	78,580,000
2051	82,795,000
2052	87,235,000
2053*	91,910,000
* Maturity.	

The Insured Series 2024 Bonds maturating on July 1, 2044, are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued to but not including the redemption date, on July 1 of the years and in the aggregate principal amounts set forth in the following table:

Redemption Dates	
(July 1)	Principal Amount
2042	\$95,570,000
2043	108,325,000
2044*	122,455,000
* Maturity.	

The Insured Series 2024 Bonds maturating on July 1, 2047, are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued to but not including the redemption date, on July 1 of the years and in the aggregate principal amounts set forth in the following table:

Principal Amount
\$67,455,000
71,000,000
74,725,000

Exhibit A-5

The Insured Series 2024 Bonds maturating on July 1, 2053, are subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus interest accrued to but not including the redemption date, on July 1 of the years and in the aggregate principal amounts set forth in the following table:

Principal Amount
\$86,520,000
91,160,000
96,050,000
101,200,000
106,630,000
112,350,000

Extraordinary Mandatory Redemption.

Loss Proceeds.

Subject to the provisions of the Collateral Agency Agreement, the Series 2024 Bonds are subject to extraordinary mandatory redemption, *pro rata* with any Additional Senior Indebtedness in accordance with the applicable Financing Obligation Documents, from net amounts of Loss Proceeds, received by the Borrower, to the extent that (i) such proceeds exceed the amount required to Restore the Project or any portion thereof to the condition existing prior to the Loss Event or otherwise used by the Borrower to improve or further develop, design, acquire, construct, install, equip, own, operate, maintain or administer the portion of the Project from Miami to Orlando International Airport, or (ii) the affected property cannot be Restored to permit operation of the Project on a Commercially Feasible Basis and upon delivery to the Collateral Agent of an officer's certificate of the Borrower certifying to the foregoing. Such redemption will be in whole or in part, within such maturities as selected by the Borrower (provided that a portion of a Series 2024 Bond may be redeemed only in Authorized Denominations), at a redemption price of par plus accrued interest to but not including the redemption date.

Notice of Redemption. Notice of any optional or mandatory redemption identifying the Series 2024 Bonds or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States first-class mail (or, in the case of Series 2024 Bonds in book-entry form, sending such notice in accordance with the procedures of DTC), at least 10 days but not more than 60 days prior to the date fixed for redemption, to the Owner of each Series 2024 Bond to be redeemed at the address as it last appears on the registration records of the Trustee; provided, however, that failure to give any such notice, or any defect therein, shall not affect the validity of any proceedings of any Series 2024 Bonds as to which no such failure has occurred. The Trustee shall give notice in the name of the Issuer of redemption of the Series 2024 Bonds upon receipt by the Trustee at least 12 days (or such shorter period as may be agreed by the Trustee) prior to the redemption date of a written request of the Borrower. Such request shall specify the principal amount of the Series 2024 Bonds and their maturities to be called for redemption, the applicable redemption price or prices, the date

fixed for redemption and the provision or provisions above referred to pursuant to which Series 2024 Bonds are to be called for redemption.

Any notice sent as provided herein shall be conclusively deemed to have been duly given, whether or not the Owner receives the notice. Notice of optional redemption may, at the Borrower's option and discretion, be subject to one or more conditions precedent and may be subject to rescission at the option of the Borrower. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice will state that, in the Borrower's discretion, the date fixed for redemption may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the date fixed for redemption, or by such date so delayed.

If at the time of sending of notice of any optional redemption of Series 2024 Bonds at the option of the Borrower there shall not have been deposited with the Trustee moneys sufficient to pay the Redemption Price of all the Series 2024 Bonds called for redemption, which moneys are or will be available for redemption of Series 2024 Bonds (the "Redemption Moneys"), such notice shall state that it is conditional upon the deposit of an amount equivalent to the full amount of the Redemption Moneys with the Trustee for such purpose not later than the opening of business on the redemption date specified in the relevant redemption notice, and such redemption notice shall be of no effect unless such Redemption Moneys are so deposited.

So long as DTC is effecting book-entry transfers of the Series 2024 Bonds, the Trustee, at the direction of the Issuer or the Borrower, shall provide the notices specified herein to DTC. It is expected that DTC shall, in turn, notify its direct participants and that the direct participants, in turn, will notify or cause to be notified the beneficial owners of the Series 2024 Bonds. Any failure on the part of DTC or a direct participant, or failure on the part of a nominee of a beneficial owner of a Series 2024 Bond (having been sent notice from the Trustee, DTC, a direct participant or otherwise) to notify the beneficial owner of the Series 2024 Bond so affected, shall not affect the validity of the redemption of such Bond.

Book-Entry System. The Series 2024 Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One or more bond certificates with respect to each date on which the Series 2024 Bonds are stated to mature, registered in the nominee name of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence positions held in the Series 2024 Bonds by DTC's direct participants, beneficial ownership of the Series 2024 Bonds in Authorized Denominations being evidenced in the records of such direct participants. Transfers of ownership shall be effected on the records of DTC and its direct participants pursuant to rules and procedures established by DTC and its direct participants. The Issuer and the Trustee will recognize the DTC nominee, while the registered owner of this Series 2024 Bond, as the owner of this Series 2024 Bond for all purposes under the Indenture, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2024 Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to direct participants of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2024 Bonds by direct participants of DTC will be the responsibility of such direct participants and other nominees of such beneficial owners.

The Issuer and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, the DTC nominee, its direct participants or persons acting through such direct participants. While the DTC nominee is the owner of this Series 2024 Bond, notwithstanding the provisions hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2024 Bond shall be made in accordance with existing arrangements among the Issuer, the Trustee and DTC.

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS SERIES 2024 BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE DTC OR TO A DTC SUCCESSOR OR TO A NOMINEE OF THE DTC SUCCESSOR. This Series 2024 Bond may be transferred or exchanged, as provided in the Indenture, only upon the bond register maintained by the Trustee at the above-mentioned office of the Trustee by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this Series 2024 Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new Series 2024 Bond or Bonds of the same maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. Except as otherwise specifically provided herein and in the Indenture with respect to rights of direct participants and beneficial owners when a book-entry system is in effect, the Issuer and the Trustee may deem and treat the person in whose name this Series 2024 Bond is registered on the bond register 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 under the Indenture. The Series 2024 Bonds shall be in Authorized Denominations.

IN CERTAIN CIRCUMSTANCES SET OUT HEREIN, THIS SERIES 2024 BOND (OR PORTION THEREOF) IS SUBJECT TO REDEMPTION, IN EACH CASE UPON NOTICE TO THE OWNER HEREOF AS OF A DATE PRIOR TO SUCH REDEMPTION. IN EACH SUCH EVENT AND UPON DEPOSIT OF THE REDEMPTION PRICE WITH THE TRUSTEE ON THE REDEMPTION DATE, AS THE CASE MAY BE, THIS SERIES 2024 BOND (OR PORTION THEREOF) SHALL CEASE TO BE DEEMED TO BE OUTSTANDING UNDER THE INDENTURE, INTEREST HEREON SHALL CEASE TO ACCRUE AS OF THE REDEMPTION DATE, AND THE REGISTERED OWNER HEREOF SHALL BE ENTITLED ONLY TO RECEIVE THE REDEMPTION PRICE SO DEPOSITED WITH THE TRUSTEE BUT ONLY UPON SURRENDER OF THIS SERIES 2024 BOND TO THE TRUSTEE.

Limitation on Rights. The registered owner of this Series 2024 Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2024 Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Series 2024 Bonds or the Indenture may be modified, amended or supplemented only to the extent and in the circumstances permitted by the Indenture.

Limited Obligations. THIS SERIES 2024 BOND SHALL NOT CONSTITUTE OR BECOME A GENERAL INDEBTEDNESS. A DEBT OR A LIABILITY OF OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE OF FLORIDA. OR ANY SUBDIVISION OF THE STATE OF FLORIDA OR OF ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC WITHIN THE STATE OF FLORIDA BUT SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE ISSUER TO THE EXTENT OF THE REVENUES PLEDGED IN THE INDENTURE, AND NEITHER THE STATE OF FLORIDA, OR ANY SUBDIVISION OF THE STATE OF FLORIDA, EXCEPT THE ISSUER TO THE EXTENT PROVIDED ABOVE, SHALL BE LIABLE HEREON; NOR SHALL THIS SERIES 2024 BOND CONSTITUTE THE GIVING, PLEDGING, OR LOANING OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA, OR ANY SUBDIVISION OF THE STATE OF FLORIDA OR OF ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC WITHIN THE STATE OF FLORIDA. BUT SHALL BE PAYABLE SOLELY FROM TRUST ESTATE AND THE COLLATERAL. THE BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE ISSUER HAS NO TAXING POWER.

Authentication and Authorization. It is hereby certified and recited that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to the issuance of this Series 2024 Bond, exist, have happened and have been performed and that the issue of Series 2024 Bonds of which this is one, together with all other indebtedness of the Issuer, complies in all respects with the applicable laws of the State, including, particularly, the Act.

Neither the members of the Issuer nor any person executing the securities of the Issuer shall be liable personally on such securities by reason of the issuance thereof.

This Series 2024 Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Series 2024 Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

Governing Law. This Series 2024 Bond shall be governed by and construed in accordance with the laws of the State.

F, THE FLORIDA DEVELOPMENT FINANCE 2024 Bond to be signed by the manual, electronic or y, its seal to be impressed or printed hereon and attested nature of its Assistant Secretary, and this Series 2024, 2024.
FLORIDA DEVELOPMENT FINANCE CORPORATION
By:Assistant Secretary

[END OF SERIES 2024 BOND FORM]

Exhibit A-10 Exhibit A-10

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Series 2024 Bond is	one of the Series	2024 Bonds	delivered	pursuant to	the v	vithin-
mentioned Indenture				_		

	DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee
Date:	By:Authorized Signatory

[END OF FORM OF CERTIFICATE OF AUTHENTICATION]

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers und the within Series 2024 Bond and hereby irrevocably constitutes an appoints attorney, to transfer the same on the records of the Truste with full power of substitution in the premises.
with full power of substitution in the premises.
Dated:
Signature Guaranteed by a member of the Medallion Signature Program:
Address of transferee:
Social Security or other tax identification number of transferee:
NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Series 2024 Bond in every particular, without alteration or enlargement or any change whatsoever.
EXCHANGE OR TRANSFER FEES MAY BE CHARGED

[END FORM OF ASSIGNMENT]

Exhibit A-12 Exhibit A-13

[FORM OF STATEMENT OF INSURANCE]

[With respect to Insured Series 2024 Bonds:]

Assured Guaranty Municipal Corp. (the "Bond Insurer"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of, and interest on the Series 2024 Bonds maturing on July 1 of the years 2044, 2047 and 2053, to which this Statement of Insurance is attached (the "Insured Series 2024 Bonds") to Deutsche Bank National Trust Company, or its successor, as trustee and paying agent for the Insured Series 2024 Bonds (the "Trustee"). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from the Bond Insurer or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Insured Series 2024 Bond acknowledges and consents to the subrogation rights of the Bond Insurer as more fully set forth in the Policy.

[END OF FORM OF STATEMENT OF INSURANCE]

APPENDIX F FORM OF LOAN AGREEMENT



SENIOR LOAN AGREEMENT

BETWEEN

FLORIDA DEVELOPMENT FINANCE CORPORATION, as Issuer

and

BRIGHTLINE TRAINS FLORIDA LLC, as Borrower

Dated as of May 9, 2024

RELATING TO

\$2,219,280,000
FLORIDA DEVELOPMENT FINANCE CORPORATION
REVENUE BONDS
(BRIGHTLINE FLORIDA PASSENGER RAIL PROJECT)
BRIGHTLINE TRAINS FLORIDA LLC ISSUE, SERIES 2024 (TAX EXEMPT)

CONTENTS

		Page
ARTICLE I DEFINI	TIONS	2
Section 1.01	Definitions	2
Section 1.02	Uses of Phrases.	
ARTICLE II REPRE	SENTATIONS AND WARRANTIES	18
Section 2.01	Representations and Warranties of the Issuer	18
Section 2.02	Representations and Warranties of the Borrower	
ARTICLE III ISSUA	NCE OF THE SERIES 2024 BONDS	26
Section 3.01	Agreement to Issue the Series 2024 Bonds; Loan of Proceeds	26
Section 3.02	Borrower to Provide Funds	26
Section 3.03	Loan to Finance Project Costs	26
Section 3.04	Security for Repayment of Loan	26
Section 3.05	Limitation of Issuer's Liability	27
Section 3.06	Compliance with Indenture	28
ARTICLE IV LOAN	PROVISIONS	28
Section 4.01	Amounts Payable	28
Section 4.02	Obligations of Borrower Unconditional	
ARTICLE V PREPA	YMENT AND REDEMPTION	30
Section 5.01	Prepayment and Redemption	30
ARTICLE VI SPECI	IAL COVENANTS	30
Section 6.01	Maintenance of Existence	30
Section 6.02	Operation and Maintenance of Project	30
Section 6.03	Insurance	31
Section 6.04	Accounts and Reporting	32
Section 6.05	Project Accounts	33
Section 6.06	Compliance with Laws	33
Section 6.07	Use of Proceeds; Tax Covenant	33
Section 6.08	Further Assurances and Corrective Instruments	34
Section 6.09	Issuer and Borrower Representatives	34
Section 6.10	Recording and Filing; Other Instruments	
Section 6.11	Approvals; Governmental Authorizations	
Section 6.12	Taxes	35
Section 6.13	Special Purpose Entity	36

	Section 6.14	Organizational Documents	39
	Section 6.15	Limitation on Fundamental Changes; Sale of Assets, Etc	
	Section 6.16	Limitation on Indebtedness	40
	Section 6.17	Permitted Investments	40
	Section 6.18	Change in Name, Place of Business or Fiscal Year	41
	Section 6.19	Negative Pledge	41
	Section 6.20	Access to the Project	41
	Section 6.21	Nationally Recognized Rating Agencies	41
	Section 6.22	Continuing Disclosure	
	Section 6.23	Material Project Contracts; Rolling Stock Leases	42
	Section 6.24	No Distributions; Limitation on Issuance of Equity Interests	43
	Section 6.25	Hazardous Materials	43
	Section 6.26	Post-Closing Requirement	43
ARTI	ICLE VII ASSIC	GNMENT; INDEMNIFICATION	44
	Section 7.01	Assignment	44
	Section 7.02	Release and Indemnification Covenants	
ART	ICLE VIII EVE	NTS OF DEFAULTS AND REMEDIES	45
	Section 8.01	Events of Default Defined	45
	Section 8.02	Remedies on Event of Default	47
	Section 8.03	Rescission and Waiver	
	Section 8.04	No Remedy Exclusive	49
	Section 8.05	Agreement to Pay Attorneys' Fees and Expenses	49
	Section 8.06	No Additional Waiver Implied by One Waiver	
ARTI	ICLE IX MISCE	ELLANEOUS	50
	Section 9.01	Term of Agreement	50
	Section 9.02	Notices	
	Section 9.03	Binding Effect	
	Section 9.04	Severability	
	Section 9.05	Amendments, Changes and Modifications	52
	Section 9.06	Execution in Counterparts	
	Section 9.07	No Pecuniary Liability of the Issuer	
	Section 9.08	Applicable Law	
	Section 9.09	Captions	
	Section 9.10	Limitation of Liability	
	Section 9.11	Parties Interested Herein	
ARTI	ICLE X Bond IN	SURER PROVISIONS	53
	Section 10.01	Definitions	53
		Bond Insurer as Third-Party Beneficiary	
		Payment of Bond Insurer Reimbursement Amounts and Premium	
		Payment of Bond Insurer Costs and Expenses	
	5000001 10.04	1 ayment of Bond mouter Costs and Expenses	54

2

Section 10.05	Amendments	54
Section 10.06	Provision of Information	54
Section 10.07	Access and Information	55
Section 10.08	Applicability of Article X	56

SCHEDULE 6.26 – Post-Closing Actions

SENIOR LOAN AGREEMENT

THIS SENIOR LOAN AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Senior Loan Agreement" or this "Agreement"), dated as of May 9, 2024, is being entered into by and between the FLORIDA DEVELOPMENT FINANCE CORPORATION, a public body corporate and politic, and a public instrumentality organized and existing under the laws of the State of Florida (the "Issuer"), and BRIGHTLINE TRAINS FLORIDA LLC, a Delaware limited liability company (together with its successors and permitted assigns, the "Borrower").

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered by the laws of the State of Florida (the "State"), and in particular, Chapter 288, Part X, Florida Statutes, as amended (being the Florida Development Finance Corporation Act of 1993), Chapter 159, Part II, Florida Statutes (being the Florida Industrial Development Financing Act), and other applicable provisions of law (collectively, the "Act") to issue its revenue bonds for the purpose of financing and refinancing capital projects that promote economic development within the State; and

WHEREAS, the Borrower desires to finance and refinance a portion of the costs of the Project (as defined in the Collateral Agency Agreement); and

WHEREAS, the Borrower desires that the Issuer issue the Series 2024 Bonds (as hereinafter defined) pursuant to the Indenture and loan the proceeds thereof to the Borrower to refinance a portion of the costs of the Project; and

WHEREAS, the Issuer has determined that the Project will serve the public purposes expressed in the Act by promoting and advancing economic development within the State, and that the Issuer will be acting in furtherance of the public purposes intended to be served by the Act by assisting the Borrower in refinancing all or a portion of the costs of the Project through the issuance of its \$2,219,280,000 aggregate principal amount of Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax Exempt) (the "Series 2024 Bonds"), which Series 2024 Bonds are being issued pursuant to the Indenture; and

WHEREAS, upon the issuance of the Series 2024 Bonds, the Issuer will lend (the "Series 2024 Loan") the proceeds thereof to the Borrower pursuant to this Agreement, to be used, together with other available funds, to finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of the Borrower and/or one or more of its Affiliates for prior expenditures for the Project), to fund certain reserves, if any, and to pay certain costs of issuance; and

WHEREAS, the Issuer has concurrently entered into the Indenture of Trust, dated as of May 9, 2024 (as it may be amended, supplemented or otherwise modified from time to time, the "Indenture"), with Deutsche Bank National Trust Company, as Trustee (the "Trustee"), to provide for the issuance of the Series 2024 Bonds; and

WHEREAS, the Collateral Agent, the Borrower, the Trustee and various other parties thereto have concurrently entered into the Collateral Agency Agreement; and

WHEREAS, the Borrower has concurrently entered into certain other Financing Documents related to the Project and the issuance of the Series 2024 Bonds; and

WHEREAS, the Series 2024 Bonds are special, limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate established under the Indenture, including the payments to be made by the Borrower under this Agreement, and the Collateral, and do not constitute an indebtedness of the Issuer, the State, the Counties, or any other political subdivision of the State, within the meaning of any State constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Issuer, the State, the Counties, or any other political subdivision of the State, and neither the full faith and credit of the Issuer nor the full faith and credit or the taxing power of the State, the Counties, or any other political subdivision of the State is pledged to the payment of the principal of or interest on the Series 2024 Bonds; and

WHEREAS, the execution and delivery of this Agreement has been duly authorized by the Bond Resolution; and

NOW THEREFORE, in consideration of the premises and the mutual covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions.

All capitalized terms used herein (including in the preamble and recitals) but not otherwise defined herein shall have the respective meanings given to them in the Collateral Agency Agreement, or, if not defined herein or in the Collateral Agency Agreement, in the Indenture.

As used in this Agreement, the following capitalized terms shall have the following meanings:

"Anti-Money Laundering Laws" has the meaning specified in Section 2.02(bb) of this Agreement.

"Board of Directors" means, with respect to any Person, either the board of directors or managing members, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee of such board.

"Bond Obligations" means all obligations of the Borrower under this Agreement and any Additional Parity Bonds Loan Agreements (if executed).

"Bond Purchase Agreement" means that certain Bond Purchase Agreement entered into among the Underwriter, the Issuer and the Borrower, with respect to the Series 2024 Bonds.

"Borrower" has the meaning specified in the preamble of this Agreement.

"Capital Project" means (i) an extension of the Borrower's intercity passenger rail system beyond the Orlando International Airport, (ii) any third-party commuter rail service on the corridor comprising the Project, (iii) any additional station beyond those stations in operation on the Closing Date or (iv) any Permitted Activity that is a physical expansion of, or improvement to, the Project, that would expand the scope of construction or operation of the Project in a manner that would materially change the nature of the Borrower's business as of the Closing Date.

"Capitalized Lease Obligations" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"Change of Control" means any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Closing Date), other than one or more Permitted Holders and excluding any employee benefit plan or Person acting as the trustee, agent or other fiduciary or administrator therefor, is or becomes the direct beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Closing Date) of more than 50% of the total voting power of the Voting Stock of the Borrower; provided, however, that notwithstanding the foregoing, a transaction or series of transactions will not be deemed to involve a Change of Control if (x) the Borrower becomes a direct or indirect wholly-owned subsidiary of a holding company and (y) (A) the direct or indirect beneficial owners of the Voting Stock of such holding company immediately following such transaction or transactions are substantially the same as the beneficial owners of the Voting Stock of the Borrower immediately prior to such transaction or transactions or (B) immediately following such transaction or transactions, no Person (other than a holding company satisfying the requirements of this proviso) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company, other than one or more Permitted Holders and excluding any employee benefit plan or Person acting as the trustee, agent or other fiduciary or administrator therefor. For purposes of this definition, a Person shall not be deemed to have beneficial ownership of Voting Stock subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement.

"Change of Control Triggering Event" means the occurrence of a Change of Control and, if any Nationally Recognized Rating Agency is then rating the Series 2024 Bonds, a Ratings Downgrade Event.

"Collateral Agency Agreement" means that certain Collateral Agency, Intercreditor and Accounts Agreement, dated as of the Closing Date, by and among the Collateral Agent, the Trustee, the Account Bank, the Borrower and each other Secured Party that becomes a party thereto.

"Continuing Disclosure Agreement" means that certain Disclosure Dissemination Agent Agreement, dated as of the Closing Date, entered into between the Borrower and the Dissemination Agent pursuant to the Rule.

"DispatchCo" means Florida DispatchCo LLC, a Delaware limited liability company and joint venture between the Borrower and FECR.

"Dissemination Agent" means Digital Assurance Certification, L.L.C.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto of similar import, together with the regulations thereunder, in each case as in effect from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Pension Plan (other than an event for which the 30-day notice period is waived); (b) the determination that any Pension Plan is considered an atrisk plan within the meaning of Sections 430 of the Code or Section 303 of ERISA or that any Multiemployer Plan to which Borrower or any ERISA Affiliate is obligated to contribute is endangered or is in critical status within the meaning of Section 431 or 432 of the Code or Section 304 or 305 of ERISA; (c) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums not yet due; (d) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or to appoint a trustee to administer any Pension Plan or the occurrence of any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (e) the appointment of a trustee to administer any Pension Plan; (f) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or the cessation of operations by the Borrower or any ERISA Affiliate that would be treated as a withdrawal from a Pension Plan under Section 4062(e) of ERISA; (g) the partial or complete withdrawal by the Borrower or any ERISA Affiliate from any Multiemployer Plan; or (h) the taking of any action to terminate any Pension Plan under Section 4041 or 4041A of ERISA.

"Escrow Bonds" means any portion of any series of bonds which are secured solely by Escrow Property and the proceeds of which Escrow Bonds are on deposit in an Account established for such purpose under the Indenture.

"Escrow Contribution" means any contribution and/or any irrevocable, transferable letter of credit, in an aggregate amount sufficient, together with the proceeds of the Escrow Bonds, and all investment earnings on such amounts, to pay the principal or purchase price of and accrued interest on such Escrow Bonds at maturity or earlier mandatory tender date applicable to such Escrow Bonds.

"Escrow Property" means, collectively, the proceeds of the Escrow Bonds and the Escrow Contribution and any investment earnings on the foregoing.

"Event of Default" has the meaning specified in Section 8.01 of this Agreement.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder, as amended

"Existing Security Interests" means Security Interests existing on the Closing Date that are not expressly required to be discharged as a condition precedent to the obligations of the Underwriter pursuant to the Bond Purchase Agreement.

"FECR" means Florida East Coast Railway, L.L.C. and its successors and assigns.

"Financing Documents" means the Indenture, any Supplemental Indenture executed with respect to the Series 2024 Bonds or any Additional Parity Bonds, the Series 2024 Bonds, any Additional Parity Bonds, this Agreement, the Collateral Agency Agreement, the Senior Security Agreement, the Senior Pledge Agreement, the Senior Mortgages, the Account Control Agreement, any other Security Documents, the Bond Insurer Premium Letter, the Continuing Disclosure Agreement, and the Federal Tax Certificate.

"Fortress Entities" means any of (i) Fortress Investment Group LLC and its successors or any Affiliate thereof, (ii) any investment vehicle (whether formed as a private investment fund, stock company, partnership or otherwise) or managed account managed directly or indirectly by (x) Fortress Investment Group LLC and its successors or any Affiliate thereof or (y) any other entity whose day-to-day business and operations are, at the time of any direct or indirect acquisition by such entity of any securities of the Borrower, managed and supervised by one or more of the Principals or individuals under such Principal's supervision, or any Affiliates of such entity, and (iii) any Person the majority of whose stock, partnership or membership interests are owned, directly or indirectly, by any Person described in clause (i) or clause (ii) of this definition.

"Governmental Approval" means any registration, permit, license, consent, concession, grant, franchise, authorization, waiver, variance or other approval, guidance, protocol, mitigation agreement, or memoranda of agreement/understanding, and any amendment or modification of any of them provided or issued by a Governmental Authority including state, local or federal regulatory agencies, agents or employees, which authorize or pertain to the Project.

"Governmental Land Contribution" means the dedication of real property or other assets to a governmental, quasi-governmental or municipal real estate holder in a transaction that the Borrower determines in good faith is in the best interests of the Borrower and in furtherance of the construction and operation of the Project or any Capital Project.

"Indebtedness" means with respect to any Person: (a) indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, other than: (1) accounts payable and trade payables arising in the ordinary course of business (other than those addressed in clauses (2) through (5) of this clause (c)) which are payable in accordance with customary practices, provided that such accounts payable and trade payables (x) are not evidenced by a note, (y) are payable within ninety (90) days of the date of incurrence and are not more than ninety (90) days past due unless being contested in good faith and (z) do not exceed 4% of the sum of the original principal amount of the Series 2024 Bonds plus the principal

amount of the Permitted Additional Senior Indebtedness and Additional Parity Bonds at any one time outstanding, (2) accrued expenses arising in the ordinary course of business and not recorded as either "short term indebtedness" or "long term indebtedness" on the balance sheet of the Borrower in accordance with GAAP, (3) payments due under any maintenance agreement for Rolling Stock, in each case, that are not more than ninety (90) days past due unless being contested in good faith, (4) any payments pursuant to any construction contracts that are not more than ninety (90) days past due unless being contested in good faith or to the extent such payments represent "retainage," "holdback" or similar payments, and (5) payments due under any management contract pursuant to which a management company provides employees to provide services for the Borrower, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (e) any Capitalized Lease Obligation, (f) all obligations, contingent or otherwise, of such Person under bankers acceptances issued or created for the account of such Person, (g) all unconditional obligations of such Person to purchase. redeem, retire, defease or otherwise acquire for value any capital stock or other equity interests of such Person or any warrants, rights or options to acquire such capital stock or other equity interests, (h) all net obligations of such Person pursuant to Permitted Swap Agreements, (i) all guarantee obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (h) above, and (j) all Indebtedness of the type referred to in clauses (a) through (h) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness. Notwithstanding the foregoing, predelivery payments and commissioning costs and expenses in respect of Rolling Stock Assets are not included in the definition of Indebtedness.

"Independent Manager" means a Person who (i) is not at the time of initial appointment, or at any time while serving as a director or manager, as applicable, and has not been at any time during the preceding five (5) years: (a) a stockholder, director (with the exception of serving as the Independent Manager), officer, employee, partner, member, manager, contractor, attorney or counsel of the Borrower or any Affiliate thereof; (b) a customer, creditor, supplier or other person who derives any of its purchases or revenues from its activities with the Borrower or any Affiliate thereof; (c) a Person Controlling or under common Control with any such stockholder, director, officer, partner, member, manager, contractor, customer, creditor, supplier or other Person; or (d) a member of the immediate family of any such stockholder, director, officer, employee, partner, member, manager, contractor, customer, creditor, supplier or other Person (provided, that in the case of each of (a) through (d), indirect stock or other equity interest ownership of the Borrower or any Affiliate thereof by such Person through a mutual fund or similar diversified investment pool shall be permitted); (ii) has prior experience as an independent director/manager for a corporation/limited liability company involved in a structured financing transaction whose organizational documents require the unanimous written consent of all independent directors/managers thereof before such corporation/limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy; and (iii) is provided by Corporation Service Company, CT Corporation, Lord Securities Corporation, National Registered Agents, Inc., Stewart Management Company, Wilmington Trust Company, Wilmington Trust SP Services, Inc., or, if none of those companies is then providing professional independent managers, another nationally-recognized company reasonably approved by the Trustee, in each case that is

not an Affiliate of the Borrower and that provides professional independent managers and other corporate services in the ordinary course of its business.

"Investment Grade Rating" means a credit rating assigned by a Nationally Recognized Rating Agency that is "BBB-" or better by S&P or "Baa3" or better by Moody's or the equivalent by another Nationally Recognized Rating Agency.

"Joint Use Agreement" means that certain Second Amended and Restated Joint Use Agreement (Shared Infrastructure), dated December 27, 2016, as amended by that certain First Amendment to Second Amended and Restated Joint Use Agreement (Shared Infrastructure), dated June 30, 2017, between Florida East Coast Railway, L.L.C., a Florida limited liability company, and the Borrower, as summarized in the Memorandum of Joint Use Agreement (Shared Infrastructure), dated June 30, 2017.

"Major Action" means the Borrower shall: (A) dissolve, merge, liquidate or consolidate in a transaction where the Borrower is not the surviving entity; (B) sell all or substantially all of its assets; or (C) file a voluntary bankruptcy or insolvency petition or otherwise institute insolvency proceedings.

"Management Group" means the Board of Directors and the officers of the Borrower and their Affiliates and estate-planning vehicles.

"Material Adverse Effect" means a material adverse effect on (a) the business, properties, performance, results of operations or financial condition of the Borrower; (b) the Borrower's ability to complete or operate the portion of the Project in operation on the Closing Date; (c) the legality, validity or enforceability of any material Financing Document; (d) the Borrower's ability to observe and perform its material obligations under any Financing Document; (e) the validity, perfection or priority of a material portion of the Security Interests created pursuant to the Security Documents on the Collateral taken as a whole; or (f) the rights of the Collateral Agent and the Trustee under the Financing Documents, including the ability of the Collateral Agent, the Trustee or any other Secured Party to enforce their material rights and remedies under the Financing Documents or any related document, instrument or agreement, in each case with respect to clause (a) above relating to the portion of the Project in operation on the Closing Date.

"Material Project Contract" means (a) the Joint Use Agreement; (b) the Premises Lease and Use Agreement for Orlando International Airport, between the Greater Orlando Aviation Authority and the Borrower, dated January 22, 2014; (c) the Amended and Restated General Operations, Management and Administrative Services Agreement, dated as of April 18, 2019, and as amended as of January 1, 2024, by and among the Borrower and Brightline Management LLC (f/k/a All Aboard Florida Operations Management LLC); (d) the Rail Line and Rail Line Slope and Drainage Easement, effective as of September 20, 2023, made by and among the City of Orlando and The Greater Orlando Aviation Authority in favor of the Borrower, (e) the State of Florida, Department of Transportation Lease Agreement, dated as of March 29, 2018, between the State of Florida, Department of Transportation and the Borrower; (f) the Vehicle Maintenance Facility Ground Lease, between the Greater Orlando Aviation Authority and the Borrower, dated January 22, 2014; (g) the Ground Lease Agreement, dated December 10, 2019, between The City of Boca Raton, Florida, a Florida municipal corporation, and the Borrower (as assignee of

Brightline Holdings LLC); (h) the Lease Agreement, dated October 31, 2019, between the Borrower (as assignee of Brightline Holdings LLC) and Miami-Dade County, Florida, a political subdivision of the State of Florida; and (i) collectively, (i) the Central Florida Expressway Authority Rail Line Easement, dated December 14, 2015, between the Central Florida Expressway Authority and the Borrower, (ii) the Central Florida Expressway Authority Rail Line Easement, dated December 14, 2015, between the Central Florida Expressway Authority and the Borrower, (iii) the Central Florida Expressway Authority Rail Line Easement, dated November 30, 2015, between the Central Florida Expressway Authority and the Borrower, (iv) the Central Florida Expressway Authority Rail Line Easement of Acquired Property, dated December 16, 2015, between the Central Florida Expressway Authority Rail Line Easement, dated December 17, 2015, between the Central Florida Expressway Authority and the Borrower, and (vi) the Central Florida Expressway Authority Rail Line Easement of Existing Authority Property, dated December 16, 2015, between the Central Florida Expressway Authority and the Borrower, and (vi) the Central Florida Expressway Authority Rail Line Easement of Existing Authority Property, dated December 16, 2015, between the Central Florida Expressway Authority and the Borrower.

"Multiemployer Plan" means a Pension Plan which is a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA.

"O&M Expenditures" means for any period, the sum (without duplication) of the following costs paid by or on behalf of the Borrower: (a) payments to any and all management operating companies, which may be an Affiliate of the Borrower (subject to the requirements on transactions with Affiliates set forth herein), including management fees, payment or reimbursement in respect of rent, furniture, telephone, computer, information technology systems and other equipment and property used or useful in the operation of the Project or any Capital Project and reimbursement of all salaries, employee benefits and other compensation of their employees providing management, leasing, operating, maintenance, legal, accounting, finance, IT, sales and marketing, and human resources services; plus (b) insurance deductibles, claims and premiums and, without duplication, payments made in respect of financing of insurance premiums in the ordinary course of business; plus (c) other than Major Maintenance Costs, costs (including capital expenditures) of operating and maintaining the Project or any Capital Project, including, without limitation, (i) Rolling Stock maintenance expenditures, advance payments to or deposits with vendors, suppliers or service providers, including pre-delivery payments and commissioning costs and expenses in respect of Rolling Stock Assets, (ii) payments and deposits in the ordinary course of business in connection with or to secure bids, tenders, contracts, leases, subleases, licenses or sublicenses of real property, personal property or intellectual property, statutory obligations, surety bonds or appeal bonds and payments and deposits securing letters of credit supporting such obligations and (iii) payments and deposits in the ordinary course of business in connection with workers' compensation laws, unemployment insurance laws or similar legislation and payments and deposits securing letters of credit supporting such obligations; plus (d) property and other similar taxes payable by the Borrower in respect of the Project or any Capital Project; plus (e) fees for accounting, legal and other professional services; plus (f) general and administrative expenses, including payments for cash management services and reimbursements of banking institutions for checks drawn on insufficient funds; plus (g) Major Maintenance Costs solely in accordance with item Second in the Flow of Funds under Section 5.02(b) of the Collateral Agency Agreement; plus (h) so long as, in connection therewith, the Borrower obtains a Rating Confirmation, payments to any direct or indirect parent company of the Borrower to pay or reimburse U.S. federal, state and local taxes payable by such parent company or any direct or indirect owner thereof (including, for

the avoidance of doubt, any required estimated tax payments and similar tax distributions to be made by such parent or direct or indirect owner) that are attributable to the taxable income. revenue, receipts or profits of the Borrower for any taxable period (i) in which the Borrower is a member of a consolidated, combined, unitary or similar tax group of which such direct or indirect parent company is the common parent or (ii) in which the Borrower is treated as a disregarded entity or partnership for U.S. federal, state and/or local income tax purposes; plus (i) filings or other costs required in connection with the maintenance of the Security Interest of the Secured Parties in the Collateral or other Permitted Security Interests; provided, that the following shall be excluded from the foregoing items (a) through (i): (1) payments of principal, interest or fees with respect to the Series 2024 Bonds and other Indebtedness (other than payments in respect of ordinary cash management services) permitted under the Secured Obligation Documents; (2) payments for Capital Projects permitted under the Financing Documents; (3) any payments, dividends or distributions to any Person in respect of any equity interests of the Borrower, except as set forth in clause (h) above; and (4) depreciation, amortization of intangibles and other noncash accounting entries of a similar nature for such period. O&M Expenditures are not to be considered investments for the purposes of the Senior Loan Agreement or the Collateral Agency Agreement.

"Organizational Documents" means for any Person the organizational documents governing its creation, existence and actions, as in effect on the date in question.

"Pension Plan" means a "pension benefit plan" as defined in Section 3(2) of ERISA that is subject to Title IV of ERISA or Section 412 of the Code, other than a Multiemployer Plan, that is maintained by, or contributed to by, or required to be contributed to by, the Borrower or any ERISA Affiliate.

"Performance Report" has the meaning specified in Section 6.04 hereof.

"Permitted Activities" has the meaning specified in Section 6.13 hereof.

"Permitted Additional Senior Indebtedness" means:

- (a) all Indebtedness incurred to refund, refinance, extend, renew or replace all or a portion of the Series 2024 Bonds or any Indebtedness incurred pursuant to this clause (a) so long as (i) the principal amount of such Indebtedness is not increased to any amount greater than the sum of (A) the outstanding principal amount of such then existing Indebtedness at the time of such refinancing, extension, renewal or replacement (or successive refinancing, refunding, extensions, renewals or replacements) and (B) an amount necessary to pay any interest, fees and expenses, including premiums, or to fund any reserve or prefunded interest accounts, in each case related to such refunding, refinancing, extension, renewal or replacement, and (ii) such refinancing, extension, renewal or replacement Indebtedness is not projected to adversely impact the Total Senior DSCR in any year through July 1, 2053, as determined by the Borrower in good faith;
- (b) Indebtedness incurred as one or more revolving credit, term loan or other financings incurred to finance the working capital needs of the Borrower, and all Indebtedness incurred to refund, extend, renew, refinance or replace any such Indebtedness, in an aggregate principal amount outstanding at any time that does not exceed \$25,000,000; and

(c) additional Indebtedness of the Borrower so long as, in connection with the incurrence thereof, the Borrower obtains (i) a Rating Confirmation and (ii) an Opinion of Counsel as to the non-consolidation of the Borrower with any one or more of its Affiliates under a bankruptcy proceeding;

and in each case, that shall be payable pro rata with the Series 2024 Bonds and any Additional Parity Bonds pursuant to the Collateral Agency Agreement, and may, in each case at the option of the Borrower, (i) be incurred as Additional Parity Bonds and/or (ii) be secured by any or all of the Collateral under the Collateral Agency Agreement, or may be unsecured; provided that if such Permitted Additional Senior Indebtedness is unsecured or not secured by all of the Collateral under the Collateral Agency Agreement, it will be junior to the Secured Obligations upon the exercise of remedies against such Collateral to the extent of the value of such Collateral as provided in the Collateral Agency Agreement.

"Permitted Easements" means, to the extent that no Material Adverse Effect would be created by or result from the consummation thereof: (a) easements that burden solely an asset which is not used in the operation of the Project or, to the extent financed by Additional Parity Bonds or Permitted Additional Senior Indebtedness, any Capital Project, (b) underground easements, (c) access, pedestrian and vehicular crossing, longitudinal driveway, railroad cross access and track usage easements, public and private grade crossing and similar easements, (d) aerial easements or rights (including leases), including but not limited to those for transit oriented development, platforms, stations, communications, fiber optic or utility facilities (including easements for installation of cellular towers), (e) pylon sign and billboard easements and leases, (f) above-ground drainage or slope easements, (g) scenic and clear vision easements, (h) utility easements and minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions or covenants as to the use of real properties or Security Interests incidental to the conduct of the business of the Borrower or to the ownership of its properties, (i) easements, licenses, rights of way or similar encumbrances granted in the ordinary course of business, (i) reciprocal easement and/or access agreements encumbering a portion of the Project or any Capital Project and an adjacent parcel or track, (k) aerial easements or rights (including leases) across road right of ways or other property, (1) any easements, leases, licenses, rights of way or similar encumbrances or agreements in favor of South Florida Regional Transportation Authority, Florida Department of Transportation, Miami-Dade County, Broward County, Palm Beach County or any other state, federal or local transportation, transit or rail department or agency or other Governmental Authority, or an affiliate of any of the foregoing, to allow commuter rail service on the corridor comprising the Project or any Capital Project, (m) the declaration of covenants, restrictions and easements, including but not limited to any amendment thereto, or (n) any final map, plat, parcel map, lot line adjustment or other subdivision map of any kind covering any portion of the Project or any Capital Project. For the avoidance of doubt, any of the foregoing which would create or result in a Material Adverse Effect is strictly prohibited.

"Permitted Holders" means the collective reference to the Fortress Entities, their Affiliates and the Management Group. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control with respect to which the Required Secured Creditors have consented in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Indebtedness" means:

- (a) Any Indebtedness incurred under the Financing Documents;
- (b) Permitted Additional Senior Indebtedness, subject to the terms of the Financing Documents;
- (c) Indebtedness (including Capitalized Lease Obligations) incurred by the Borrower to finance or refinance the purchase, lease, development, ownership, construction, maintenance or improvement of real or personal property or equipment that is used or useful in the Project or any Capital Project (including portions of the Project or any Capital Project that may be located outside of the Counties) or any other Permitted Activities, including (for the avoidance of doubt) for the purpose of depositing funds into reserve or prefunded interest accounts to the extent required thereby and to finance the fees, costs and expenses incurred in connection with the incurrence of such Indebtedness, and all Indebtedness incurred to refund, extend, renew, refinance or replace such Indebtedness; provided, however, that, (i) in connection with the incurrence thereof, the Borrower obtains a Rating Confirmation, (ii) such Indebtedness (other than Indebtedness incurred to refund, extend, renew, refinance or replace any other Indebtedness incurred pursuant to this clause (c)) is incurred within 365 days after the completion of such purchase, lease, development, construction, maintenance or improvement, and (iii) such Indebtedness shall be payable on the same basis as Additional Senior Unsecured Indebtedness under the Collateral Agency Agreement;

(d) Escrow Bonds:

- (i) Obligations in respect of performance, bid, appeal, removal and surety bonds and guarantees of indemnification obligations provided by the Borrower or indemnification obligations incurred by the Borrower in the ordinary course of business or consistent with past practice or industry practice. (ii) Indebtedness incurred by the Borrower constituting reimbursement obligations with respect to letters of credit and bank guarantees or other reimbursement obligations (A) issued in lieu of any reserve requirement set forth in any Secured Obligation Document, (B) to secure obligations described in clause (i) above or (C) otherwise in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from Governmental Authorities, and (iii) Indebtedness incurred to refund, extend, renew, refinance or replace any other Indebtedness incurred pursuant to this clause (e); provided, however, that (1) upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence, and (2) the letters of credit or bank guarantees incurred pursuant to this clause (e) shall be cash collateralized;
- (f) Permitted Swap Agreements for the purpose of limiting: (i) interest rate risk; (ii) exchange rate risk with respect to any currency exchange; (iii) commodity risk; or (iv) any combination of the foregoing;

- (g) Indebtedness of the Borrower consisting of the financing of insurance premiums in the ordinary course of business, and Indebtedness incurred to refund, extend, renew, refinance or replace such Indebtedness;
- (h) Indebtedness of the Borrower consisting of take-or-pay obligations contained in supply arrangements in the ordinary course of business, and Indebtedness incurred to refund, extend, renew, refinance or replace such Indebtedness;
 - Permitted Subordinated Debt;
- (j) Indebtedness arising from the honoring by a bank of other financial institution of checks, drafts or similar instruments drawn against insufficient funds in the ordinary course of business and extinguished within five Business Days of being drawn; and
- (k) Any other Indebtedness in an aggregate principal amount outstanding at any time that does not exceed \$25,000,000.

"Permitted Jurisdiction" means the state of Delaware or, if the Borrower obtains an Opinion of Counsel as to the non-consolidation of the Borrower with any one or more of its Affiliates under a bankruptcy proceeding after giving effect to the relevant transaction under Section 6.15, any other state within the United States or the District of Columbia.

"Permitted Sales and Dispositions" means:

- (a) Sales or other dispositions of equipment or other property in the ordinary course of business (including, without limitation, the lease, sublease or license of any real or personal property);
- (b) Sales or other dispositions of any obsolete, damaged, defective or worn out equipment in the ordinary course of business, inventory or goods held for sale in the ordinary course of business or any abandoned rail lines or property;
- (c) Sales or other dispositions of real or personal property not required for the construction or operation of the portion of the Project from Miami to the Orlando International Airport (including government grants provided to the Borrower for the purpose of developing or constructing the portion of the Project beyond the Orlando International Airport), or, to the extent financed by Additional Parity Bonds or Permitted Additional Senior Indebtedness, any Capital Project;
 - (d) Sales or other dispositions of cash or Permitted Investments;
 - (e) Sales or other dispositions that would constitute Permitted Indebtedness;
- (f) The sale or discount of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof or in bankruptcy or similar proceeding;

- (g) The surrender, waiver, amendment or modification of contract rights or the settlement, release or surrender of a contract, tort or other claim of any kind, in each case, in the ordinary course of business:
 - (h) The granting of any Permitted Easement or Permitted Security Interest;
- (i) The assignment of any purchase or maintenance agreement for Rolling Stock Assets or any sale or other disposition of any Rolling Stock Assets, or any sale, lease or other disposition of real property interests of the Borrower at any station within the Project or any Capital Project for commercial purposes, <u>provided</u> that any such sale, lease or disposition does not materially impair the use of such station or the sufficiency of the remaining Rolling Stock Assets in the operation of the business of the Borrower;
- (j) The transfer of any deed in lieu of condemnation by a governmental entity related to the Project or any Capital Project;
- (k) Subject to the requirements of Section 288.9606(6), Florida Statutes, as amended, a Governmental Land Contribution; <u>provided</u> that any requirements to pledge additional Collateral received in exchange for or in connection with such Governmental Land Contribution pursuant to the Security Documents are satisfied;
- (l) Any distribution from the Distribution Account permitted pursuant to the Collateral Agency Agreement;
- (m) Foreclosures on assets or dispositions of assets required by Law, governmental regulation or any order of any court, administrative agency or regulatory body, and transfers resulting from or in connection with a Casualty Event or Expropriation Event; and
- (n) The lapse or abandonment of intellectual property rights that in the good faith determination of the Borrower are not material to the conduct of the business of the Borrower.

"Permitted Security Interest" means:

- (a) Any Security Interest (i) arising by operation of law or in the ordinary course of business in connection with or to secure the performance of bids, tenders, contracts, leases, subleases, licenses or sublicenses of real property, personal property or intellectual property, statutory obligations, surety bonds, removal bonds or appeal bonds, or in connection with workers' compensation laws, unemployment insurance laws or similar legislation, or (ii) securing letters of credit supporting such obligations or other obligations described in clause (e) of the definition of Permitted Indebtedness:
- (b) Any mechanic's, materialmen's, workmen's, repairmen's, employees', warehousemens', carriers' or any like lien or right of set-off arising in the ordinary course of business or under applicable law, securing obligations incurred in connection with the Project or any Capital Project which are not overdue by more than ninety (90) days or are adequately bonded or are being contested in good faith (<u>provided</u> that the Borrower shall, to the extent required by GAAP, set aside adequate reserves with respect thereto);

(c) Any Security Interest on Escrow Property securing any Escrow Bonds;

- (d) Any Security Interest for taxes, assessments or governmental charges not yet overdue for a period of more than forty-five (45) days or being contested in good faith (<u>provided</u> that the Borrower shall, to the extent required by GAAP, set aside adequate reserves with respect thereto);
- (e) Any Security Interest securing judgments for the payment of money not constituting an Event of Default under Section 8.01(g) hereof so long as such liens are adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (f) Any Security Interest created pursuant to or contemplated by the Financing Documents or to secure the Bond Obligations or Permitted Additional Senior Indebtedness secured by Collateral (on a pari passu basis with all other Bond Obligations and all Permitted Additional Senior Indebtedness secured by Collateral and subject to the terms of the Collateral Agency Agreement);
- (g) Any other Security Interest not securing debt for borrowed money granted over assets with an aggregate value at any one time not exceeding 5% of the sum of the original principal amount of the Series 2024 Bonds and any Permitted Additional Senior Indebtedness and Additional Parity Bonds then outstanding;
- (h) Any Security Interests securing Permitted Indebtedness described in clause (c) of the definition of Permitted Indebtedness; provided that such Security Interest may not extend to any property owned by the Borrower other than the specific property or asset being financed by the Permitted Indebtedness described in clause (c) of the definition of Permitted Indebtedness, proceeds and products thereof, replacements, accessions or additions thereto and improvements thereon and any reserve or prefunded interest accounts to the extent required thereby (it being understood that individual financings of the type permitted under clause (c) of the definition of Permitted Indebtedness provided by any Person may be cross-collateralized to other financings of such type provided by such Person or its Affiliates);
- (i) (i) Any Security Interest arising solely by virtue of any statutory or common law provision relating to banker's liens, rights to set-off or similar rights, and (ii) any Security Interests on specific items of inventory of other goods and proceeds of any Person securing such Person's obligations in respect of letters of credit or bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (j) Any Security Interest existing on any property or asset prior to the acquisition thereof by the Borrower, including any acquisition by means of a merger or consolidation with or into the Borrower; <u>provided</u> that (i) such Security Interest is not created in contemplation of or in connection with such acquisition and (ii) such Security Interest may not extend to any other property owned by the Borrower (other than extensions, renewals, replacements or proceeds of such property, or assets or property affixed or appurtenant thereto);

(k) Permitted Easements;

- (1) Existing Security Interests;
- (m) Security Interests securing Permitted Swap Agreements and the costs thereof;
- (n) Security Interests arising from precautionary Uniform Commercial Code financing statement filings regarding operating leases entered into by the Borrower in the ordinary course of business:
- (o) Security Interests on equipment of the Borrower granted in the ordinary course of business to the Borrower's client, customer or supplier at which such equipment is located;
- (p) Any Security Interests securing Permitted Indebtedness described in clause (k) of the definition of Permitted Indebtedness;
- Security Interests to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by a Permitted Security Interest under clauses (h), (j) or (l) of this defined term; provided, however, that (1) such new Security Interest shall be limited to all or part of the same property that secured the original Security Interest (plus extensions, renewals, replacements or proceeds of such property, or assets or property affixed or appurtenant thereto), (2) the Indebtedness secured by such Security Interest at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, the committed amount of such Permitted Indebtedness at the time the original Security Interest became a Permitted Security Interest, and (B) an amount necessary to pay any interest, fees and expenses, including premiums, or to fund any reserve or prefunded interest accounts, in each case related to such refinancing, refunding, extension, renewal or replacement and (3) the new Security Interest has no greater priority and the holders of the Indebtedness secured by such Permitted Security Interest have no greater intercreditor rights relative to the Owners of the Bonds and the owners of Permitted Additional Senior Indebtedness then outstanding, if any, than the original Security Interest and the related Indebtedness:
- (r) Security Interests securing reimbursement obligations with respect to letters of credit and other credit facilities that constitute Permitted Indebtedness and that encumber documents and other property relating to such letters of credit and products and proceeds thereof;
- (s) As to any portion of the Project or any Capital Project comprised of real property, any Security Interest that would not have a Material Adverse Effect;
- (t) Security Interests that are contractual rights of set-off relating to purchase orders and other agreements entered into with customers of the Borrower in the ordinary course of business:
- (u) Security Interests arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by the Borrower in the ordinary course of business:
- (v) Security Interests arising or granted in the ordinary course of business in favor of Persons performing credit card processing, clearinghouse or similar services for the Borrower, so

long as such Security Interests are on cash or cash equivalents that are subject to holdbacks by, or are pledged to, such Persons to secure amounts that may be owed to such Persons under the Borrower's agreements with them in connection with their provision of credit card processing, clearinghouse or similar services to the Borrower; and

(w) Any Security Interest created to secure Permitted Subordinated Debt.

"Permitted Subordinated Debt" means Indebtedness subordinate to all Bond Obligations and all Permitted Additional Senior Indebtedness in accordance with, and payable only in accordance with the Flow of Funds set forth in, the Collateral Agency Agreement.

"Post-Closing Actions" has the meaning specified in Section 6.26 hereof.

"Potential Event of Default" means an event which, with the giving of notice or lapse of time, would become an Event of Default under this Agreement.

"Principals" means Peter L. Briger, Wesley R. Edens and Randal A. Nardone.

"Prudent Industry Practice" means, at a particular time, any of the practices, methods, standards and procedures (including those engaged in or approved by a material portion of the passenger railroad industry) that, in the exercise of reasonable judgment in light of the facts known at the time a decision was made, would reasonably have been expected to accomplish the desired result consistent with good business practices, including due consideration of the Project's reliability, environmental compliance, economy, safety and expedition.

"Ratings Downgrade Event" means a downgrade in the rating of the Series 2024 Bonds (without giving effect to the Bond Insurance Policy) below an Investment Grade Rating by any of the Nationally Recognized Rating Agencies then rating the Series 2024 Bonds on any date during the period commencing on and ending 90 days after public notice of the occurrence of a Change of Control. Notwithstanding the foregoing, a Ratings Downgrade Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Ratings Downgrade Event for purposes of the definition of Change of Control Triggering Event hereunder) if any of the Nationally Recognized Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the ratings event).

"Rule" or "Rule 15c2-12" means SEC Rule 15c2-12, as amended from time to time.

"Sanctions" has the meaning specified in Section 2.02(cc) of this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder, as amended.

"Series 2024 Bonds" has the meaning specified in the recitals to this Agreement.

"Series 2024 Loan" has the meaning specified in the recitals to this Agreement.

"Special Purpose Entity" means a corporation, limited liability company or limited partnership which, since the date of its formation, has complied with (except as otherwise specified in Section 6.13), and at all times on and after the date hereof, complies and will continue to comply with, the requirements set forth in Section 6.13 hereto.

"Successor Borrower" has the meaning specified in Section 6.15 of this Agreement.

"Voting Stock" of any Person as of any date means the equity interests of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Section 1.02 Uses of Phrases.

- (a) Except as otherwise expressly provided, the following rules of interpretation shall apply to this Senior Loan Agreement:
 - (i) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined;
 - (ii) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;
 - (iii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation";
 - (iv) the word "will" shall be construed to have the same meaning and effect as the word "shall";
 - (v) unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein or therein) and shall include any appendices, schedules, exhibits, clarification letters, side letters and disclosure letters executed in connection therewith;
 - (vi) any reference herein to any Person shall be construed to include such Person's successors and assigns to the extent permitted under the Financing Documents and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities;
 - (vii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Senior Loan Agreement in its entirety and not to any particular provision thereof;

- (viii) all references in this Senior Loan Agreement to Articles, Sections, Exhibits, Attachments and Schedules shall be construed to refer to Articles and Sections of, and Exhibits, Attachments and Schedules to, this Senior Loan Agreement:
- (ix) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights;
- (x) each reference to a Law shall be deemed to refer to such Law as the same may in effect from time to time;
- (xi) references to days shall refer to calendar days unless Business Days are specified; references to weeks, months or years shall be to calendar weeks, months or years, respectively;
- (xii) except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP; and
- (xiii) where definitions of terms herein refer to terms defined in more than one other document, (A) in the event of any ambiguity, the definition resulting in a more restrictive covenant with respect to the Borrower shall apply and (B) if any such other document has been terminated or is no longer in effect, then only the definition in the remaining other documents shall apply.
- (b) Withdrawals to Occur on a Business Day. In the event that any withdrawal, transfer or payment to or from any Account contemplated under this Senior Loan Agreement shall be required to be made on a day that is not a Business Day, such withdrawal, transfer or payment shall be made on the immediately succeeding Business Day.
- (c) **Delivery or Performance to Occur on a Business Day**. In the event that any document, agreement or other item or action is required by any Secured Obligation Document to be delivered or performed on a day that is not a Business Day, the due date thereof shall be extended to the immediately succeeding Business Day.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the Issuer.

The Issuer hereby represents and warrants to the Borrower and the Bond Insurer, as of the Closing Date, that:

(a) The Issuer is a public body corporate and politic, and a public instrumentality organized and existing under the laws of the State and pursuant to the Act has the power to (1) enter into this Senior Loan Agreement and the Indenture, (2) assign its rights (other than the Reserved Rights) under this Senior Loan Agreement to the Trustee in accordance with the terms of the Indenture, (3) issue the Series 2024 Bonds to refinance Project Costs, (4) lend the proceeds of the issuance of the Series 2024 Bonds under the terms of this Senior Loan Agreement to the

Borrower for the purpose of financing or refinancing a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of the Borrower and/or one or more of its Affiliates for prior expenditures for the Project), funding certain reserves, if any, and paying certain costs of issuance, and (5) carry out its other obligations in connection therewith pursuant to the Indenture and this Senior Loan Agreement.

- (b) Pursuant to the Bond Resolution, the Issuer has duly authorized the execution and delivery of the Indenture, this Senior Loan Agreement, and the consummation of the transactions contemplated therein and herein, including without limitation, the assignment of its rights (other than the Reserved Rights) under this Senior Loan Agreement to the Trustee in accordance with the terms of the Indenture, the performance of its obligations hereunder and thereunder, the issuance of the Series 2024 Bonds, the loan of the proceeds of the Series 2024 Bonds to the Borrower for the purpose of financing or refinancing a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of the Borrower and/or one or more of its Affiliates for prior expenditures for the Project), funding certain reserves, if any, and paying certain costs of issuance, and, simultaneously with the execution and delivery of this Senior Loan Agreement, has duly executed and delivered the Indenture. The Bond Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect.
- (c) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (1) the issuance and delivery of the Series 2024 Bonds by the Issuer, (2) the execution or delivery of or compliance by the Issuer with the terms and conditions of this Senior Loan Agreement, the Indenture or the Series 2024 Bonds, or (3) the assignment and pledge by the Issuer pursuant to the Indenture of its rights under this Senior Loan Agreement (except the Reserved Rights) and the payments thereon by the Borrower, as security for payment of the principal of, premium, if any, and interest on the Series 2024 Bonds. The consummation by the Issuer of the transactions set forth in the manner and under the terms and conditions as provided in this Senior Loan Agreement, the Indenture and the Series 2024 Bonds will comply with all applicable laws. Notwithstanding the preceding sentences, no representation is expressed as to any action required under federal or state securities or Blue Sky Laws in connection with the sale or distribution of the Series 2024 Bonds.
- (d) The Issuer is not in breach of or default under this Senior Loan Agreement or the Series 2024 Bonds or in violation of any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, in each case which breach, default or violation would have a material adverse effect on the authorization, issuance, sale or delivery of the Series 2024 Bonds or the authorization, execution, delivery and performance of this Senior Loan Agreement, the Indenture or the Series 2024 Bonds and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach, default or violation. The execution, delivery and performance of its obligations under the Indenture, this Senior Loan Agreement and the Series 2024 Bonds, and the assignment of its rights (other than the Reserved Rights) under this Senior Loan Agreement do not and will not conflict with or result in a violation or a breach of any law or the terms, conditions or provisions of any restriction under any law, contract, agreement or instrument to which the Issuer is now a party or by which the Issuer is bound, or constitute a default under any of the foregoing.

- (e) Except as may be described in the Offering Document, as the same may be amended and supplemented, there is no action, suit, proceeding or litigation pending against the Issuer or, to the knowledge of its members, officers or counsel, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024 Bonds, or in any way contesting or affecting the validity of the Series 2024 Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security provided for the payment of the Series 2024 Bonds, the use of the Series 2024 Bond proceeds or the existence or powers of the Issuer or its officers or members.
- (f) Each of this Senior Loan Agreement and the Indenture constitutes the valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with the terms thereof, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws or judicial action affecting the enforcement of creditors' rights generally and the application of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) subject to the valid exercise of the constitutional powers of the State and the United States of America. The execution and delivery of this Senior Loan Agreement and the Indenture, the performance by the Issuer of its obligations hereunder and thereunder and the consummation of the transactions herein and therein contemplated do not and will not materially conflict with, or constitute a material breach or result in a material violation of the Act or bylaws of the Issuer, any agreement or other instrument to which the Issuer is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or Governmental Authority having jurisdiction over the Issuer or its property.
- (g) The Issuer hereby acknowledges that the Project Accounts are the property of the Borrower and not the Issuer and that the Borrower has represented to the Issuer in Section 2.02(j) below that the Borrower has granted a security interest in the Project Accounts to the Collateral Agent pursuant to the terms of the Senior Security Agreement.
- (h) Notwithstanding anything herein to the contrary, any obligation the Issuer may incur hereunder in connection with the issuance of the Series 2024 Bonds shall not be deemed to constitute a general obligation of the Issuer, but, as to the Issuer, shall be payable solely from the payments received hereunder and from the Trust Estate as provided in the Indenture. The Issuer has no taxing power.

The representations and warranties included in this Section 2.01 are made subject to the limitations set forth in Section 3.05 hereof.

Section 2.02 Representations and Warranties of the Borrower.

The Borrower hereby represents and warrants to the Issuer and the Bond Insurer, as of the Closing Date and any other date on which representations and warranties are expressly required to be true pursuant to the Financing Documents, that:

(a) The Borrower is a limited liability company or, to the extent permitted pursuant to Section 6.15, corporation or limited partnership organized in the state of Delaware or any other Permitted Jurisdiction, duly formed, validly existing and in good standing under the laws of such

jurisdiction, is qualified to do business in the State and in every jurisdiction where such qualification is required by applicable law, except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect.

- (b) The Borrower has full organizational power and authority to conduct its business as now conducted and as presently proposed to be conducted immediately following the execution and delivery of the Financing Documents to which it is a party and the Borrower has full power and authority to execute, deliver and perform its obligations under each Financing Document to which it is a party.
- (c) All necessary actions on the part of the Borrower required to authorize the execution, delivery and performance of each Financing Document to which it is a party has been duly taken.
- (d) Each of the Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and constitutes a valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws or judicial action affecting the enforcement of creditors' rights generally and the application of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).
- (e) The execution, delivery and performance by the Borrower of each Financing Document to which it is a party does not (1) conflict with any contractual obligations binding on, or to the knowledge of the Borrower, affecting the Borrower, except where such conflict would not reasonably be expected to have a Material Adverse Effect, (2) violate any provision of any court decree or order binding on, or to the knowledge of the Borrower, affecting the Borrower, except where such violation would not reasonably be expected to have a Material Adverse Effect, (3) violate any provision of any law or governmental regulation binding on, or to the knowledge of the Borrower, affecting the Borrower, except where such violation would not reasonably be expected to have a Material Adverse Effect, or (4) result in, or require, the creation or imposition of any Security Interest on any of the properties or revenues of the Borrower, except for Permitted Security Interests:
- (f) Except as may be described in the Offering Document, on the Closing Date, there is no pending or, to the Borrower's knowledge, threatened litigation or proceeding against the Borrower or with respect to the transactions contemplated by this Senior Loan Agreement or the other Financing Documents which has a material likelihood of success and if determined adversely to the Borrower or to such transactions, would reasonably be expected to have a Material Adverse Effect.
- (g) Except as may be described in the Offering Document, the Borrower has obtained all Governmental Approvals required to be obtained by the Borrower in connection with the execution and delivery of, and performance by the Borrower of its obligations, and the exercise of its rights, under the Financing Documents and all such Governmental Approvals are in full force and effect except for such Governmental Approvals that are not then required to be obtained or such Governmental Approvals the failure to obtain which would not reasonably be expected to

result in a Material Adverse Effect. The Borrower is in compliance with, and the portion of the Project in operation on the Closing Date or such other date of determination is operated in compliance with, all applicable Laws and Governmental Approvals, including Environmental Laws, except, in each case, for any failure to comply which would not reasonably be expected to have a Material Adverse Effect.

- (h) The Borrower has timely filed (or applied for an extension relating to the same) all required income tax returns related to material Taxes, if any, and has paid all required Taxes due, if any, except for such Taxes being contested in good faith and for which the Borrower has established adequate reserves in accordance with GAAP, and except where failure to make such filing or payment as would not reasonably be expected to have a Material Adverse Effect. There is no stamp, registration or similar Tax under applicable law, as presently in effect, imposed, assessed, levied or collected by a Governmental Authority on or in relation to amounts payable pursuant to any Financing Document that is presently due other than as shall already have been paid or for which provision for payment shall already have been made.
- (i) No Potential Event of Default or Event of Default has occurred and is continuing under this Agreement and no "Potential Event of Default" (as defined in the Indenture) or "Event of Default" (as defined in the Indenture) has occurred and is continuing under the Indenture. The Borrower is not in breach of or default under any Material Project Contract, except where such breach or default would not reasonably be expected to have a Material Adverse Effect, and, as of the Closing Date, each Material Project Contract is in full force and effect.
- (j) The Borrower has granted a security interest in the Project Accounts to the Collateral Agent pursuant to the terms of the Collateral Agency Agreement and the Senior Security Agreement. All Security Interests created under the Security Documents are valid, legally binding and, assuming the filing of financing statements and recordation of the Senior Mortgages required to perfect such Security Interests, such Security Interests will be ranked as contemplated in the Financing Documents, and no Security Interest exists over the Borrower's interest in the Project or any other Collateral or over any other of the Borrower's revenues or assets other than Permitted Security Interests.
- (k) There are no liabilities or claims against the Borrower under any Environmental Law with respect to the Project, except to the extent that noncompliance with such Environmental Laws, or such liabilities or claims under Environmental Laws, would not reasonably be expected to give rise to a Material Adverse Effect.
 - (1) The Borrower has no Indebtedness, except for Permitted Indebtedness.
- (m) The Borrower owns, has a license or application to use, or otherwise has the right to use, free and clear of any liens (other than Permitted Security Interests), all the material patents, patent applications, trademarks, permits, service marks, names, trade secrets, proprietary information and knowledge, technology, computer programs, databases, copyrights, licenses, franchises and formulas, or rights with respect thereto, and has obtained assignments of all leases and other rights of whatever nature, in each case, that are required as of the Closing Date (and as of such other date on which this representation is required to be made pursuant to the Financing Documents) for the performance by it of its obligations under the Financing Documents to which

it is a party without any infringement upon the legal rights of others that would adversely affect the Borrower's rights to the same or result in a Material Adverse Effect.

- (n) To the knowledge of the Borrower, there are no Hazardous Materials on the Project, the presence of which would cause the Borrower to be in violation of any applicable laws, except where such violation would not reasonably be expected to have a Material Adverse Effect.
 - (o) No Bankruptcy Event has occurred and is continuing with respect to the Borrower.
- (p) Subject to Section 6.26, the Security Documents are effective to create a legally valid and enforceable Security Interest in respect of the Collateral under such Security Documents, and all necessary recordings and filings will have been or will be recorded and filed on or promptly following the Closing Date, as and when required, and the Borrower has title to all material property, assets and revenues it purports to own subject to the Security Interests of the Security Documents, free and clear of all other Security Interests other than Permitted Security Interests, except where failure to have such title would not be reasonably likely to have a Material Adverse Effect. Subject to Section 6.26, on or promptly following the Closing Date, all necessary recordings and filings will have been or will be made such that the Security Interests created by such Security Documents will constitute valid and perfected Security Interests on the Collateral to the extent required under such Security Documents, subject only to Permitted Security Interests.
- The Borrower is and has been since its date of formation (except as permitted by Section 6.13) a Special Purpose Entity created solely for the purpose of undertaking the acquisition, ownership, holding, marketing, operation, management, maintenance, repair, replacement, renovation, restoration, improvement, design, development, construction, financing and/or refinancing of an intercity passenger rail system and other facilities and activities related, supplemental or incidental to any of the foregoing, and engaging in any lawful act or activity and exercising any powers permitted to limited liability companies, corporations or limited partnerships that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purpose, and holds no equity or other ownership interest in any Person, other than DispatchCo. Without limiting the foregoing, the Borrower: (i) was duly formed, is validly existing and is in good standing in the state of its incorporation or formation and in all other jurisdictions where it is qualified to do business, except where the failure to be in good standing in such other jurisdictions would not reasonably be expected to have a Material Adverse Effect, (ii) has paid all taxes which it owes and, subject to the Borrower's contest rights set forth in this Agreement, is not involved in any dispute with any taxing authority, except in each case where the failure to make such payment or where such dispute would not reasonably be expected to have a Material Adverse Effect, (iii) is not party to any lawsuit, arbitration, summons or legal proceeding that resulted in a judgment against it that has not been paid in full, except where the failure to pay such judgment would not reasonably be expected to have a Material Adverse Effect, (iv) has no liens of any nature against it except for prior liens which have been or will be discharged as a result of the closing of the Series 2024 Loan as of the Closing Date and Permitted Security Interests, (v) has no material contingent or actual obligations not related to the Project, any Capital Project or any other Permitted Activities, (vi) does not and has not owned any real property other than currently or formerly with respect to or currently or formerly intended to be used in connection with the Project, any Capital Project or any other Permitted Activities, (vii) is not party to any contract or agreement with any of its Affiliates except upon terms and conditions that are

commercially reasonable and substantially similar to those available in an arm's-length transaction with an unrelated party, in each case as reasonably determined by the Borrower in good faith, (viii) has paid all of its debts and liabilities that are not currently outstanding only from its own assets, (ix) has done or caused to be done all things necessary to observe all organizational formalities applicable to it and to preserve its separate existence, (x) has allocated fairly and reasonably any overhead expenses for any shared office space, services, property or assets, and (xi) has not had any of its obligations guaranteed by an Affiliate, except for guarantees that have been either released or discharged prior to December 19, 2017, and for immaterial obligations guaranteed or indemnified by Affiliates in the ordinary course of business.

- (r) True and complete copies of all Financing Documents that have been executed and delivered and remain in full force and effect have been delivered to the Collateral Agent.
- (s) (1) None of the information in any agreement, document, certificate, exhibit, financial statement, book, record, material or report or other written information furnished by or on behalf of the Borrower (A) in any Financing Documents, or (B) otherwise to the Issuer, the Trustee or the Collateral Agent with respect to the Project, when taken as a whole, contained any untrue statement of material fact or omitted to state a material fact necessary in order to make the statements contained therein not materially misleading as of the relevant date on which the same was provided in light of the circumstances in which such statements were made; and (2) any factual information provided by or on behalf of the Borrower in writing to the consultants for use in connection with any reports relating to the Project or provided to the Collateral Agent, was provided in good faith and, to the Borrower's knowledge, was accurate and correct in all material respects as of the date it was delivered; provided that with respect to the representations and warranties in this clause (s), no representation or warranty is made as to any forecasts, projections, opinions or other forward looking statements contained in any such agreement, document, certificate, exhibit, financial statement, book, record, material or report or other written information, except that such forecasts, projections, opinions or other forward looking statements were prepared or made in good faith and represented, in the reasonable opinion of the Borrower, reasonable estimates at the time made of the future performance of the Borrower and the Project based on assumptions believed by the Borrower to be reasonable at such time (it being understood that projections are not to be considered or regarded as facts, contain significant uncertainties and contingencies, many of which are beyond the control of the Borrower and actual results may differ significantly from projections).
- (t) The Borrower is not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.
- (u) All insurance required to be maintained by the Borrower under the Financing Documents in effect has been obtained and is in full force and effect. All premiums due with respect thereto have been paid.
- (v) No ERISA Event has occurred and is continuing or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to have a Material Adverse Effect.

- (w) Neither the Borrower nor any ERISA Affiliate has incurred any withdrawal liability with respect to any Multiemployer Plan.
- (x) Neither the Borrower nor any ERISA Affiliate has failed to satisfy the minimum funding requirements of Section 302 of ERISA or Section 412 of the Code with respect to any Pension Plan.
- (y) The representations and warranties of the Borrower set forth herein, in the other Financing Documents or in certificates of the Borrower delivered in connection therewith as of the date made are true and correct in all material respects, except to the extent that such representations or warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date. The Borrower understands that all such representations and warranties have been and will be relied upon as an inducement by the Issuer to issue the Series 2024 Bonds.
- (z) As of the Closing Date (after giving effect to the repayment of any Indebtedness on such date and the termination of any related Security Interests), the Pledgor owns 100% of the equity interests in the Borrower free and clear of all Security Interests other than the Security Interests granted under the Financing Documents, such equity interests have been duly and validly authorized and issued, and there are no outstanding options, warrants, calls or other rights to subscribe for or otherwise acquire any of such equity interests, except for any of such rights in favor of the Pledgor set forth in the Borrower's Organizational Documents.
- (aa) As of the Closing Date, the Borrower is treated as a "disregarded entity" for U.S. federal income tax and Florida corporate income tax purposes.
- (bb) To the extent applicable, the Borrower is in compliance and the operations of the Borrower are and have been conducted at all time in compliance, in all material respects, with all applicable financial recordkeeping and reporting requirements, including those of the (i) the Trading with the Enemy Act and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V) and any other enabling legislation or executive order relating thereto, (ii) the PATRIOT Act and (iii) the applicable anti-money laundering statutes of jurisdictions where the Borrower conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any Governmental Authority involving the Borrower with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Borrower, threatened.
- (cc) Neither the Borrower nor any director or officer thereof, nor, to the knowledge of the Borrower, any employee, agent, Affiliate or representative of the Borrower, is a Person that is, or is owned or controlled by one or more Persons that are, (i) on the list of "Specially Designated Nationals and Blocked Persons," (ii) the subject of any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Treasury Department, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions") or (iii) located, organized or resident in a country, region or territory that is the subject of Sanctions (including Crimea, the so-called Luhansk People's Republic, the

so-called Donetsk People's Republic, Cuba, Iran, North Korea and Syria); and the Borrower will not directly or indirectly use the proceeds of the Series 2024 Bonds or lend, contribute or otherwise make available such proceeds to any Person (A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions or (B) in any other manner that will result in a violation of Sanctions by any Person.

ARTICLE III ISSUANCE OF THE SERIES 2024 BONDS

Section 3.01 Agreement to Issue the Series 2024 Bonds; Loan of Proceeds.

The Issuer hereby agrees to issue, sell and deliver the Series 2024 Bonds in accordance with the terms of the Indenture to provide for the financing or refinancing of a portion of the costs of the Project, funding certain reserves, if any, and paying certain costs of issuance. Upon the terms and conditions of this Senior Loan Agreement and the Indenture, the Issuer hereby agrees to make the Series 2024 Loan to the Borrower on the Closing Date in an amount equal to the amount of the proceeds of the Series 2024 Bonds. As more particularly described in the Certificate Regarding Receipt and Application of Proceeds executed and delivered on this date by the Issuer, the Borrower, the Trustee and the Underwriter, the Trustee shall apply the proceeds received from the sale of the Series 2024 Bonds, together with other available funds, on the Closing Date as follows: (A) to finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of the Borrower and/or one or more of its Affiliates for prior expenditures for the Project) and (B) to the Trustee for deposit in the Series 2024 Funded Interest Account to fund interest on the Series 2024 Bonds as set forth in the Indenture, and to pay certain costs of issuance.

Section 3.02 Borrower to Provide Funds.

In the event that proceeds derived from the Series 2024 Loan, or any other available (or to be available) funds are not sufficient to finance or refinance a portion of the costs of the Project, to fund certain reserves and to pay or reimburse certain costs of issuance of the Series 2024 Bonds, as described in Section 3.01 hereof, the Borrower shall not be entitled to any reimbursement from the Trustee for the payment of such excess costs nor shall the Borrower be entitled to any abatement, diminution or postponement of its payments hereunder.

Section 3.03 Loan to Finance Project Costs.

The Borrower shall use the proceeds of the Series 2024 Loan, together with other available funds, to finance or refinance a portion of the costs of the Project, to fund certain reserves, if any, and to pay or reimburse certain costs of issuance of the Series 2024 Bonds, as further described in Section 3.01. No proceeds of the Series 2024 Loan shall be used outside of the respective jurisdictions of the Counties.

Section 3.04 Security for Repayment of Loan.

Prior to or simultaneously with the delivery of this Senior Loan Agreement, the Borrower shall deliver the Security Documents (and, to the extent required to be delivered by the Security

Documents, the possessory Collateral) required to be delivered on the Closing Date pursuant to the Bond Purchase Agreement to the Collateral Agent as security for the payments and obligations of the Borrower hereunder.

Section 3.05 Limitation of Issuer's Liability.

THE SERIES 2024 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED EXCLUSIVELY BY THE TRUST ESTATE ESTABLISHED UNDER THE INDENTURE, INCLUDING THE PAYMENTS TO BE MADE BY THE BORROWER UNDER THIS SENIOR LOAN AGREEMENT AND BY THE COLLATERAL. THE SERIES 2024 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE STATE, THE COUNTIES OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY STATE CONSTITUTE OR GIVE RISE TO A PECUNIARY LIMITATION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE STATE, THE COUNTIES OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT OF THE ISSUER NOR THE FULL FAITH AND CREDIT OR THE TAXING POWER OF THE STATE, THE COUNTIES OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS. THE ISSUER HAS NO TAXING POWER.

No provision, covenant, or agreement contained in this Senior Loan Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness or liability of the Issuer within the meaning of any State constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or any member, officer or agent of the Issuer or a charge against the Issuer's general credit. In making the agreements, provisions and covenants set forth in this Senior Loan Agreement, the Issuer has not obligated itself except with respect to the application of the payments, as hereinabove provided.

No recourse shall be had for the payment of principal of, or premium, if any, or interest on any of the Series 2024 Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Agreement contained, against any past, present or future officer, director, member, trustee, employee or agent of the Issuer or any officer, director, member, trustee, employee or agent of any successor entity, as such, either directly or through the Issuer or any successor entity, under any rule of law or equity, statute or constitution or by enforcement by any assessment or penalty or otherwise. The members of the Issuer, the officers and employees of the Issuer, or any other agents of the Issuer are not subject to personal liability or accountability by reason of any action authorized by the Act, including without limitation, the issuance of the Series 2024 Bonds, the failure to issue the Series 2024 Bonds, or the execution and delivery of the Series 2024 Bonds.

The Parties acknowledge that the Issuer will have no control over the application or use of the proceeds of the Series 2024 Loan or the Project. The Issuer does not by this Agreement or otherwise assume any obligation or affirmative duty to review, monitor, investigate, inspect or after the issuance of the Series 2024 Bonds, undertake any responsibility with respect to the

Project, any change in the Borrower entity, or the application of Series 2024 Loan proceeds by the Borrower.

Section 3.06 Compliance with Indenture.

The Borrower shall take all action required to be taken by the Borrower in the Indenture as if the Borrower were a party to the Indenture.

ARTICLE IV LOAN PROVISIONS

Section 4.01 Amounts Payable.

- (a) (1) The Borrower hereby covenants and agrees to repay the Series 2024 Loan, as follows: on or before any Interest Payment Date for the Series 2024 Bonds or any other date that any payment of interest, principal or Redemption Price on the Series 2024 Bonds is required to be made in respect of the Series 2024 Bonds pursuant to the Indenture, until the payment of interest, principal or Redemption Price on the Series 2024 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the applicable Account of the Debt Service Fund will enable the Trustee to pay to the Owners of the Series 2024 Bonds the amount due and payable on such date as interest, principal or Redemption Price on the Series 2024 Bonds as provided in the Indenture.
 - (2) The Issuer hereby directs the Borrower and, subject to the Indenture or the Collateral Agency Agreement, as applicable, the Borrower hereby agrees to pay to the Trustee at the Designated Payment Office of the Trustee all payments payable by the Borrower in respect of the Series 2024 Loan pursuant to this subsection.
- The Borrower also shall pay to the Issuer the Issuer's reasonable administrative expenses in connection with the Series 2024 Bonds, and any other reasonable fees, costs and expenses incurred by the Issuer, its counsel or its financial advisor under the Indenture, this Senior Loan Agreement or any other Financing Document, as and when the same become due upon submission by the Issuer to the Borrower of a statement therefor. Without limiting the generality of the foregoing, the Borrower acknowledges that in the event of an examination, inquiry or related action by the Internal Revenue Service, SEC or any other Governmental Authority (having iurisdiction with respect to the Series 2024 Bonds or the Project) with respect to the Series 2024 Bonds or the exclusion of interest thereon from the gross income of the holders thereof for federal income tax purposes, the Issuer may be treated as the responsible party, and the Borrower agrees to respond promptly and thoroughly to the reasonable satisfaction of the Issuer, its counsel and its financial advisor to such examination, inquiry or related action on behalf of the Issuer, and shall pay all costs and expenses of the Issuer, its counsel and its financial advisor associated with such examination, inquiry or action, including without limitation, any and all costs, fees and expenses of the Issuer and its counsel. The Borrower shall indemnify and hold harmless the Issuer, its counsel and its financial advisor against any and all costs, losses, claims, penalties, damages or liability of or resulting from such examination, inquiry or related action by the Internal Revenue Service.

- (c) The Borrower also will pay the reasonable fees and expenses of the Trustee, including without limitation any fees or expenses incurred pursuant to Section 8.2(b) of the Indenture, and all other amounts which may be payable to the Trustee under the terms of the Indenture or in accordance with any contractual arrangement between the Borrower and the Trustee with respect thereto.
- (d) The Borrower also shall pay to the Trustee for deposit to the Series 2024 Rebate Fund any amounts necessary to comply with Section 148 of the Code and the Treasury Regulations as provided in the Federal Tax Certificate. The Borrower agrees that this obligation of the Borrower shall survive the payment in full of the Series 2024 Bonds or the refunding and defeasance of the Series 2024 Bonds pursuant to the provisions of Article 11 of the Indenture.
- (e) In the event that the Borrower should fail to make any of the payments required in Sections 4.01(c) or (d), the amount so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent provided under the Indenture or under the fee agreement between the Borrower and the Trustee or as permitted by law, from the date when such payment was due, at a rate per year equal to the highest yield on any Outstanding Series 2024 Bonds.
- (f) To the extent any moneys have been deposited by the Borrower, or on the Borrower's behalf, into any Account or subaccount of the Debt Service Fund for the purpose of paying interest on and principal of the Series 2024 Bonds when due, the Borrower's payment obligations pursuant this Section 4.01 with respect to the applicable Interest Payment, Principal Payment, or redemption of such Bonds will be deemed satisfied.

Section 4.02 Obligations of Borrower Unconditional.

The obligations of the Borrower to make the payments required in Section 4.01 hereof and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of (a) any breach by the Issuer or the Trustee of any obligation to the Borrower, whether hereunder or otherwise, or (b) any indebtedness or liability at any time owing to the Borrower by the Issuer or the Trustee, and, until such time as the Bond Obligations shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower (1) will not suspend or discontinue any payments provided for in Section 4.01 hereof, (2) will perform and observe all other agreements contained in this Senior Loan Agreement and the Security Documents and (3) except as otherwise provided herein, will not terminate this Senior Loan Agreement or any of the Security Documents for any cause, or any failure of the Issuer or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Senior Loan Agreement. Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained, and in the event the Issuer should fail to perform any such agreement on its part, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel performance so long as such action does not abrogate the obligations of the Borrower contained in the first sentence of this Section.

29

ARTICLE V PREPAYMENT AND REDEMPTION

Section 5.01 Prepayment and Redemption.

The Borrower shall have the option to prepay its obligations hereunder at the times and in the amounts as necessary to cause the Issuer to redeem the Series 2024 Bonds in accordance with the terms of the Indenture and the Series 2024 Bonds. The Issuer, at the request of the Borrower, if applicable, shall forthwith take all steps (other than the payment of funds necessary to effect such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the Outstanding Series 2024 Bonds, as may be specified by the Borrower and required by the Indenture, on the date established for such redemption. Upon any such redemption in full and payment of all amounts required by Article 11 of the Indenture, this Agreement shall terminate as provided in Section 9.01 hereof.

ARTICLE VI SPECIAL COVENANTS

Section 6.01 Maintenance of Existence.

Throughout the term of this Senior Loan Agreement, other than in connection with a transfer permitted pursuant to Section 6.15 of this Agreement, the Borrower shall maintain (a) its legal existence as a limited liability company, corporation or limited partnership, (b) its good standing and qualification to do business in the State and in every jurisdiction where such qualification is required by applicable law, except where the failure to so qualify would not reasonably be expected to have a Material Adverse Effect, and (c) all material rights, franchises, privileges and consents necessary for the maintenance of its existence and for the development, operation and maintenance of the portion of the Project in operation on the Closing Date, except to the extent the Borrower reasonably determines that the failure to maintain any such rights, franchises, privileges and consents would not reasonably be expected to result in a Material Adverse Effect.

Section 6.02 Operation and Maintenance of Project.

- (a) The Borrower shall operate and maintain the portion of the Project in operation on the Closing Date or such other date of determination (or cause the same to be operated and maintained) in good working order and condition (ordinary wear and tear excepted) and make all necessary repairs, renewals and replacements with respect thereto that are necessary, in each case, to permit the portion of the Project in operation on the Closing Date or such other date of determination to operate in accordance with Prudent Industry Practice, in compliance in all material respects with applicable laws and Governmental Approvals material to the conduct of its business and the terms of the Insurance required under Section 6.03 hereof, except to the extent that the failure to do any of the foregoing would not reasonably be expected to have a Material Adverse Effect.
- (b) Notwithstanding the foregoing or any other provision of this Agreement or any other Financing Document, unless a Rating Confirmation is obtained with respect thereto, (i) the Borrower shall not use Project Revenues or any of its other funds in excess of \$1,000,000 in any

Fiscal Year to finance the development, construction, operation or maintenance of (x) any extension of the Borrower's intercity passenger rail system beyond Orlando, or (y) any third-party commuter rail service on the corridor comprising the Project, (ii) the Borrower shall not use any Project Revenues or funds in any Project Account (other than the Capital Projects Account) on the Closing Date to finance (x) the development, construction, operation or maintenance of any extension of the Borrower's intercity passenger rail system beyond Orlando, (y) the development, construction, operation or maintenance of any third-party commuter rail service on the corridor comprising the Project or (z) the development or construction of any additional station beyond those stations in operation on the Closing Date, unless, in each case, such Project Revenues were transferred from the Capital Projects Account in accordance with the Collateral Agency Agreement, and (iii) the Borrower shall not use any Project Revenues or other funds to expand the scope of construction or operation of the Project in any manner that would materially change the nature of the Borrower's business as of the Closing Date.

Section 6.03 Insurance.

- (a) The Borrower shall maintain or shall require its contractors to maintain Insurance with insurers of acceptable financial strength (as determined by the Borrower in good faith), with such deductibles, covering such risks and otherwise on such terms and conditions as the Borrower reasonably determines is adequate and in accordance with Prudent Industry Practice (such coverage to include provisions waiving subrogation against the Issuer, the Trustee, the Collateral Agent and all other Secured Parties, except in the case of Insurance for professional liability or workers' compensation). Such policies, to the extent they are commercial general liability policies, shall name the Collateral Agent, on behalf of the Secured Parties, as additional insured, and to the extent they are casualty policies, as loss payee as its interests may appear (pending any existing contractual overrides). Each Insurance policy required to be obtained by the Borrower shall require the insurer or insurance broker to endeavor to provide at least thirty (30) days (or such shorter period, if any, as is available on a commercially reasonable basis) prior written notice of cancellation, termination or lapse in coverage by the insurer to the Trustee and the Collateral Agent.
- (b) The Borrower shall not take, or fail to take, any action that would result in any Insurance obtained by the Borrower lapsing, becoming cancelled or otherwise being rendered void, voidable or ineffective and shall not cancel or vary any policy of Insurance required to be maintained by it in either case unless (i) this Agreement requires or permits otherwise or (ii) such Insurance is (prior to its cessation) replaced by Insurance that satisfies the insurance requirements set forth in clause (a) above.
- (c) Promptly upon request by the Trustee or the Collateral Agent, the Borrower shall furnish the Trustee and the Collateral Agent with evidence that any such policy or certificate has been renewed or replaced in compliance with this Senior Loan Agreement or is no longer required by this Senior Loan Agreement.
- (d) No later than ninety (90) days after the end of every third (3rd) Fiscal Year of the Borrower, starting with the Fiscal Year ending December 31, 2025, the Borrower shall cause an independent insurance agent, provider or consultant qualified to survey risks and to recommend insurance coverage for facilities and organizations engaged in like operations, to deliver a report

to the Borrower, the Trustee and the Collateral Agent stating whether the Borrower is in compliance with the foregoing requirements as of the last day of such Fiscal Year and to make recommendations concerning insurance coverages maintained by the Borrower. The Borrower will promptly comply with the recommendations made in such report to the extent that the recommended coverage is available to the Borrower on commercially reasonable terms. The Borrower shall provide the Issuer with a copy of such report promptly upon the written request of the Issuer.

- In the event the Borrower shall fail to maintain, or cause to be maintained, the full Insurance coverage required by this Senior Loan Agreement, the Trustee or the Collateral Agent may (but shall be under no obligation to), after thirty (30) days written notice to the Borrower, contract for the required policies of Insurance and pay the premiums on the same; and the Borrower agrees to reimburse the Trustee and the Collateral Agent to the extent of the amounts so advanced by them or any of them with interest thereon at a rate per year equal to the highest yield on any Outstanding Series 2024 Bonds, from the date of advance to the date of reimbursement. In the event the Borrower shall fail to keep or cause to be kept the portion of the Project in operation on the Closing Date or such other date of determination in good repair and good operating condition (ordinary wear and tear excepted), the Issuer, the Trustee or the Collateral Agent may (but shall be under no obligation to), after thirty (30) days written notice to the Borrower (except in the event of an emergency or if necessary to preserve the Borrower's interest in any real estate), make any required repairs, renewals and replacements; provided, however, if any repairs, renewals or replacements are not susceptible of being completed within thirty (30) days, if the Borrower commences such repairs, renewals and replacements within such 30-day period and diligently prosecutes such actions to completion thereafter, the Trustee or the Collateral Agent will not be entitled to make such required repairs, renewals and replacements, unless such actions are necessary in an emergency or to preserve the Borrower's interest in any real estate and the Borrower agrees to reimburse the Trustee and the Collateral Agent to the extent of the amounts so advanced by them or any of them with interest thereon at a rate per year equal to the highest yield on any Outstanding Series 2024 Bonds, from the date of advance to the date of reimbursement. Any amounts so advanced by the Trustee or the Collateral Agent shall become an additional obligation of the Borrower, shall be payable on demand, and shall be deemed a part of the obligations of the Borrower.
- (f) The Borrower shall use commercially reasonable efforts to enforce the obligations of all providers of Insurance policies under the insurance policies issued to the Borrower or with respect to the Project as required pursuant to this Section 6.03.

Section 6.04 Accounts and Reporting.

(a) The Borrower shall keep proper records and books of accounts in which entries shall be made of its transactions in accordance with GAAP in all material respects. Such records and books shall, to the extent permitted by Law, be subject to the inspection of the Issuer, the Collateral Agent and the Trustee or their respective representatives upon reasonable notice and at reasonable times during business hours, <u>provided</u> that absent an Event of Default the Borrower shall not be responsible for the cost of any such inspection in excess of once each year. The Borrower will permit the Issuer, the Collateral Agent and the Trustee, upon prior reasonable notice and at reasonable times, to take copies and extracts from such books and records, and will from

time to time furnish, or cause to be furnished, to the Issuer, the Collateral Agent and the Trustee such information and statements as the Issuer, the Collateral Agent or the Trustee may reasonably request, all as may be reasonably necessary for the purpose of determining performance or observance by the Borrower of its obligations under this Senior Loan Agreement. Nothing in this paragraph shall require the Borrower to disclose trade secrets, violate confidentiality or non-disclosure agreements, violate applicable law or waive attorney-client privilege.

- (b) The Borrower agrees to promptly furnish to the Collateral Agent notice of any amendments or modifications to the Financing Documents and the Material Project Contracts.
- (c) The Borrower shall provide or cause to be provided to the Issuer, annually, commencing on December 1, 2024, and on each December 1 thereafter through and including December 1, 2030, a report setting forth the following information regarding job creation and economic development resulting from the Project: (i) number of new jobs created, and (ii) total salary of new employees, each with comparative information against projections previously provided to the Issuer (the "Performance Report"). The Performance Report will be solely for use by the Issuer.

Section 6.05 Project Accounts.

The Borrower shall establish and maintain each Fund or Account, including the Project Accounts and other accounts required from time to time by the Financing Documents and shall not maintain or permit to be maintained any other accounts other than (i) accounts used exclusively as payroll and payroll tax accounts, workers' compensation and other employee wage and benefit payment and trust accounts, (ii) any special purpose account which holds only cash or securities collateral that is subject to a Permitted Security Interest and (iii) as otherwise permitted or contemplated in the Collateral Agency Agreement, the Indenture, or the other Financing Documents.

Section 6.06 Compliance with Laws.

The Borrower shall comply with, and shall ensure that the Project is operated in compliance with, all applicable Laws and Governmental Approvals, including Environmental Laws, as and when required, except, in each case, for any failure to comply which would not reasonably be expected to have a Material Adverse Effect.

Section 6.07 Use of Proceeds: Tax Covenant.

- (a) <u>Use of Proceeds</u>. The Borrower shall use the proceeds of the Series 2024 Loan, together with other available funds, to finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of the Borrower and/or one or more of its Affiliates for prior expenditures for the Project), to fund certain reserves, if any, and to pay certain costs of issuance. No proceeds of the Series 2024 Loan shall be used outside of the respective jurisdictions of the Counties.
- (b) <u>Tax Covenant</u>. The Borrower covenants for the benefit of the Issuer and the Owners of the Series 2024 Bonds that it will not take any action or omit to take any action with respect to the Series 2024 Bonds, the proceeds thereof, any other funds of the Borrower or any of

the facilities financed with the proceeds of the Series 2024 Bonds if such action or omission would cause the interest on the Series 2024 Bonds to lose its excludability from gross income for federal income tax purposes under Section 103 of the Code. This paragraph (b) shall not apply to Taxable Bonds.

- (c) The Borrower further covenants, represents and warrants that the procedures set forth in the Federal Tax Certificate implementing the covenant in paragraph (a) shall be complied with to the extent necessary to comply with the covenant in paragraph (b).
- (d) The Borrower will apply a portion of the proceeds of the Series 2024 Bonds to refinance costs of the Project, but acknowledges and agrees that such proceeds shall only be used for such portions of the Project which are situated in the Counties. The Borrower may (i) only expend proceeds of the Series 2024 Bonds on portions of the Project that are located within the jurisdictional limits of the Counties; and (ii) not expend proceeds of the Series 2024 Bonds to acquire any building or facility that will be, during the term of the Series 2024 Bonds, used by, occupied by, leased to or paid for by any state, county or municipal agency or entity.

Section 6.08 Further Assurances and Corrective Instruments.

The Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intentions of this Senior Loan Agreement and the Indenture, including as may be reasonably necessary or desirable for establishing, maintaining, assuring, conveying, granting, assigning, securing, perfecting and confirming the pledge of the Trust Estate and the lien thereon as set forth in the Indenture and the Security Interests (whether now existing or hereafter arising) granted by or on behalf of the Borrower to the Collateral Agent for the benefit of the Secured Parties, pursuant to the Security Documents, or intended so to be granted pursuant to the Security Documents, or which the Borrower may become bound to grant, and the subject of each such Security Interest will comply with the requirements under the Financing Documents and the Borrower's representations and warranties in Section 2.02 hereof.

Section 6.09 Issuer and Borrower Representatives.

Whenever under the provisions of this Senior Loan Agreement the approval of the Issuer or the Borrower is required or the Issuer or the Borrower is required to take some action at the request of the other, such approval or such request shall be given for the Issuer or for the Borrower by their respective Responsible Officers and the Trustee and the Collateral Agent, as applicable, shall be permitted to rely on, and shall be protected in acting upon, such approval.

Section 6.10 Recording and Filing; Other Instruments.

The Borrower shall file and refile and record and re-record or shall cause to be filed and re-filed and re-filed and re-recorded all instruments required to be filed and re-filed and recorded or re-recorded and shall continue and perfect or cause to be continued and perfected the Security Interests created by the Indenture and the Security Documents of such instruments for so long as any of the Series 2024 Bonds shall be Outstanding. The Issuer shall, upon the prior written request of the Borrower, execute and deliver all instruments and shall furnish all information and evidence

deemed necessary or advisable in order to enable the Borrower to fulfill its obligations as provided in this Section 6.10 and the Security Documents.

Section 6.11 Approvals; Governmental Authorizations.

At all times, the Borrower shall obtain on a timely basis and thereafter maintain in full force and effect, or in the case of such permits as are required to be obtained by third parties, use reasonable efforts to cause such third parties to obtain and thereafter maintain in full force and effect, all Governmental Approvals necessary as and when necessary for the construction, use or operation of the portion of the Project in operation on the Closing Date or such other date of determination, as applicable, except where the failure to obtain or maintain any such Governmental Approval would not reasonably be expected to have a Material Adverse Effect.

Section 6.12 Taxes.

- (a) The Borrower shall pay as the same respectively become due, (i) all taxes, assessments, levies, claims and charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or the Borrower (including, without limiting the generality of the foregoing, any tax upon or with respect to the income or profits of the Borrower from the Project and that, if not paid, would become a charge on the payments to be made under this Senior Loan Agreement prior to or on a parity with the charge thereon created by the Indenture and the Security Documents and including ad valorem, sales and excise taxes, assessments and charges upon the Borrower's interest in the Project), (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by the Project, except, in the case of each of (i), (ii) and (iii) above, to the extent that any such taxes, assessments, levies, claims or other charges are being contested pursuant to Section 6.12(b) below or the failure to pay any such tax, assessment, levy, claim or other charge would not reasonably be expected to have a Material Adverse Effect.
- The Borrower may, at its expense, contest in good faith any such levy, tax, assessment, claim or other charge, but the Borrower may permit the items otherwise required to be paid under Section 6.12(a) to remain undischarged and unsatisfied during the period of such contest related to such items and any appeal therefrom only if the Borrower shall provide to the Trustee and the Collateral Agent an Opinion of Counsel to the Borrower (who may be in-house counsel to the Borrower) that by non-payment of any such items, the rights of the Trustee or the Collateral Agent with respect to this Senior Loan Agreement created by the assignment under the Indenture and the Security Documents, as to the rights assigned under this Senior Loan Agreement or any part of the payments to be made under this Senior Loan Agreement will not be materially endangered, nor will the Project or any part thereof or any of the Collateral be subject to loss or forfeiture. If the Borrower is unable to deliver such an Opinion of Counsel, the Borrower shall promptly pay or bond or cause to be satisfied or discharged all such unpaid items or furnish, at the expense of the Borrower, indemnity satisfactory to the Trustee and the Collateral Agent; but provided further, that any tax, assessment, charge, levy or claim shall be paid forthwith upon the commencement of proceedings to foreclose any lien securing the same. The Issuer, the Trustee and the Collateral Agent, at the expense of the Borrower, will cooperate fully in any such permitted contest.

- (c) If the Borrower shall fail to pay any of the items required to be paid by it pursuant to clause (a) above, the Issuer, the Collateral Agent or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Issuer, the Collateral Agent or the Trustee shall become an additional obligation of the Borrower to the one making the advancement of such amounts, together with interest thereon at a rate per year equal to the highest yield on any Outstanding Series 2024 Bonds, from the date of payment. The Borrower agrees to reimburse any such amounts on demand therefor.
- (d) The Borrower shall furnish the Collateral Agent and the Trustee, upon reasonable written request, with proof of payment of any taxes, governmental charges, utility charges, insurance premiums or other charges required to be paid by the Borrower under this Senior Loan Agreement or any other Financing Document.

Section 6.13 Special Purpose Entity.

The Borrower has observed from its date of formation (except as otherwise specified below) and shall, from and after the Closing Date, comply with the following requirements whereby the Borrower shall:

- (a) maintain its own separate books and records and maintain its own separate bank accounts from the date such bank accounts are established:
- (b) at all times hold itself out to the public and all other Persons as a legal entity separate from any other Person (except for services rendered under a management, service, operation or maintenance agreement with respect to the Project, any Capital Project or any other Permitted Activities, so long as the applicable party holds itself out as acting as an agent on behalf of the Borrower):
- (c) file its own tax returns (except to the extent that the Borrower (i) is treated as a
 "disregarded entity" for tax purposes and is not required to file tax returns under applicable law or
 (ii) files a consolidated federal income tax return with another Person as may be permitted by
 applicable law);
 - (d) not commingle its assets or funds with assets or funds of any other Person;
- (e) conduct its business in its own name or a trade name registered, licensed to or trademarked (or subject to an application for trademark) by the Borrower (except for services rendered under a management, service, operation or maintenance agreement, so long as the applicable party holds itself out as acting as an agent on behalf of the Borrower) and strictly comply with all organizational formalities necessary to maintain its separate existence;
- (f) maintain its financial statements separate from any other Person (including any Affiliate), and, from and after December 19, 2017, if the Borrower's financial statements are consolidated with financial statements of Affiliates, include a footnote within such consolidated financial statements to the effect that the Borrower is a separate legal entity and that its assets and credit are not available to satisfy the debts, claims or other obligations of such Affiliates or any other Person:

- (g) pay its own liabilities and expenses only out of its own funds (<u>provided</u> that there exists sufficient cash flow from the operation of the Project, any Capital Project or any other Permitted Activities to enable it to do so and, <u>provided further</u>, that no Person shall be required to make any direct or indirect additional capital contributions or loans to the Borrower);
- (h) maintain an arm's length relationship with its Affiliates and, except for capital contributions and capital distributions permitted under the terms and conditions of its Organizational Documents and properly reflected in its books and records, not enter into any transaction, contract or agreement with any general partner, member, shareholder, principal or Affiliate, except upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with unaffiliated third parties, in each case, as reasonably determined by the Borrower in good faith;
- (i) pay the salaries of its own employees and consultants, if any, only out of its own funds (provided that there exists sufficient cash flow from the operation of the Project, any Capital Project or any other Permitted Activities to enable it to do so and, provided further, that no Person shall be required to make any direct or indirect additional capital contributions or loans to the Borrower) and maintain (or contract with a management company for) a sufficient number of employees in light of its contemplated business operation;
- (j) from and after December 19, 2017, not hold out its credit or assets as being available to satisfy the obligations of any other Person;
- (k) allocate fairly and reasonably any overhead for any shared office space, services, property or assets;
- (l) use, to the extent reasonably necessary in the operation of its business, separate stationery, invoices, and checks bearing its own name or a trade name registered, licensed to or trademarked (or subject to an application for trademark) by the Borrower and not bearing the name of any other entity unless such entity is clearly designated as being the Borrower's agent;
- (m) from and after December 19, 2017, not pledge its assets or credit for the benefit of any Affiliate of the Borrower;
 - (n) correct any known misunderstanding regarding its separate identity;
- (o) intend to maintain adequate capital in light of its contemplated business purpose, transactions, and liabilities, <u>provided</u> that there exists sufficient cash flow from the operation of the Project, any Capital Project or any other Permitted Activities to enable it to do so and, <u>provided further</u>, that no Person shall be required to make any direct or indirect additional capital contributions or loans to the Borrower:
- (p) keep minutes of meetings of the Board of Directors of the Borrower and observe all other formalities necessary to maintain its separate existence, and the Borrower will not, nor will the Borrower permit any constituent party to amend, modify or otherwise change the Organizational Documents of the Borrower or such constituent party in any manner inconsistent with the covenants set forth in this Section 6.13:

- (q) from and after December 19, 2017, not acquire or hold any securities or evidence of indebtedness in any Affiliate or any other Person, other than Permitted Investments:
- (r) from and after December 19, 2017, not acquire or hold direct ownership interests in any Affiliate or any other Person that is not merged into the Borrower to the extent permitted pursuant to Section 6.15, other than DispatchCo;
- (s) cause its managers, officers, agents and other representatives to act at all times, with respect to the Borrower, consistently and in furtherance of the foregoing and in the best interests of the Borrower:
- (t) be a limited liability company or, to the extent permitted pursuant to Section 6.15, corporation or limited partnership organized in the State of Delaware or any other Permitted Jurisdiction that, from and after December 19, 2017, has (i) at least one (1) Independent Manager and has not caused or allowed and will not cause or allow the manager of such entity to take any voluntary Major Action unless the Independent Manager shall have participated in such vote and (ii) at least one springing member that will become the member of such entity upon the dissolution of the existing member;
- (u) (i) not enter into any line of business other than the acquisition, ownership, holding, marketing, operation, management, maintenance, repair, replacement, renovation, restoration, improvement, design, development, construction, financing and/or the refinancing of an intercity passenger rail system and other facilities and activities related, supplemental or incidental to any of the foregoing (collectively, the "Permitted Activities") or undertake or participate in activities other than the Permitted Activities or terminate such business for any reason whatsoever and (ii) from and after December 19, 2017, not acquire any property or assets not used or useful in Permitted Activities;
- (v) from and after December 19, 2017, not merge into or consolidate with any Person that is not merged into the Borrower to the extent permitted pursuant to Section 6.15, or, to the fullest extent permitted by law, dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets, in each case other than in connection with a transfer permitted pursuant to Section 6.15 of this Agreement, or change its legal structure (which for the avoidance of doubt, shall not be deemed to include changes in the legal structure of any direct or indirect member, partner or Affiliate of the Borrower, including through the addition or removal of entities in the legal structure for the purpose of forming or collapsing a holding entity structure, to the extent such changes are not otherwise prohibited by this Agreement);
- (w) once established, not permit any Affiliate or constituent party independent access to its bank accounts other than any manager acting pursuant to a management, service, operation or maintenance agreement, solely in its capacity as the Borrower's agent under such agreement, and solely for the legitimate business purposes of the Borrower;
- $(x) \qquad \text{not maintain its assets in such a manner that it will be costly or difficult to segregate,} \\ ascertain or identify its individual assets from those of any other Person;}$

- (y) not make any loans or advances to any Person (other than deposits, prepayments or advances to third parties in the ordinary course of business, including, without limitation, payments to contractors, subcontractors, suppliers or service providers in the ordinary course of business);
- (z) except with respect to (i) immaterial obligations guaranteed or indemnified by Affiliates in the ordinary course of business on or prior to December 19, 2017, and (ii) standard construction, completion and performance guarantees (including any such guarantees given in connection with performance, bid, appeal, removal and surety bonds) (hereinafter collectively, a "Completion Guaranty") that guaranty the lien-free completion of all construction work specifically described therein (the "Guaranteed Work") and the payment of all costs and expenses associated therewith, provided that (x) there is no general recourse to the completion guarantor for the repayment of any other indebtedness or the performance of any other obligation of the Borrower beyond the lien-free completion of the Guaranteed Work, (y) no lender is relying solely on the existence of such Completion Guaranty in extending credit to the Borrower (as reasonably determined by the Borrower in good faith), and (z) the Borrower has funds available to it (including available undrawn loan proceeds) equal to the estimated cost of the Guaranteed Work together with substantial equity in the relevant property at the time such credit is extended, not have any of its obligations guaranteed by an Affiliate; and
- (aa) to the fullest extent permitted by law, not seek or effect, or permit any constituent party to seek or effect, the liquidation, dissolution, winding up, liquidation, consolidation or merger, in whole or in part, of the Borrower into another entity or transfer all or substantially all of its assets.

Section 6.14 Organizational Documents. The Borrower shall comply with the terms and provisions of its Organizational Documents and shall not amend, alter, change or repeal the Special Purpose Provisions (as defined in the Fourth Amended and Restated Limited Liability Company Agreement of Brightline Trains Florida LLC, dated as of the Closing Date, by the Pledgor and the Independent Manager) in any material respect adverse to the Issuer or the Collateral Agent, or permit the Special Purpose Provisions to be amended, altered, changed or repealed, in any material respect adverse to the Issuer or the Collateral Agent, in each case, without the prior written consent of the Collateral Agent.

Section 6.15 Limitation on Fundamental Changes; Sale of Assets, Etc.

- (a) The Borrower shall not (i) merge, consolidate or amalgamate unless (A) the surviving entity is the Borrower, (B) the Borrower obtains an Opinion of Counsel as to the nonconsolidation of the Borrower with any one or more of its Affiliates under a bankruptcy proceeding after giving effect to such transaction, (C) a Rating Confirmation is obtained with respect thereto, and (D) such merger, consolidation or amalgamation is made in compliance with Section 6.13; or (ii) enter into any demerger, reconstruction, partnership, profit-sharing or any analogous arrangement.
- (b) The Borrower shall not (i) liquidate, dissolve or wind-up; (ii) convey, sell, lease, assign, transfer or otherwise dispose of all or substantially all of its property, business or assets, or (iii) take any action that would result in the liquidation, dissolution or winding-up of the Borrower.

(c) The Borrower shall not sell, assign or dispose of or direct the Collateral Agent, as applicable, to sell, assign or dispose of, any material assets of the Project in excess of \$15,000,000 per year except for Permitted Sales and Dispositions.

Notwithstanding the foregoing, the Borrower may merge, consolidate or amalgamate with another Person or convey, sell, assign, transfer or otherwise dispose of all or substantially all of its property, business or assets to another Person so long as (w) such Person (the "Successor Borrower") is an entity organized or existing under the laws of the State of Delaware or any other Permitted Jurisdiction, (x) the Successor Borrower expressly assumes all of the obligations of the Borrower under this Agreement and the other Financing Documents pursuant to documents and in a manner reasonably satisfactory to the Trustee and the Collateral Agent, (y) the Borrower obtains (i) a Rating Confirmation with respect thereto and (ii) an Opinion of Counsel as to the nonconsolidation of the Borrower with any one or more of its Affiliates under a bankruptcy proceeding after giving effect to the relevant transaction and (z) such transaction does not otherwise involve a Change of Control Triggering Event. If the foregoing conditions under clauses (w), (x), (y) and (z) are satisfied, the Successor Borrower shall become the "Borrower" hereunder and under each of the other Financing Documents and will succeed to, and be substituted for, the Borrower under this Agreement and the other Financing Documents.

Any assets sold or otherwise disposed of in a Permitted Sales and Disposition that constitutes a transfer of ownership of Collateral, shall be sold free and clear of the Security Interest in favor of the Collateral Agent, which Security Interest shall be automatically released upon the consummation of such sale or other disposition. The Collateral Agent and the Trustee shall deliver such documents and instruments as the Borrower may request, including any subordination and non-disturbance agreements and reciprocal easement agreements, to evidence such release (or, at the Borrower's request, subordination of the Collateral Agent's security interest).

Section 6.16 Limitation on Indebtedness.

The Borrower shall not create, incur or assume any Indebtedness other than Permitted Indebtedness

Section 6.17 Permitted Investments.

The Borrower shall not make or direct the Trustee or the Collateral Agent to make any investments of moneys credited to any of the Funds or Accounts other than Permitted Investments (as defined in the Indenture and the Collateral Agency Agreement, as applicable, as of the Closing Date) and under no circumstances shall the Trustee be required to make a determination as to whether an investment is a Permitted Investment (as defined in the Indenture and the Collateral Agency Agreement, as applicable, as of the Closing Date); provided that this Section 6.17 shall not prohibit or otherwise restrict the Borrower from (i) making, or directing the Collateral Agent or the Trustee to make, deposits, prepayments or advance payments in the ordinary course of business with funds withdrawn from any Fund or Account, including, without limitation, payments to contractors, subcontractors, vendors, suppliers or service providers in the ordinary course of business or (ii) acquiring any assets or property used or useful in the Project, any Capital Project or any other Permitted Activities, including by way of merger of any Person holding such assets

or property into the Borrower, with funds withdrawn from any Fund or Account, subject to compliance with the applicable requirements of Section 6.02, Section 6.13 and Section 6.15.

Section 6.18 Change in Name, Place of Business or Fiscal Year.

The Borrower shall not, at any time:

- (a) change its name, jurisdiction of formation, or principal place of business without giving the Trustee and the Collateral Agent prompt written notice thereof; or
- (b) change its Fiscal Year without prior notice sent to the Trustee and the Collateral Agent at least thirty (30) days prior to such change.

Section 6.19 Negative Pledge.

The Borrower shall not create, incur, assume or permit to exist any Security Interest on any property or asset, including its revenues (including accounts receivable) or rights in respect of any thereof, now owned or hereafter acquired by it, except Permitted Security Interests.

Section 6.20 Access to the Project.

The Borrower shall give the Trustee, the Collateral Agent and their respective consultants and representatives access to the portion of the Project in operation on the Closing Date or such other date of determination, at the sole cost of such Persons, at any reasonable time during regular business hours and as often as may reasonably be requested, and, upon reasonable prior notice to the Borrower, in each case during official business hours and in a manner that cannot reasonably be expected materially to interfere with or disrupt the performance by the Borrower or any other party of its obligations with respect to the construction and operation of the portion of the Project in operation on the Closing Date or such other date of determination, and permit the Trustee, the Collateral Agent and their respective consultants and representatives to discuss the portion of the Project in operation on the Closing Date or such other date of determination and the business, accounts, operations, properties and financial and other conditions of the Borrower with officers of the Borrower, subject to all applicable confidentiality undertakings. The Borrower shall offer all reasonable assistance to such Persons in connection with any such visit. Upon the occurrence and during the continuance of a Potential Event of Default or an Event of Default, if the Trustee or the Collateral Agent requests that any of its consultants or representatives be permitted to make such visit, the reasonable fees and expenses of the Trustee, the Collateral Agent and their respective consultants and representatives in connection with such visit shall be paid by the Borrower at its sole expense. Nothing in this section shall require the Borrower to disclose trade secrets, violate confidentiality or non-disclosure agreements, violate applicable law or waive attorney-client privilege.

Section 6.21 Nationally Recognized Rating Agencies.

(a) The Borrower shall use commercially reasonable efforts to maintain a rating of the Series 2024 Bonds from at least one Nationally Recognized Rating Agency and cooperate with each Nationally Recognized Rating Agency then rating the Series 2024 Bonds, if any, and, if

applicable, any Additional Parity Bonds, in connection with any review which may be undertaken by such Nationally Recognized Rating Agency.

- (b) The Borrower shall deliver to the Issuer and the Trustee copies of any reports or ratings on the Series 2024 Bonds and, if applicable, any Additional Parity Bonds, from any Nationally Recognized Rating Agency then rating the Series 2024 Bonds and, if applicable, any Additional Parity Bonds, if any.
- (c) The Borrower shall enter into and comply with reasonable and customary "ratings surveillance" agreements with each Nationally Recognized Rating Agency then rating the Series 2024 Bonds, if any, and, if applicable, any Additional Parity Bonds; provided, however, that this clause (c) shall not require the Borrower to maintain "ratings surveillance" agreements with more than two (2) Nationally Recognized Rating Agencies at any time.
- (d) The Borrower shall provide written notice of any Change of Control promptly after the occurrence thereof to each Nationally Recognized Rating Agency then rating the Series 2024 Bonds, if any.

Section 6.22 Continuing Disclosure. The Borrower hereby covenants and agrees to comply with the continuing disclosure requirements promulgated under Rule 15c2-12, as it may from time to time hereafter be amended or supplemented, in accordance with the provisions of the continuing disclosure undertaking delivered by the Borrower in connection with the issuance of the Series 2024 Bonds. Failure of the Borrower to comply with the requirements of Rule 15c2-12, as amended or supplemented, shall not be an Event of Default hereunder. The Borrower acknowledges and agrees that the Issuer shall have no liability with respect to these obligations.

Section 6.23 Material Project Contracts; Rolling Stock Leases.

- (a) The Borrower will perform all of its obligations and enforce all of its rights under each Material Project Contract, except to the extent that failure to perform its obligations or enforce such rights would not reasonably be expected to have a Material Adverse Effect. The Borrower shall not amend, waive, terminate or assign any Material Project Contract unless such amendment, waiver, termination or assignment would not reasonably be expected to have a Material Adverse Effect.
- (b) Other than with respect to the Stonebriar Lease, the Borrower shall not lease any Rolling Stock unless such lease (i) contains customary mortgagee protection language, (ii) is a triple net lease and (iii) has a lease term (taking into account all Borrower extension options) that extends to at least the maturity date of the Insured Series 2024 Bonds.
- (c) The Borrower shall not extend the term of the Stonebriar Lease or amend, supplement or otherwise modify the Stonebriar Lease to extend the term thereof unless, after giving effect to such extension, amendment, supplement or modification, the Stonebriar Lease would satisfy the requirements for any other Rolling Stock lease set forth in clause (b) above.
- (d) The Borrower will use its commercially reasonable efforts to cause the Stonebriar Lease to be amended, supplemented or otherwise modified within 90 days of the Closing Date to

permit an assignment of the Stonebriar Lease by the Borrower if an Event of Default has occurred and the Collateral Agent has been directed by the Required Secured Creditors to exercise remedies in respect thereof, subject to customary conditions.

Section 6.24 No Distributions: Limitation on Issuance of Equity Interests.

- The Borrower will not declare or pay dividends or make any distributions, except in accordance with the Flow of Funds set forth in the Collateral Agency Agreement; provided that this restriction shall not be deemed to preclude the Borrower from paying Project Costs, making any O&M Expenditures or distributing or otherwise conferring the benefits of the following to, directly or indirectly, Brightline Tampa: (i) any government grants provided to the Borrower for the purpose of developing or constructing the portion of the Project beyond the Orlando International Airport, (ii) contracts with architects, surveyors and consultants related to the design and development of the portion of the Project beyond the Orlando International Airport, (iii) the award of the Request for Proposal for Leasing of the Florida Department of Transportation and Central Florida Expressway Authority Rights of Way for an Intercity Passenger Rail System Between Orlando and Tampa, (iv) the shared non-exclusive use of access rights to and from the Orlando International Airport under the Amended and Restated Rail Line Easement Agreement, effective date of July 19, 2021, between the Borrower and the Greater Orlando Aviation Authority, and (v) such other non-cash assets similar to those described in the preceding clauses (i) through (iv) that are not needed for the purpose of operating or maintaining the portion of the Project from Miami to the Orlando International Airport.
- (b) The Borrower shall not issue any equity interests in the Borrower unless the recipient thereof becomes a party to the Senior Pledge Agreement with respect to such equity interests.
- Section 6.25 Hazardous Materials. The Borrower shall not cause any releases of Hazardous Materials at the Project site that would be reasonably likely to result in an environmental claim against the Borrower or the Project, other than those environmental claims that, individually or in the aggregate, would not be reasonably expected to result in a Material Adverse Effect.
- Section 6.26 Post-Closing Requirement. The Borrower shall take the actions set forth on Schedule 6.26 (the "Post-Closing Actions") within the time periods specified therein; provided that the failure to complete any Post-Closing Action by the applicable date specified in Schedule 6.26 shall not constitute an Event of Default or a Potential Event of Default under this Senior Loan Agreement so long as the Borrower is diligently pursuing the completion of such Post-Closing Action; provided further that, notwithstanding the previous proviso, it shall constitute an Event of Default if, as of the date that is 270 days after the Closing Date, Security Interests on substantially all of the assets of the Borrower on the Closing Date (other than Excluded Assets (as defined in the Senior Security Agreement) and other than immaterial real property interests not needed for the operation of the portion of the Project in operation on the Closing Date) have not been created and perfected in accordance with the Security Documents.

ARTICLE VII ASSIGNMENT: INDEMNIFICATION

Section 7.01 Assignment.

Except as expressly contemplated herein, in the Indenture and in the Security Documents, neither the Borrower nor the Issuer may assign its interest in this Senior Loan Agreement. In the event of any permitted assignment of its interest in this Senior Loan Agreement by the Issuer, the Issuer (solely for this purpose as a non-fiduciary agent on behalf of the Borrower) shall maintain or cause to be maintained a register for interests in this Senior Loan Agreement in which it shall register the issuance and transfer of such interests. All transfers of such interests shall be recorded on the register maintained by the Issuer or its agent, the register shall be conclusive absent manifest error, and the parties hereto shall regard the registered holder of such interests as the actual owner thereof for all purposes. To the extent that a particular permitted assignment by the Issuer is expressly identified in this Senior Loan Agreement or the Indenture, as the same may be amended, respectively, this Senior Loan Agreement or the Indenture may constitute a register for the purposes of this Section 7.01.

Section 7.02 Release and Indemnification Covenants.

- The Borrower shall and hereby agrees to indemnify, defend, hold harmless and save the Issuer, the Trustee, and the members, servants, officers, counsel to the Issuer, employees, advisors and other agents, now or hereafter, of the Issuer or the Trustee (each an "indemnified party") harmless against and from all claims, demands, suits, actions or proceedings whatsoever by or on behalf of any Person arising from or purporting to arise from this Senior Loan Agreement, the Indenture, the Series 2024 Bonds, the other Financing Documents, or the transactions contemplated thereby, including without limitation, (1) any condition of the Project or the Borrower's operation of the Project, (2) any breach or default on the part of the Borrower in the performance of any of its obligations under this Senior Loan Agreement, including, without limitation, the Borrower's payment obligations with respect to the Series 2024 Loan as set forth in Section 4.01 hereof, (3) any act or negligence of the Borrower or of any of its agents, contractors, servants, employees or licensees. (4) any act or negligence of any assignee or lessee of the Borrower, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Borrower, or (5) the Issuer's authorization, approval or execution of the Series 2024 Bonds, the Financing Documents or any other documents, opinions, certificates or agreements executed in connection with the transactions contemplated by this Senior Loan Agreement, the Indenture, the Series 2024 Bonds or the transactions contemplated thereby and the Trustee's execution and administration of the Indenture. The Borrower shall indemnify and save the Issuer, the Trustee, and the members, servants, officers, counsel to the Issuer, employees, advisors and other agents, now or hereafter, of the Issuer or the Trustee harmless from any such claim, demand, suit, action or other proceeding whatsoever arising as aforesaid and upon notice from the Issuer or the Trustee, the Borrower shall defend such parties, as applicable, in any such action or proceeding.
- (b) The Issuer and the Trustee, each separately agree that, upon the receipt of notice of the commencement of any action against the Issuer or the Trustee or their respective members, servants, officers, counsel to the Issuer, employees, advisors and other agents, now or hereafter, as applicable, or any Person controlling it as aforesaid, in respect of which indemnity, costs, expenses

43

or defense may be sought on account of any agreement contained herein, the Issuer or the Trustee, as applicable, will promptly give written notice of the commencement thereof to the Borrower, but the failure so to notify the Borrower of any such action shall not relieve the Borrower from any liability hereunder to the extent it is not materially prejudiced as a result of such failure to notify and in any event shall not relieve it from any liability which it may have to the indemnified party otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, the Borrower shall be entitled to participate at its own expense in the defense or, if it so elects, to assume the defense of such action, in which event such defense shall be conducted by counsel chosen by the Borrower and reasonably satisfactory to the indemnified party or parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the Borrower shall elect not to assume the defense of such action, the Borrower will reimburse such indemnified party or parties for the reasonable fees and expenses of any counsel retained by them; provided, however, if the defendants in any such action (including impleaded parties) include both the indemnified party and the Borrower and counsel for the Borrower shall have reasonably concluded that there may be a conflict of interest involved in the representation by a single counsel of both the Borrower and the indemnified parties, the indemnified party or parties shall have the right to select separate counsel, at the Borrower's expense and satisfactory to the Borrower, to participate in the defense of such action on behalf of such indemnified party or parties (it being understood, however, that the Borrower shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) representing the indemnified parties who are parties to such action).

- (c) Without the consent of the Borrower neither the Trustee nor the Issuer shall settle, compromise or consent to the entry of any judgment in any claim in respect of which indemnification may be sought under the indemnification provision of this Senior Loan Agreement, unless such settlement, compromise or consent (1) includes an unconditional release of such other applicable party from all liability arising out of such claim and (2) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such other applicable party.
- (d) Notwithstanding anything to the contrary contained herein, the Borrower shall have no liability to indemnify the Trustee against claims or damages resulting from such parties' own gross negligence or willful misconduct, or the Issuer against claims or damages resulting from such parties' own willful misconduct.
- (e) The indemnification obligation of the Borrower under this Section 7.02 shall survive the termination of this Senior Loan Agreement and the Indenture or the resignation or removal of the Trustee.

ARTICLE VIII EVENTS OF DEFAULTS AND REMEDIES

Section 8.01 Events of Default Defined.

Any one or more of the following events shall constitute "Events of Default" under this Senior Loan Agreement:

- (a) Failure by the Borrower to pay any amount required to be paid under Section 4.01(a) hereof (or under any Additional Parity Bonds Loan Agreement with respect to debt service on any Additional Parity Bonds Loan); or failure by the Borrower to pay any other amount required to be paid hereunder (or under any Additional Parity Bonds Loan Agreement), which failure is not remedied within ten (10) days after notice in writing thereof is given by the Issuer or the Trustee to the Borrower:
- (b) Failure by the Borrower to observe and perform in any material respect any covenant, condition or agreement on its part to be observed or performed under this Senior Loan Agreement, the Indenture or any other Financing Document, other than as covered by another provision of this Section 8.01 and other than failure to observe or perform the covenants set forth in Section 6.22 and the Continuing Disclosure Agreement, and such non-compliance shall remain unremedied for a period of sixty (60) days after the earlier of (1) written notice specifying such failure shall have been given to the Trustee by the Borrower, or (2) written notice specifying such failure and requesting that it be remedied shall have been given to the Borrower by the Trustee or the Issuer, or such longer period as is reasonably necessary under the circumstances to remedy such failure, such extension not to exceed one hundred twenty (120) days without prior written approval by the Trustee acting at the direction of the Majority Holders delivered by the Trustee pursuant to Section 10.3 of the Indenture;
 - (c) The occurrence of a Bankruptcy Event with respect to the Borrower;
- (d) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to any Financing Document, including this Senior Loan Agreement, shall prove to have been incorrect when made and a Material Adverse Effect would reasonably be expected to result therefrom, unless such misrepresentation is capable of being cured and is cured within thirty (30) days after the Borrower's receipt of written notice from the Trustee of such misrepresentation;
- (e) An "Event of Default" occurs under Section 7.1(a) or 7.1(b) of the Indenture or any payment default occurs under any agreement or instrument involving any other Senior Indebtedness having a principal amount in excess of \$100,000,000 (such amount to be adjusted annually by an increase in the Consumer Price Index) (after giving effect to any applicable grace periods and any extensions thereof);
- (f) An "Event of Default" occurs under Section 7.1 of the Indenture or an event of default occurs under any agreement or instrument governing any other Senior Indebtedness with a principal amount in excess of \$100,000,000 (such amount to be adjusted annually by the increase in the Consumer Price Index from the prior year), in each case other than as described in clause (e) immediately above, beyond the grace period, if any, provided, but only where such Event of Default under Section 7.1 of the Indenture results in an acceleration of the Bonds then Outstanding under the Indenture or such event of default in respect of other Senior Indebtedness results in the holder or holders of such other Senior Indebtedness to become due prior to its stated maturity;
- (g) A non-appealable final judgment (to the extent such judgment is not paid or covered by insurance), which judgment in combination with all other such judgments is for an amount in excess of 100,000,000 (such amount to be adjusted annually by the increase in the Consumer

45

Price Index from the prior year), shall have been entered against the Borrower and, in the event such judgment is not covered by insurance, the same shall remain unsatisfied without any procurement of a stay of execution for a period of sixty (60) consecutive days after such judgment has become final:

- (h) Any Security Document ceases, except in accordance with its terms or as expressly permitted under the Financing Documents, to be effective to grant a perfected Security Interest on any portion of the Collateral exceeding \$100,000,000 in fair market value, other than as a result of actions or failure to act by the Trustee, the Collateral Agent or any other Secured Party:
 - (i) The Borrower fails to comply with its obligations under Section 6.01;
- (j) Any Insurance required under Section 6.03 and the other Financing Documents is not, or ceases to be, in full force and effect at any time when it is required to be in effect and such failure continues for a period of ten (10) Business Days, unless such insurance is replaced by insurance on substantially similar terms or other terms permitted by Section 6.03 and as evidenced by a certificate from a nationally recognized insurance broker confirming the same, which shall be sent to the Issuer and the Trustee:
- (k) An ERISA Event has occurred which, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect:
- (I) Any Material Project Contract is terminated or otherwise no longer remains in full force and effect, if the effect of such termination or failure to be in full force and effect would reasonably be expected to have a Material Adverse Effect, and such Material Project Contract is not reinstated or replaced within sixty (60) days of such termination or failure to be in full force and effect with a contract sufficient to cause the effect of the termination or failure to be in full force and effect of the original Material Project Contract to no longer reasonably be expected to have a Material Adverse Effect taking into account such reinstatement or replacement; or
 - (m) Any event that constitutes a Change of Control Triggering Event has occurred.

Section 8.02 Remedies on Event of Default.

Whenever any Event of Default hereunder shall have occurred and be continuing, the Trustee shall have the right to, in conjunction with its available remedies under the Indenture, take one or any combination of the following remedial steps, by notice to the Borrower and the Collateral Agent, in each case, subject to the terms of the Collateral Agency Agreement:

(a) Declare that all or any part of any amount outstanding under this Senior Loan Agreement is (1) immediately due and payable, and/or (2) payable on demand by the Trustee, and any such notice shall take effect in accordance with its terms but only if all amounts payable with respect to the Outstanding Bonds are being accelerated pursuant to Section 7.2(c) of the Indenture, or if all of the Outstanding Bonds are being defeased pursuant to Article 11 of the Indenture or otherwise paid in full; provided that, upon the occurrence of an Event of Default under Section 8.01(c), all principal of, and accrued interest on the Series 2024 Loan or any Additional Parity

Bonds Loan shall be immediately due and payable without any presentment, demand or notice from any Person:

- (b) Pursuant to the terms of any Security Document, direct the Collateral Agent or other applicable Secured Party to take or cause to be taken any and all actions necessary to implement any available remedies with respect to the Collateral under any of the Security Documents;
- (c) Have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower during regular business hours of the Borrower and following prior reasonable notice; or
- (d) Take on behalf of the Owners whatever other action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligations, agreement or covenant of the Borrower under this Senior Loan Agreement or the rights of the Owners.

Any amounts collected pursuant to action taken under this Section and the Security Documents paid to the Trustee shall be applied in accordance with Section 7.3 of the Indenture.

Any rights and remedies as are given to the Issuer under this Senior Loan Agreement will also extend to the Owners of the Bonds, and the Trustee, subject to the provisions of the Indenture, will be entitled to the benefit of all covenants and agreements contained in this Senior Loan Agreement, subject to the terms of the Security Documents.

In case proceedings shall be pending for the bankruptcy or for the reorganization of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower or in the case of any other similar judicial proceedings relative to the Borrower, or the creditors or property of the Borrower, then the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Agreement and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its reasonable charges and expenses to the extent permitted by the Indenture. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for reasonable compensation and expenses, including reasonable expenses and fees of counsel incurred by it up to the date of such distribution.

Section 8.03 Rescission and Waiver.

- (a) The Trustee shall rescind any acceleration and its consequences immediately after the acceleration of the Bonds has been rescinded in accordance with the Indenture.
- (b) The Trustee shall waive any Event of Default immediately after any such Event of Default has been waived in accordance with the Indenture.

47

- (c) The Trustee shall have the right to, but shall be under no obligation to (except with respect to clauses (a) and (b) of this Section 8.03), waive any other Event of Default at any time.
- (d) In case of any such waiver or rescission, then and in every such case the Issuer, the Trustee and the Borrower shall be restored to their former positions and rights, but no such waiver shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 8.04 No Remedy Exclusive.

Subject to Section 7.2 of the Indenture, no remedy hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Senior Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required by law or in this Article. Any such rights and remedies as are given to the Issuer hereunder shall also extend to the Owners of the Bonds, and the Trustee, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained, subject to the terms of the Security Documents.

Section 8.05 Agreement to Pay Attorneys' Fees and Expenses.

Following the occurrence and during the continuance of an Event of Default, if the Issuer shall employ attorneys or financial advisors or incur other expenses for the collection of payments required hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it will within thirty (30) days of request therefor pay to the Issuer the reasonable fees of such attorneys and such other reasonable and documented expenses so incurred by the Issuer in connection with the same. This Section shall continue in full force and effect, notwithstanding the full payment of all obligations under this Agreement or the termination of this Agreement for any reason.

Following the occurrence and during the continuance of an Event of Default, the Trustee may, at the Borrower's reasonable and documented costs and expense, employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its rights and duties hereunder and, in the absence of the Trustee's gross negligence, bad faith or willful misconduct in employing or retaining any such counsel, accountants, appraisers, experts or advisors, may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by the Borrower or by the Trustee, in relation to any matter arising in the administration hereof, and shall not be responsible for any act or omission on the part of any of them. In addition, the Trustee shall not be liable for any acts or omissions of its nominees, correspondents, designees, agents, subagents or subcustodians appointed with due care.

Section 8.06 No Additional Waiver Implied by One Waiver.

49

In the event any agreement contained in this Senior Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX MISCELLANEOUS

Section 9.01 Term of Agreement.

Except to the extent otherwise provided herein, this Senior Loan Agreement shall be effective upon its execution and delivery and shall expire at such time as all of the Bond Obligations and the fees and expenses of the Issuer and the Trustee shall have been fully paid or provision made for such payments, whichever is later; provided, however, that this Senior Loan Agreement (or any Additional Parity Bonds Loan Agreement) may be terminated prior to such date pursuant to Article V of this Senior Loan Agreement (or pursuant to the prepayment and redemption provisions of any such Additional Parity Bonds Loan Agreement) and Article 11 of the Indenture, but in no event before all of the obligations and duties of the Borrower hereunder (or under any Additional Parity Bonds Loan Agreement, as the case may be) have been fully performed, including, without limitation, the payments of all costs and fees mandated hereunder or under any other Financing Document to which the Borrower is a party; provided further, however, that the indemnity obligation of the Borrower under Section 7.02 (and under any Additional Parity Bonds Loan Agreement) and the payment obligations of the Borrower under Section 4.01(b), (c) and (d) hereof (and corresponding provisions of any Additional Parity Bonds Loan Agreement) shall survive the termination of this Senior Loan Agreement and any Additional Parity Bonds Loan Agreement.

Section 9.02 Notices.

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

Issuer: Florida Development Finance Corporation

156 Tuskawilla Road, Suite 2340 Winter Springs, FL 32708 Attention: Executive Director Telephone: (407) 712-6355 Facsimile: (407) 369-4260 with a copy to: Nelson Mullins Riley & Scarborough LLP

390 North Orange Avenue

Suite 1400

Orlando, FL 32801

Attention: Joseph B. Stanton Telephone: (407) 839-4210 Facsimile: (407) 425-8377

E-Mail: joseph.stanton@nelsonmullins.com

Trustee: Deutsche Bank National Trust Company

Trust and Agency Services 1 Columbus Circle, 17th Floor Mail Stop NYC01-1710 New York, New York 10019

Attention: Corporates Team, Florida Development Finance

Corporation, SF# AA5977 Facsimile: 732-578-4635

Borrower: Brightline Trains Florida LLC

350 NW 1st Avenue, Suite 200

Miami, Florida 33128

Jeffrey C. Swiatek, Chief Financial Officer

Telephone: (305) 521-4899

E-mail: Jeff.Swiatek@gobrightline.com

with a copy to: Cynthia Bergmann, General Counsel

Telephone: (305) 521-4875

E-mail: Cynthia.Bergmann@gobrightline.com

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

Section 9.03 Binding Effect.

This Senior Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee and the Owners of Series 2024 Bonds, and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 9.04 Severability.

In the event any provision of this Senior Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

51

Section 9.05 Amendments, Changes and Modifications.

Subsequent to the issuance of Series 2024 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Senior Loan Agreement may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture.

Section 9.06 Execution in Counterparts.

This Senior Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.07 No Pecuniary Liability of the Issuer.

No provision, covenant or agreement contained in this Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness or liability of the Issuer within the meaning of any State constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or any member, officer, director, employee or agent of the Issuer or a charge against the Issuer's general credit. In making the Series 2024 Loan, the Issuer has not obligated itself except and solely to the extent provided in the Indenture.

Section 9.08 Applicable Law.

This Senior Loan Agreement shall be governed by and construed in accordance with the applicable laws of the State. To the extent allowed by law, the Borrower hereby submits itself to jurisdiction in the State for any action or cause of action arising out of or in connection with the Financing Documents, agrees that venue for any such action shall be in Orange County, Florida, and waives any and all rights under the laws of any state to object to jurisdiction or venue within Orange County, Florida.

Section 9.09 Captions.

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

Section 9.10 Limitation of Liability.

(a) No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee, member or agent of the Issuer or the Borrower in his or her individual capacity, and no such director, officer, employee, member or agent thereof shall be subject to any liability under this Senior Loan Agreement or with respect to any other action taken by such person (other than with respect to any action taken by the Pledgor under the Senior Pledge Agreement).

- (b) Except as otherwise expressly set forth in the Financing Documents, the Secured Parties will have full recourse to the Borrower and all of its assets and properties for the liabilities and obligations of the Borrower under the Financing Documents, but in no event will any Affiliates of the Borrower, or any officer, director, member or holder of any interest in the Borrower or any Affiliates of the Borrower, be liable or obligated for such liabilities and obligations of the Borrower other than to the extent arising directly as a result of any pledge of an ownership interest in the Borrower by any owner of such interest.
- (c) Notwithstanding anything in subsection (b) of this Section, nothing in said subsection (b) shall limit or affect or be construed to limit or affect the obligations and liabilities of any Affiliate of the Borrower (1) arising under any Financing Document to which such Affiliate of the Borrower is a party, or (2) arising from any liability pursuant to any applicable law for such Affiliate of the Borrower's fraudulent actions, bad faith or willful misconduct.
- (d) Except for such claims or actions arising directly from the gross negligence, bad faith or willful misconduct of the Issuer, the Issuer shall not be liable to any Person for any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of the Issuer's actions and conduct as authorized, empowered and directed hereunder or relating to the discharge, release or threatened release of hazardous materials into the environment.

Section 9.11 Parties Interested Herein.

Except as otherwise expressly provided in this Agreement, this Agreement shall be for the sole and exclusive benefit of the Issuer and the Borrower, and their respective successors and assigns. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Issuer and the Borrower, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any terms hereof. To the extent that this Agreement or the Indenture confers upon or gives or grants to the Collateral Agent, the Trustee or the Owners any right, remedy or claim under or by reason of this Agreement or the Indenture, the Collateral Agent, the Trustee and the Owners are hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder or under the Indenture.

ARTICLE X BOND INSURER PROVISIONS

Section 10.01 Definitions.

As used in this Agreement, the terms "Bond Insurer" and "Insured Series 2024 Bonds" shall have the meanings ascribed thereto in the Indenture, the term "Secured Parties" shall include the Bond Insurer and the term "Bond Obligations" shall include premium, reimbursements and all other amounts owed to the Bond Insurer under any of the Financing Documents.

Section 10.02 Bond Insurer as Third-Party Beneficiary.

To the extent that this Agreement confers upon or gives or grants to the Bond Insurer any right, remedy or claim pursuant to this Article X, the Bond Insurer is intended to be and is hereby

explicitly recognized as being a third-party beneficiary of such right, remedy or claim and may enforce any right, remedy or claim conferred, given or granted hereunder or thereunder.

Section 10.03 Payment of Bond Insurer Reimbursement Amounts and Premium.

The Borrower agrees to pay, or cause to be paid, to the Insurer (i) any Insurer Reimbursement Amounts as provided in Section 14.3(d) of the Indenture and (ii) the Bond Insurer Premium as provided in Section 14.10 of the Indenture.

Section 10.04 Payment of Bond Insurer Costs and Expenses.

The Borrower shall pay or reimburse, or cause to be paid or reimbursed, the Bond Insurer for any and all documented charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights under the Indenture, the Collateral Agency Agreement, this Agreement or any other Financing Document, (ii) the pursuit of any remedies under the Indenture, the Collateral Agency Agreement, this Agreement or any other Financing Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture, the Collateral Agency Agreement, this Agreement or any other Financing Document, whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or the transactions contemplated thereby initiated by third parties, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture, the Collateral Agency Agreement, this Agreement or any other Financing Document.

Section 10.05 Amendments.

Any amendment, supplement, modification to, or waiver of, this Agreement or any Financing Document that requires the consent of the Owners of the Insured Series 2024 Bonds or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer. In determining whether any amendment, supplement, modification, waiver, consent, or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Insured Series 2024 Bonds or the rights of the related Owners, the Trustee shall consider the effect of any such amendment, supplement, modification, waiver, consent, or other action or inaction as if there were no Bond Insurance Policy.

Section 10.06 Provision of Information.

- (a) The Borrower shall deliver, or cause to be delivered, to the Bond Insurer, unless published on EMMA:
 - (i) copies of all financial statements, reports, notices, certificates and other information and communications that the Borrower is required to deliver to the Trustee, the Collateral Agent or the Issuer pursuant to Article VI hereof concurrently with providing such information to the Trustee, the Collateral Agent or the Issuer, as applicable (the Borrower acknowledges that in each instance where the Trustee, Collateral Agent or

Issuer can request information under Article VI, the Bond Insurer shall equally have the right to make any such request);

- (ii) copies of the information that the Trustee or the Collateral Agent is required to furnish or forward to the Borrower under the Financing Documents promptly after such information is furnished or forwarded under the Financing Documents;
- (iii) copies of all documents evidencing or memorializing any amendment, supplement or waiver to any of the Financing Documents or Material Project Contracts and all certificates and instruments delivered to the Trustee or the Collateral Agent in connection therewith within 30 days of the execution of such documents;
- (iv) copies of certificates of insurance evidencing the renewal of any insurance required by this Agreement promptly upon request from the Insurer or after such certificates are furnished to the Trustee or the Collateral Agent pursuant to this Agreement;
- (v) annually, and together with the Borrower's annual financial statements, the balances (together with reasonably detailed supporting documentation if requested by the Insurer) of each of the Major Maintenance Reserve Account, the Rolling Stock Reserve Account, the Ramp-Up Reserve Account and the Project Reserve Account;
- (vi) copies of each Senior Distribution Release Certificate and Senior Subordinated Distribution Release Certificate within 10 Business Days of issuance; and
- (vii) monthly for the first 36 months from the date of issuance of the 2024 Bonds and thereafter upon written request of the Bond Insurer, a monthly ridership passenger, fare and revenue report, substantially in the form posted on EMMA as of the Closing Date or otherwise presented in reasonable detail.
- (b) The Borrower shall notify the Bond Insurer within 10 Business Days:
- ${\rm (i)} \qquad {\rm of \ any \ amounts \ are \ transferred \ to \ or \ from \ the \ Distribution \ Account;}$ and
- ${\rm (ii)} \qquad {\rm if} \ {\rm it} \ {\rm submits} \ {\rm any} \ {\rm application} \ {\rm to} \ {\rm a} \ {\rm Nationally} \ {\rm Recognized} \ {\rm Rating} \ {\rm Agency} \ {\rm for} \ {\rm a} \ {\rm Rating} \ {\rm Confirmation}.$
- (c) The Borrower shall provide the Bond Insurer with any information reasonably requested by the Bond Insurer regarding the security for the Insured Series 2024 Bonds.

Section 10.07 Access and Information.

At the Bond Insurer's reasonable request, the Borrower shall give the Bond Insurer and its consultants and representatives access to the portion of the Project in operation on the Closing Date or such other date of determination and its books and records, and shall permit the Bond Insurer to take copies and extracts from such books and records, with the Bond Insurer being responsible for any expenses of the Bond Insurer incurred in connection therewith, at any reasonable time during regular business hours and as often as may reasonably be requested, and,

upon reasonable prior notice to the Borrower, in each case during official business hours and in a manner that cannot reasonably be expected materially to interfere with or disrupt the performance by the Borrower or any other party of its obligations with respect to the construction and operation of the portion of the Project in operation on the Closing Date or such other date of determination, and permit the Bond Insurer and its consultants and representatives to discuss the portion of the Project in operation on the Closing Date or such other date of determination and the business, accounts, operations, properties and financial and other conditions of the Borrower with officers of the Borrower, subject to all applicable confidentiality undertakings. The Borrower shall offer all reasonable assistance to such Persons in connection with any such visit. Upon the occurrence and during the continuance of a Potential Event of Default or an Event of Default, if the Bond Insurer requests that any of its consultants or representatives be permitted to make such visit, the reasonable fees and expenses of the Trustee, the Collateral Agent and its consultants and representatives in connection with such visit shall be paid by the Borrower at its sole expense. Nothing in this section shall require the Borrower to disclose trade secrets, violate confidentiality or non-disclosure agreements, violate applicable law or waive attorney-client privilege.

Section 10.08 Applicability of Article X.

The provisions of this Article X shall govern notwithstanding anything to the contrary in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Senior Loan Agreement to be executed in their respective corporate names all as of the date first above written.

	FLORIDA DEVELOPMENT FINANCE CORPORATION	
	By: Executive Director	
[SEAL]		
ATTEST:		
Assistant Secretary		
	BRIGHTLINE TRAINS FLORIDA LLC	
	By: Name:	[THIS PAGE INTENTIONALLY LEFT BLAN
	Title:	



APPENDIX G

FORM OF COLLATERAL AGENCY, INTERCREDITOR AND ACCOUNTS AGREEMENT



COLLATERAL AGENCY, INTERCREDITOR AND ACCOUNTS AGREEMENT

dated as of May 9, 2024

by and among

BRIGHTLINE TRAINS FLORIDA LLC,

as the Borrower

DEUTSCHE BANK NATIONAL TRUST COMPANY,

as the Senior Secured Bonds Trustee

DEUTSCHE BANK NATIONAL TRUST COMPANY,

as the Collateral Agent

each other SECURED PARTY from time to time party hereto

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,

as the Account Bank

TABLE OF CONTENTS

		Page
ARTICLE I DELIVERY	OF FINANCING DOCUMENTS	2
ARTICLE II THE COL	LATERAL AGENT	2
Section 2.01	Appointment	2
Section 2.02	Duties and Responsibilities	
Section 2.03	Authorization	
Section 2.04	Administrative Actions	4
Section 2.05	Determination of Amounts and Secured Obligations	5
Section 2.06	Employment of Agents	6
Section 2.07	Reliance of Collateral Agent	6
Section 2.08	Non-Reliance on Collateral Agent	7
Section 2.09	Collateral Agent in Individual Capacity	7
Section 2.10	Collateral Agent Under No Obligation	7
Section 2.11	Resignation and Removal; Successor Collateral Agent; Individual Collateral Agent	8
Section 2.12	Books and Records; Reports	9
Section 2.13	Authorization of Collateral Agent to Recover Compensation, Fees and Expenses	9
Section 2.14	No Consequential Damages	10
Section 2.15	Force Majeure	10
Section 2.16	Additional Protections	10
Section 2.17	No Liability for Clean-up of Hazardous Materials	10
Section 2.18	Merger of the Collateral Agent	11
Section 2.19	Transfer to an Affiliate	11
Section 2.20	Subordination of Lien; Waiver of Set-Off	11
Section 2.21	Other Bank and Securities Accounts; Account Changes	11
Section 2.22	No Other Agreements	12
Section 2.23	Notice of Adverse Claims	12
ARTICLE III BORROV	VER REMAINS LIABLE	12
ARTICLE IV REASON	ABLE CARE	12
ARTICLE V THE PRO	JECT ACCOUNTS	13

Brightline Trains Florida (Project Owner)

	Section 5.01	Establishment of Project Accounts	13
	Section 5.02	Revenue Account	15
	Section 5.03	Loss Proceeds Account	22
	Section 5.04	Rolling Stock Reserve Account	23
	Section 5.05	Debt Service Reserve Account	24
	Section 5.06	Major Maintenance Reserve Account	27
	Section 5.07	Project Reserve Account	28
	Section 5.08	Ramp-Up Reserve Account	29
	Section 5.09	Mandatory Prepayment Account	30
	Section 5.10	Distribution Account	31
	Section 5.11	Equity Lock-Up Account	32
	Section 5.12	Capital Projects Account	32
	Section 5.13	Operating Accounts and Equity Funded Account	33
	Section 5.14	Funds as Collateral	34
	Section 5.15	Investment	34
	Section 5.16	Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Secured Obligation Event of Default	36
	Section 5.17	Termination of Project Accounts	37
	Section 5.18	Securities Intermediary	37
	Section 5.19	Account Bank	39
	Section 5.20	Change or Addition of Deposit Account Bank	39
	Section 5.21	Inadequately Identified Amounts	40
	Section 5.22	Tax Reporting	40
ARTI	CLE VI CERTAIN	INTERCREDITOR MATTERS	41
	Section 6.01	Relative Priorities	41
	Section 6.02	No Interference	43
	Section 6.03	Purchase Option	44
ARTI		G; ADDITIONAL SECURED PARTIES; PROVISIONS TED TO PERMITTED SWAP AGREEMENTS	46
	Section 7.01	Basic Agreement	46
	Section 7.02	Payments Received by Certain Secured Parties	46
	Section 7.03	Amounts Not Subject to Sharing	46
	Section 7.04	Presumption Regarding Payments	47

Brightline Trains Florida (Project Owner)

Section 7.05	No Separate Security	47
Section 7.06	Additional Secured Parties	47
Section 7.07	Secured Party Lists	48
Section 7.08	Mortgage Amendments and Additional Mortgages	48
Section 7.09	Additional Provisions Related to Permitted Swap Agreements	49
ARTICLE VIII DECISI	ON MAKING; VOTING; NOTICE AND PROCEDURES	51
Section 8.01	Decision Making	51
Section 8.02	Intercreditor Votes: Each Party's Entitlement to Vote	51
Section 8.03	Intercreditor Votes: Votes Allocated to Each Party	52
Section 8.04	Notification of Matters	52
Section 8.05	Notice of Amounts Owed	53
ARTICLE IX COLLAT	ERAL AND REMEDIES	53
Section 9.01	Administration of Collateral	53
Section 9.02	Notice of Secured Obligation Event of Default	53
Section 9.03	Enforcement of Remedies	54
Section 9.04	Reliance on Information	55
Section 9.05	Allocation of Collateral Proceeds	55
Section 9.06	Remedies of the Secured Parties	56
Section 9.07	Secured Party Information	56
Section 9.08	Application of Proceeds	56
ARTICLE X COMPEN	SATION, INDEMNITY AND EXPENSES	59
Section 10.01	Compensation; Fees and Expenses	59
Section 10.02	Borrower Indemnification	60
ARTICLE XI TERMIN	ATION	60
ARTICLE XII AMEND	MENTS; WAIVERS; INSTRUCTIONS	61
Section 12.01	Modifications Generally	61
Section 12.02	Modifications Requiring Unanimous Voting Parties	63
Section 12.03	Additional Modifications	63
Section 12.04	Effect of Amendment on the Agents, Secured Debt Representatives and Account Bank	64
Section 12.05	Waivers	64
ARTICLE XIII MISCELLANEOUS PROVISIONS		
Section 13.01	Further Assurances	64

iii

Collateral Agency Agreement

Brightline Trains Florida (Project Owner)

Section 13.02	Successors and Assigns	65
Section 13.03	Notices	65
Section 13.04	Counterparts	68
Section 13.05	Governing Law; Consent to Jurisdiction; WAIVER OF JURY TRIAL; Waiver of Venue; Service of Process	68
Section 13.06	Captions	68
Section 13.07	Severability	68
Section 13.08	Third Party Beneficiaries	69
Section 13.09	Entire Agreement	69
Section 13.10	Conflict with Other Agreements	69
Section 13.11	Reinstatement	69
Section 13.12	Collateral Agent's Rights	69
Section 13.13	Bond Insurer as Third-Party Beneficiary	70
Section 13.14	The Senior Secured Bonds Trustee	70

EXHIBITS

EXHIBIT A	Definitions and Rules of Interpretation
EXHIBIT B	Form of Funds Transfer Certificate
EXHIBIT C	Accounts
EXHIBIT D	Incumbency Certificate
EXHIBIT E	Form of Senior Distribution Release Certificate
EXHIBIT F	Form of Senior Subordinated Distribution Release Certificate
EXHIBIT G	Form of Accession Agreement
EXHIBIT H	Form of Reaffirmation Agreement
EXHIBIT I	Form of Mortgage Modification Certificate
EXHIBIT J	Rolling Stock Reserve Required Balance

COLLATERAL AGENCY, INTERCREDITOR AND ACCOUNTS AGREEMENT

This COLLATERAL AGENCY, INTERCREDITOR AND ACCOUNTS AGREEMENT (this "Agreement"), dated as of May 9, 2024 (the "Closing Date"), is made by and among Brightline Trains Florida LLC, a Delaware limited liability company (the "Borrower"); Deutsche Bank National Trust Company, a national banking association organized under the laws of the United States in its capacity as trustee on behalf of the Owners of the Senior Secured Bonds (in such capacity, together with any permitted successors and assigns, the "Senior Secured Bonds Trustee"); Deutsche Bank National Trust Company, a national banking association organized under the laws of the United States in its capacity as collateral agent on behalf of itself and the other Secured Parties (in such capacity, together with any permitted successors and assigns, the "Collateral Agent"), Deutsche Bank National Trust Company, a national banking association organized under the laws of the United States in its capacity as securities intermediary and account bank (in such capacities, together with any permitted successors and assigns, the "Account Bank") and each other Secured Party that becomes a party hereto. All capitalized terms used herein but not otherwise defined herein shall have the respective meanings given to such terms in Exhibit A hereto. The rules of interpretation set forth in Exhibit A hereto shall apply to this Agreement.

RECITALS

WHEREAS, pursuant to that certain Indenture of Trust, dated as of May 9, 2024 (the "Senior Secured Bonds Indenture"), the Florida Development Finance Corporation, a public body corporate and politic and a public instrumentality organized and existing under the laws of the State ("FDFC"), as issuer (the "Senior Secured Bonds Issuer"), issued its \$2,219,280,000 aggregate principal amount of Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax Exempt) (the "Series 2024 Bonds", and together with any Additional Senior Parity Bonds issued pursuant to the Senior Secured Bonds Indenture, the "Senior Secured Bonds"), the proceeds from the sale of which were loaned to the Borrower pursuant to the terms of a Senior Loan Agreement (together with any Additional Parity Bonds Loan Agreement (as defined in the Senior Secured Bonds Indenture), the "Senior Secured Bonds Loan Agreement"), dated as of May 9, 2024, between the Senior Secured Bonds Issuer and the Borrower, and used to, together with other available funds, (i) finance or refinance a portion of the costs of the Project (including through the refunding or refinancing of the Prior Indebtedness or reimbursement of the Borrower and/or one or more of its affiliates for prior expenditures for the Project), (ii) fund certain reserves, and (iii) pay certain Costs of Issuance:

WHEREAS, pursuant to that certain Security Agreement, dated as of the Closing Date (the "Senior Security Agreement"), between the Borrower and the Collateral Agent, and certain other Security Documents, the Borrower has granted security interests in, to and under the Collateral described therein as security for the payment and performance of all Senior Secured Obligations, in accordance with such Security Documents;

WHEREAS, the Borrower may from time to time incur other Secured Obligations pursuant to and under the Secured Obligation Documents and, subject to the terms and conditions set forth in Section 7.06, the Secured Parties under such Secured Obligation Documents may accede to and have the benefits and obligations of this Agreement and the other Security Documents;

Brightline Trains Florida (Project Owner) 1 Collateral Agency Agreement

WHEREAS, the Parties hereto desire to (i) appoint Deutsche Bank National Trust Company as Collateral Agent and Account Bank under this Agreement, and as Collateral Agent under the Senior Security Agreement and the other Security Documents, and Deutsche Bank National Trust Company desires to accept such appointment, in each case, on the terms and with the duties to be performed on behalf of the Secured Parties as provided herein and in the other Security Documents and (ii) set forth in this Agreement, among other things, certain provisions with respect to Accounts, as well as intercreditor provisions with respect to the obligations of the Borrower to the Secured Parties, and with respect to the obligations of the Secured Parties to one another:

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I DELIVERY OF FINANCING DOCUMENTS

True and correct copies of the Financing Documents required to be delivered on or before the Closing Date have been furnished to the Collateral Agent by the Borrower.

ARTICLE II THE COLLATERAL AGENT

Section 2.01 Appointment.

- (a) The Secured Debt Representatives (on behalf of their respective Secured Parties) appoint Deutsche Bank National Trust Company as the Collateral Agent for the benefit of the Secured Parties with respect to the Security Interests on the Collateral and the rights and remedies granted pursuant to the Security Documents. Each Secured Debt Representative (on behalf of its respective Secured Parties) authorizes and directs the Collateral Agent to enter into the Financing Documents to which the Collateral Agent is a party.
- (b) Deutsche Bank National Trust Company accepts such appointment and agrees to act as Collateral Agent in accordance herewith.
- (c) The Secured Debt Representatives authorize and direct the Collateral Agent to act in accordance with the terms of this Agreement notwithstanding any contrary provision in the other Security Documents or the other Secured Obligation Documents with respect to Enforcement Actions, the application of any Collateral or proceeds thereof and matters set forth in Section 2.04.
- (d) The Collateral Agent hereby accepts and agrees to, and the Borrower hereby acknowledges and consents to, the foregoing authorization and direction of the Secured Debt Representatives, on behalf of their respective Secured Parties.

Section 2.02 Duties and Responsibilities.

(a) The Collateral Agent agrees to administer and enforce this Agreement and the other Security Documents to which it is a party as Collateral Agent, to act as the disbursing and

2

Brightline Trains Florida (Project Owner)

collecting agent for the Secured Parties with respect to all payments and collections arising in connection with the Financing Documents, and, among other remedies, to foreclose upon, collect and dispose of the Collateral and to apply the proceeds therefrom, for the benefit of the Secured Parties, as provided herein, and otherwise to perform its duties and obligations as the Collateral Agent hereunder in accordance with the terms hereof. The Collateral Agent shall have no duties or responsibilities except those expressly set forth herein or in the other Security Documents to which it is a party as the Collateral Agent, and no duties or responsibilities shall be inferred or implied against the Collateral Agent and no implied covenants or obligations shall be read into this Agreement or any such other Security Documents against the Collateral Agent.

- (b) The Collateral Agent shall not be required to exercise any discretion or take any action (except as expressly provided in any Secured Obligation Document), but shall only be required to act or refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of Secured Debt Representatives representing the Required Secured Creditors (or, where expressly required by the terms of the Secured Obligation Documents, such other proportion of the holders of Secured Obligations), and such instructions shall be binding upon the Collateral Agent and each of the Secured Parties; provided, however, that the Collateral Agent shall not be required to take any action which is contrary to any provision hereof, any provision of the other Security Documents or applicable Law.
- (c) Notwithstanding any other provision of the Security Documents, in no event shall the Collateral Agent be required to foreclose on, or take possession of, the Collateral, if, in the reasonable judgment of the Collateral Agent, such action would be in violation of any applicable Law, rule or regulation pertaining thereto, or if the Collateral Agent reasonably believes that such action would result in the incurrence of liability by the Collateral Agent for which it is not fully indemnified by the Borrower, including pursuant to Sections 2.10 and 10.02, by application of the Collateral pursuant to this Agreement, or by the Secured Parties.
- The Collateral Agent shall not be responsible to the other Secured Parties for (i) any recitals, statements, representations or warranties by the Borrower or any of the Secured Parties (other than its own) contained in this Agreement or the other Secured Obligation Documents, or any certificate or other document delivered by the Borrower or any of the other Secured Parties thereunder, (ii) the value, validity, effectiveness, genuineness, enforceability (other than as to the Collateral Agent with respect to such documents to which the Collateral Agent is a party) or, except as may otherwise be required by law, sufficiency of this Agreement or any other document referred to or provided for herein or therein or of the Collateral held by the Collateral Agent hereunder, (iii) the performance or observance by the Borrower or any of the Secured Parties (other than as to itself) of any of their respective agreements contained herein or therein, nor shall the Collateral Agent be liable because of the invalidity or unenforceability of any provisions of this Agreement (other than as to itself), or (iv) the validity, perfection, priority or enforceability of the Security Interests, including filings related thereto, on any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder (except to the extent such action or omission constitutes gross negligence, bad faith or willful misconduct (but only ordinary negligence in connection with the handling of funds) on the part of the Collateral Agent), the validity of the title of the Borrower to the Collateral, insuring the Collateral or the payment of Taxes, charges, assessments or Security Interests on the Collateral or otherwise as to the maintenance of the Collateral.

3

Brightline Trains Florida (Project Owner)

Collateral Agency Agreement

- (e) The Collateral Agent may at any time request instructions from Secured Debt Representatives representing the Required Secured Creditors as to a course of action to be taken by it hereunder and under any of the Security Documents or in connection herewith and therewith or any other matters relating hereto and thereto, and the Secured Debt Representatives (on behalf of their respective Secured Creditors) shall promptly reply to any such request and the Collateral Agent shall be fully justified in failing or refusing to take any such action (unless such action is expressly provided for under the Security Documents) if it shall not have received such written instruction from Secured Debt Representatives representing the Required Secured Creditors. This provision is intended solely for the benefit of the Collateral Agent and its successors and permitted assigns and is not intended to and will not entitle the other parties hereto to any defense, claim or counterclaim or confer any rights on any other party hereto.
- (f) Neither the Collateral Agent, the Account Bank nor any of their directors, officers, employees or agents shall be liable or responsible for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence, bad faith or willful misconduct (but only ordinary negligence in connection with the handling of funds).
- (g) The Collateral Agent shall not be responsible for and makes no representation as to the validity, legality, enforceability, sufficiency or adequacy of the Senior Secured Bonds Indenture, the Senior Secured Bonds or the Security Documents or the Collateral covered thereby, and it shall not be accountable for the Borrower's use of the Senior Secured Bonds, the proceeds from the Senior Secured Bonds, or any money paid to the Borrower pursuant to the provisions hereof, and it shall not be responsible for any statement of the Borrower in the Senior Secured Bonds Indenture, the Security Documents or any document issued in connection with the sale of the Senior Secured Bonds or any statement in the Senior Secured Bonds. Neither the Senior Secured Bonds Trustee nor the Collateral Agent makes any representation with respect to the effectiveness or adequacy of this Agreement.
- Section 2.03 Authorization. The Secured Debt Representatives (on behalf of their respective Secured Parties), hereby authorize the Collateral Agent to (a) execute, deliver and perform in such capacity under this Agreement and each other Secured Obligation Document to which the Collateral Agent is or is intended to be a party, (b) exercise and enforce any and all rights, powers and remedies provided to the Collateral Agent or to any of the Secured Parties by this Agreement, any other Secured Obligation Document, any applicable Law, or any other document, instrument, or agreement, and (c) take any other action authorized under this Agreement and any other Secured Obligation Document to which the Collateral Agent is a party.

Section 2.04 Administrative Actions. The Collateral Agent may, but shall not be obligated (unless directed in accordance with this Agreement or any other Secured Obligation Document to take a specific action) to, take such action as it deems necessary to perfect or continue the perfection of the Security Interests on the Collateral held for the benefit of the other Secured Parties. The Collateral Agent shall not release, share or subordinate any of the Collateral held for the benefit of the Secured Parties, or any Security Interests in the Collateral held for the benefit of the Secured Parties, except: (a) when the Collateral Agent has been directed to do so in writing by Secured Debt Representatives representing the Required Secured Creditors (or, where expressly required by the terms of the Secured Obligation Documents, such other proportion of the holders of Secured Obligations); (b) upon Payment in Full of all Secured Obligations, as certified to the

Brightline Trains Florida (Project Owner)

Collateral Agent by all of the Secured Debt Representatives (acting in accordance with the terms of the Secured Obligation Documents); (c) for Collateral consisting of a debt instrument if the indebtedness evidenced thereby has been paid in full, as certified to the Collateral Agent by the applicable Secured Debt Representative (acting in accordance with the Secured Obligation Documents); (d) where such release, sharing or subordination is expressly permitted under the Secured Obligation Documents; (e) with respect to any portion of Collateral that is sold, transferred, distributed or otherwise disposed of in compliance with, and subject to the terms and conditions of, the Secured Obligation Documents; or (f) in the event such Collateral becomes an Excluded Asset (as defined in the Senior Security Agreement). Upon the written request by the Collateral Agent or the Borrower at any time, the Secured Debt Representatives will confirm in writing the Collateral Agent's authority to release, share or subordinate particular types or items of Collateral pursuant to this Section 2.04 and the Secured Debt Representatives hereby agree to provide such confirmations promptly: provided that the failure to receive such confirmation from any Secured Debt Representative shall not relieve the Collateral Agent of its obligation to take any specific action or execute any document required to be taken or executed as expressly provided under any Secured Obligation Document. The Collateral Agent shall execute and deliver such documents and instruments as the Borrower may request to evidence such release, sharing or subordination permitted above, including any subordination and non-disturbance agreements and reciprocal easement agreements.

Section 2.05 Determination of Amounts and Secured Obligations. Upon the written request of the Collateral Agent or the Borrower, the Secured Debt Representatives (on behalf of their respective Secured Parties) and any Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders (or their respective designated agents) shall promptly deliver to the Collateral Agent (with a copy to each Secured Party and Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders, if any) a certificate, dated the date of delivery thereof and signed by such party, as to (a) the identity and address of each Secured Party and Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders (if any). (b) the principal amount of the Financing Obligations then outstanding held by such Secured Party or any Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders (if any), (c) in the case of any such certificate being delivered in contemplation of the application of amounts received by the Collateral Agent in respect of the Collateral pursuant to Article IX, the amount of interest on the Financing Obligations owing and any other amounts in respect of the Financing Obligations owing to such Secured Party or Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders (if any), as the case may be (in the case of any such other amounts, accompanied by appropriate evidence thereof), or (d) in the event any of the Financing Obligations shall have become or been declared to be due and payable, the principal amount of such Financing Obligations then due and payable to such Secured Party or Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders (if any). as the case may be (to the extent that such information is different from that provided in clause (b) above); provided that such Secured Party and Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders (if any) shall have not less than two Business Days to review any such certificate and provide any objections with respect thereto to the Collateral Agent. Absent receipt of notice of such objections from such Secured Party or Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated

Unsecured Indebtedness Holders (if any), the Collateral Agent shall be entitled to rely on certifications received by it from any Secured Debt Representative for the purposes of determining the amount of the Secured Obligations then outstanding held by such Secured Party in accordance with the preceding sentence and from any agent designated as such by any Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders (if any) for purposes of determining the then outstanding amount of Additional Senior Unsecured Indebtedness or Additional Senior Subordinated Unsecured Indebtedness (in each case, which certificates shall be given substantially contemporaneously with the action being taken); provided that in the absence of the Collateral Agent's receipt of any certification requested by it pursuant to this sentence, the Collateral Agent shall be entitled (but not obligated) to take such action if the Collateral Agent shall have sufficient knowledge to make any determination required to be made in connection with such action.

Section 2.06 Employment of Agents. The Collateral Agent may, at the Borrower's reasonable cost and expense, employ or retain such agents, counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining, administering and discharging its rights and duties hereunder and under the other Security Documents, in the absence of the Collateral Agent's gross negligence, bad faith or willful misconduct in employing or retaining any such counsel, accountants, appraisers, experts or advisors, may act and rely, and shall be protected in acting and relying in good faith, on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by the Borrower or by the Collateral Agent, in relation to any matter arising in the administration hereof or in the determination or discharging of its rights and duties hereunder, and shall not be responsible for any act or omission on the part of any of them or for acting or relying in good faith on the opinion or advice or information obtained from such expert or advisor. In addition, the Collateral Agent shall not be liable for any acts or omissions of its nominees, correspondents, designees, agents, subagents or subcustodians except to the extent of its gross negligence, bad faith or willful misconduct in nominating or appointing such persons.

Section 2.07 Reliance of Collateral Agent. In connection with the performance of its duties hereunder, the Collateral Agent shall be entitled to rely conclusively upon, and shall be fully protected in acting or refraining from acting in accordance with, any written certification, notice, instrument, opinion, request, consent, order, approval, direction or other written communication (including any thereof by facsimile or electronic communication or signature) of a Secured Debt Representative (including instructions under Section 2.02(e)) or of any other Secured Party, that the Collateral Agent in good faith reasonably believes to be genuine and to have been signed or sent by or on behalf of the proper Person or Persons, and it shall be entitled to rely conclusively upon the due execution, validity and effectiveness, and the truth, correctness and acceptability of, any provisions contained therein. The Collateral Agent shall not have any responsibility to make any investigation into the facts or matters stated in any notice, certificate, instrument, demand, request, direction, instruction, or other communication furnished to it. Whenever this Agreement specifies that any instruction or consent by a Secured Debt Representative is to be given in accordance with the terms of the applicable Secured Obligation Documents, the Collateral Agent shall be entitled to rely upon any such instruction or consent by such Secured Debt Representative (which instruction or consent need not state that it is given in accordance with the terms of the applicable Secured Obligation Documents), and the Collateral Agent may presume without

Brightline Trains Florida (Project Owner)

investigation that any such instruction or consent by such Secured Debt Representative has been given in accordance with the terms of the applicable Secured Obligation Documents.

Section 2.08 Non-Reliance on Collateral Agent. Each of the Borrower and each of the Secured Debt Representatives hereby expressly acknowledge that neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Collateral Agent hereafter taken shall be deemed to constitute any representation or warranty by the Collateral Agent to any other Secured Party or the Borrower. Except for any notices, reports and other documents expressly required to be furnished to the other Secured Parties by the Collateral Agent hereunder, the Collateral Agent shall not have any duty or responsibility to provide any other Secured Party with any credit or other information concerning the business, operations, property, condition (financial or other), prospects or creditworthiness of the Borrower, or any other Person that may come into the possession of the Collateral Agent or any of its officers, directors, employees, agents, attorneysin-fact or Affiliates. The Collateral Agent, the Senior Secured Bonds Trustee and the Account Bank are entering into this Agreement and, with respect to the Collateral Agent, the other Security Documents solely in the aforementioned capacities and not in their individual capacities and in no case shall such Person be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations of the Borrower hereunder or thereunder, all such liability, if any, being expressly waived by the Parties hereto and any person claiming by, through or under such party. This Section 2.08 shall survive the payment of all Secured Obligations payable to the Secured Parties. Except when the Collateral Agent has been directed to do so in writing by Secured Debt Representatives representing the Required Secured Creditors (or, where expressly required by the terms of the Secured Obligation Documents, such other proportion of the holders of Secured Obligations), nothing herein shall require the Collateral Agent to file financing statements and the Collateral Agent shall incur no obligation for its failure to monitor or verify the filing of financing statements (or amendments thereto) and the information contained therein.

Section 2.09 Collateral Agent in Individual Capacity. The Agent Bank and its Affiliates may make loans to, issue letters of credit in favor of, accept deposits from and generally engage in any kind of business with the Borrower and its Affiliates as though the Agent Bank were not the Collateral Agent hereunder and under the Security Documents. With respect to Secured Obligations made or renewed by it in its individual capacity, if any, the Agent Bank in its individual capacity shall have the same rights and powers under this Agreement and the Secured Obligation Documents as any other Secured Party and may exercise the same as though it were not the Collateral Agent, and the term "Secured Party" shall include the Agent Bank in its individual capacity.

Section 2.10 Collateral Agent Under No Obligation. None of the provisions of the Security Documents shall be construed to require the Collateral Agent to expend or risk its own funds or otherwise to incur any personal liability, financial or otherwise, in the performance of any of its duties hereunder or thereunder. The Collateral Agent shall be under no obligation to perform any duty or exercise any of the rights or powers vested in it by the Secured Obligation Documents unless the Collateral Agent shall have been offered security or indemnity from the Borrower or the other Secured Parties reasonably satisfactory to it against the costs, expenses and liabilities that

might be incurred by it in performing such duty or exercising such rights or powers (including interest thereon from the time incurred until reimbursed).

Section 2.11 Resignation and Removal; Successor Collateral Agent; Individual Collateral Agent.

The Collateral Agent may resign at any time by giving at least 60 days' prior written notice thereof to the Secured Debt Representatives and the Borrower, and the Collateral Agent may be removed at any time with or without cause by Secured Debt Representatives representing the Required Secured Creditors upon 30 days' written notice thereof to the Collateral Agent, the Secured Debt Representatives and the Borrower, in any case such resignation or removal to be effective only upon the appointment and acceptance of a successor Collateral Agent as provided below. In connection with any such resignation or removal, Secured Debt Representatives representing the Required Secured Creditors shall have the right to appoint a successor collateral agent that, so long as no Secured Obligation Event of Default has occurred and is continuing, shall be reasonably acceptable to the Borrower. If no successor Collateral Agent shall have been so appointed by Secured Debt Representatives representing the Required Secured Creditors prior to the effective date of the resignation or removal of the Collateral Agent, then the Collateral Agent may, on behalf of the Secured Parties, apply to a court of competent jurisdiction (with notice to the Secured Debt Representatives and the Borrower) for the appointment of a successor Collateral Agent. In all such cases, the successor Collateral Agent shall be a bank organized under the laws of the United States or any state thereof that has an office in the State of New York or New Jersey and which agrees to administer the Collateral in accordance with the terms hereof and of the other Security Documents and at the time of appointment and acceptance shall have a combined capital and surplus of not less than \$200,000,000 and, so long as no Secured Obligation Event of Default has occurred and is continuing, shall be reasonably acceptable to the Borrower. The Collateral Agent hereby represents and confirms that it meets the qualifications provided in the preceding sentence. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, obligations and duties of the retiring or removed Collateral Agent, and the retiring or removed Collateral Agent shall be discharged from its duties and responsibilities hereunder. After any retiring or removed Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Agreement (including Sections 2.14, 10.01 and 10.02) shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Collateral Agent hereunder.

(b) If at any time the Collateral Agent shall determine that it shall be necessary or appropriate under applicable law or in order to permit action to be taken hereunder, the Collateral Agent and the Borrower (with written notice to the Secured Debt Representatives) shall execute and deliver all instruments necessary to appoint any Person as a Co-Collateral Agent ("Co-Collateral Agent") or, if such Person meets the requirements set forth in Section 2.11(a), as substitute Collateral Agent, with respect to all or any portion of the Collateral, in any case with such powers, rights, duties, obligations and immunities conferred upon the Collateral Agent hereunder as may be specified therein. If the Borrower shall nevertheless refuse to join in the execution of any such instrument within ten Business Days of any written request therefor by the Collateral Agent or if any Secured Obligation Event of Default shall have occurred and is continuing, the Collateral Agent may act under the foregoing provisions without the concurrence

Brightline Trains Florida (Project Owner)

of the Borrower; and the Borrower hereby irrevocably makes, constitutes and appoints the Collateral Agent as the agent and attorney-in-fact for the Borrower to act for the Borrower under the provisions of (and in accordance with) this <u>clause (b)</u> (such power being coupled with an interest and irrevocable). Every Co-Collateral Agent shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

- (i) all rights and powers, conferred or imposed upon the Collateral Agent may be conferred or imposed upon and may be exercised or performed by such Co-Collateral Agent as specified in the instrument appointing such Co-Collateral Agent; and
- (ii) no Collateral Agent shall be personally liable by reason of any act or omission of any other Collateral Agent or Co-Collateral Agent hereunder.

A Co-Collateral Agent shall not be required to meet the conditions of eligibility under Section 2.11(a) if such Co-Collateral Agent holds only an insubstantial amount of the Collateral, as determined by Secured Debt Representatives representing the Required Secured Creditors.

Section 2.12 Books and Records; Reports.

- (a) The Collateral Agent shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the Financing Obligations, Project Revenues and all Project Accounts (other than any Operating Account, the Equity Funded Account and any Collection Account) established pursuant to this Agreement. Such books of record and accounts shall be available for inspection (or the receipt of copies of such books or excerpts thereof) by the Secured Debt Representatives, or their agents or representatives duly authorized in writing, at reasonable hours and under reasonable circumstances and upon reasonable prior written request. Any costs, fees or expenses of such inspections or copies shall be paid to the Collateral Agent, the Senior Secured Bonds Trustee and the Senior Secured Bonds Issuer (as applicable) by the Borrower. The Collateral Agent shall provide the Borrower with written notice of any such inspection or copy request.
- (b) Within 15 days after the end of each month, the Collateral Agent shall furnish to the Secured Debt Representatives and the Borrower a report that sets forth in reasonable detail the account balances, receipts, disbursements, transfers, investment transactions and accruals for each of the Project Accounts (other than any Operating Account, the Equity Funded Account and any Collection Account) during such month. The requirements of this Section 2.12(b) shall be performed by the Collateral Agent by granting the Secured Debt Representatives and the Borrower on-line read only access to the Project Accounts (other than any Operating Account, the Equity Funded Account and any Collection Account).
- (c) The Collateral Agent shall maintain records of all receipts, disbursements and investments of funds with respect to the Project Accounts (other than any Operating Account, the Equity Funded Account and any Collection Account) until the fifth anniversary of the date on which all of the Secured Obligations shall have been Paid in Full.
- Section 2.13 Authorization of Collateral Agent to Recover Compensation, Fees and Expenses. To the extent that the Borrower fails to pay any amount required to be paid

Brightline Trains Florida (Project Owner) 9 Collateral Agency Agreement

by it to the Collateral Agent pursuant to <u>Sections 10.01</u> and <u>10.02</u> (and the Collateral Agent has not otherwise been paid such amount either in accordance with the terms hereof or otherwise), the Collateral Agent is hereby authorized to transfer funds to reimburse itself for such amounts out of the following accounts in the following order of priority: (a) the Equity Lock-Up Account and (b) the Revenue Account. The provisions of this <u>Section 2.13</u> shall survive the termination of the Secured Obligation Documents and the resignation or removal of the Collateral Agent.

Section 2.14 No Consequential Damages. In no event shall the Collateral Agent or the Account Bank be liable under or in connection with the Secured Obligation Documents or the other Financing Obligation Documents for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever, including but not limited to lost profits, whether or not foreseeable, even if the Collateral Agent or Account Bank has been advised of the possibility thereof and regardless of the form of action in which such damages are sought.

Section 2.15 Force Majeure. In no event shall the Collateral Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, pandemics, epidemics, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services not within the Collateral Agent's control, the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility; it being understood that the Collateral Agent shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 2.16 Additional Protections. The rights, privileges, protections and benefits given to the Collateral Agent or the Account Bank, as the case may be, including, without limitation, its rights to be indemnified, are extended to, and shall be enforceable by, each agent, custodian and other Person employed to act hereunder by the Collateral Agent or the Account Bank, as the case may be, including any Co-Collateral Agent.

Section 2.17 No Liability for Clean-up of Hazardous Materials. In the event that the Collateral Agent is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Collateral Agent's sole discretion may cause the Collateral Agent to be considered an "owner or operator" under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601, et sea., or otherwise cause the Collateral Agent to incur liability under CERCLA or any other federal, state or local law, the Collateral Agent reserves the right, instead of taking such action, to either resign as the Collateral Agent or arrange for the transfer of the title or control of the asset to a courtappointed receiver. Except for such claims or actions arising directly from the gross negligence, bad faith or willful misconduct of the Collateral Agent, the Collateral Agent shall not be liable to any Person for any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of the Collateral Agent's actions and conduct as authorized, empowered and directed hereunder or relating to the discharge, release or threatened Release of Hazardous Materials into the environment. If at any time after any foreclosure on the Collateral (or a transfer in lieu of foreclosure) upon the exercise of remedies in accordance with the Security

Brightline Trains Florida (Project Owner)

10

Documents it is necessary or advisable for the Collateral (including the Project) to be possessed, owned, operated or managed by any Person (including the Collateral Agent) other than the Borrower, Secured Debt Representatives representing the Required Secured Creditors shall appoint an appropriately qualified Person (excluding the Collateral Agent) to possess, own, operate or manage, as the case may be, the Collateral (including the Project).

Section 2.18 Merger of the Collateral Agent. Any corporation or company into which the Collateral Agent shall be merged, or with which it shall be consolidated, or any corporation or company resulting from any merger or consolidation to which the Collateral Agent shall be a party, shall be the Collateral Agent under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, *provided* that such resulting corporation or company shall meet the requirements of Section 2.11(a). Upon the occurrence of any such event the Collateral Agent shall promptly provide written notice thereof to the Borrower and the Secured Debt Representatives.

Section 2.19 Transfer to an Affiliate. In addition to any rights it may have under Section 2.18 or under any other provision of this Agreement or any other Secured Obligation Documents, each of the Collateral Agent and the Account Bank may assign or transfer its rights under this Agreement and the other Security Documents to any of its Affiliates that meets the requirements of Section 2.11(a), subject to the prior written consent of the Borrower and Secured Debt Representatives representing the Required Secured Creditors.

Section 2.20 Subordination of Lien; Waiver of Set-Off. In the event that the Agent Bank in its individual capacity has or subsequently obtains by agreement, operation of law or otherwise a Security Interest in any Project Account, the Agent Bank agrees that such Security Interest shall (except to the extent provided in the last sentence of this Section 2.20) be subordinate in all respects to the Security Interests for the benefit of the Secured Parties. The financial assets standing to the credit of the Project Accounts will not be subject to deduction, set-off, banker's lien or any other right in favor of any Person other than (a) in accordance with judicial or arbitral order or (b) for the benefit of the Secured Parties to secure Secured Obligations (except to the extent of returned items and chargebacks either for uncollected checks or other items of payment and transfers previously credited to one or more of the Project Accounts, and the Borrower hereby authorizes the Agent Bank to debit the applicable Project Account for such amounts).

Section 2.21 Other Bank and Securities Accounts; Account Changes. Upon (a) the establishment of any Operating Account, the Equity Funded Account or any Collection Account, or (b) any changes in the account number or other identifying attributes of any Project Account or such other bank or securities account, and at any other time and from time to time when requested by the Collateral Agent or any of the Secured Debt Representatives (on behalf of and for the benefit of the respective Secured Parties), the Borrower shall execute and deliver to the Collateral Agent, for the benefit and on behalf of the Secured Parties, as security for the Secured Obligations, such amendments or supplements to this Agreement and any securities account control agreements or other documents as are necessary or reasonably appropriate, or as are so reasonably requested by the Collateral Agent (on behalf of and for the benefit of the Secured Parties), as applicable, to create and perfect by control a perfected security interest in favor of the Collateral Agent over the Borrower's right, title and interest in and to such Project Account, such Operating Account, the Equity Funded Account or such Collection Account, as the case may be,

Brightline Trains Florida (Project Owner) 11 Collateral Agency Agreement

from time to time for the benefit and on behalf of the Secured Parties as security for the Secured Obligations; *provided*, that no such amendments, supplements or other documents shall restrict the full access and signing authority of the Borrower with respect to any Operating Account, the Equity Funded Account and any Collection Account, except during the period that a Secured Obligation Event of Default has occurred and is continuing.

Section 2.22 No Other Agreements. Neither the Collateral Agent nor the Borrower has entered or will enter into any agreement with respect to any Project Account or any other Collateral, other than the agreement establishing such account, this Agreement, the Prior Financing Documents, the other Financing Obligation Documents and any documents evidencing or otherwise relating to Security Interests permitted by the Financing Obligation Documents. The Collateral Agent shall not grant any Security Interest in any Collateral except as provided in the Secured Obligation Documents.

Section 2.23 Notice of Adverse Claims. The Collateral Agent hereby represents (as to itself only) that, except for the claims and interests of the Secured Parties and the Borrower in each of the Project Accounts, the Collateral Agent (a) as of the Closing Date, has no actual knowledge of, and has received no written notice of, and (b) as of each date on which any Project Account is or was established, has or had no actual knowledge of, and has or had received no notice of, any claim to, or interest in, any Project Account. If any Person asserts any Security Interest (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Project Account, the Collateral Agent, upon obtaining written notice thereof, will notify the Secured Debt Representatives and the Borrower within two Business Days of such notice thereof.

ARTICLE III BORROWER REMAINS LIABLE

Anything herein to the contrary notwithstanding, (a) the Borrower shall remain liable under its contracts and agreements (including the Financing Obligation Documents) to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Collateral Agent of any of the rights hereunder shall not release the Borrower from any of its duties or obligations under its contracts and agreements, and (c) neither the Collateral Agent nor any of the other Secured Parties shall have any obligation or liability under the contracts and agreements of the Borrower by reason of this Agreement, nor shall the Collateral Agent be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned thereunder. Notwithstanding the foregoing, if the Borrower fails to perform any agreement, obligation or duty of the Borrower contained herein relating to the perfection or preservation of the Collateral, the Collateral Agent may (but shall not be obligated to) itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by the Borrower under Article VII.

ARTICLE IV REASONABLE CARE

The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral for the benefit of the Secured Parties and shall not impose any duty upon it to

Brightline Trains Florida (Project Owner)

12

exercise any such powers unless otherwise expressly provided. Except for the safe custody and preservation of the Collateral in its possession and the accounting for moneys actually received, invested and disbursed by it hereunder, the Collateral Agent shall have no other duty as to the Collateral, whether or not the Collateral Agent or any of the other Secured Parties has or is deemed to have knowledge of any matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to the Collateral. The Collateral Agent hereby agrees to exercise reasonable care in respect of the custody and preservation of the Collateral. The Collateral had preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property.

ARTICLE V THE PROJECT ACCOUNTS

Section 5.01 Establishment of Project Accounts.

- (a) The following Project Accounts (inclusive of any sub-account (which may include a separate internal ledger) thereof) have been or are hereby established and created at the Account Bank (the Project Accounts set forth in clauses (i) through (x), the "Securities Accounts"):
 - (i) an account entitled "Brightline FL OpCo Revenue" as further described on Exhibit C hereto (the "Revenue Account") and within the Revenue Account:
 - (A) a sub-account entitled "Brightline FL OpCo Revenue Interest Senior Secured Bonds" as further described on Exhibit C hereto (the "Senior Secured Bonds Interest Sub-Account"); and
 - (B) a sub-account entitled "Brightline FL OpCo Revenue Principal Senior Secured Bonds" as further described on Exhibit C hereto (the "Senior Secured Bonds Principal Sub-Account");
 - (ii) an account entitled "Brightline FL OpCo Loss Proceeds" as further described on Exhibit C hereto (the "Loss Proceeds Account");
 - (iii) an account entitled "Brightline FL OpCo Debt Service Reserve" as further described on <u>Exhibit C</u> hereto (the "<u>Main Debt Service Reserve Account</u>"), and within the Main Debt Service Reserve Account, a sub-account entitled "Brightline FL OpCo Senior Secured Bonds Debt Service Reserve" as further described on <u>Exhibit C</u> hereto (the "<u>Senior DSR Sub-Account</u>");
 - (iv) an account entitled "Brightline FL OpCo Ramp-Up Reserve" as further described on Exhibit C hereto (the "Ramp-Up Reserve Account");
 - (v) an account entitled "Brightline FL OpCo Major Maintenance Reserve" as further described on Exhibit C hereto (the "Major Maintenance Reserve Account"), and within the Major Maintenance Reserve Account, a sub-account entitled "Brightline

FL OpCo MMR Non-Completed Work" as further described on Exhibit C hereto (the "Non-Completed Work Sub-Account"):

- (vi) an account entitled "Brightline FL OpCo Rolling Stock Reserve" as further described on Exhibit C hereto (the "Rolling Stock Reserve Account");
- (vii) an account entitled "Brightline FL OpCo Project Reserve" as further described on Exhibit C hereto (the "Project Reserve Account");
- (viii) an account entitled "Brightline FL OpCo Mandatory Prepayment" as further described on Exhibit C hereto (the "Mandatory Prepayment Account"), and within the Mandatory Prepayment Account, a sub-account entitled "Brightline FL OpCo Senior Secured Bonds Mandatory Prepayment" as further described on Exhibit C hereto (the "Senior Secured Bonds Mandatory Prepayment Sub-Account");
- (ix) an account entitled "Brightline FL OpCo Capital Projects" as further described on Exhibit C hereto (the "Capital Projects Account"); and
- (x) an account entitled "Brightline FL OpCo Equity Lock-Up" as further described on Exhibit C hereto (the "Equity Lock-Up Account").

Each such Project Account shall be in the name of the Borrower and identified in the manner set forth in Exhibit C attached hereto. To the extent that the Borrower requests the deposit of funds therein, the Revenue Account shall include the sub-accounts (each of which shall be a separately identified account with a separate and distinct name and account number) described in Section 5.02(c). Notwithstanding anything herein to the contrary and except upon and during the continuance of a Secured Obligation Event of Default, upon the written instruction of the Borrower, the Collateral Agent may from time to time hereafter establish and maintain subaccounts within the Project Accounts for the purposes and the term specified in any such request and providing for deposits and withdrawals in those circumstances expressly provided for in any such instruction; provided, however, that the Borrower shall not be permitted to create any such sub-account in contravention of the purposes for which the Project Accounts were established. Furthermore, in accordance with this Agreement and except upon and during the continuance of a Secured Obligation Event of Default, upon the written instruction of the Borrower in accordance with the applicable Additional Senior Secured Indebtedness Documents, Additional Senior Subordinated Secured Indebtedness Documents or other Secured Obligation Documents, the Collateral Agent may from time to time hereafter establish and maintain Additional Reserve Accounts, and each such account shall be considered a Project Account for the purposes and the term specified in any such request and providing for deposits and withdrawals in those circumstances expressly provided for in any such instruction.

(b) The Borrower hereby confirms that the Operating Accounts, the Equity Funded Account and the Collection Accounts have been established and shall be maintained in the name of the Borrower at a Deposit Account Bank and are and shall continue to be subject to an Account Control Agreement. The Borrower may from time to time establish additional Operating Accounts for the purposes set forth in Section 5.13(a) and additional Collection Accounts for the purposes set forth in Section 5.02(a). Even though established at a Deposit Account Bank, each Operating

14

Brightline Trains Florida (Project Owner)

Collateral Agency Agreement

Account, the Equity Funded Account and each Collection Account shall also constitute a Project Account.

- (c) All of the Project Accounts shall be (i) under the control of the Collateral Agent or (ii) in the case of any Operating Account, the Equity Funded Account and any Collection Account, subject to the control of the Collateral Agent pursuant to the Account Control Agreements. Except as expressly provided herein (including in Section 5.13) (and in the case of any Operating Account, the Equity Funded Account and any Collection Account, to direct the applicable Deposit Account Bank in accordance with the terms of the Account Control Agreements), the Borrower shall not have any right to withdraw funds from any Project Account. The Borrower hereby irrevocably authorizes the Collateral Agent to credit funds to or deposit funds in, and to withdraw and transfer funds from, each Project Account in accordance with the terms of this Agreement and the Collateral Agent hereby agrees to credit funds to or deposit funds in, and to withdraw and transfer funds from each Project Account in accordance with the terms of this Agreement (and in the case of any Operating Account, the Equity Funded Account and any Collection Account, in accordance with the terms of the Account Bank or, in the case of any Operating Account, the Equity Funded Account and any Collection Account, at a Deposit Account Bank.
- (d) The Borrower may establish a distribution account (the "<u>Distribution Account</u>") with a Deposit Account Bank, and such account shall be maintained in the name of the Borrower. The Distribution Account shall not constitute a Project Account and shall not constitute Collateral.

Section 5.02 Revenue Account.

- (a) Except for amounts to be deposited in other Project Accounts in accordance with this Agreement, all Project Revenues will be deposited into the Revenue Account. To facilitate the collection of Project Revenues, the Borrower may establish one or more Collection Accounts at a Deposit Account Bank that are subject to an Account Control Agreement and into which Project Revenues are received by the Borrower and promptly deposited into the Revenue Account Additionally, the Borrower will promptly deposit or cause to be deposited into the Revenue Account all other amounts received by the Borrower from any source whatsoever, the application of which is not otherwise specified in this Agreement. Pending such deposit, the Borrower will hold all such amounts coming into its possession in trust for the benefit of the Secured Parties.
- (b) Subject to Section 5.16, including the delivery of a Funds Transfer Certificate by the Borrower (to the extent required by such Section 5.16) and subject to Section 9.08, on each Transfer Date, the Collateral Agent shall make the following withdrawals, transfers and payments from the Revenue Account and the sub-accounts therein in the amounts, at the times and only for the purposes specified below at the request of the Borrower as set forth in a Funds Transfer Certificate in the following order of priority (it being agreed that no amount shall be withdrawn on any date pursuant to any clause below until amounts sufficient as of that date (to the extent applicable) for all the purposes specified under the prior clauses shall have been withdrawn or set aside):

<u>First</u>, *pro rata* (i) to the Agents, the Senior Secured Bonds Issuer (only to the extent of its Reserved Rights (as defined in the Senior Secured Bonds Indenture)) and any Nationally

Recognized Rating Agency, as applicable, the fees, administrative costs, indemnification payments and other expenses of such parties then due and payable, and (ii) to the Bond Insurer for payment of the Bond Insurer Premiums then due and payable under the Bond Insurer Premium Letter, if any, as provided in Section 14.10 of the Senior Secured Bonds Indenture and costs and expenses then due and payable to the Bond Insurer under the Senior Financing Documents, if any (but not any other Bond Insurer Reimbursement Amounts).

Second, to the applicable Operating Accounts designated by the Borrower in the Funds Transfer Certificate, an amount equal to, together with amounts then on deposit in the Operating Accounts, the projected O&M Expenditures for the period ending on the immediately succeeding Transfer Date as set forth in the Funds Transfer Certificate, subject to any restrictions on the use of such funds in the Senior Financing Documents; provided that O&M Expenditures for Major Maintenance will be included in such amount solely to the extent that (i) any such costs are currently due or are projected to become due prior to the next Transfer Date and (ii) amounts on deposit in the Major Maintenance Reserve Account are insufficient to pay such costs.

Third, pro rata to any payments then due and payable by the Borrower to the Rebate Funds.

Fourth, pro rata, for the payment of interest on the Senior Indebtedness and any Purchase Money Debt as follows: (i) to the Senior Secured Bonds Interest Sub-Account, an amount equal to one-sixth of the amount of interest payable on the Senior Secured Bonds on the next Interest Payment Date, provided that, no such transfers to the Senior Secured Bonds Interest Sub-Account shall be required to be made to the extent the amounts in the Senior Secured Bonds Funded Interest Account or any similar pre-funded interest account established under the Senior Secured Bonds Indenture with respect to any Additional Senior Parity Bonds, as applicable, are sufficient to pay interest on such Interest Payment Date, (ii) to the applicable interest account established hereunder for Additional Senior Indebtedness and Purchase Money Debt, if any, an amount equal to the amount of interest and any Ordinary Course Settlement Payments related to such Additional Senior Indebtedness or Purchase Money Debt due or projected to become due on the next Interest Payment Date divided by the total number of months between Interest Payment Dates for such Additional Senior Indebtedness or Purchase Money Debt as set forth in the applicable Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, provided that, no such transfers to the respective interest account shall be required to be made to the extent the amounts in any pre-funded interest account established under the applicable Additional Senior Indebtedness Documents or related financing documents with respect to such Purchase Money Debt, if any, are sufficient to pay interest on such Interest Payment Date, and (iii) to the applicable Senior Swap Bank. if any, an amount equal to the amount of any Ordinary Course Settlement Payments related to any Permitted Senior Commodity Swap due or projected to become due on or before the Transfer Date pursuant to the applicable Permitted Swap Agreement; plus, in each case any deficiency from a prior Transfer Date; provided that the deposit on the Transfer Date occurring immediately before each Interest Payment Date will equal the amount required (taking into account the amounts then on deposit in the applicable interest payment account established hereunder and any applicable interest payment account or pre-funded interest account established under the Senior Secured Bonds Indenture, the Additional Senior

16

Brightline Trains Florida (Project Owner)

15

Collateral Agency Agreement

Brightline Trains Florida (Project Owner)

Indebtedness Documents or, for Purchase Money Debt, the related financing documents) to pay the interest and any Ordinary Course Settlement Payments related to the Senior Secured Bonds, such Additional Senior Indebtedness or Purchase Money Debt due or projected to become due on such Interest Payment Date; provided, further that on the Transfer Date immediately preceding each Interest Payment Date (after giving effect to the transfers contemplated above in this clause Fourth), amounts on deposit in the Senior Secured Bonds Interest Sub-Account shall be transferred to the Senior Secured Bonds Interest Account and amounts on deposit in any other interest account for Additional Senior Indebtedness and any Purchase Money Debt established hereunder shall be transferred in accordance with the applicable Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, in each case, for the payment of interest and any Ordinary Course Settlement Payments related to the Senior Secured Bonds or such Additional Senior Indebtedness or Purchase Money Debt due or projected to become due on the Senior Secured Bonds or the applicable Additional Senior Indebtedness or Purchase Money Debt on the next Interest Payment Date.

Fifth, pro rata, for the payment of principal on the Senior Indebtedness and any Purchase Money Debt as follows: (i) with respect to the Senior Secured Bonds, deposits shall be made to the Senior Secured Bonds Principal Sub-Account under this clause Fifth on each Transfer Date occurring within twelve months prior to any Principal Payment Date in an amount equal to one-twelfth of the amount of principal due on the Senior Secured Bonds on such Principal Payment Date, (ii) with respect to any other principal payment account established hereunder for Additional Senior Indebtedness and Purchase Money Debt, if any, the amount of principal required to be deposited into such principal payment account for such Additional Senior Indebtedness or Purchase Money Debt as set forth in the applicable Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, and (iii) if applicable, with respect to any Permitted Senior Commodity Swap, on the Transfer Date occurring immediately before a Swap Termination Payment due date under the applicable Permitted Swap Agreement, to the applicable Swap Bank, an amount equal to the amount required to pay such Swap Termination Payment due on such due date pursuant to the applicable Permitted Swap Agreement; plus, in each case of clauses (i) through (iii) of this clause Fifth, any deficiency from a prior Transfer Date; provided, that the amount of any transfer pursuant to this clause Fifth shall exclude the principal portion of the purchase price of any Senior Secured Bonds, Additional Senior Indebtedness or Purchase Money Debt subject to mandatory tender for purchase prior to maturity due on the applicable Principal Payment Date; provided, further, that (x) with respect to the Senior Secured Bonds, the deposit on the Transfer Date occurring immediately before each Principal Payment Date will equal the amount required to pay the principal payment due on such Principal Payment Date for the Senior Secured Bonds (taking into account the amount then on deposit in the Senior Secured Bonds Principal Sub-Account and the Senior Secured Bonds Principal Account and excluding the principal portion of the purchase price of any Senior Secured Bonds subject to mandatory tender for purchase prior to maturity on such Principal Payment Date) and (y) if applicable, with respect to any Additional Senior Indebtedness and any Purchase Money Debt, the deposit on the Transfer Date occurring immediately before each Principal Payment Date will equal the amount required to pay the principal payment due on such Principal Payment Date for the applicable Additional Senior Indebtedness or Purchase Money Debt, including in the

17

case of any Senior Swap Agreement, Swap Termination Payments (taking into account the amounts then on deposit in any principal payment sub-account established hereunder or under the applicable Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents for the payment of principal on such Additional Senior Indebtedness or Purchase Money Debt and excluding the principal portion of the purchase price of any Additional Senior Indebtedness or Purchase Money Debt subject to mandatory tender for purchase prior to maturity on such Principal Payment Date); provided, further that on each Transfer Date immediately preceding a Principal Payment Date (after giving effect to the transfers contemplated above in this clause Fifth), amounts on deposit in the Senior Secured Bonds Principal Sub-Account shall be transferred to the Senior Secured Bonds Principal Account and amounts on deposit in any other principal account for Additional Senior Indebtedness and any Purchase Money Debt established hereunder shall be transferred in accordance with the applicable Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, in each case, for the payment of principal due on the applicable Additional Senior Indebtedness or Purchase Money Debt on the next Principal Payment Date, including in the case of any Senior Swap Agreement, Swap Termination Payments.

<u>Sixth</u>, pro rata, to the Senior DSR Sub-Account and any Additional Senior Debt Service Reserve Account then already in existence in an amount to the extent necessary to fund such account so that the balance therein (taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the applicable Debt Service Reserve Requirement for the immediately preceding Calculation Date.

Seventh, to the Rolling Stock Reserve Account in an amount to the extent necessary to fund such account so that the balance therein (taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the Rolling Stock Reserve Required Balance for the immediately preceding Calculation Date.

Eighth, to the Major Maintenance Reserve Account in an amount to the extent necessary to fund such account so that the balance therein (taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the Major Maintenance Reserve Required Balance for the immediately preceding Calculation Date.

Ninth, to the Project Reserve Account, in an amount to the extent necessary to fund such account so that the balance therein, when combined with any amounts on deposit in the Ramp-Up Reserve Account and the Major Maintenance Reserve Account (in each case, taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the applicable Project Reserve Required Balance for the immediately preceding Calculation Date.

<u>Tenth</u>, *pro rata*, to the account designated by the applicable Senior Secured Parties, any remaining unpaid Senior Secured Obligations then due and payable to the relevant Senior Secured Parties (including any obligation to provide cash collateral in respect thereof

pursuant to the terms of the Senior Secured Obligation Documents), based on such respective amounts then due to such Senior Secured Parties.

<u>Eleventh</u>, to the Project Reserve Account, 100% of remaining funds at this level <u>Eleventh</u>, unless the Senior Restricted Payment Conditions are satisfied on such Transfer Date as confirmed in a Senior Distribution Release Certificate.

Twelfth, at the Borrower's option, to the Capital Projects Account.

Thirteenth, pro rata, for the payment of interest on the Senior Subordinated Indebtedness as follows: to the applicable interest account established hereunder for Additional Senior Subordinated Indebtedness, if any, an amount equal to the amount of interest and any Ordinary Course Settlement Payments related to such Additional Senior Subordinated Indebtedness due or projected to become due on the next Interest Payment Date divided by the total number of months between Interest Payment Dates for such Additional Senior Subordinated Indebtedness as set forth in the applicable Additional Senior Subordinated Indebtedness Documents, provided that, no such transfers to the respective interest account shall be required to be made to the extent the amounts in any pre-funded interest account established under the applicable Additional Senior Subordinated Indebtedness Documents. if any, are sufficient to pay interest on such Interest Payment Date; provided that the deposit on the Transfer Date occurring immediately before each Interest Payment Date will equal the amount required (taking into account the amounts then on deposit in the applicable interest payment account established hereunder and any applicable interest payment account or pre-funded interest account established under the Additional Senior Subordinated Indebtedness Documents) to pay the interest and any Ordinary Course Settlement Payments related to such Additional Senior Subordinated Indebtedness due or projected to become due on such Interest Payment Date; provided, further that on the Transfer Date immediately preceding each Interest Payment Date (after giving effect to the transfers contemplated above in this clause Thirteenth), amounts on deposit in any other interest account for Additional Senior Subordinated Indebtedness established hereunder shall be transferred in accordance with the applicable Additional Senior Subordinated Indebtedness Documents, in each case, for the payment of interest and any Ordinary Course Settlement Payments related to such Additional Senior Subordinated Indebtedness due or projected to become due on the applicable Additional Senior Subordinated Indebtedness on the next Interest Payment Date.

Fourteenth, pro rata, for the payment of principal on the Senior Subordinated Indebtedness as follows: with respect to any other principal payment account established hereunder for Additional Senior Subordinated Indebtedness, if any, the amount of principal required to be deposited into such principal payment account for such Additional Senior Subordinated Indebtedness as set forth in the applicable Additional Senior Subordinated Indebtedness Documents; plus, any deficiency from a prior Transfer Date; provided, that the amount of any transfer pursuant to this clause Fourteenth shall exclude the principal portion of the purchase price of any Additional Senior Subordinated Indebtedness subject to mandatory tender for purchase prior to maturity due on the applicable Principal Payment Date; provided, further, that if applicable, with respect to any Additional Senior Subordinated Indebtedness, the deposit on the Transfer Date occurring immediately before each Principal

Payment Date will equal the amount required to pay the principal payment due on such Principal Payment Date for the applicable Additional Senior Subordinated Indebtedness. including in the case of any Senior Subordinated Swap Agreement, Swap Termination Payments (taking into account the amounts then on deposit in any principal payment subaccount established hereunder or under the applicable Additional Senior Subordinated Indebtedness Documents for the payment of principal on such Additional Senior Subordinated Indebtedness and excluding the principal portion of the purchase price of any Additional Senior Subordinated Indebtedness subject to mandatory tender for purchase prior to maturity on such Principal Payment Date); provided, further that on each Transfer Date immediately preceding a Principal Payment Date (after giving effect to the transfers contemplated above in this clause Fourteenth), amounts on deposit in any other principal account for Additional Senior Subordinated Indebtedness established hereunder shall be transferred in accordance with the applicable Additional Senior Subordinated Indebtedness Documents, in each case, for the payment of principal due on the applicable Additional Senior Subordinated Indebtedness on the next Principal Payment Date, including in the case of any Senior Subordinated Swap Agreement, Swap Termination Payments.

<u>Fifteenth</u>, *pro rata*, to any Additional Senior Subordinated Debt Service Reserve Account then already in existence in an amount to the extent necessary to fund such account so that the balance therein (taking into account the amount available for drawing under any Acceptable Letter of Credit provided with respect thereto) equals the applicable Debt Service Reserve Requirement for the immediately preceding Calculation Date.

Sixteenth, at the Borrower's option, (i) for repayment or redemption of the Senior Secured Bonds, such amounts as the Borrower will deem appropriate to optionally prepay or redeem such then outstanding Senior Secured Bonds in whole or in part in accordance with the Senior Secured Bonds Indenture, (ii) to make any other optional prepayments or optional redemptions, as the case may be, of any Additional Senior Indebtedness or Purchase Money Debt as permitted under the applicable Additional Senior Indebtedness Documents or, for Purchase Money Debt, the related financing documents, or (iii) to make any other optional prepayments or optional redemptions, as the case may be, of any Additional Senior Subordinated Indebtedness as permitted under the applicable Additional Senior Subordinated Indebtedness Documents, together, in each case of the above clauses (i) through (iii) of this clause Sixteenth, with any interest or premium payable in connection with such prepayment or redemption and any related Swap Termination Payments in connection with such prepayment or redemption.

<u>Seventeenth</u>, to the Project Reserve Account, 100% of remaining funds at this level <u>Seventeenth</u>, if the Senior Restricted Payment Conditions as tested in clause <u>Eleventh</u> were only satisfied due to operation of clause (b)(ii) of the definition thereof.

Eighteenth, so long as the Senior Subordinated Restricted Payment Conditions are satisfied as of the applicable Transfer Date, as confirmed in a Senior Subordinated Distribution Release Certificate, to the Distribution Account or, at the Borrower's option, the Project Reserve Account or the Capital Projects Account, or if such Senior Subordinated Restricted Payment Conditions are not satisfied as of such Transfer Date, then such funds shall be transferred to the Equity Lock-Up Account or, at the Borrower's option, the Project

Reserve Account on such Transfer Date. Funds shall not be transferred from the Revenue Account to the Distribution Account or the Equity Lock-Up Account at any time other than in accordance with this clause Eighteenth.

- If the Borrower receives a payment in respect of the actual or estimated loss of the Borrower's future Project Revenues such amount will be deposited into a sub-account of the Revenue Account to be established upon written instruction to the Collateral Agent for such purpose; provided, that prior to such deposit, the Borrower will provide to the Collateral Agent (for subsequent dissemination to the Secured Parties (or the Secured Debt Representatives on behalf of the applicable Secured Parties)) a calculation in reasonable detail showing the future years for which such amount was paid as compensation in respect of the loss of Project Revenues. In the event that such amount is deposited into such sub-account, as of the commencement of each year for which such compensation was paid, at the Borrower's written request, the portion thereof constituting a payment for the loss of Project Revenues for each Fiscal Quarter during such year, together with interest or other earnings accrued thereon from the date of deposit, will be transferred from such sub-account to the Revenue Account and applied in accordance with clause (b) above during such Fiscal Quarter, and any such amounts shall be considered Project Revenues for purposes of clause (b) above and calculation of Total Senior DSCR and Total DSCR. Except as set forth in the preceding sentence, the amounts deposited in such sub-account shall not be deemed to be on deposit in the Revenue Account until so transferred from such sub-account.
- (d) To the extent that on any Transfer Date (i) amounts on deposit in any Debt Service Reserve Account are in excess of the applicable Debt Service Reserve Requirement for the immediately preceding Calculation Date, (ii) amounts on deposit in the Rolling Stock Reserve Account are in excess of the Rolling Stock Reserve Required Balance for the immediately preceding Calculation Date, (iii) amounts on deposit in the Major Maintenance Reserve Account are in excess of the Major Maintenance Reserve Required Balance for the immediately preceding Calculation Date, or (iv) amounts on deposit in the Project Reserve Account, when combined with any amounts on deposit in the Ramp-Up Reserve Account and the Major Maintenance Reserve Account (after taking into account any other transfers pursuant to this Section 5.02(d)), are in excess of the Project Reserve Required Balance for the immediately preceding Calculation Date, as the case may be, upon direction by the Borrower, such excess amounts described in the foregoing clauses (i) through (iv) are to be deposited into the Revenue Account.
- (e) Funds shall also be transferred into the Revenue Account on each Transfer Date, pursuant to each of the following and in the order described below:
- (i) In accordance with <u>Section 5.11(d)</u>, to the extent there are insufficient amounts in the Revenue Account to make the transfers required by clauses <u>First</u> through <u>Fifteenth</u> of <u>Section 5.02(b)</u> on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of the Borrower) from the Equity Lock-Up Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in <u>Section 5.02(b)</u>.
- (ii) In accordance with $\underline{Section\ 5.04(e)}$, to the extent, after application of the funds available pursuant to $\underline{clause\ (i)}$ of this $\underline{Section\ 5.02(e)}$, there are insufficient amounts in the Revenue Account to make the transfers required by clauses \underline{F} irst through Fifth of Section 5.02(b)

on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of the Borrower) from the Rolling Stock Reserve Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in Section 5.02(b).

- (iii) In accordance with Section 5.12(c), to the extent, after application of the funds available pursuant to clauses (i) and (ii) of this Section 5.02(e), there are insufficient amounts in the Revenue Account to make the transfers required by clauses First through Fifth of Section 5.02(b) on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of the Borrower) from the Capital Projects Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in Section 5.02(b).
- (iv) In accordance with <u>Section 5.08(d)</u>, to the extent, after application of the funds available pursuant to <u>clauses (i)</u> through (iii) of this <u>Section 5.02(e)</u>, there are insufficient amounts in the Revenue Account to make the transfers required by clauses <u>First</u> through <u>Fifth</u> of <u>Section 5.02(b)</u> on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of the Borrower) from the Ramp-Up Reserve Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in <u>Section 5.02(b)</u>.
- (v) In accordance with $\underline{Section 5.07(d)}$, to the extent, after application of the funds available pursuant to $\underline{clauses (i)}$ through $\underline{(iv)}$ of this $\underline{Section 5.02(e)}$, there are insufficient amounts in the Revenue Account to make the transfers required by clauses \underline{First} through \underline{Fifth} of $\underline{Section 5.02(b)}$ on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of the Borrower) from the Project Reserve Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in $\underline{Section 5.02(b)}$.
- (vi) In accordance with Section 5.06(e) to the extent, after application of the funds available pursuant to clause (i) through (v) of this Section 5.02(e), there are insufficient amounts in the Revenue Account to make the transfers required by clauses First through Fifth of Section 5.02(b) on any Transfer Date, amounts shall be transferred by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of the Borrower) from the Major Maintenance Reserve Account to the Revenue Account in an amount up to the amount of such shortfall and applied in the priority set forth in Section 5.02(b).

Section 5.03 Loss Proceeds Account.

(a) All Loss Proceeds received by the Borrower or to its order are to be paid directly into the Loss Proceeds Account. Except as provided by Sections 5.16(d) and 9.08, if a Loss Event occurs, amounts on deposit in the Loss Proceeds Account will be withdrawn and paid to the Borrower to be applied to Restore the Project or any portion thereof, except that, to the extent that (i) such proceeds exceed the amount required to Restore the Project or any portion thereof to the condition existing prior to the Loss Event and are not otherwise used by the Borrower to improve or further develop, design, acquire, construct, install, equip, own, operate, maintain or administer the portion of the Project from Miami to the Orlando International Airport or (ii) the affected

Collateral Agency Agreement

Brightline Trains Florida (Project Owner)

22

property cannot be Restored to permit operation of the Project on a Commercially Feasible Basis and upon delivery to the Collateral Agent of a certificate signed by a Responsible Officer of the Borrower certifying to the foregoing, such proceeds will be applied first, pro rata to the applicable sub-account of the Mandatory Prepayment Account in accordance with Section 5.09 and to the extent required by the Senior Financing Documents to cause the mandatory prepayment or extraordinary mandatory redemption of the applicable Senior Indebtedness, second, pro rata to the applicable sub-account of the Mandatory Prepayment Account in accordance with Section 5.09 and to the extent required by the Senior Subordinated Financing Documents to cause the mandatory prepayment or extraordinary mandatory redemption of the applicable Senior Subordinated Indebtedness, third, in the case of any remaining moneys thereafter, to the prepayment of any other Secured Obligations in accordance with the applicable Secured Obligation Documents, and fourth, to the Revenue Account.

(b) If an amount of any insurance claim on deposit in or credited to the Loss Proceeds Account has been paid out of moneys withdrawn from the Revenue Account in accordance with Section 5.02, then the Borrower may cause the transfer of moneys representing the proceeds of the claim to the Revenue Account.

Section 5.04 Rolling Stock Reserve Account.

- (a) On the Closing Date, the Rolling Stock Reserve Account will be funded with \$60,000,000. After the Closing Date, the Rolling Stock Reserve Account will be funded to the extent of amounts available in the Revenue Account in accordance with Section 5.02(b) until the amounts on deposit in such account are equal to the Rolling Stock Reserve Required Balance. The Borrower will have the right to transfer funds from the Rolling Stock Reserve Account to an Operating Account for the purpose of paying Rolling Stock Costs.
- (b) On each Transfer Date on which Rolling Stock Costs are due and payable or reasonably expected to become due and payable prior to the next succeeding Transfer Date, moneys on deposit in the Rolling Stock Reserve Account (up to the aggregate amount of such Rolling Stock Costs or expected Rolling Stock Costs) will be transferred to the applicable Operating Account designated by the Borrower as and when requested in writing by the Borrower and used by the Borrower to pay Rolling Stock Costs.
- (c) Any amounts on deposit in the Rolling Stock Reserve Account that are in excess of the Rolling Stock Reserve Required Balance shall be applied in accordance with the requirements of <u>Section 5.02(d)</u>.
- (d) On any Transfer Date after the Borrower has purchased 60 passenger coaches after the Closing Date, the remaining funds in the Rolling Stock Reserve Account, if any, shall be transferred from the Rolling Stock Reserve Account to the Operating Account(s) specified by the Borrower as directed by the Borrower pursuant to a Funds Transfer Certificate.
- (e) Moneys in the Rolling Stock Reserve Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by the Borrower) in accordance with Section 5.02(e).

- (f) Following an Enforcement Action, moneys in the Rolling Stock Reserve Account shall be applied in the manner described in Section 9.08.
- (g) Notwithstanding any other provision of this Agreement, the Borrower may substitute for all or any portion of the cash or Permitted Investments on deposit in the Rolling Stock Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent. In the event the Borrower replaces cash or Permitted Investments on deposit in the Rolling Stock Reserve Account with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account.
- (h) The Collateral Agent shall (without further direction from the Borrower) draw on any Acceptable Letter of Credit provided in accordance with the preceding Section 5.04(g) and cause the funds from such draw to be deposited into the Rolling Stock Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by the Borrower that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and the Borrower shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade, or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by the Borrower and notified to the Collateral Agent) payable out of the Rolling Stock Reserve Account.

Section 5.05 Debt Service Reserve Account.

- (a) (i) The Senior DSR Sub-Account will be established solely for the benefit of the Owners of the Senior Secured Bonds and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Owners and shall not be available to any other Secured Party or any other Person. (ii) Any Additional Senior Debt Service Reserve Account will be established solely for the benefit of the Owners of the Additional Senior Parity Bonds or Additional Senior Indebtedness for which such account was established and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Owners and shall not be available to any other Person. (iii) Any Additional Senior Subordinated Debt Service Reserve Account will be established solely for the benefit of the Owners of the Additional Senior Subordinated Indebtedness for which such account was established and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Owners and shall not be available to any other Secured Party or any other Person.
- (b) (i) The Senior DSR Sub-Account will be funded on the Closing Date in an amount equal to \$115,944,225. In addition, on each Transfer Date, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited in accordance with Section 5.02(b) into the Senior DSR Sub-Account. (ii) Upon the issuance of any Additional Senior Parity Bonds or Additional Senior Indebtedness from time to time, the applicable Additional Senior Debt Service Reserve Account will be funded in an amount equal to the Debt Service Reserve Requirement for such Additional Senior Parity Bonds or Additional Senior Indebtedness. In addition, on each Transfer Date, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited in accordance with Section 5.02(b) into the applicable

Brightline Trains Florida (Project Owner)

24

Additional Senior Debt Service Reserve Account. (iii) Upon the issuance of any Additional Senior Subordinated Indebtedness from time to time, the applicable Additional Senior Subordinated Debt Service Reserve Account will be funded in an amount equal to the Debt Service Reserve Requirement for such Additional Senior Subordinated Indebtedness. In addition, on each Transfer Date, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited in accordance with Section 5.02(b) into the applicable Additional Senior Subordinated Debt Service Reserve Account.

- (c) Except as provided in <u>clause (f)</u> below, moneys on deposit in the Debt Service Reserve Accounts shall be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction of the Borrower) as follows:
 - (i) If on any Transfer Date immediately preceding an Interest Payment Date or Principal Payment Date, as applicable, with respect to:
 - (A) the Senior Secured Bonds, the funds on deposit in the Senior Secured Bonds Interest Sub-Account or the Senior Secured Bonds Principal Sub-Account (as applicable) together with funds in the Senior Secured Bonds Funded Interest Account, the Senior Secured Bonds Interest Account or the Senior Secured Bonds Principal Account (as applicable) (after giving effect to the transfers contemplated in Fourth and Fifth in <a href="Section 5.02(b) solely with respect to the Senior Secured Bonds and the transfers contemplated in Section 5.02(e)(i) are insufficient to pay the principal, redemption price or interest on the Senior Secured Bonds on the applicable Interest Payment Date or Principal Payment Date, funds on deposit in the Senior DSR Sub-Account will be transferred to the Senior Secured Bonds Interest Account or the Senior Secured Bonds Principal Account, as applicable, for payment of interest or principal due and payable on the Senior Secured Bonds on the next Interest Payment Date or Principal Payment Date as applicable:
 - (B) any Additional Senior Indebtedness, the funds on deposit in the applicable interest account or principal account (as applicable) (after giving effect to the transfers contemplated in Fourth and Fifth in <a href="Section 5.02(b) solely with respect to such Additional Senior Indebtedness and the transfers contemplated in Section 5.02(e)(i)) are insufficient to pay the principal, redemption price or interest on such Additional Senior Indebtedness on the applicable Interest Payment Date or Principal Payment Date, funds on deposit in the applicable Additional Senior Debt Service Reserve Account will be transferred to the applicable interest account or principal account, as applicable, for payment of interest or principal due and payable on such Additional Senior Indebtedness on the next Interest Payment Date or Principal Payment Date, as applicable; and
 - (C) any Additional Senior Subordinated Indebtedness, the funds on deposit in the applicable interest account or principal account (as applicable) (after giving effect to the transfers contemplated in Thirteenth and Fourteenth in <a href="Section 5.02(b)) solely with respect to such Additional Senior Subordinated

Indebtedness and the transfers contemplated in Section 5.02(e)(i)) are insufficient to pay the principal, redemption price or interest on such Additional Senior Subordinated Indebtedness on the applicable Interest Payment Date or Principal Payment Date, funds on deposit in the applicable Additional Senior Subordinated Debt Service Reserve Account will be transferred to the applicable interest account or principal account, as applicable, for payment of interest or principal due and payable on such Additional Senior Subordinated Indebtedness on the next Interest Payment Date or Principal Payment Date, as applicable;

provided, that the transfers from the Debt Service Reserve Accounts contemplated in clauses (A) and (B) herein shall be made on a pro rata basis in relation to the interest or principal amounts, as applicable, due and payable on the Senior Secured Bonds.

- (ii) Following the taking of an Enforcement Action, moneys in the Debt Service Reserve Accounts shall be applied in the manner set forth in <u>Section 9.08</u>.
- (d) The Borrower may from time to time request that any Additional Senior Debt Service Reserve Account be established in accordance with the requirements of any Additional Senior Secured Indebtedness Documents, which Account would be established solely for the benefit of the specific Additional Senior Secured Indebtedness Holders under the applicable Additional Senior Secured Indebtedness Documents, and held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Additional Senior Secured Indebtedness Holders and shall not be available to any other Secured Party or any other Person. The Borrower may from time to time request that any Additional Senior Subordinated Debt Service Reserve Account be established in accordance with the requirements of any Additional Senior Subordinated Indebtedness Documents, which Account would be established solely for the benefit of the specific Additional Senior Subordinated Indebtedness Holders under the applicable Additional Senior Subordinated Indebtedness Documents, and held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Additional Senior Subordinated Indebtedness Holders and shall not be available to any other Secured Party or any other Person.
- (e) Except as provided in <u>clause (f)</u> below, any amounts on deposit in the Debt Service Reserve Accounts (or any sub-account thereof) in excess of the applicable Debt Service Reserve Requirement shall be applied in accordance with the requirements of <u>Section 5.02(d)</u>.
- (f) Notwithstanding any other provision of this Agreement, the Borrower may substitute for all or any portion of the cash or Permitted Investments on deposit in any Debt Service Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent; provided, if such substitution is with respect to a Debt Service Reserve Account for Senior Secured Bonds or any other Secured Obligations the interest on which is tax-exempt, the Borrower shall be required to deliver to the Senior Secured Bonds Trustee or other applicable Secured Debt Representative a written opinion of Bond Counsel to the effect that such actions will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the applicable Secured Obligations. In the event the Borrower replaces cash or Permitted Investments on deposit in any Debt Service Reserve Account with such Acceptable Letter of Credit and delivers any such

Brightline Trains Florida (Project Owner)

25

Collateral Agency Agreement

Brightline Trains Florida (Project Owner)

26

Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account.

(g) The Collateral Agent shall (without further direction from the Borrower) draw on any Acceptable Letter of Credit provided in accordance with the preceding clause (f) and cause the funds from such draw to be deposited into the Debt Service Reserve Account for which such Acceptable Letter of Credit was provided: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by the Borrower that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and the Borrower shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade, or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by the Borrower and notified to the Collateral Agent) payable out of the applicable Debt Service Reserve Account.

Section 5.06 Major Maintenance Reserve Account.

- (a) The Major Maintenance Reserve Account will be funded to the extent of amounts available in the Revenue Account in accordance with Section 5.02(b) until the amounts on deposit in such account are equal to the Major Maintenance Reserve Required Balance. The Borrower will have the right to transfer funds from the Major Maintenance Reserve Account to an Operating Account for the purpose of paying Major Maintenance Costs.
- (b) On each Transfer Date on which Major Maintenance Costs are due and payable or reasonably expected to become due and payable prior to the next succeeding Transfer Date in accordance with Section 5.06(a), moneys on deposit in the Major Maintenance Reserve Account (up to the aggregate amount of such costs) will be transferred to the applicable Operating Account designated by the Borrower in accordance with Section 5.13 and used by the Borrower to pay such Major Maintenance Costs as and when requested in writing by the Borrower, subject to any restrictions on the use of such funds in the Senior Financing Documents.
- (c) Funds held in the Major Maintenance Reserve Account that are not spent on Major Maintenance Costs during the Fiscal Year for which such funds were reserved due to deferral of Major Maintenance during any such Fiscal Year (the "Non-Completed Work") will be retained in the Non-Completed Work Sub-Account and applied to the costs of completing the Non-Completed Work; provided, that any such funds retained in the Non-Completed Work Sub-Account for application to Non-Completed Work will be deemed not on deposit in the Major Maintenance Reserve Account for purposes of calculating whether the amounts on deposit therein are sufficient to meet the Major Maintenance Reserve Required Balance; provided, further, that the Non-Completed Work will not be considered in the calculation of the Major Maintenance Reserve Required Balance and any funds remaining on deposit in the Non-Completed Work Sub-Account after completion or abandonment of the applicable Non-Completed Work will be transferred to the Revenue Account and distributed in accordance with Section 5.02(b).
- (d) Any amounts on deposit in the Major Maintenance Reserve Account that are in excess of the Major Maintenance Reserve Required Balance shall be applied in accordance with the requirements of Section 5.02(d).

- (e) Moneys in the Major Maintenance Reserve Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by the Borrower) in accordance with Section 5.02(e).
- (f) Following an Enforcement Action, moneys in any Major Maintenance Reserve Account shall be applied in the manner described in Section 9.08.
- (g) Notwithstanding any other provision of this Agreement, the Borrower may substitute for all or any portion of the cash or Permitted Investments on deposit in the Major Maintenance Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent. In the event the Borrower replaces cash or Permitted Investments on deposit in the Major Maintenance Reserve Account with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account.
- (h) The Collateral Agent shall (without further direction from the Borrower) draw on any Acceptable Letter of Credit provided in accordance with the preceding clause (g) and cause the funds from such draw to be deposited into the Major Maintenance Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by the Borrower that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and the Borrower shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade, or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by the Borrower and notified to the Collateral Agent) payable out of the Major Maintenance Reserve Account.

Section 5.07 Project Reserve Account.

- (a) On the Closing Date, the Project Reserve Account will be funded with \$75,000,000. After the Closing Date, the Project Reserve Account will be funded to the extent of amounts available in the Revenue Account from the Revenue Account in accordance with Section 5.02(b).
- (b) On each Transfer Date, moneys on deposit in the Project Reserve Account will be transferred to the applicable Operating Account designated by the Borrower in accordance with Section 5.13 and used by the Borrower to pay Project Costs and O&M Expenditures, as and when requested in writing by the Borrower, subject to any restrictions on the use of such funds in the Senior Financing Documents.
- (c) Any amounts on deposit in the Project Reserve Account that, when combined with any amounts on deposit in the Ramp-Up Reserve Account and the Major Maintenance Reserve Account, are in excess of the Project Reserve Required Balance shall be applied in accordance with the requirements of Section 5.02(d).
- (d) Moneys in the Project Reserve Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by the Borrower) in accordance with <u>Section 5.02(e)</u>.

Brightline Trains Florida (Project Owner)

28

Collateral Agency Agreement

- (e) Following an Enforcement Action, moneys in the Project Reserve Account shall be applied in the manner described in Section 9.08.
- (f) Notwithstanding any other provision of this Agreement, the Borrower may substitute for all or any portion of the cash or Permitted Investments on deposit in the Project Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent. In the event the Borrower replaces cash or Permitted Investments on deposit in the Project Reserve Account with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account.
- (g) The Collateral Agent shall (without further direction from the Borrower) draw on any Acceptable Letter of Credit provided in accordance with the preceding clause (f) and cause the funds from such draw to be deposited into the Project Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by the Borrower that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and the Borrower shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade, or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by the Borrower and notified to the Collateral Agent) payable out of the Project Reserve Account.

Section 5.08 Ramp-Up Reserve Account.

- (a) On the Closing Date, the Ramp-Up Reserve Account will be funded with \$175,000,000.
- (b) On each Transfer Date, moneys on deposit in the Ramp-Up Reserve Account will be transferred to the applicable Operating Account designated by the Borrower in accordance with Section 5.13 and used by the Borrower to pay O&M Expenditures as and when requested in writing by the Borrower, subject to any restrictions on the use of such funds in the Senior Financing Documents.
- (c) On any Transfer Date on or after January 1, 2026, as directed by the Borrower pursuant to a Funds Transfer Certificate, an amount up to the then-applicable Ramp-Up Reserve Release Amount may be transferred from the Ramp-Up Reserve Account to the Operating Account(s) specified by the Borrower.
- (d) Moneys in the Ramp-Up Reserve Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by the Borrower) in accordance with <u>Section 5.02(e)</u>.
- (e) Following an Enforcement Action, moneys in the Ramp-Up Reserve Account shall be applied in the manner described in Section 9.08.
- (f) Notwithstanding any other provision of this Agreement, the Borrower may substitute for all or any portion of the cash or Permitted Investments on deposit in the Ramp-Up Reserve Account, an Acceptable Letter of Credit in favor of the Collateral Agent. In the event the Borrower replaces cash or Permitted Investments on deposit in the Ramp-Up Reserve Account

Brightline Trains Florida (Project Owner) 29 Collateral Agency Agreement

with such Acceptable Letter of Credit and delivers any such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred to the Revenue Account

(g) The Collateral Agent shall (without further direction from the Borrower) draw on any Acceptable Letter of Credit provided in accordance with the preceding clause (f) and cause the funds from such draw to be deposited into the Ramp-Up Reserve Account: (i) if such Acceptable Letter of Credit is not replaced 30 days prior to expiry thereof, (ii) upon being notified by the Borrower that there has been a downgrade of the issuer of such Acceptable Letter of Credit such that it is no longer an Acceptable Bank (and the Borrower shall promptly provide such notice to the Collateral Agent after becoming aware of any such downgrade) if such Acceptable Letter of Credit is not replaced within 30 days of such downgrade, or (iii) at any time funds are (or, on the next Transfer Date, expected to be, as determined by the Borrower and notified to the Collateral Agent) payable out of the Ramp-Up Reserve Account.

Section 5.09 Mandatory Prepayment Account.

- Funds will be deposited into the Senior Secured Bonds Mandatory Prepayment Sub-Account to repay the Senior Secured Bonds in accordance with the Senior Secured Bonds Indenture, into any other applicable sub-account created under the Mandatory Prepayment Account for the prepayment or repayment of any Additional Senior Secured Indebtedness to repay such Additional Senior Secured Indebtedness in accordance with the Additional Senior Secured Indebtedness Documents, and into any other applicable sub-account created under the Mandatory Prepayment Account for the prepayment or repayment of any Additional Senior Subordinated Secured Indebtedness to repay such Additional Senior Subordinated Secured Indebtedness in accordance with the Additional Senior Subordinated Secured Indebtedness Documents. The following amounts, when received by the Borrower, will be deposited into the Senior Secured Bonds Mandatory Prepayment Sub-Account for the prepayment of the Senior Secured Bonds, into any other applicable sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness to repay such Additional Senior Secured Indebtedness and into any other applicable sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness to repay such Additional Senior Subordinated Secured Indebtedness and transferred, in the case of the Senior Secured Bonds Mandatory Prepayment Sub-Account to the Senior Secured Bonds Trustee for prepayment of the Senior Secured Bonds, in the case of any other subaccount created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness, to the applicable Secured Debt Representative to repay such Additional Senior Secured Indebtedness and, in the case of any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness, to the applicable Secured Debt Representative to repay such Additional Senior Subordinated Secured Indebtedness:
 - (i) from net amounts of Loss Proceeds received by the Borrower in accordance with Section 5.03: (A) first, on a pro rata basis in relation to the outstanding principal amount of the respective Senior Indebtedness, to the Senior Secured Bonds Mandatory Prepayment Sub-Account and any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured

Brightline Trains Florida (Project Owner)

30

- Indebtedness; and (B) second, with respect to any Loss Proceeds in excess of the aggregate outstanding principal amount of the Senior Indebtedness, on a *pro rata* basis in relation to the outstanding principal amount of the Senior Subordinated Indebtedness to any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness;
- (ii) with respect to the Senior Secured Bonds, in accordance with the Senior Secured Bonds Indenture and any other applicable Secured Obligation Documents;
- (iii) with respect to any Additional Senior Secured Indebtedness, in accordance with the Additional Senior Secured Indebtedness Documents and any other applicable Secured Obligation Documents; and
- (iv) with respect to any Additional Senior Subordinated Secured Indebtedness, in accordance with the Additional Senior Subordinated Secured Indebtedness Documents and any other applicable Secured Obligation Documents.
- Notwithstanding anything to the contrary herein, (i) the Senior Secured Bonds Mandatory Prepayment Sub-Account shall be pledged solely as collateral to secure the Senior Secured Bonds and shall be established solely for the benefit of the Owners of the Senior Secured Bonds, and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Owners (and none of the other Secured Parties or any other Person shall have any security interest in the Senior Secured Bonds Mandatory Prepayment Sub-Account); (ii) any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness shall be pledged solely as collateral to secure such Additional Senior Secured Indebtedness in accordance with the applicable Additional Senior Secured Indebtedness Documents and shall be established solely for the benefit of the applicable Additional Senior Secured Indebtedness Holders and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Additional Senior Secured Indebtedness Holders (and none of the other Secured Parties nor any other Person shall have any Security Interest in such sub-accounts); and (iii) any other sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness shall be pledged solely as collateral to secure such Additional Senior Subordinated Secured Indebtedness in accordance with the applicable Additional Senior Subordinated Secured Indebtedness Documents and shall be established solely for the benefit of the applicable Additional Senior Subordinated Secured Indebtedness Holders and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Additional Senior Subordinated Secured Indebtedness Holders (and none of the other Secured Parties nor any other Person shall have any Security Interest in such sub-accounts).
- (c) Following an Enforcement Action, moneys in the Mandatory Prepayment Account and all sub-accounts thereof shall be applied in the manner described in Section 9.08.

Section 5.10 Distribution Account.

(a) The Distribution Account shall be funded in accordance with and subject to $\underline{\text{Section}}$ 5.02(b).

Brightline Trains Florida (Project Owner) 31 Collateral Agency Agreement

- (b) The Borrower will have the exclusive right to withdraw or otherwise dispose of funds on deposit in the Distribution Account to any other account or to such other Person as directed by the Borrower in its sole discretion, and the Distribution Account (and any amounts on deposit therein) will not constitute Collateral.
- (c) Any amounts payable to the Distribution Account pursuant to clause <u>Eighteenth</u> as set forth in <u>Section 5.02(b)</u> will be paid to the Distribution Account on any Transfer Date upon certification by the Borrower that the Senior Subordinated Restricted Payment Conditions are satisfied in full on such Transfer Date, such certification to be made by delivery to the Collateral Agent of a Senior Subordinated Distribution Release Certificate.

Section 5.11 Equity Lock-Up Account

- (a) Any funds that would have been payable to the Distribution Account but for the failure of a Senior Subordinated Restricted Payment Condition to be satisfied under clause <u>Eighteenth</u> as set forth in <a href="Section 5.02(b) will be transferred to the Equity Lock-Up Account pursuant to such clause <u>Eighteenth</u> (unless transferred to another Project Account pursuant to such clause <u>Eighteenth</u>).
- (b) Funds already on deposit in the Equity Lock-Up Account on any Transfer Date will be transferred to the Revenue Account on such Transfer Date and applied in accordance with Section 5.02(b).
- (c) The funds held in the Equity Lock-Up Account may be applied to make mandatory prepayment or redemption of, or for a mandatory offer to pay or redeem, Senior Secured Obligations and, to the extent to be applied to make such prepayment or redemption, shall be transferred at the direction of the Borrower to the applicable Secured Debt Representatives and applied to the prepayment or redemption of the Senior Secured Obligations upon failure to satisfy the Senior Subordinated Restricted Payment Conditions in accordance with the terms of the applicable Secured Obligation Documents.
- (d) Funds held in the Equity Lock-Up Account shall be used by the Collateral Agent, without the requirement of a Funds Transfer Certificate and without further direction by the Borrower, in accordance with Section 5.02(e). In addition, the Borrower may, at its option, direct the Collateral Agent in any Funds Transfer Certificate (after giving effect to any transfer made by the Collateral Agent pursuant to the previous sentence) to transfer funds out of the Equity Lock-Up Account for the purpose of making any payments referred to in clause Sixteenth set forth in Section 5.02(b).
- (e) Following an Enforcement Action, moneys in the Equity Lock-Up Account shall be applied in the manner described in <u>Section 9.08.</u>

Section 5.12 Capital Projects Account.

(a) Funds may be deposited into the Capital Projects Account at the direction of the Borrower from (i) the Revenue Account pursuant to item <u>Twelfth</u> or <u>Eighteenth</u> of <u>Section 5.02(b)</u>, (ii) Equity Contributions, (iii) the proceeds of government grants provided for the purpose of financing any Capital Project or (iv) the proceeds of Additional Senior Indebtedness, Additional

Brightline Trains Florida (Project Owner)

32

Senior Subordinated Indebtedness or other Indebtedness permitted to be incurred by the Financing Obligation Documents to be used to pay the costs of Capital Projects in accordance with the requirements set forth in the applicable Financing Obligation Documents.

- (b) On each Transfer Date, the Collateral Agent shall transfer funds from the Capital Projects Account to the applicable Operating Account designated by the Borrower in accordance with Section 5.13 to be used to pay the costs of Capital Projects in accordance with the requirements set forth in the applicable Financing Obligation Documents upon request by the Borrower, together with a certificate from a Responsible Officer of the Borrower to the effect that such Capital Project is permitted under the applicable Financing Obligation Documents. In addition, at the Borrower's option, funds from the Capital Projects Account may be transferred to the Revenue Account on such Transfer Date and applied in accordance with Section 5.02(b).
- (c) Moneys in the Capital Projects Account will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate and without any further direction by the Borrower) in accordance with Section 5.02(e).
- (d) Following an Enforcement Action, moneys in the Capital Projects Account shall be applied in the manner described in <u>Section 9.08</u>.

Section 5.13 Operating Accounts and Equity Funded Account.

- (a) Funds held in the Revenue Account, the Rolling Stock Reserve Account, the Major Maintenance Reserve Account, the Project Reserve Account, the Ramp-Up Reserve Account and the Capital Projects Account will be transferred into the applicable Operating Accounts designated by the Borrower from time to time in accordance with the provisions set forth in item Second of Section 5.02(b), Section 5.04(b), Section 5.04(d), Section 5.06(b), Section 5.07(b), Section 5.08(c) and Section 5.12(b). Funds may also be deposited into the applicable Operating Accounts designated by the Borrower from time to time from the proceeds of the incurrence of other Indebtedness permitted to be incurred by the Financing Obligation Documents to the extent such funds are not otherwise required to be deposited in any other Project Account.
- (b) Except when a Secured Obligation Event of Default has occurred and is continuing, the Borrower may make withdrawals from, and write checks against, any Operating Account without having to comply with any conditions (other than any conditions set forth in the Financing Obligation Documents), other than that such amounts must be applied towards (i) with respect to funds deposited pursuant to item Second of Section 5.02(b) or Section 5.08(b), O&M Expenditures, (ii) with respect to funds deposited pursuant to Section 5.04(b), Rolling Stock Costs, (iii) with respect to funds deposited pursuant to Section 5.06(b), Major Maintenance Costs, (iv) with respect to funds deposited pursuant to Section 5.05(b), costs of Capital Projects and (v) with respect to funds deposited pursuant to Section 5.04(d), Section 5.07(b), Section 5.08(c) or any other source (except as specified in Section 5.13(c)), O&M Expenditures or Project Costs; in each case, subject to any restrictions on the use of such funds in the Senior Financing Documents.
- (c) Funds may be deposited into the Equity Funded Account from the proceeds of Additional Senior Subordinated Indebtedness or Equity Contributions or from the Distribution Account, in each case to be used by the Borrower for any purpose not inconsistent with the

Financing Documents. Unless otherwise provided in the Financing Documents and except when a Secured Obligation Event of Default has occurred and is continuing, any repayment or redemption of all or any portion of any Additional Senior Subordinated Indebtedness may be made with funds on deposit in the Equity Funded Account without regard to the satisfaction of the Senior Restricted Payment Conditions.

(d) Except when a Secured Obligation Event of Default has occurred and is continuing, the Borrower may make withdrawals from, and write checks against, the Equity Funded Account without having to comply with any conditions.

Section 5.14 Funds as Collateral. Any deposit made into the Project Accounts hereunder (except through clerical or other manifest error or in a manner that is otherwise inconsistent with this Agreement) shall be irrevocable and all cash, cash equivalents, instruments, investments and other securities on deposit in or credited to the Project Accounts shall be subject to the Security Interests of the Senior Security Agreement and other applicable Security Documents and shall constitute Collateral for the benefit of the applicable Secured Parties as provided herein, provided that (i) amounts on deposit in the Senior DSR Sub-Account shall only be held as Collateral for the exclusive benefit of the Owners of the Senior Secured Bonds and the Bond Insurer, (ii) amounts on deposit in any Additional Senior Debt Service Reserve Account shall only be held as Collateral for the exclusive benefit of the specific Additional Senior Secured Indebtedness Holders under the applicable Additional Senior Secured Indebtedness Documents, (iii) amounts on deposit in any Additional Senior Subordinated Debt Service Reserve Account shall only be held as Collateral for the exclusive benefit of the specific Additional Senior Subordinated Secured Indebtedness Holders under the applicable Additional Senior Subordinated Secured Indebtedness Documents, (iv) amounts on deposit in the Senior Secured Bonds Mandatory Prepayment Sub-Account shall only be held as Collateral for the exclusive benefit of the Owners of the Senior Secured Bonds, (v) amounts on deposit in any sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness shall only be held as Collateral for the exclusive benefit of the specific Additional Senior Secured Indebtedness Holders under the applicable Additional Senior Secured Indebtedness Documents, and (vi) amounts on deposit in any sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness shall only be held as Collateral for the exclusive benefit of the specific Additional Senior Subordinated Secured Indebtedness Holders under the applicable Additional Senior Subordinated Secured Indebtedness Documents, and, in each case, none of the other Secured Parties (including any Owners of Additional Senior Parity Bonds or holders of Additional Senior Indebtedness issued for other purposes) nor any other Person shall have any Security Interest in any Debt Service Reserve Account, the Senior Secured Bonds Mandatory Prepayment Sub-Account, any sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Secured Indebtedness or any sub-account created under the Mandatory Prepayment Account for the prepayment of any Additional Senior Subordinated Secured Indebtedness.

Section 5.15 Investment.

(a) Funds in the Project Accounts may be invested and reinvested only in Permitted Investments (at the risk and expense of the Borrower) in accordance with written instructions given

Brightline Trains Florida (Project Owner)

34

Collateral Agency Agreement

to the Collateral Agent by the Borrower (prior to the occurrence of a Secured Obligation Event of Default and, thereafter (so long as such Secured Obligation Event of Default shall be continuing). as directed in writing by the Secured Debt Representatives representing the Required Secured Creditors) and, unless a Secured Obligation Event of Default has occurred and is continuing, the Borrower is entitled to instruct the Collateral Agent to liquidate Permitted Investments for purposes of effecting any such investment or reinvestment or for any other purpose permitted hereunder. The Collateral Agent shall not be required to take any action with respect to investing the funds in any Project Account in the absence of written instructions by the Borrower or Secured Debt Representatives representing the Required Secured Creditors (to the extent provided in accordance with the terms hereof). The Collateral Agent shall not be liable for any loss resulting from any Permitted Investment or the sale or redemption thereof made in accordance with the terms hereof. If and when cash is required for disbursement in accordance with this Article V or Section 9.08, the Collateral Agent is authorized, without instructions from the Borrower, to the extent necessary to make payments or transfers required pursuant to this Article V or Section 9.08, in the event the Borrower fails to direct the Collateral Agent to do so in a timely manner, to cause Permitted Investments to be sold or otherwise liquidated into cash (without regard to maturity) in such manner as the Collateral Agent shall deem reasonable and prudent under the circumstances. All funds in the Project Accounts and all Permitted Investments made in respect thereof shall constitute part of the Collateral.

- (b) The Collateral Agent shall have no obligation to invest or reinvest the funds if all or a portion of the funds is deposited with (or instructions with respect to the same are given to) the Collateral Agent after 11:00 a.m. (New York time) on the day of deposit. Instructions to invest or reinvest that are received after 11:00 a.m. (New York time) will be treated as if received on the following Business Day.
- (c) In the event the Collateral Agent does not receive investment instructions, the amounts held by the Collateral Agent pursuant to the provisions of this Agreement shall not be invested and the Collateral Agent shall not incur any liability for interest or income thereon.
- (d) The parties hereto each acknowledge that non-deposit investment products are not obligations of, or guaranteed by, the Collateral Agent or any of its affiliates, are not FDIC insured, and are subject to investment risks, including the possible loss of principal amount invested in one of the money market funds made available by the Collateral Agent and initially selected by the Borrower or the Secured Debt Representatives representing the Required Secured Creditors (as the case may be).
- (e) Any investment direction contained herein may be executed through an affiliated broker or dealer of the Collateral Agent and any such affiliated broker or dealer shall be entitled to such broker's or dealer's usual and customary fees for such execution as agreed to by the Borrower or the Secured Debt Representatives representing the Required Secured Creditors (as the case may be). It is agreed and understood that the Collateral Agent may earn fees associated with the investments outlined above to the extent previously agreed with the Borrower. Neither the Collateral Agent nor its Affiliates shall have a duty to monitor the investment ratings of any Permitted Investments.

(f) Investments may be held by the Collateral Agent directly or through any clearing agency or depository (collectively, the "Clearing Agency") including, without limitation, the federal reserve/treasury book-entry system for United States and federal agency securities, and The Depository Trust Company. The Collateral Agent shall not have any responsibility or liability for the actions or omissions to act on the part of any Clearing Agency.

Section 5.16 Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Secured Obligation Event of Default.

- (a) Except as otherwise specified in this Agreement, each withdrawal or transfer of funds from the Project Accounts (other than from any Operating Account, the Equity Funded Account and any Collection Account) by the Collateral Agent on behalf of the Borrower will be made pursuant to an executed Funds Transfer Certificate, which certificate will be provided and prepared by the Borrower and will contain a certification by a Responsible Officer of the Borrower that such withdrawal or transfer complies with the requirements of this Agreement.
- (b) Unless a shorter period is acceptable to the Collateral Agent, such Funds Transfer Certificate relating to each applicable Project Account (other than any Operating Account, the Equity Funded Account and any Collection Account) will be delivered to the Collateral Agent no later than two Business Days prior to each date on which funds are proposed to be withdrawn or transferred. In the event that a certificate does not comply with the requirements of this Agreement and the other Financing Obligation Documents, the Collateral Agent has the right to reject such certificate and the Borrower will not be entitled to cause the proposed withdrawal or transfer until it has submitted a revised and compliant certificate.
- (c) For the avoidance of doubt, subject to the immediately following clause (d), the Borrower will have the right to withdraw or cause to be transferred funds from any Operating Account, any Collection Account or the Equity Funded Account, at any time without approval or consent of the Collateral Agent, any Secured Debt Representative or any other person, so long as such withdrawal is effected in accordance with the terms of this Agreement.
- (d) Notwithstanding anything to the contrary contained in this Agreement, upon receipt of a notice of a Secured Obligation Event of Default and during the continuance of the related Secured Obligation Event of Default, the Secured Debt Representatives representing the Required Secured Creditors may, following the taking of an Enforcement Action, without consent of the Borrower, instruct the Collateral Agent in writing (i) not to release, withdraw, distribute, transfer or otherwise make available any funds in or from any of the Project Accounts and to take such action or refrain from taking such action with respect to such funds and Project Accounts as such Secured Debt Representatives (acting in accordance with the direction of Required Secured Creditors) shall so instruct or (ii) to apply proceeds of the Project Accounts to the payment of Secured Obligations, in accordance with the terms of this Agreement and in the order set forth in Section 9.08, so long as such payments are on account of amounts due under the Secured Obligation Documents, in each case until the Collateral Agent has received written notice that such Secured Obligation Event of Default no longer exists due to it having been waived, cured or no longer existing, or having been deemed waived, in accordance with the terms of the relevant Secured Obligation Documents and such Enforcement Action has been cancelled; provided that at

Brightline Trains Florida (Project Owner)

35

Collateral Agency Agreement

Brightline Trains Florida (Project Owner)

any time prior to the taking of an Enforcement Action, proceeds of the Project Accounts will be applied in the order and the manner set forth in Section 5.02.

- (e) Notwithstanding any other provision of this Agreement, the Collateral Agent will not be obligated to monitor or verify (i) the accuracy of any Funds Transfer Certificate or other written instructions provided to the Collateral Agent for the transfer or deposit of funds with respect to any Project Account, or (ii) the use of amounts withdrawn from the Project Accounts pursuant to written instructions given by the Borrower.
- Section 5.17 Termination of Project Accounts. Upon the Payment in Full of the Secured Obligations as confirmed in writing by the Secured Debt Representatives, this Agreement will terminate, and the Collateral Agent will, within 30 days of receipt of a request from the Borrower and at the expense of the Borrower, close the Project Accounts (other than any Operating Account, the Equity Funded Account and any Collection Account, which will remain at the full discretion of the Borrower) or liquidate any investments credited thereto or transfer the funds deposited therein or credited thereto, as directed by the Borrower. Thereafter, the Account Bank will be released from any further obligation to comply with entitlement orders or instructions directing the disposition of funds originated by the Collateral Agent and the Collateral Agent and the Account Bank will be released from any further obligation to comply with any obligation under any Secured Obligation Document except as specifically provided therein. Nothing contained in this Section 5.17 will be construed to modify or otherwise affect the Collateral Agent's Security Interest in the Project Accounts and the funds therein, prior to such transfer or Payment in Full of the Secured Obligations.
- Section 5.18 Securities Intermediary. (a) The Securities Accounts shall be established and maintained (and to the extent established prior to the Closing Date, have been established and maintained) as securities accounts with a securities intermediary. Each of the parties to this Agreement, including the Account Bank, hereby agrees that the Account Bank (or any successor thereto) shall act as the "securities intermediary" as defined in Section 8-102(a)(14) of the UCC and any applicable Federal Book-Entry Regulations, to the extent applicable under and for the purposes of this Agreement and for so long as Deutsche Bank National Trust Company (or any successor) is the Collateral Agent.
- (b) The Account Bank hereby accepts and agrees to act as such under this Agreement and represents and warrants that it is as of the date hereof, and shall be for so long as it is the Account Bank hereunder, a banking corporation or a national bank that in the ordinary course of its business maintains securities accounts for others, meets the requirements and qualifications set forth in Section 5.18(e) and is acting in that capacity hereunder. The Account Bank agrees with the parties hereto that each of the Securities Accounts shall be an account to which "financial assets" (as defined in Section 8-102(a)(9) of the UCC) may be credited and the Account Bank undertakes to treat the Collateral Agent as entitled to exercise the rights that comprise such financial assets. The Account Bank agrees with the parties hereto that each item of property (including any cash, security, instrument or obligation, share, participation, interest or other property whatsoever) credited to each Securities Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC. Each of the Collateral Agent and the Account Bank represents and warrants that it has not entered into any agreement or taken any other action that gives any Person other than the Collateral Agent control over any of the Securities

Accounts or that is otherwise inconsistent with this Agreement. Each of the Collateral Agent and the Account Bank agrees that it shall not become a party to any agreement or take any action that gives any Person other than the Collateral Agent control over any of the Securities Accounts or that is otherwise inconsistent with this Agreement. The Account Bank agrees that any financial assets credited to such Securities Accounts, or any "security entitlement" (as defined in Section 8-102(a)(17) of the UCC or, with respect to book-entry securities, in the applicable Federal Book-Entry Regulations) with respect thereto, shall not be subject to any Security Interest, encumbrance, or right of setoff in favor of the Account Bank or anyone claiming through the Account Bank (other than the Collateral Agent).

- (c) It is the intent of the Parties hereto (including the Collateral Agent and the Borrower) that the Collateral Agent (for the benefit of the Secured Parties) be, and the Collateral Agent (for the benefit of the Secured Parties) shall be, the "entitlement holder" (as defined in Section 8-102(a)(7) of the UCC) with respect to the Securities Accounts. In any event, notwithstanding any other provision of this Agreement, the Account Bank hereby agrees that it will comply with any "entitlement order" (as defined in Section 8-102(a)(8) of the UCC) with respect to the Securities Accounts originated by the Collateral Agent without further consent by the Borrower or any other Person. The Account Bank covenants that it will not agree with any Person other than the Collateral Agent to comply with any "entitlement orders" with respect to the Securities Accounts originated by any Person or entity other than the Collateral Agent.
- (d) The Account Bank shall not change the name or account number of any Securities Account without the prior written consent of the Collateral Agent and at least five Business Days' prior notice to the Secured Debt Representatives and the Borrower, and shall not change the "entitlement holder". The Account Bank shall at all times act as a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC or, with respect to book-entry securities, in the applicable Federal Book-Entry Regulations) in maintaining the Securities Accounts and shall credit to each Securities Account each financial asset to be held in or credited to each Securities Account pursuant to this Agreement. To the extent, if any, that the Collateral Agent is deemed to hold directly, as opposed to having a security entitlement in, any financial asset held by the Account Bank for the Collateral Agent, the Account Bank hereby agrees that it is holding such financial asset as the agent of the Collateral Agent and hereby expressly acknowledges and agrees that it has received notification of the Collateral Agent's security interest in such financial asset and that it is holding possession of such financial asset for the benefit of the Collateral Agent.
- (e) Each Securities Account shall remain at all times with a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC or, with respect to book-entry securities, in the applicable Federal Book-Entry Regulations) that is a bank or other financial institution organized under the laws of the United States or any state thereof that has offices in the State of New York or New Jersey that has a combined capital and surplus of not less than \$200,000,000.
- (f) Any income received by the Collateral Agent with respect to the balance from time to time on deposit in each Securities Account or other account established hereunder, including any interest or capital gains on investments in overnight securities made with amounts on deposit in each such account, shall be credited to the applicable account. All right, title and interest in and to the cash amounts on deposit from time to time in each Securities Account together with any investments in overnight securities from time to time made pursuant to this Section 5.18 shall

constitute part of the Collateral for the Secured Obligations and shall be held for the benefit of the Secured Parties and the Borrower as their interests shall appear hereunder and shall not constitute payment of the Secured Obligations (or any other obligations to which such funds are provided hereunder to be applied) until applied thereto as provided in this Agreement.

- (g) In the event that, notwithstanding the last sentence of Section 5.18(b), the Account Bank has or subsequently obtains by agreement, operation of law or otherwise a security interest in any of the Securities Accounts, or any financial asset credited thereto, or any "security entitlement" (as defined in Section 8-102(a)(17) of the UCC or, with respect to book-entry securities, in the applicable Federal Book-Entry Regulations) with respect thereto, the Account Bank hereby agrees that such security interest shall be subject and subordinate to the security interest of the Collateral Agent.
- (h) The "securities intermediary's jurisdiction" of the Account Bank for purposes of the UCC (or the Uniform Commercial Code of any other jurisdiction to the extent applicable) is the State of New York. In addition, to the extent that any agreements between the Account Bank and the Borrower governing any Securities Account (collectively, the "Account Agreements") do not provide that the laws of the State of New York shall govern all of the issues specified in Article 2(1) of the Hague Securities Convention, each Account Agreement is hereby amended to provide that the law applicable to all of the issues specified in Article 2(1) of the Hague Securities Convention shall be the laws of the State of New York. The "Hague Securities Convention" means the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary, July 5, 2006, 17 U.S.T. 401, 46 I.L.M. 649.
- (i) Terms used in this <u>Section 5.18</u> that are defined in the UCC shall have the meaning set forth in the UCC. Without limiting the foregoing, the term "securities intermediary" shall, with respect to book-entry securities, have the meaning given to it under the applicable Federal Book-Entry Regulations.
- (j) To the extent that the Securities Accounts are not considered "securities accounts" (within the meaning of Section 8-501(a) of the UCC), the Securities Accounts shall be deemed to be "deposit accounts" (as defined in Section 9-102(a)(29) of the UCC), which the Collateral Agent shall maintain with the Account Bank acting not as a securities intermediary but as a "bank" (within the meaning of Section 9-102(a)(8) of the UCC). The Account Bank hereby agrees to comply with any and all instructions originated by the Collateral Agent directing disposition of funds in the Securities Accounts without any further consent of the Borrower.
- Section 5.19 Account Bank. Each of the parties to this Agreement hereby agrees that Deutsche Bank National Trust Company (or any successor thereto in its capacity as Collateral Agent) shall act as the initial Account Bank under and for the purposes of this Agreement.

Section 5.20 Change or Addition of Deposit Account Bank.

(a) Upon 10 Business Days' written notice to the Secured Debt Representatives and the Collateral Agent, a Deposit Account Bank may be changed to another bank by the Borrower or the Borrower may elect to use an additional Deposit Account Bank; *provided* that such bank shall be organized under the laws of the United States or any state thereof with a branch office in

the State of Florida having a combined capital and surplus of not less than \$200,000,000. If any Deposit Account Bank at any time gives notice that it no longer wishes to act as a Deposit Account Bank or that it will no longer be subject to the terms of an Account Control Agreement, or that it will no longer act upon the instructions of the Borrower or the Collateral Agent in accordance with the applicable Account Control Agreement as a result of its determination that such action would result in the violation of any applicable law, rule or regulation (a "Termination Notice"), the Borrower shall promptly (and, to the extent possible, prior to the effective date of such Termination Notice) appoint a replacement Deposit Account Bank; provided that the Borrower delivers a legal opinion reasonably acceptable to the Collateral Agent to the effect that after the appointment of such replacement Deposit Account Bank, the security interest of the Collateral Agent in the replacement deposit accounts will be perfected. The Borrower shall notify the Collateral Agent of a Termination Notice promptly upon receipt thereof by the Borrower.

(b) The new Deposit Account Bank shall be required, prior to becoming a Deposit Account Bank, to (i) enter into one or more Account Control Agreements, in such form as may be approved by Secured Debt Representatives representing the Required Secured Creditors and the Collateral Agent (such approval not to be unreasonably withheld, delayed or conditioned), with the Borrower and the Collateral Agent, and with an agreement therein of the new Deposit Account Bank to carry out such further acts as Secured Debt Representatives representing the Required Secured Creditors may reasonably request in order to perfect the security interest of the Collateral Agent in any Operating Account, the Equity Funded Account, any Collection Account and any other relevant Project Accounts and (ii) agree to provide the reports similar to the reports required to be provided pursuant to Section 2.12(b).

Section 5.21 Inadequately Identified Amounts. In the event that the Collateral Agent receives any amount which is inadequately or incorrectly identified as to the Project Account into which such amount is to be credited, the Collateral Agent shall notify the Secured Debt Representatives and the Borrower of such event and shall request instructions from the Borrower, or if a Secured Obligation Event of Default has occurred and is continuing, from the Secured Debt Representatives (acting in accordance with the direction of Required Secured Creditors) as to the Project Account into which such amount should be credited. The Collateral Agent shall credit such amount to the Revenue Account until such time as the Collateral Agent receives instructions from the Borrower in accordance herewith stating that such amount should be credited to another Project Account in accordance with the Financing Obligation Documents, in which case the Collateral Agent shall credit such amount to the Project Account designated by the Borrower.

Section 5.22 Tax Reporting. All interest or other earnings, if any, relating to the Project Accounts shall be reported to the Internal Revenue Service and, to the extent applicable, all state and local taxing authorities under the name and taxpayer identification number of the Borrower. The Borrower shall prepare or cause to be prepared any tax returns or other forms or information required to be filed in connection with any such earnings. The Collateral Agent does not have any interest in the Collateral deposited hereunder but is serving as collateral agent only. The Borrower shall pay or reimburse the Collateral Agent upon request for any transfer taxes or other taxes relating to the Collateral incurred in connection with the Security Documents and shall indemnify and hold harmless the Collateral Agent from any amounts that it is obligated to pay in the way of such taxes to the extent paid by the Collateral Agent in respect of the Collateral. The Borrower will provide the Collateral Agent with appropriate W-9 forms for taxpayer identification numbers,

Brightline Trains Florida (Project Owner)

40

number certifications, or W-8 forms for non-resident alien certifications. This <u>Section 5.22</u> shall survive notwithstanding any termination of this Agreement or the resignation or removal of the Collateral Agent.

ARTICLE VI CERTAIN INTERCREDITOR MATTERS

Section 6.01 Relative Priorities.

- (a) Notwithstanding the date, manner or order of grant, attachment or perfection of any Security Interests securing the Secured Obligations granted on the Collateral and notwithstanding any provision of the UCC or any applicable Law or the Security Documents, each Secured Party (or its Secured Debt Representative on its behalf) hereby agrees that:
 - (i) as among the Secured Parties, the Security Interests of the Collateral Agent for the benefit of the Secured Parties with respect to all Collateral to secure the Senior Secured Obligations shall be priming and senior to the Security Interests of the Collateral Agent for the benefit of the Secured Parties to secure the Senior Subordinated Secured Obligations, and the Security Interests of the Collateral Agent for the benefit of the Senior Subordinated Secured Obligations shall be subordinated and junior to the Security Interests of the Collateral Agent for the benefit of the Secured Parties to secured the Senior Secured Obligations;
 - (ii) as among the Senior Secured Parties, the Security Interests of the Collateral Agent that secure the Senior Secured Obligations shall be ratable as among the Secured Parties that hold the Senior Secured Obligations with respect to all Collateral, and each Senior Secured Party ranks and will rank equally in priority with the other Senior Secured Parties in the Security Interests granted to the Collateral Agent to secure the Senior Secured Obligations (except to the extent otherwise provided in Sections 5.05, 5.09 and 9.08);
 - (iii) as among the Senior Subordinated Secured Parties, the Security Interests of the Collateral Agent that secure of the Senior Subordinated Secured Obligations shall be ratable as among the Secured Parties that hold the Senior Subordinated Secured Obligations with respect to all Collateral, and each Senior Subordinated Secured Party ranks and will rank equally in priority with the other Senior Subordinated Secured Parties in the Security Interests granted to the Collateral Agent to secure the Senior Subordinated Secured Obligations (except to the extent otherwise provided in Sections 5.05, 5.09 and 9.08);
 - (iv) any sums payable to the Senior Subordinated Secured Parties by the Borrower in connection with the Senior Subordinated Secured Obligations are payable in cash only to the extent that: (A) the Borrower has cash available to it to make such payments taking into account its payment obligations with respect to the Senior Secured Obligations and (B) the making of such payment by the Borrower will not result in the Borrower becoming insolvent or unable to pay its debts as they fall due; and if the conditions set out in this clause (iv) are not fulfilled, then the Senior Subordinated

Secured Parties shall not be entitled to demand payment of any amounts due in relation to the Senior Subordinated Secured Obligations (except to the extent otherwise provided in Section 5.05 and Section 5.09);

- (v) any claims the Senior Subordinated Secured Parties may have against the Borrower will rank behind the claims of the Senior Secured Parties against the Borrower in the event the Borrower becomes subject to any Bankruptcy Event or other insolvency proceeding;
- (vi) prior to the Discharge of Senior Indebtedness, no Senior Subordinated Secured Party (or its Secured Debt Representative on its behalf) shall accelerate any of the Senior Subordinated Secured Obligations or take any action or commence any proceedings against the Borrower to recover any amounts due and payable in relation to the Senior Subordinated Secured Obligations or join with any creditor in so doing, provided that nothing contained herein shall impair, as between the Borrower and the Senior Subordinated Secured Parties, the obligation of the Borrower to pay to the Senior Subordinated Secured Parties the principal of and premium, if any, and interest on the Senior Subordinated Secured Obligations as and when the same shall become due and payable in accordance with the terms thereof;
- (vii) prior to the Discharge of Senior Indebtedness, no Senior Subordinated Secured Party (or its Secured Debt Representative on its behalf) shall petition, consent to or take any other step or action for the winding up, examinership, reorganization, arrangement, liquidation, receivership, dissolution or other proceedings under any applicable bankruptcy or similar law of the Borrower or for the appointment of a liquidator, examiner, receiver, administrator, trustee or other similar official in respect of the Borrower or its assets (with the provisions of this clause (vii) surviving for a period of one year and one day (or, if longer, the applicable preference period under the United States Bankruptcy Code (Title 11 of the United States Code) then in effect and one day) after the date of termination of this Agreement) or make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or object to any plan or take any other action in any such proceeding; provided that, subject to the other provisions hereof, any Senior Subordinated Secured Party (or its Secured Debt Representative on its behalf) may file a proof of claim in any insolvency proceeding of the Borrower; and
- (viii) neither it nor any Secured Debt Representative on its behalf shall accept any grant of any Security Interest to secure any Senior Subordinated Secured Obligations, unless such Person agrees to be bound by the terms of this Agreement.
- (b) Notwithstanding any other agreement or instrument or operation of law to the contrary, or any other circumstance whatsoever and irrespective of (v) how a Security Interest was acquired (whether by grant, possession, statute, operation of law, subrogation, or otherwise), (w) the time, manner, or order of the grant, attachment or perfection of a Security Interest, (x) any conflicting provision of the UCC or other applicable law, (y) any defect in, or non-perfection, setting aside, or avoidance of, a Security Interest or a Security Document, or (z) the modification

Brightline Trains Florida (Project Owner) 41

Brightline Trains Florida (Project Owner)

42

Collateral Agency Agreement

of a Security Interest, except for Collateral expressly stated in this Agreement to be for a specified subset of Secured Parties, until the Discharge of Senior Indebtedness:

- (i) any Security Interest on any Collateral now or hereafter granted to secure any Senior Secured Obligations shall be senior in right, priority, operation, payment from the proceeds of any disposition (whether received in connection with any disposition, liquidation, enforcement or exercise of any rights or remedies with respect to any portion of the Collateral or otherwise) and in all other respects to any and all other Security Interests on any Collateral now or hereafter granted to secure any Senior Subordinated Secured Oblications, and
- (ii) any Security Interest on any Collateral now or hereafter granted to secure any Senior Subordinated Secured Obligations shall be junior and subordinate in right, priority, operation, payment from the proceeds of any disposition (whether received in connection with any disposition, liquidation, enforcement or exercise of any rights or remedies with respect to any portion of the Collateral or otherwise) and in all other respects to any and all Security Interests now or hereafter granted to secure any Senior Secured Obligations.

Section 6.02 No Interference.

Prior to the Discharge of Senior Indebtedness, each Senior Subordinated Secured Party (or its Secured Debt Representative on its behalf) agrees that it: (i) will not take or cause to be taken any action the purpose or effect of which is, or could be, to make any Security Interest that secures the Senior Subordinated Secured Obligations pari passu with, or to give any Senior Subordinated Secured Party any preference or priority relative to, any Security Interest that secures the Senior Secured Obligations, (ii) will not challenge or question in any proceeding the validity or enforceability of any Senior Secured Obligations or Senior Secured Obligation Documents, or the validity, attachment, perfection or priority of any Security Interest for the benefit of the Senior Secured Parties, or the validity or enforceability of the priorities, rights or duties established by the provisions of this Agreement, (iii) will not take or cause to be taken any action the purpose or effect of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Collateral by any Senior Secured Party or the Collateral Agent whether in any enforcement action or otherwise, (iv) shall have no right to (A) direct the Collateral Agent or any other Senior Secured Party to exercise any right, remedy or power with respect to any Collateral or (B) consent to the exercise by the Collateral Agent or any other Senior Secured Party of any right, remedy or power with respect to any Collateral, (v) will not institute any Bankruptcy Event or assert in any suit or proceeding related to a Bankruptcy Event any claim against the Collateral Agent or other Senior Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to, and neither the Collateral Agent nor any other Senior Secured Party shall be liable for, any action taken or omitted to be taken by the Collateral Agent or other Senior Secured Party with respect to any Collateral, (vi) will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of this Agreement, (vii) will not object to forbearance by the Collateral Agent or any Senior Secured Party, and (viii) will not assert, and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or claim the benefit of any marshalling, appraisal, valuation or other

43

similar right that may be available under applicable law with respect to the Collateral or any similar rights a junior secured creditor may have under applicable law with respect to the Collateral.

(b) Remedies undertaken pursuant to this Agreement shall provide the exclusive method by which any Secured Party may exercise rights and remedies under the Security Documents and no Secured Party shall have any right to take any actions with respect to the Collateral except as expressly provided herein; provided, however, that nothing herein shall limit the right or ability of the Senior Subordinated Secured Parties to (i) purchase (by credit bid or otherwise) all or any portion of the Collateral in connection with any enforcement of remedies by the Collateral Agent to the extent that, and so long as, in the case of a credit bid, the Senior Secured Parties receive payment in full in cash of all Senior Secured Obligations after giving effect thereto, (ii) file a proof of claim with respect to the Senior Subordinated Secured Obligations, or (iii) file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading objecting to or otherwise seeking the disallowance of the claims or Security Interests of any Senior Subordinated Secured Parties (other than claims or Security Interests on or with respect to Collateral expressly stated in this Agreement to be for a specified subset of Senior Secured Parties).

Section 6.03 Purchase Option.

- (a) Notwithstanding anything in this Agreement to the contrary, on or at any time after (i) the commencement of a proceeding related to a Bankruptcy Event, (ii) the acceleration of the Senior Secured Obligations, (iii) the exercise or undertaking of any rights of set-off in respect of any Collateral by any Senior Secured Party under any Senior Secured Obligation Document, or (iv) the occurrence of any Secured Obligation Event of Default based on non-payment of principal under any Senior Secured Obligation Document, each of the Senior Subordinated Secured Creditors (or their Affiliates) will have the right to consider (and at their sole option and election, to consummate), at any time upon prior written notice (the "Initial Purchase Option Notice") to the Collateral Agent, the purchase (in the manner set forth in Section 6.03(b)) of all (but not less than all) of the Senior Secured Obligations (including unfunded commitments) that are outstanding on the date of such purchase (the "Purchasable Obligations"). Promptly following the receipt of an Initial Purchase Option Notice, the Collateral Agent will deliver to each Secured Debt Representative for the Senior Subordinated Secured Creditors (or if there is no Secured Debt Representative, directly to the Senior Subordinated Secured Creditors) a statement (the "Initial Purchase Option Statement") of the respective amounts of the Senior Secured Obligations of the Senior Secured Parties then outstanding and the amount of the cash collateral requested by the Collateral Agent to be delivered pursuant to Section 6.03(b)(ii). The Senior Subordinated Secured Creditors (or their designated Affiliates) who, within ten Business Days after the receipt of the Initial Purchase Option Statement deliver to the Collateral Agent an irrevocable commitment to purchase the Purchasable Obligations in their entirety, and to otherwise complete such purchase on the terms set forth under this Section 6.03 (such Persons, the "Purchase Option Purchasers" and such commitment, the "Purchase Commitment") shall have the right to purchase the Purchasable Obligations on the terms set forth under this Section 6.03.
- (b) On the date specified by in the Purchase Commitment (which shall not be less than ten Business Days, nor more than twenty Business Days, after the receipt by the Collateral Agent of the Purchase Commitment), the Senior Secured Parties shall sell to the Purchase Option

Brightline Trains Florida (Project Owner)

44

Purchasers the entirety of the Purchasable Obligations, subject to any required approval of any Governmental Authority then in effect, if any, and only if on the date of such sale, the Collateral Agent receives the following:

- (i) payment in cash, as the purchase price for all Purchasable Obligations sold in such sale, of an amount equal to the full par value amount of the Purchasable Obligations, plus (as applicable) interest, premium, fees, reasonable attorneys' fees and legal expenses and all other amounts owing and unpaid by the Borrower pursuant to Article X, but excluding contingent indemnification obligations for which no claim or demand for payment has been made at or prior to such time; provided that, in the case of Senior Swap Agreements, the Purchase Option Purchasers shall cause the applicable agreements governing such Senior Swap Agreements to be assigned and novated or, if such agreements have been terminated, such purchase price shall include an amount equal to the sum of any unpaid amounts then due in respect of such Senior Swap Agreements, calculated in accordance with the terms of the applicable agreement governing the Senior Swap Agreements and after giving effect to any netting arrangements; and
- (ii) any agreements, documents or instruments which the Collateral Agent may reasonably request pursuant to which the Purchase Option Purchasers in such sale expressly waive any and all claims against the Collateral Agent and the other Senior Secured Parties (other than for breach of the representation referred to in Section 6.03(d)) arising out of this Agreement and the transactions contemplated hereby with respect to the Purchasable Obligations as a result of exercising the purchase option provided for by this Section 6.03, and the Purchase Option Purchasers assume and adopt all of the obligations of the Collateral Agent and the Senior Secured Parties under the Senior Secured Obligation Documents on and after the date of the purchase and sale.
- (c) Such purchase of the Purchasable Obligations shall be made on a pro rata basis among the Purchase Option Purchasers according to each such Purchase Option Purchaser's portion of the Senior Subordinated Secured Obligations outstanding on the date of purchase or such portion as such Purchase Option Purchasers may otherwise agree among themselves. The applicable purchase price and cash collateral shall be remitted by wire transfer in federal funds to such bank account of the Collateral Agent as the Collateral Agent may designate in writing to the Purchase Option Purchasers for such purpose. Interest shall be calculated to but excluding the Business Day on which such sale occurs if the amounts so paid by the Purchase Option Purchasers to the bank account designated by the Collateral Agent are received in such bank account prior to noon, New York City time, and interest shall be calculated to and including such Business Day if the amounts so paid by the Purchase Option Purchasers to the bank account designated by the Collateral Agent are received in such bank account designated by the Collateral Agent are received in such bank account designated by the Collateral Agent are received in such bank account later than noon, New York City time.
- (d) Such sale shall be expressly made without representation or warranty of any kind by the Senior Secured Parties as to the Purchasable Obligations, the Collateral or otherwise and without recourse to any Senior Secured Party, except that the applicable Senior Secured Parties shall represent and warrant severally as to the Purchasable Obligations: (i) that such applicable Senior Secured Party owns such Purchasable Obligations; and (ii) that such applicable Senior Secured Party has the necessary corporate or other governing authority to assign such interests.

ARTICLE VII SHARING; ADDITIONAL SECURED PARTIES; PROVISIONS RELATED TO PERMITTED SWAP AGREEMENTS

Section 7.01 Basic Agreement. Subject to the provisions of Article V and Sections 7.03 and 9.08, all amounts paid to or received by the Collateral Agent for redistribution to the Secured Parties (other than to the Secured Debt Representatives in their capacity as Agents) and representing the proceeds of the Collateral and the proceeds of any action taken pursuant to a Direction Notice shall be paid promptly first, to the Senior Secured Parties ratably (without priority of any one over any other, except as otherwise provided in Article V and Section 9.08), and second, to the Senior Subordinated Secured Parties ratably (without priority of any one over any other, except as otherwise provided in Article V and Section 9.08), in the order specified in Section 9.08 based on the amounts owing to each Secured Party on each level of priority specified therein as determined in accordance with Section 8.05.

Section 7.02 Payments Received by Certain Secured Parties. Except as excluded in Section 7.03 and except for amounts obtained from or through the Collateral Agent pursuant to this Agreement, if any Secured Party (other than the Collateral Agent) shall obtain any amount whether (a) by way of voluntary or involuntary payment, (b) by virtue of an exercise of any right of set-off (except in accordance with the netting provisions under the Permitted Swap Agreements), banker's lien or counterclaim, (c) as proceeds of any insurance policy covering any properties or assets of the Borrower, (d) from proceeds of liquidation or dissolution of the Borrower or distribution of its assets among its creditors (however such liquidation, dissolution or distribution may occur), (e) as payment following the acceleration of any Secured Obligation, (f) from any realization on Collateral, (g) by virtue of the application of any provision of any of the Secured Obligation Documents (other than this Agreement), or (h) in any other manner in respect of any Secured Obligations owed to such Secured Party under any Secured Obligation Document (other than any amount distributed pursuant to and in accordance with the express terms of this Agreement), such Secured Party shall forthwith notify in writing the Collateral Agent, the Borrower and each Secured Debt Representative thereof and shall promptly, and in any event within ten Business Days of its so obtaining the same, pay such amount (less any reasonable costs and expenses incurred by such Secured Party in obtaining such amount) to the Collateral Agent for the account of the Secured Parties, to be shared in accordance with Sections 9.08 and 7.01.

Section 7.03 Amounts Not Subject to Sharing. Notwithstanding any other provision of this Agreement or any other Secured Obligation Document to the contrary, no Secured Party shall have any obligation to share:

- (a) any payment made by any Person to such Secured Party pursuant to a contract of participation or assignment or any other arrangement by which a direct or indirect interest of such Secured Party under the Secured Obligation Document is transferred (other than any such contract or other arrangement entered into with the Borrower or any Affiliate thereof); and
- (b) any payment permitted to be made pursuant to and in accordance with the express terms of this Agreement.

Brightline Trains Florida (Project Owner)

46

Section 7.04 Presumption Regarding Payments. For purposes hereof, any payment received by a Secured Party under or pursuant to a Secured Obligation Document or a Financing Obligation Document that is subject to the provisions of this Article VII may be presumed by such Secured Party to have been properly received by such Secured Party in accordance with this Article VII unless (a) such Secured Party receives written notice from any other Secured Party or the Borrower that such payment was not made in accordance herewith or (b) such Secured Party otherwise has actual knowledge that such payment was not made in accordance herewith. If any payment initially received by a Secured Party is rescinded or must otherwise be restored by the Secured Party that first obtained it, each other Secured Party that shares the benefit of such payment shall return to such Secured Party its portion of the payment so rescinded or required to be restored in each case in accordance with Section 7.02.

Section 7.05 No Separate Security. Each Secured Party that is a party to this Agreement: (a) agrees that, except as otherwise provided in Section 5.14, Section 7.01 and Section 7.03, all Collateral is for the joint benefit of all the Secured Parties; and (b) represents and warrants to each other Secured Party that, in respect of any Secured Obligations now or hereafter owing to such Secured Party, it has received no security or guarantees from the Borrower or any Affiliate thereof, other than (i) its interest in the Collateral as provided in the Security Documents, if any, or (ii) as otherwise provided pursuant to the Secured Obligation Documents. In furtherance of the foregoing, if any Secured Party shall receive or be entitled to demand or otherwise call upon any guaranty, security or other assurance of payment which is not described in clause (i) or (ii) of the preceding sentence in respect of the Secured Obligations owed to such Secured Party, such Secured Party shall receive any proceeds thereof in trust for all the Secured Parties (to be shared promptly and ratably with the other Secured Parties) and shall exercise its rights to demand or call upon such guaranty, security or other assurance of payment as directed by Secured Debt Representatives representing the Required Secured Creditors (determined without regard to the Voting Party Percentage of such Secured Party).

Section 7.06 Additional Secured Parties.

- (a) The Collateral Agent will, as agent for the Secured Parties hereunder, perform its undertakings set forth herein with respect to each Secured Party that holds Secured Obligations that are, in each case, incurred on or after the date hereof, and any Person that holds Secured Obligations that are, in each case, incurred on or after the date hereof shall be a "Senior Secured Party", "Senior Secured Creditor", "Senior Subordinated Secured Party" and "Senior Subordinated Secured Creditor" (as applicable) and shall be beneficiary of the provisions hereof intended to benefit the applicable Secured Parties, so long as such Secured Party signs and delivers to the Collateral Agent, directly or through its designated Secured Debt Representative, an Accession Agreement and a Reaffirmation Agreement. Upon receipt of an executed Accession Agreement and a Reaffirmation Agreement, the Collateral Agent shall promptly countersign (without direction from any Secured Party) such Accession Agreement and Reaffirmation Agreement and deliver copies thereof to the Secured Party named therein.
- (b) In furtherance of <u>Section 7.06(a)</u>, the Borrower shall deliver to the Collateral Agent, and the Collateral Agent in turn shall promptly provide to each Secured Debt Representative, each of the following documents:

- (i) a certificate from a Responsible Officer of the Borrower certifying that the Secured Obligations incurred on or after the date hereof have been incurred in accordance with the requirements of the Secured Obligation Documents:
- (ii) a copy of the executed Accession Agreement referred to in Section 7.06(a); and
- (iii) a copy of the executed Reaffirmation Agreement referred to in <u>Section</u> 7.06(a).
- (c) Any Secured Party that is a party to this Agreement may assign or transfer all or part of its interest in the Secured Obligations in accordance with and subject to the terms and conditions set forth in the Secured Obligation Documents to which it is a party. Any such assignee or transferee of such interest in the Secured Obligations shall sign and deliver to the Collateral Agent, directly or through its designated Secured Debt Representative, an Accession Agreement. Upon receipt of an executed Accession Agreement pursuant to any assignment or transfer of Secured Obligations, the Collateral Agent shall promptly countersign (without direction from any Secured Party) such Accession Agreement and deliver a copy thereof to the Secured Party named therein.
- (d) Upon the execution and delivery of the Accession Agreement and the Reaffirmation Agreement referred to in this Section 7.06 by the relevant Person (other than the Borrower and the Pledgor), such Person (or each of the Persons represented by such Secured Debt Representative) shall become a "Secured Party" for all purposes herein and in the other Security Documents and the Borrower's obligations to such Person (or each of the Persons represented by such Secured Debt Representative) under the Secured Obligation Documents to which such Person is a Party shall become "Secured Obligations" for all purposes herein and under the Security Documents.

Section 7.07 Secured Party Lists. The Secured Debt Representatives shall furnish to the Collateral Agent at such times as the Collateral Agent may request in writing a list of the names and addresses of each Secured Party represented by such Secured Debt Representative and the aggregate principal amount of the Secured Obligations held by each such Secured Party, and the name and contact information for such Secured Debt Representative, in each case in such form and as of such date as the Collateral Agent may reasonably require. The Collateral Agent shall give to the Borrower and any Secured Debt Representative promptly upon written request therefor, a complete and correct copy of the names and addresses of all Secured Debt Representatives. The Collateral Agent may conclusively rely upon the information provided to it by the Secured Debt Representatives pursuant to this Section 7.07.

Section 7.08 Mortgage Amendments and Additional Mortgages. If the Borrower shall at any time incur Secured Obligations in an aggregate principal amount that shall exceed the maximum secured amount under the applicable outstanding Mortgages, the Borrower shall, concurrently with the incurrence of such Secured Obligations, cause the applicable Mortgages to be amended or enter into one or more additional Mortgages such that the maximum secured amount under the applicable Mortgages shall equal or exceed the aggregate principal amount of applicable Secured Obligations outstanding. Notwithstanding the order of recording of such

Brightline Trains Florida (Project Owner)

48

Mortgages, the Security Interest granted to the Collateral Agent pursuant to each Senior Mortgage shall rank equally in priority with each other Senior Mortgage and the Security Interest granted to the Collateral Agent pursuant to each Senior Subordinated Mortgage shall rank equally in priority with each other Senior Subordinated Mortgage. If the Borrower shall at any time incur Secured Obligations with a maturity date beyond the maturity date of the Secured Obligations then set forth in the applicable Mortgages, the Borrower shall, concurrently with the incurrence of such Secured Obligations, cause the applicable Mortgages to be amended such that the maturity date of the Secured Obligations as set forth in such Mortgages shall be the same date or later as the maturity date of such Secured Obligations then being incurred. Upon presentation of such amendment or additional Mortgage entered into pursuant to this Section 7.08, the Collateral Agent shall promptly countersign (without direction from any Secured Party) such amendment and deliver a copy thereof to the Borrower.

Section 7.09 Additional Provisions Related to Permitted Swap Agreements.

- (a) No Swap Bank may terminate or close out all or any part of any Secured Swap Transaction under a Permitted Swap Agreement prior to its maturity date unless:
 - (i) an event of default under the applicable Permitted Swap Agreement has occurred and is continuing;
 - (ii) the Swap Bank (or its Affiliate) ceases to be a lender (or other debt holder, as applicable) under the applicable Additional Senior Indebtedness Document or Additional Senior Subordinated Indebtedness Document (other than as a result of a voluntary assignment or transfer by such Swap Bank (or its Affiliate));
 - (iii) the credit extension with respect to which such Secured Swap Transaction relates is refinanced, paid or prepaid, in each case in full, or to the extent relating to the issuance or incurrence of indebtedness accruing interest at a variable rate, the applicable Additional Senior Indebtedness Document or Additional Senior Subordinated Indebtedness Document, is terminated or cancelled, in each case in full;
 - (iv) the Borrower's obligations (other than Excluded Swap Obligations) to the Swap Bank under the relevant Permitted Swap Agreement cease to be secured on a pari passu basis with the other Secured Creditors pursuant to the Security Documents;
 - (v) any Secured Obligation Document is amended without the prior written consent of the Swap Bank in a manner that would materially and adversely impact the rights or obligations of the Swap Bank;
 - (vi) all or substantially all of the Collateral is released without the consent of the Swap Bank;
 - (vii) such termination or close out is required to ensure that the aggregate notional principal amount under all Secured Swap Transactions (other than under any Senior Subordinated Swap Agreements) plus the then outstanding principal amount of the Senior Secured Bonds and any Additional Senior Indebtedness accruing interest at a fixed rate shall, in the aggregate, not exceed 105% of all Senior Indebtedness (other

than indebtedness under Permitted Swap Agreements) then outstanding or expected to be outstanding, and such termination or close out is made *pro rata*, based on the notional amount of each Secured Swap Transaction (other than Permitted Senior Commodity Swaps), to such excess: or

(viii) such termination or close out is required to ensure that the aggregate notional principal amount under all Secured Swap Transactions plus the then outstanding principal amount of the Senior Secured Bonds, any Additional Senior Indebtedness accruing interest at a fixed rate or any Additional Senior Subordinated Indebtedness accruing interest at a fixed rate shall, in the aggregate, not exceed 105% of all Senior Indebtedness plus all Senior Subordinated Indebtedness (other than indebtedness under Permitted Swap Agreements) then outstanding or expected to be outstanding, and such termination or close out is made *pro rata*, based on the notional amount of each Secured Swap Transaction (other than Permitted Senior Commodity Swaps), to such excess:

provided that following such termination or close-out, the Borrower remains in compliance with applicable hedging requirements and related provisions set forth in the Secured Obligation Documents. In each of the above cases, the relevant Swap Bank may only terminate or close out all or any part of the relevant Secured Swap Transaction if (i) it has notified the Collateral Agent in writing of its intention to do so and (ii) it is entitled to do so under the terms of the relevant Permitted Swap Agreement.

- (b) Following the delivery of any Direction Notice by Secured Debt Representatives representing the Required Secured Creditors, each Swap Bank shall, if the Collateral Agent requests (at the direction of Secured Debt Representatives representing the Required Secured Creditors), (i) exercise all rights, if any, it may have to terminate each Permitted Swap Agreement to which it is a party; and (ii) pay any amount owed by it to the Borrower, if applicable, to the relevant Agent for application in accordance with this Agreement.
- (c) In the event that any Swap Bank shall allow any amount owed by it to the Borrower to be discharged, by set-off or otherwise, in connection with the termination of any of its Secured Swap Transactions or otherwise (other than pursuant to set-off and ordinary course payment or close-out netting arrangements in respect of amounts owed under one or more Secured Swap Transactions entered into under any Permitted Swap Agreement, in each case as expressly permitted by the terms thereof), the amount so discharged shall be subject to sharing among the Secured Parties in accordance with the provisions in this Article VII.
- (d) No Swap Bank shall be entitled to give any Direction Notice. A Swap Bank shall be entitled to join in any Direction Notice taken at the instructions of Secured Debt Representatives representing the Required Secured Creditors in accordance with Article VIII, but shall have no right to vote in connection with the implementation of any other aspect of such Direction Notice. If such Swap Bank shall give any Direction Notice, then Secured Debt Representatives representing the Required Secured Creditors, or any Secured Party as the case may be, may instruct the Collateral Agent to intervene and interpose a defense or plea to the provisions set forth herein.

Brightline Trains Florida (Project Owner)

50

ARTICLE VIII DECISION MAKING: VOTING: NOTICE AND PROCEDURES

Section 8.01 Decision Making.

- (a) Where, in accordance with this Agreement or any other Secured Obligation Document, a Modification or an approval or other direction or instruction of Secured Debt Representatives representing the Required Secured Creditors or Unanimous Voting Parties, as applicable, is required, the determination of whether such Modification, approval, direction or instruction will be granted or withheld shall be determined by an Intercreditor Vote conducted in accordance with the procedures set forth in this Agreement among the Secured Creditors entitled to vote with respect to the particular decision at issue.
- (b) Each decision made in accordance with the terms of this Agreement shall be binding upon each of the Secured Parties.
- (c) The respective votes of the Secured Parties that are represented by a Secured Debt Representative under a Secured Obligation Document shall be determined by such Secured Debt Representative and notified by such Secured Debt Representative to the Collateral Agent in writing.

Section 8.02 Intercreditor Votes: Each Party's Entitlement to Vote.

- (a) Except as otherwise expressly provided in this Agreement, each Secured Creditor (through its applicable Secured Debt Representative), other than a Secured Creditor that is a Non-Voting Creditor, shall be entitled to vote in each Intercreditor Vote conducted under this Agreement.
- (b) (i) None of (A) the Borrower or any Affiliate of the Borrower that from time to time holds, directly or indirectly, any Commitments or any Secured Obligations or for whom any Commitment or Secured Obligations are held for the account of any of the foregoing or (B) any Secured Party that has agreed, directly or indirectly, to vote or otherwise act at the direction or subject to the approval or disapproval of the Borrower or any Affiliate of the Borrower, shall be entitled to participate in any Intercreditor Vote or any vote under any Secured Obligation Document in which it is a Secured Party (it being understood that, until the Collateral Agent receives notice to such effect from a Secured Debt Representative, it shall not deem any such Secured Party to be a Non-Voting Creditor).
 - (ii) Other than any Intercreditor Vote requiring the consent of the Unanimous Voting Parties pursuant to <u>Section 12.02</u>, unless and until a Swap Bank shall have delivered to each Agent a Swap Termination Certificate, such Swap Bank shall not have any rights to participate in any Intercreditor Vote in its capacity as a Swap Bank.
 - (iii) Other than any Intercreditor Vote requiring the consent of the Unanimous Senior Subordinated Voting Parties or of the Required Senior Subordinated Secured Creditors pursuant to Section 12.01(c), until the Discharge of Senior Indebtedness, no Senior Subordinated Secured Creditor shall have any rights to participate in any

Intercreditor Vote in its capacity as a Senior Subordinated Secured Party (each of the parties referred to in clauses (i), (ii) and (iii), a "Non-Voting Creditor").

(c) Each Agent, in determining the percentage of votes cast (and instructions of Secured Debt Representatives representing the Required Secured Creditors), shall disregard the principal amount of Secured Obligations held by Non-Voting Creditors in both the Numerator and Denominator of the calculation in determining the outcome of such vote. Prior to the taking of any Intercreditor Vote, the Secured Debt Representatives shall provide prompt written notice to the Collateral Agent of the identity of each Non-Voting Creditor described in clause (i) or (ii) above and the principal amount of Secured Obligations held thereby. For the avoidance of doubt, no Additional Senior Unsecured Indebtedness Holder or Additional Senior Subordinated Unsecured Indebtedness Holder shall be entitled to participate in any Intercreditor Vote hereunder with respect to its Additional Senior Unsecured Indebtedness or Additional Senior Subordinated Unsecured Indebtedness.

Section 8.03 Intercreditor Votes: Votes Allocated to Each Party.

- (a) Except as otherwise provided in <u>Section 8.02</u>, each Secured Creditor (through its applicable Secured Debt Representative) will have a number of votes in any Intercreditor Vote equal to its portion (in Dollar amounts in relation to the aggregate Dollar amount of the Combined Exposure) of the Combined Exposure under the Secured Obligation Documents to which it is a Party.
- (b) In calculating the Voting Party Percentage consenting to, approving, waiving or otherwise providing direction with respect to a decision, the number of votes cast by all (or an applicable subset of) Secured Creditors (through their applicable Secured Debt Representatives) in favor of the proposed consent, approval, Modification, direction or other action (the "Numerator") shall be divided by the total number of votes entitled to be cast with respect to such matter (the "Denominator").
- Section 8.04 Notification of Matters. If at any time (a) the Collateral Agent is to exercise any discretion conferred on it under any Secured Obligation Document or is required to make any determination or calculation or perform any action hereunder or under any other Secured Obligation Document with respect to which determination, calculation or action the Collateral Agent does not then have sufficient information, (b) any other Secured Party, in accordance with this Agreement, notifies the Collateral Agent of a matter with respect to which it believes the Collateral Agent should exercise its discretion, or (c) the Collateral Agent receives written notification from any other Secured Party or from the Borrower of any matter requiring a determination or vote by the Secured Creditors under this Agreement, then the Collateral Agent shall promptly notify in accordance with Section 13.03, the other Secured Debt Representatives of the matter in question, seeking instructions of Secured Debt Representatives representing the Required Secured Creditors and specifying:
 - (i) if applicable, the manner in which the Collateral Agent proposes to exercise its discretion;

Brightline Trains Florida (Project Owner) 51

Collateral Agency Agreement

Brightline Trains Florida (Project Owner)

52

- (ii) the Required Secured Creditors (if any) required for such determination or vote;
- (iii) if applicable, the time period determined by the Collateral Agent within which the Secured Debt Representatives must provide it with instructions from their respective Secured Parties in relation to such matter; and
- (iv) if required, that each Secured Debt Representative provide a certificate specifying the Combined Exposure of all of its respective Secured Parties at the time such act is proposed to be taken, or discretion exercised.

Each Secured Debt Representative will respond to the Collateral Agent within the time period specified in <u>clause (iii)</u> above and provide the Combined Exposure of each of its respective Secured Parties along with the determination or vote of each with respect to the instructions sought by the Collateral Agent.

Section 8.05 Notice of Amounts Owed. If Secured Debt Representatives representing the Required Secured Creditors pursuant to a Direction Notice instruct the Collateral Agent or any other Person holding any Collateral on behalf of the Secured Parties to proceed to foreclose upon, collect, sell or otherwise dispose of or take any other action with respect to any or all of the Collateral or to enforce any remedy under any other Secured Obligation Document or in the circumstances described in Section 8.04, then upon the request of the Collateral Agent, each Secured Debt Representative shall promptly notify the Collateral Agent in writing, as of any time that the Collateral Agent may reasonably specify in such request, of (a) the aggregate amount of the respective Secured Obligations owing to the Secured Parties represented by such Secured Debt Representative and (b) such other information as the Collateral Agent may reasonably request; provided that, the Collateral Agent shall have no obligation to act until it has received such requested information in accordance with the foregoing Direction Notice.

ARTICLE IX COLLATERAL AND REMEDIES

Section 9.01 Administration of Collateral. The Project Accounts (except for any Operating Account, the Equity Funded Account and any Collection Account) shall be held by the Collateral Agent for the benefit of the Secured Parties pursuant to the terms hereof and shall be administered by the Collateral Agent in the manner contemplated hereby and by the other Security Documents.

Section 9.02 Notice of Secured Obligation Event of Default.

(a) Promptly after any Secured Debt Representative obtains knowledge of the occurrence of any Secured Obligation Event of Default or any other event described in Section 6.03(a)(i) through (iv), such Secured Debt Representative shall notify the Collateral Agent and the Account Bank in writing thereof (a "Notice of Default"). Each such Notice of Default shall specifically refer to this Section 9.02(a) and shall describe such Secured Obligation Event of Default in reasonable detail (including the date of occurrence). Upon receipt by the Collateral Agent of any such notice, the Collateral Agent shall promptly send copies thereof to each other Secured Debt Representative and the Borrower.

Brightline Trains Florida (Project Owner)

53

Collateral Agency Agreement

(b) Notwithstanding anything to the contrary contained in this Agreement or any document executed in connection with any of the Secured Obligations, the Collateral Agent, unless a Responsible Officer of the Collateral Agent shall have actual knowledge thereof, shall not be deemed to have any knowledge of any Secured Obligation Event of Default unless and until it shall have received written notice from the Borrower, any Secured Debt Representative or any other Secured Party describing such Secured Obligation Event of Default in reasonable detail. If the Collateral Agent receives any such notice, the Collateral Agent shall deliver a copy thereof to the Secured Debt Representatives.

Section 9.03 Enforcement of Remedies.

(a) If a Secured Obligation Event of Default shall have occurred and be continuing, Secured Debt Representatives representing the Required Secured Creditors (on behalf of the Secured Parties), shall be permitted and authorized to direct the Collateral Agent to take such actions under the Security Documents as are specified by such Secured Debt Representatives, including any and all actions (and the exercise of any and all rights, remedies and options) which any Secured Party or any Secured Debt Representative may have under the Secured Obligation Documents or under applicable Law, including the ability to cure any Secured Obligation Event of Default that has occurred and is continuing, or, so long as some or all of the Secured Obligations are then due and payable, to foreclose on the Security Interests granted under the Security Documents and exercise the right of the Collateral Agent to sell the Collateral or any part thereof (or accept a deed in lieu of foreclosure) and sell, lease or otherwise realize upon the other property mortgaged, pledged and assigned to the Collateral Agent under the Security Documents (any such request from the Required Secured Creditors, a "Direction Notice"); provided that, as set forth in Section 7.09(d), no Swap Bank shall be entitled to initiate a Direction Notice and shall participate in such Direction Notice only in accordance with Section 7.09(d). No Secured Party shall have any right to direct a Secured Debt Representative or the Collateral Agent to take any action in respect of the Collateral or initiate or pursue any insolvency or other proceeding resulting in the bankruptcy of the Borrower other than in accordance with the terms hereof. The Security Interest in the Collateral is vested in and held by the Collateral Agent (for the benefit of the applicable Secured Parties) and only the Collateral Agent, acting on the instructions of Secured Debt Representatives representing the Required Secured Creditors, has the right to take actions (and exercise rights, remedies and options) with respect to the Collateral.

If the Collateral Agent receives a Direction Notice directing the Collateral Agent to commence an Enforcement Action or take any other action, the Collateral Agent shall notify each Secured Debt Representative and the Account Bank of such Direction Notice prior to taking such Enforcement Action or other action.

(b) Any action (including any Enforcement Action) which has been requested pursuant to a Direction Notice may be modified, supplemented, terminated and/or countermanded if the Collateral Agent shall have received either (i) a revocation notice from Secured Debt Representatives representing the Required Secured Creditors or (ii) a notice from Secured Debt Representatives representing the Required Secured Creditors that contains different or supplemental directions with respect to such action.

Brightline Trains Florida (Project Owner)

54

- (c) At the direction of Secured Debt Representatives representing the Required Secured Creditors pursuant to a Direction Notice, the Collateral Agent shall seek to enforce the Security Documents and to realize upon the Collateral or, in the case of a Bankruptcy Event with respect to the Borrower, to seek to enforce the claims of the Secured Parties under the Secured Obligation Documents in respect thereof; provided, however, that the Collateral Agent shall not be obligated to follow any Direction Notice as to which the Collateral Agent (as applicable) has received a written opinion of counsel to the effect that such Direction Notice is in conflict with any provisions of applicable Law, this Agreement or any other Secured Obligation Document or any order of any court or Governmental Authority.
- (d) If the Secured Obligations are accelerated in accordance with the relevant Secured Obligation Document, or any Swap Bank determines to declare (or take other action resulting in) an early termination of its Permitted Swap Agreement constituting a Secured Obligation Document as a result of the occurrence and continuation of a Secured Obligation Event of Default under such Permitted Swap Agreement, then the applicable Secured Debt Representative shall deliver to the Collateral Agent (for further delivery to all other Secured Debt Representatives) and the Borrower within two Business Days of such acceleration or determination, as the case may be, a written notice to that effect in order to permit, if applicable, the Secured Parties to coordinate the timing of the acceleration and early termination of their respective Secured Obligations. Notwithstanding any provision to the contrary in this Agreement, the requisite number of Secured Parties specified in any Secured Obligation Document may at any time after the occurrence and during the continuance of a Secured Obligation Event of Default accelerate the Secured Obligations thereunder or cause the early termination of the relevant Permitted Swap Agreement in accordance with the terms of the relevant Secured Obligation Document. No Direction Notice or instruction by Secured Debt Representatives representing the Required Secured Creditors will be required to be taken or delivered in respect of such Secured Obligation Event of Default prior to such requisite number of Secured Parties taking such action as described in the immediately preceding sentence.

Section 9.04 Reliance on Information. For purposes of applying payments received in accordance with this Article IX, the Collateral Agent shall be entitled to rely upon the information received by, and upon the request of, the Collateral Agent for such purpose, pursuant to Sections 2.05 and 8.05, with respect to the amounts of the outstanding Secured Obligations owed to the Secured Parties, the amounts of any outstanding Additional Senior Unsecured Indebtedness owed to the Additional Senior Unsecured Indebtedness Holders (if any) and the amounts of any outstanding Additional Senior Subordinated Unsecured Indebtedness owed to the Additional Senior Subordinated Unsecured Indebtedness Holders (if any). In the event that the Collateral Agent, in its sole discretion, determines that it is unable to determine the amount or order of payments that should be made hereunder, the parties hereto agree that the Collateral Agent shall have the right, at its option, to deposit with, or commence an interpleader proceeding in respect of, such funds in a court of competent jurisdiction for a determination by such court as to the correct application of such funds hereunder.

Section 9.05 Allocation of Collateral Proceeds. Following the acceleration of the Secured Obligations, the proceeds of any collection, recovery, receipt, appropriation, realization or sale of any or all of the Collateral or the enforcement of any Security Document shall be applied in accordance with Section 9.08.

Section 9.06 Remedies of the Secured Parties. Unless otherwise consented to in writing by Secured Debt Representatives representing the Required Secured Creditors, no Secured Party, individually or together with any other Secured Parties, shall have the right, nor shall it, exercise or enforce any of the rights, powers or remedies that the Collateral Agent is authorized to exercise or enforce under this Agreement or any of the other Security Documents.

Section 9.07 Secured Party Information. In the event that the Collateral Agent acting at the direction of Secured Debt Representatives representing the Required Secured Creditors proceeds to foreclose upon, collect, sell or otherwise dispose of or take any other action with respect to any or all of the Collateral or to enforce any provisions of the Security Documents or takes any other action pursuant to this Agreement or any provision of the Security Documents or requests directions from the Secured Debt Representatives as provided herein, upon the request of the Collateral Agent, each of the Secured Debt Representatives (on behalf of the Secured Parties) and the Senior Secured Bonds Issuer (or any agent of or representative for such Secured Party) shall promptly deliver a written notice to the Collateral Agent and each of the other Secured Debt Representatives setting forth (a) the aggregate amount of Secured Obligations owing to the Secured Parties represented by such Secured Debt Representative under the applicable Secured Obligation Document as of the date specified by the Collateral Agent in such request and (b) such other information as the Collateral Agent may reasonably request.

Section 9.08 Application of Proceeds.

- (a) Following delivery of a Direction Notice upon the occurrence and during the continuance of a Secured Obligation Event of Default, the Collateral Agent shall transfer all amounts and proceeds attributable to any Debt Service Reserve Account to the appropriate Secured Debt Representative or Secured Debt Representatives with respect to the Secured Obligations to which such Debt Service Reserve Account relates, to be applied, <u>first</u> for the pro rata payment of fees, administrative costs, expenses and indemnification payments due to the Agents and the Senior Secured Bonds Issuer (including the reasonable fees and expenses of counsel) under the applicable Secured Obligation Documents and to the payments then due and payable by the Borrower to the Rebate Funds, <u>second</u> for the pro rata payment of all accrued and unpaid interest (including default interest, if any) on the relevant Secured Obligations, and <u>third</u>, if any unpaid principal or premium (if applicable) of such Secured Obligations has become due (by acceleration or otherwise), to the payment of such unpaid principal and premium, and thereafter, any remainder shall be applied in accordance with the priority set forth in Section 9.08(c).
- (b) Following delivery of a Direction Notice upon the occurrence and during the continuance of a Secured Obligation Event of Default, the Collateral Agent shall transfer all amounts and proceeds attributable to any sub-account of the Mandatory Prepayment Account to the appropriate Secured Debt Representative or Secured Debt Representatives with respect to the Secured Obligations to which such sub-account of such Mandatory Prepayment Account relates, to be applied, <u>first</u> for the pro rata payment of fees, administrative costs, expenses and indemnification payments due to the Agents (including the reasonable fees and expenses of counsel) under the Secured Obligation Documents and to the payments then due and payable by the Borrower to the Rebate Funds, <u>second</u> for the pro rata payment of all accrued and unpaid interest (including default interest, if any) on the relevant Secured Obligations, and <u>third</u>, if any unpaid principal or premium (if applicable) of such Secured Obligations has become due (by

Brightline Trains Florida (Project Owner)

56

acceleration or otherwise), to the payment of such unpaid principal and premium, and thereafter, any remainder shall be applied in accordance with the priority set forth in Section 9.08(c).

(c) All proceeds remaining in any Debt Service Reserve Account and any Mandatory Prepayment Account after application thereof in accordance with Sections 9.08(a) and (b) and all other proceeds received by the Collateral Agent pursuant to the exercise of any rights or remedies accorded to the Collateral Agent pursuant to, or by the operation of any of the terms of, any of the Security Documents following the occurrence and during the continuance of a Secured Obligation Event of Default, including proceeds from the sale or disposition of Collateral or other Enforcement Action, shall first be applied to reimburse the Collateral Agent for payment of the reasonable costs and necessary expenses of the Enforcement Action, including reasonable fees and expenses of counsel, all reasonable expenses, liabilities, and advances made or incurred by the Collateral Agent in connection therewith, and all other amounts due to the Collateral Agent in its capacity as such, and thereafter, the remaining proceeds shall be applied promptly by the Collateral Agent toward repayment of the Senior Indebtedness in the following order of priority:

<u>First</u>, ratably, to the payment of any other fees, administrative costs, expenses and indemnification payments due to the Agents and the Senior Secured Bonds Issuer under the Secured Obligation Documents, to the payments then due and payable by the Borrower to the Rebate Funds and to the payment of the Bond Insurer Premiums then due and payable under the Bond Insurer Premium Letter, if any, as provided in Section 14.10 of the Senior Secured Bonds Indenture and costs and expenses then due and payable to the Bond Insurer under the Senior Financing Documents, if any (but not any other Bond Insurer Reimbursement Amounts):

<u>Second</u>, ratably, to the respective outstanding fees, costs, charges and expenses then due and payable to the Senior Secured Parties under any Senior Secured Obligation Documents based on such respective amounts then due to such Persons (other than the fees and payments due to the Senior Secured Parties under <u>third</u>, <u>fourth</u> and <u>fifth</u> below);

<u>Third</u>, ratably, to any accrued but unpaid interest and commitment fees owed to the Senior Secured Creditors on the applicable Senior Secured Obligations and any Ordinary Course Settlement Payments based on such respective amounts then due to such Senior Secured Creditors;

<u>Fourth</u>, ratably, to the unpaid principal and premium (if applicable) owed to the Senior Secured Creditors under the applicable Senior Secured Obligation Documents (by acceleration or otherwise) and any Swap Termination Payments then due and payable to the Senior Swap Banks under the Senior Swap Agreements, based on such respective amounts then due to such Senior Secured Creditors;

<u>Fifth</u>, ratably, to any remaining unpaid Senior Secured Obligations then due and payable to the relevant Senior Secured Parties (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the Senior Secured Obligation Documents), based on such respective amounts then due to such Senior Secured Parties or otherwise required to cause the Discharge of Senior Indebtedness;

<u>Sixth</u>, after the Discharge of Senior Indebtedness, ratably, to the respective outstanding fees, costs, charges and expenses then due and payable to the Senior Subordinated Secured Parties under any Senior Subordinated Secured Obligation Documents based on such respective amounts then due to such Persons (other than the fees and payments due to the Senior Subordinated Secured Parties under seventh, eighth and ninth below);

Seventh, after the Discharge of Senior Indebtedness, ratably, to any accrued but unpaid interest and commitment fees owed to the Senior Subordinated Secured Creditors on the applicable Senior Subordinated Secured Obligations and any Ordinary Course Settlement Payments based on such respective amounts then due to such Senior Subordinated Secured Creditors:

<u>Eighth</u>, after the Discharge of Senior Indebtedness, ratably, to the unpaid principal and premium (if applicable) owed to the Senior Subordinated Secured Creditors under the applicable Senior Subordinated Secured Obligation Documents (by acceleration or otherwise) and any Swap Termination Payments then due and payable to the Senior Subordinated Swap Banks under the Senior Subordinated Swap Agreements, based on such respective amounts then due to such Senior Subordinated Secured Creditors;

Ninth, after the Discharge of Senior Indebtedness, ratably, to any remaining unpaid Senior Subordinated Secured Obligations then due and payable to the relevant Senior Subordinated Secured Parties (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the Senior Subordinated Secured Obligation Documents), based on such respective amounts then due to such Senior Subordinated Secured Parties;

<u>Tenth</u>, after final Payment in Full of all Secured Obligations, ratably, to any remaining unpaid Additional Senior Unsecured Indebtedness then due and payable to the relevant holders of such Additional Senior Unsecured Indebtedness (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the applicable Additional Senior Unsecured Indebtedness Documents), based on such respective amounts then due to such holders;

Eleventh, after final Payment in Full of all Secured Obligations and any Additional Senior Unsecured Indebtedness, ratably, to any remaining unpaid Additional Senior Subordinated Unsecured Indebtedness then due and payable to the relevant holders of such Additional Senior Subordinated Unsecured Indebtedness (including any obligation to provide cash collateral in respect thereof pursuant to the terms of the applicable Additional Senior Subordinated Unsecured Indebtedness Documents), based on such respective amounts then due to such holders; and

<u>Twelfth</u>, after final Payment in Full of all Secured Obligations, any Additional Senior Unsecured Indebtedness and any Additional Senior Subordinated Unsecured Indebtedness and upon the Termination Date, to pay to the Borrower, or as may be directed by the Borrower or as a court of competent jurisdiction may direct, any remaining proceeds.

- (d) It is understood that the Borrower shall remain liable to the extent of any deficiency between the amount of proceeds of the Project Accounts and any other Collateral and the aggregate of the sums referred to in priorities First through Eleventh in Section 9.08(c).
- (e) If at any time any Secured Party will for any reason obtain any payment or distribution upon or with respect to the Secured Obligations (as the case may be) contrary to the terms of this Agreement, whether as a result of the Collateral Agent's exercise of any Enforcement Action in respect of the Collateral or otherwise, such Secured Party agrees that it will have received such amounts in trust, and will promptly remit such amount so received in error to the Collateral Agent to be applied in accordance with the terms of this Agreement. If at any time the Collateral Agent or any other Secured Party will for any reason obtain any identifiable cash proceeds of any assets securing any Purchase Money Debt and in which assets the holder or representative of the holders of such Purchase Money Debt has or had a Security Interest having priority over any interest of the Collateral Agent or any other Secured Party in such assets, whether as a result of the Collateral Agent or such other Secured Party agrees that it will have received such amounts in trust, and will promptly remit such amount so received in error to the holder or representative of the holders of such Purchase Money Debt.
- By accepting amounts applied in accordance with clauses Fourth and Fifth of Section 5.02(b), each Additional Senior Unsecured Indebtedness Holder hereby agrees that if at any time any Additional Senior Unsecured Indebtedness Holder will for any reason obtain any payment or distribution upon or with respect to the Additional Senior Unsecured Indebtedness contrary to the terms of this Agreement, whether as a result of the Collateral Agent's exercise of any Enforcement Action in respect of the Collateral or otherwise, such Additional Senior Unsecured Indebtedness Holder will have received such amounts in trust, and will promptly remit such amount so received in error to the Collateral Agent to be applied in accordance with the terms of this Agreement. By accepting amounts applied in accordance with clauses Thirteenth and Fourteenth of Section 5.02(b), each Additional Senior Subordinated Unsecured Indebtedness Holder hereby agrees that if at any time any Additional Senior Subordinated Unsecured Indebtedness Holder will for any reason obtain any payment or distribution upon or with respect to the Additional Senior Subordinated Unsecured Indebtedness contrary to the terms of this Agreement, whether as a result of the Collateral Agent's exercise of any Enforcement Action in respect of the Collateral or otherwise, such Additional Senior Subordinated Unsecured Indebtedness Holder will have received such amounts in trust, and will promptly remit such amount so received in error to the Collateral Agent to be applied in accordance with the terms of this Agreement.

ARTICLE X COMPENSATION, INDEMNITY AND EXPENSES

Section 10.01 Compensation; Fees and Expenses. The Borrower hereby agrees to pay to each of the Collateral Agent and the Account Bank for its own account compensation in such amount as separately agreed upon in writing between the Borrower and the Collateral Agent or the Account Bank, as applicable. In addition, the Borrower shall pay on the next Transfer Date falling at least ten Business Days after written demand from the Collateral Agent or the Account Bank the amount of any and all other reasonable out-of-pocket expenses incurred by the Collateral Agent

this Agreement or any other Security Document, including all reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Secured Obligations; (c) the sale of, collection from or other realization upon, the Collateral; and (d) lien and security interest searches and filings in connection with this Agreement or any other Security Document. If any amounts required to be paid by the Borrower to the Collateral Agent or the Account Bank under this Agreement or any other Security Document remain unpaid after such amounts are due, the Borrower shall pay interest on the aggregate, outstanding balance of such amounts from the date due until those amounts are Paid in Full at a per annum rate equal to the highest interest rate then applicable to any outstanding Secured Obligation under the Secured Obligation Documents, such rate to change from time to time as interest rates on Secured Obligations may change. Interest shall be calculated on the basis of a year of 360 days for actual days elapsed.

Section 10.02 Borrower Indemnification. The Borrower shall indemnify each of the

or the Account Bank, including the reasonable and customary fees, charges and disbursements of

any counsel for the Collateral Agent or the Account Bank, in connection with (a) the administration

of this Agreement and the preparation of amendments and waivers hereunder and under the other Security Documents; (b) the enforcement of the rights or remedies of the Collateral Agent under

Collateral Agent, the Senior Secured Bonds Trustee, each other Secured Debt Representative, the Bond Insurer, the Account Bank and any Co-Collateral Agent, and each of their respective officers, directors, employees, agents and attorneys-in-fact (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution or delivery of any Security Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the transactions contemplated thereby (including the performance by the parties hereto of their respective obligations under the Security Documents), (b) any actual or alleged presence or Release of Hazardous Materials by the Borrower or any of its Affiliates on or from the Project or any property owned or operated by the Borrower or any of its Affiliates, or (c) any actual claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that the indemnity in this Section 10.02 shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee; and provided, further, that the indemnity in this Section 10.02 shall not, as to the Bond Insurer, include any Bond Insurer Reimbursement Amounts other than costs and expenses. The obligations of the Borrower under this Section 10.02 shall survive the Payment in Full of the Secured Obligations, any resignation or removal of the Collateral Agent and the Account Bank pursuant to Section 2.11, any resignation or removal of the Senior Secured Bonds Trustee pursuant to the Senior Secured Bonds Indenture and the termination of this Agreement pursuant to Article XI.

ARTICLE XI TERMINATION

Upon termination of this Agreement pursuant to <u>Section 5.17</u>, all rights to the Collateral as shall not have been sold or otherwise applied, in each case, pursuant to the terms hereof shall revert

Brightline Trains Florida (Project Owner)

60

to the Borrower, its successors or assigns, or otherwise as a court of competent jurisdiction may direct. Upon any such termination, the Collateral Agent will, at the Borrower's direction and expense, execute and deliver to the Borrower such documents as the Borrower shall reasonably request to evidence such termination.

ARTICLE XII AMENDMENTS: WAIVERS: INSTRUCTIONS

Section 12.01 Modifications Generally. Subject to Sections 12.02, 12.03 and 12.04:

- (a) Modifications with respect to the provisions of any Financing Obligation Document (other than the Security Documents) or the release of any Person liable in any manner under or in respect of the Financing Obligations owing under such Financing Obligation Document, shall be made in accordance with the requirements of such Financing Obligation Document.
- (b) Except as otherwise specifically stated herein or therein, Modifications with respect to the provisions of the Security Documents may be made only with the consent of the Collateral Agent (acting upon the instruction of Secured Debt Representatives representing the Required Secured Creditors) and the Borrower or the Pledgor, as applicable, and otherwise in accordance with the requirements of such Security Document (and as to such Security Documents providing for Modifications without the consent of any other Secured Party, the Collateral Agent is hereby authorized and directed to enter into any such Modification in accordance with the terms thereof). In addition, without the consent of, or notice to, any Secured Party, the Collateral Agent may, upon the receipt of the written consent of the Borrower, consent to any Modification with respect to the provisions of the Security Documents for any one or more or all of the following purposes (and the Collateral Agent is hereby authorized and directed to enter into any such Modification in accordance with the terms thereof):
 - to add additional covenants to the covenants and agreements of the Borrower set forth therein;
 - to cure any ambiguity, or to cure, correct or supplement any defect, mistake, error, omission or inconsistent provision contained therein;
 - (iii) to add a new guarantor or to add additional assets as Collateral;
 - (iv) to release Collateral in accordance with the terms of the Security Documents;
 - (v) to provide for the issuance of Additional Senior Parity Bonds issued from time to time in accordance with the Senior Secured Bonds Indenture or the incurrence of Additional Senior Secured Indebtedness or Additional Senior Subordinated Secured Indebtedness permitted by the Financing Obligation Documents;
 - (vi) to amend any existing provision thereof or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (A) to qualify, or to preserve the qualification of, the interest on any Senior Secured Bonds (or any other Secured Obligations the interest on which is tax-exempt) for exclusion from gross income for federal income tax purposes or (B) to qualify, or preserve the

qualification of, any Senior Secured Bonds (or any other Secured Obligations exempt from registration) for an exemption from registration or other limitations under the laws of any state or territory of the United States;

- (vii) to facilitate the receipt of moneys;
- (viii) to establish additional funds, accounts or subaccounts in accordance with this Agreement;
- to evidence and provide for the acceptance and appointment of a successor Collateral Agent;
- (x) to facilitate the movement or relocation of any Operating Account, the Equity Funded Account or any Collection Account to a replacement Deposit Account Bank or the movement or relocation of the Project Accounts to a successor Collateral Agent;
- (xi) in connection with any other change which, in the judgment of the Collateral Agent (who may for such purposes rely entirely upon a legal opinion with respect thereto of counsel selected by, or reasonably satisfactory to, the Collateral Agent, which legal counsel may rely on a rating confirmation by any Nationally Recognized Rating Agency or a certificate of an investment banker or financial advisor with respect to financial matters and on a certificate from a Responsible Officer of the Borrower as to factual matters), does not materially adversely affect the rights of the Senior Secured Creditors or the rights of the Senior Subordinated Secured Creditors, including, without limitation, conforming any Security Document to the terms and provisions of any other Secured Obligation Document; or
- (xii) as provided by the other Security Documents with respect to any Modification.

With respect to a Modification to a Mortgage meeting the requirements of any of (i) through (xii) above or as permitted pursuant to such Mortgage, Borrower shall provide a certificate of a Responsible Officer (substantially in the form attached hereto as Exhibit I) to the Collateral Agent for any Modification in connection with such Mortgage.

(c) Notwithstanding the foregoing, (i) any Modification to any provision of this Agreement or any of the other Security Documents affecting the rights or obligations of the Senior Subordinated Secured Creditors and not the Senior Secured Creditors may be made with the consent of the Collateral Agent (acting upon the instruction of Secured Debt Representatives representing the Required Senior Subordinated Secured Creditors) and the Borrower, (ii) any Modification to the definition of "Required Senior Subordinated Secured Creditors" or "Unanimous Senior Subordinated Voting Parties" shall require the written consent of the Unanimous Senior Subordinated Voting Parties and (iii) any Modification of any provision of this Agreement or any other Security Document that (A) releases or subordinates all or substantially all of the Collateral from the Security Interest securing the Senior Subordinated Secured Obligations if such Modification does not also release or subordinate, as applicable, all of the Collateral from the Security Interest securing the Senior Secured Obligations or (B) releases or subordinates the Project Revenues or the Project Accounts from the Security Interest securing the

Brightline Trains Florida (Project Owner)

62

Collateral Agency Agreement

61

Senior Subordinated Secured Obligations if such Modification does not also release or subordinate, as applicable, the Project Revenues or the Project Accounts, as applicable, from the Security Interest securing the Senior Secured Obligations, in each case shall require the written consent of the Unanimous Senior Subordinated Voting Parties.

Modifications Requiring Unanimous Voting Parties.

- The written consent of the Unanimous Voting Parties shall be required for:
- any Modification to the definitions of the terms "Combined Exposure", "Denominator", "Interest Payment Date", "Modification", "Numerator", "Principal Payment Date", "Required Secured Creditors", "Required Senior Subordinated Secured Creditors", "Secured Creditors", "Secured Parties", "Unanimous Voting Parties" or
- (ii) any Modification of any provision of this Agreement or any other
 - (A) permitting the Borrower to assign its rights or delegate its duties under
 - releasing or subordinating all or substantially all of the Collateral from
 - from the Security Interests of the Senior Security Agreement, other than in connection with an Enforcement Action permitted hereunder; or
- Further, (x) before the Discharge of Senior Indebtedness, any Modification of any provision of this Agreement or any other Security Document that would have a material and adverse effect on the rights of any Senior Swap Bank that is more adverse than to the other Senior Secured Parties shall require the written consent of such Senior Swap Bank, and (y) on and after the Discharge of Senior Indebtedness, any Modification of any provision of this Agreement or any other Security Document that would have a material and adverse effect on the rights of any Swap Bank shall require the written consent of such Swap Bank.
- the consent of Secured Debt Representatives representing the Required Secured Creditors.
- Section 12.03 Additional Modifications. Without the consent of any Secured Party or any other Person, the Collateral Agent and any other Secured Debt Representative party thereto

Brightline Trains Florida (Project Owner)

may with the Borrower's consent (not to be unreasonably withheld), but shall not be obligated to, at any time and from time to time, enter into one or more Modifications of the Security Documents.

as applicable, to cure any immaterial ambiguity, or to provide for any other ministerial actions

with respect to matters arising under the Security Documents; provided that, such actions pursuant to this clause do not materially adversely affect the interests of the Secured Parties; and provided,

further that by executing or acceding to this Agreement, each Secured Party consents to any

Account Bank. No party hereto shall amend any provision of any Secured Obligation Document

that adversely affects any Agent party thereto without the written consent of such Agent. Only the

applicable Secured Debt Representative may waive any rights of such Secured Debt

Representative under any provision of this Agreement; no consent to any departure by the

Borrower from this Agreement (or the Security Documents) shall be effective unless in writing signed by the applicable parties specified herein, and each such waiver or consent shall be effective

only in the specific instance and for the specific purpose for which given. The consent of the

Account Bank shall be required for any amendment to Section 5.19 or any other amendment that

the terms or conditions of this Agreement, and the consent (whether express or implied) of any

Secured Party shall not prejudice any remedy of the Collateral Agent or any Secured Party in

respect of any continuing or other breach of the terms and conditions hereof, and shall not be construed as a bar to any right or remedy which the Collateral Agent or any other Secured Party

a waiver thereof; further, no single or partial exercise of any right, power or privilege under this

Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege available to it. All remedies hereunder and under the other Security Documents

are cumulative and are not exclusive of any other remedies that may be available to the Collateral

ARTICLE XIII

MISCELLANEOUS PROVISIONS

expense, it will promptly execute and deliver all further instruments and documents, and take all further action as is necessary or as the Collateral Agent shall otherwise reasonably request to

perfect and maintain perfected the Security Interests granted hereunder and under the other

Secured Obligation Documents and to enable the Collateral Agent and the Secured Parties to

Section 13.01 Further Assurances. The Borrower agrees that from time to time, at its

(b) No failure to exercise nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, of any right, power or privilege under this Agreement shall operate as

The waiver (whether express or implied) by the Collateral Agent of any breach of

Section 12.04 Effect of Amendment on the Agents, Secured Debt Representatives and

Modification which is made in compliance with this Section 12.03.

would modify the rights or obligations of the Account Bank.

Waivers.

would otherwise have on any future occasion under this Agreement.

Section 12.05

Agent, whether at law, in equity or otherwise.

exercise and enforce their rights and remedies hereunder.

Collateral Agency Agreement

Collateral Agency Agreement

Section 12.02

"Voting Party Percentage" or to Sections 6.01, 6.02 or 8.03 or this Article XII; or

Security Document that has the effect of:

- this Agreement or all or substantially all of the Security Documents, other than in connection with an Enforcement Action permitted hereunder;
- the Security Interest securing the Secured Obligations, other than in connection with an Enforcement Action permitted hereunder;
- (C) releasing or subordinating the Project Revenues or the Project Accounts
- altering the relative priority of payments or application of proceeds as among the Secured Parties.

Except as set forth in Section 12.01(b), Section 12.01(c), Section 12.02(a), Section 12.03 or Section 12.04, all other Modifications under the Security Documents shall only require

Brightline Trains Florida (Project Owner)

Section 13.02 Successors and Assigns.

- This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided, however, that the Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of each Secured Party other than in accordance with the terms of the Financing Obligation Documents, and any assignment or transfer in violation of this provision shall be null and void.
- Nothing contained in this Agreement or any other Security Document is intended to limit the right of any Secured Party to assign, transfer or grant participations in its rights in its respective Secured Obligations and Secured Obligation Documents.

Section 13.03 Notices.

- Unless otherwise expressly provided herein, all notices, instructions, consents, requests, directions and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email, as follows:
 - if to the Borrower:

Brightline Trains Florida LLC 350 NW 1st Avenue, Suite 200

Miami, FL 33128

Attention: Cynthia Bergmann, General Counsel

Telephone: (305) 521-4875

E-mail: Cynthia.Bergmann@gobrightline.com

With a copy to:

Brightline Trains Florida LLC 350 NW 1st Avenue, Suite 200 Miami, FL 33128 Attention: Jeffrey C. Swiatek, Chief Financial Officer

Telephone: (305) 521-4899

E-mail: Jeff.Swiatek@gobrightline.com

if to the Senior Secured Bonds Trustee, the Collateral Agent or the Account Bank:

> Deutsche Bank National Trust Company Trust & Agency Services 1 Columbus Circle, 17th Floor Mail Stop: NYC01 – 1710 New York, NY 10019 Facsimile: (732) 578-4635

Attention: Brightline Florida E-mail: sebastian-a.hidalgo@db.com

Brightline Trains Florida (Project Owner) 65 Collateral Agency Agreement

if to the Senior Secured Bonds Issuer:

Florida Development Finance Corporation 156 Tuskawilla Road, Suite 2340 Winter Springs, FL 32708 Attention: Executive Director Telephone: (407) 712-6355

Facsimile: (407) 369-4260

With a copy to:

Nelson Mullins Riley & Scarborough LLP 390 North Orange Avenue, Suite 1400

Orlando, FL 32801

Attention: Joseph B. Stanton Telephone: (407) 839-4210 Facsimile: (407) 425-8377

E-mail: joseph.stanton@nelsonmullins.com

(iv) if to the Bond Insurer:

Assured Guaranty Municipal Corp. 1633 Broadway New York, NY 10019

Attention: Managing Director - Municipal Surveillance

Re: Policy No. 223302-N Telephone: (212) 974-0100 E-mail: munidisclosure@agltd.com

In each case in which the notice or other communication refers to a claim on the Bond Insurance Policy or a Secured Obligation Event of Default, such notice or other communication shall be marked "URGENT MATERIAL ENCLOSED" and a copy shall also be sent to the attention of the General Counsel of the Bond Insurer at the above address and at generalcounsel@agltd.com

Notwithstanding anything to the contrary contained herein, each such notice, instruction, direction, request or other communication so given to the Collateral Agent shall be effective only upon actual receipt. All instructions required under this Agreement will be delivered to the Collateral Agent in writing, in original, electronic or facsimile form, executed by a Responsible Officer. The identity of such Responsible Officers, as well as their specimen signatures, will be delivered to the Collateral Agent in the form of an Incumbency Certificate substantially in the form of Exhibit D and will remain in effect until such party notifies the Collateral Agent of any change. In its capacity as Collateral Agent, the Collateral Agent will accept all instructions and documents complying with the above under the indemnities provided in this Agreement, and reserves the right to refuse to accept any instructions or documents which fail, or appear to fail, to comply with the terms hereof; provided that in the event of any such refusal by

Brightline Trains Florida (Project Owner)

66

the Collateral Agent, the Collateral Agent shall promptly notify the relevant Responsible Officer executing the instructions or delivering the documents of such non-compliance and provide a reasonable time period for the correction thereof. Further to this procedure, the Collateral Agent reserves the right to telephone a Responsible Officer of any Secured Debt Representative or the Borrower to confirm the details of such instructions or documents if they are not already on file with it as standing instructions, and the Collateral Agent agrees that it will promptly telephone a Responsible Officer of any applicable Secured Debt Representative or the Borrower, as applicable, if the Collateral Agent has determined that it will refuse to accept any instructions or documents which fail, or appear to fail, to comply. The Collateral Agent and the parties hereto agree that the above constitutes a commercially reasonable security procedure.

- (c) Any party hereto may change its address, email address or facsimile number for notices and other communications hereunder by notice to the Borrower, the Agents and the Secured Debt Representatives. All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and, if given in accordance with this Section 13.03, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, private courier, overnight delivery service, international shipping service, electronically or facsimile.
- (d) Documents executed, scanned and transmitted electronically or by facsimile and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of this Agreement and all other related documents and all matters and agreements related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Agreement or any other related document or any instrument, agreement or document necessary for the consummation of the transactions contemplated by this Agreement or the other related documents or related hereto or thereto (including, without limitation, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("Executed Documentation") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if physically executed, and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When any Secured Debt Representative, the Collateral Agent or the Account Bank acts on any Executed Documentation sent by electronic transmission, such Secured Debt Representative, the Collateral Agent or the Account Bank, as applicable, will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and in compliance with such Executed Documentation, notwithstanding that such Executed Documentation (i) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (ii) may conflict with, or be inconsistent with, a subsequent written instruction or communication; it being understood and agreed that the Secured Debt Representatives, the Collateral Agent or the Account Bank shall conclusively presume that Executed Documentation that purports to have been sent by a Responsible Officer of a Person has been sent by a Responsible Officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic

signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of a Secured Debt Representative, the Collateral Agent or the Account Bank acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 13.04 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 13.05 Governing Law; Consent to Jurisdiction; WAIVER OF JURY TRIAL; Waiver of Venue: Service of Process.

- (a) This Agreement shall be governed by and construed in accordance with the substantive laws of the State of New York. Each of the parties hereto hereby irrevocably (i) consents and submits to the non-exclusive jurisdiction of any New York state court sitting in New York County, New York or any federal court of the United States sitting in the Southern District of New York, as any party may elect, in any suit, action or proceeding arising out of or relating to this Agreement or any other Security Document and (ii) WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION IN WHICH ANY OF THE PARTIES HERETO ARE PARTIES RELATING TO OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER SECURITY DOCUMENT. For the avoidance of all doubt, nothing herein shall be construed as requiring any obligations, rights and duties of the Senior Secured Bonds Issuer to be subject to the laws of any jurisdiction other than the State of Florida or as requiring the Senior Secured Bonds Issuer to submit to jurisdiction in any state or federal court not located within the State of Florida.
- (b) The parties hereto hereby irrevocably and unconditionally waive, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in <u>Section 13.05(a)</u>. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.
- (c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in <u>Section 13.03</u>. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 13.06 Captions. The headings of the several articles and sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 13.07 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Brightline Trains Florida (Project Owner)

Collateral Agency Agreement

68

Section 13.08 Third Party Beneficiaries. This Agreement and the covenants contained herein are made solely for the benefit of the parties hereto and the other Secured Parties from time to time bound hereby, and their successors and assigns, and shall not be construed as having been intended to benefit any other third-party not a party to this Agreement; provided, to the extent that this Agreement provides for the payment of amounts owed to (a) Additional Senior Unsecured Indebtedness Holders (if any), pursuant to Fourth and Fifth of the Flow of Funds set forth in Section 5.02(b) and payments upon collection of proceeds pursuant to Tenth in Section 9.08(c), such Additional Senior Unsecured Indebtedness Holders are hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such rights conferred, given or granted hereunder; and (b) Additional Senior Subordinated Unsecured Indebtedness Holders (if any), pursuant to Thirteenth and Fourteenth of the Flow of Funds set forth in Section 5.02(b) and payments upon collection of proceeds pursuant to Eleventh in Section 9.08(c), such Additional Senior Subordinated Unsecured Indebtedness Holders are hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such rights conferred, given or granted hereunder; provided further, the Bond Insurer shall be a third-party beneficiary hereof as provided in Section 13.13.

Section 13.09 Entire Agreement. This Agreement, the other Secured Obligation Documents and the fee related letters, including the documents referred to herein and therein, constitute the entire agreement and understanding of the parties hereto, and supersede any and all prior agreements and understandings, written or oral, of the parties hereto relating to the subject matter hereof.

Section 13.10 Conflict with Other Agreements. Except as otherwise expressly provided herein, the parties agree that in the event of any conflict between the provisions of this Agreement (or any portion thereof) and the provisions of any other Secured Obligation Document or any other agreement now existing or hereafter entered into, the provisions of this Agreement shall control with respect to the matters set forth in this Agreement. In the event that in connection with the establishment of any of the Accounts or the Distribution Account with a Deposit Account Bank, the Borrower shall enter into any agreement, instrument or other document with such Deposit Account Bank which has terms that are in conflict with or inconsistent with the terms of this Agreement, the terms of this Agreement shall control.

Section 13.11 Reinstatement. If at any time for any reason (including bankruptcy, insolvency, receivership, reorganization, dissolution or liquidation of the Borrower or the appointment of any receiver, intervenor or conservator of, or agent or similar official for, the Borrower or any of its properties) payment and performance of the Borrower's obligations hereunder, or any part thereof, is rescinded or voided or reduced in amount, or must otherwise be restored or returned by the Collateral Agent or any other Secured Party, that payment will not be considered to have been made and this Agreement and the obligations of the Borrower hereunder will be effective or be automatically reinstated, if necessary, as if that payment had not been made and the Termination Date shall be extended accordingly.

Section 13.12 Collateral Agent's Rights.

(a) If at any time the Collateral Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way

affects the Collateral (including but not limited to orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of such property), the Collateral Agent is authorized to comply therewith in any manner it or legal counsel of its own choosing reasonably deems appropriate; and if the Collateral Agent complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, the Collateral Agent shall not be liable to any of the parties hereto or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(b) In order to comply with the Laws in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("Applicable AML Law"), the Secured Debt Representatives, the Collateral Agent and the Account Bank are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Secured Debt Representatives, the Collateral Agent and the Account Bank. Accordingly, each of the parties agree to provide to the Secured Debt Representatives, the Collateral Agent and the Account Bank, upon their request from time to time, such identifying information and documentation as may be available for such party in order to enable such Secured Debt Representative, the Collateral Agent or the Account Bank to comply with Applicable AML Law.

Section 13.13 Bond Insurer as Third-Party Beneficiary. To the extent that this Agreement confers upon or gives or grants to the Bond Insurer any right, remedy or claim hereunder or thereunder, the Bond Insurer is intended to be and is hereby explicitly recognized as being a third-party beneficiary of such right, remedy or claim and may enforce any such right, remedy or claim conferred, given or granted hereunder. For all purposes of this Agreement, "Secured Parties" and "Senior Secured Creditors" shall include the Bond Insurer, and "Senior Secured Bonds Obligations" and "Senior Secured Indebtedness" shall each include the Bond Insurer Premiums and reimbursements and all other amounts owed to the Bond Insurer under any of the Financing Documents. Any amendment, supplement, modification to or waiver of, this Agreement that adversely affects the rights and interests of the Bond Insurer or adversely alters the security for the Senior Secured Bonds shall be subject to the prior written consent of the Bond Insurer. The provisions of this Section 13.13 shall govern notwithstanding anything to the contrary in this Agreement.

Section 13.14 The Senior Secured Bonds Trustee. In the performance of any of its obligations hereunder, (a) the Senior Secured Bonds Trustee shall have all of the rights, benefits, protections, indemnities and immunities afforded to it under the Senior Secured Bonds Indenture and (b) each other Secured Debt Representative shall have all of the rights, benefits, protections, indemnities and immunities afforded to it under the Secured Obligation Documents pursuant to which it is appointed to its role as a Secured Debt Representative (provided that such rights, benefits, protections, indemnities and immunities are not materially different than those of the Senior Secured Bonds Trustee described in Section 13.14(a)).

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Brightline Trains Florida (Project Owner)

70

Collateral Agency Agreement

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

BRIGHT	LINE TRAINS FLORIDA LLO
as the Born	rower
By:	
Name:	

DEUTSCHE BANK NATIONAL TRUST

COMPANY, as the Senior Secured Bonds Trustee, the Collateral Agent and the Account Bank

By:		
Name:		
Title:		
Ву:		
Name:		
Title:		

Brightline Trains Florida (Project Owner)

Collateral Agency Agreement

Brightline Trains Florida (Project Owner)

Collateral Agency Agreement

EXHIBIT A DEFINITIONS AND RULES OF INTERPRETATION

Unless otherwise specified, capitalized terms used in the Collateral Agency Agreement and other Security Documents will have the meanings set forth below:

"Acceptable Bank" means a bank or other financial institution with a rating of at least "A—" (or the equivalent) by two nationally recognized rating agencies as of the date of issuance of the applicable letter of credit and on the date of any rating change applied to such entity.

"Acceptable Letter of Credit" means any irrevocable, unconditional letter of credit (a) issued by an Acceptable Bank, (b) the reimbursement obligations with respect to which shall not be recourse to the Borrower, (c) the term of which is at least one year from the date of issue (except where such letter of credit is issued to satisfy a requirement under the Secured Obligation Documents that expires less than one year after issuance, then the term shall be for such shorter period), and (d) which allows drawing (i) during the 30 day period prior to expiry (unless replaced or extended), (ii) upon downgrade of the issuer such that it is no longer an Acceptable Bank, and (iii) if such letter of credit is used to fund any reserve account established under the Collateral Agency Agreement, when funds would otherwise be drawn from such reserve account.

"Accession Agreement" means an accession agreement substantially in the form attached as $\underline{\text{Exhibit }G}$ to the Collateral Agency Agreement.

"Account Bank" has the meaning assigned thereto in the Preamble.

"Account Control Agreement" means one or more account control agreements entered into or to be entered into among the Borrower, the Collateral Agent and the applicable Deposit Account Bank in respect of any Operating Account, the Equity Funded Account or any Collection Account, including (a) the Deposit Account Control Agreement dated as of May 9, 2024, among the Borrower, Collateral Agent and Bank of America, N.A. and (b) any account control agreement entered into after the date hereof in form and substance substantially similar to the agreements described in clause (a) of this definition or as otherwise approved by the Collateral Agent.

"Accounts" means any account or sub-account created in any Fund (as defined in the Senior Secured Bonds Indenture) under the Senior Secured Bonds Indenture (or any Supplemental Indenture) or any account or sub-account under the Collateral Agency Agreement.

"Additional Reserve Account" means any reserve account established from time to time under the Collateral Agency Agreement, at the request of the Borrower in accordance with the terms this Agreement, as required by the terms of any Additional Senior Indebtedness Documents, Additional Senior Subordinated Secured Indebtedness Documents or other Secured Obligation Documents.

"Additional Senior Debt Service Reserve Account" means any debt service reserve account established from time to time under the Collateral Agency Agreement, at the request of the Borrower in accordance with the terms of this Agreement, as required by the terms of any Additional Senior Indebtedness Documents.

Brightline Trains Florida (Project Owner) 1 Collateral Agency Agreement

- "Additional Senior Debt Service Reserve Requirement" means, with respect to an Additional Senior Debt Service Reserve Account and calculated on any applicable Calculation Date, the amount required by the applicable Additional Senior Indebtedness Documents to be deposited into such Additional Senior Debt Service Reserve Account and which is not in contravention of the terms of any Financing Obligation Documents in effect at such time.
- "Additional Senior Indebtedness" means all Additional Senior Secured Indebtedness and Additional Senior Unsecured Indebtedness outstanding as of such date.
- "Additional Senior Indebtedness Documents" means all Additional Senior Secured Indebtedness Documents and Additional Senior Unsecured Indebtedness Documents then in effect.
- "Additional Senior Parity Bonds Loan" means the loan to the Borrower by the Senior Secured Bonds Issuer pursuant to the Additional Senior Parity Bonds Loan Agreement of the entire amount of the proceeds from any Additional Senior Parity Bonds issued pursuant to the Senior Secured Bonds Indenture.
- "Additional Senior Parity Bonds Loan Agreement" means, for each series of Additional Senior Parity Bonds, the loan agreement or supplemental loan agreement to be executed by the Senior Secured Bonds Issuer and the Borrower in connection with the issuance of such Additional Senior Parity Bonds pursuant to the Senior Secured Bonds Indenture.
- "Additional Senior Parity Bonds" means any "Additional Parity Bonds" (as defined in the Senior Secured Bonds Indenture) issued pursuant to the Senior Secured Bonds Indenture.
- "Additional Senior Secured Indebtedness" means indebtedness incurred by the Borrower that is pari passu to the indebtedness constituting the Senior Secured Bonds (except to the extent that certain accounts may be held solely for the benefit of certain creditors as set forth herein or in the Secured Obligation Documents or other Additional Senior Indebtedness Documents) and permitted to be incurred by the Borrower under the terms of the Financing Obligation Documents as in effect at such time.
- "Additional Senior Secured Indebtedness Documents" means any credit agreement, purchase agreement, indenture or similar contract or instrument providing for the issuance or incurrence of, or evidencing, any Additional Senior Secured Indebtedness, including any Additional Senior Parity Bonds Loan Agreement, then in effect.
- "Additional Senior Secured Indebtedness Holder" means any Person that enters into an Additional Senior Secured Indebtedness Document with the Borrower (including any holders of bonds or other securities that are represented by a Secured Debt Representative) and any Owner of Additional Senior Parity Bonds.
- "Additional Senior Subordinated Debt Service Reserve Account" means any debt service reserve account established from time to time under the Collateral Agency Agreement, at the request of the Borrower in accordance with the terms of this Agreement, as required by the terms of any Additional Senior Subordinated Indebtedness Documents.

2

Brightline Trains Florida (Project Owner)

"Additional Senior Subordinated Debt Service Reserve Requirement" means, with respect to an Additional Senior Subordinated Debt Service Reserve Account and calculated on any applicable Calculation Date, the amount required by the applicable Additional Senior Subordinated Indebtedness Documents to be deposited into such Additional Senior Subordinated Debt Service Reserve Account and which is not in contravention of the terms of any Financing Obligation Documents in effect at such time.

"Additional Senior Subordinated Indebtedness" means all Additional Senior Subordinated Secured Indebtedness and Additional Senior Subordinated Unsecured Indebtedness.

"Additional Senior Subordinated Indebtedness Documents" means, at any time, all Additional Senior Subordinated Secured Indebtedness Documents and Additional Senior Subordinated Unsecured Indebtedness Documents then in effect.

"Additional Senior Subordinated Indebtedness Holders" means, collectively, Additional Senior Subordinated Secured Indebtedness Holders and Additional Senior Subordinated Unsecured Indebtedness Holders.

"Additional Senior Subordinated Secured Indebtedness" means indebtedness incurred by the Borrower that is subordinated to the indebtedness constituting the Senior Secured Bonds (except to the extent that certain accounts may be held solely for the benefit of certain creditors as set forth herein or in the Secured Obligation Documents or other Additional Senior Subordinated Indebtedness Documents) in accordance with the provisions of this Agreement and permitted to be incurred by the Borrower under the terms of the Financing Obligation Documents as in effect at such time.

"Additional Senior Subordinated Secured Indebtedness Documents" means any credit agreement, purchase agreement, indenture or similar contract or instrument providing for the issuance or incurrence of, or evidencing, any Additional Senior Subordinated Secured Indebtedness.

"Additional Senior Subordinated Secured Indebtedness Holder" means any Person that enters into an Additional Senior Subordinated Secured Indebtedness Document with the Borrower (including any holders of bonds, notes or other securities that are represented by a Secured Debt Representative).

"Additional Senior Subordinated Unsecured Indebtedness" means indebtedness that is not secured by the Collateral, but is payable under Section 5.02(b) on the same basis as the indebtedness constituting Additional Senior Subordinated Secured Indebtedness and permitted to be incurred by the Borrower under the terms of the Financing Obligation Documents as in effect at such time.

"Additional Senior Subordinated Unsecured Indebtedness Documents" means, at any time, any credit agreement, purchase agreement, indenture or similar contract or instrument providing for the issuance or incurrence of, or evidencing, any Additional Senior Subordinated Unsecured Indebtedness then in effect.

Brightline Trains Florida (Project Owner) 3 Collateral Agency Agreement

"Additional Senior Subordinated Unsecured Indebtedness Holder" means any Person that enters into an Additional Senior Subordinated Unsecured Indebtedness Document with the Borrower

"Additional Senior Unsecured Indebtedness" means indebtedness that is not secured by the Collateral, but is payable under Section 5.02(b) on the same basis as the indebtedness constituting the Senior Secured Bonds and permitted to be incurred by the Borrower under the terms of the Financing Obligation Documents as in effect at such time.

"Additional Senior Unsecured Indebtedness Documents" means, at any time, any credit agreement, purchase agreement, indenture or similar contract or instrument providing for the issuance or incurrence of, or evidencing, any Additional Senior Unsecured Indebtedness then in effect

"Additional Senior Unsecured Indebtedness Holder" means any Person that enters into an Additional Senior Unsecured Indebtedness Document with the Borrower.

"Affiliate" of any Person means any Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with that Person.

"Agent" means the Account Bank, the Collateral Agent and each Secured Debt Representative party to the Collateral Agency Agreement.

"Agent Bank" means the Collateral Agent in its individual capacity.

"Agreement" has the meaning assigned thereto in the Preamble.

"Applicable AML Law" has the meaning assigned thereto in Section 13.12(b).

"Bankruptcy Event" means:

- (a) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or of a substantial part of the assets of the Borrower under any insolvency law or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or a substantial part of the Borrower's assets and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or
- (b) The Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the Borrower's assets, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, (iii) make a general assignment for the benefit of creditors, (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (v) commence a voluntary proceeding under any insolvency law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency law, or (vi) file an answer admitting the material allegations of a petition filed against

Brightline Trains Florida (Project Owner)

it in any proceeding referred to in the foregoing subclauses (i) through (v) of this clause (b), and, in any case referred to in the foregoing subclauses (i) through (v), such action has not been cured within 20 days thereafter.

"Bond Counsel" means Greenberg Traurig, P.A., or other attorneys selected by the Borrower, with the consent of the Senior Secured Bonds Issuer, which consent shall not be unreasonably withheld, who have nationally recognized expertise in the issuance of municipal securities, the interest on which is excluded from gross income for federal income tax purposes.

"Bond Insurance Policy" has the meaning assigned thereto in the Senior Secured Bonds Indenture.

"Bond Insurer" has the meaning assigned thereto in the Senior Secured Bonds Indenture.

"Bond Insurer Premium" has the meaning assigned thereto in the Senior Secured Bonds Indenture (but shall not include any Bond Insurer Reimbursement Amounts).

"Bond Insurer Premium Letter" has the meaning assigned thereto in the Senior Secured Bonds Indenture.

"Bond Insurer Reimbursement Amounts" has the meaning assigned thereto in the Senior Secured Bonds Indenture.

"Borrower" has the meaning assigned thereto in the Preamble.

"Business Day" means any day other than a Saturday, a Sunday or a day on which offices of the United States government or the State are authorized to be closed or on which commercial banks in New York, New York, Washington, D.C., or the city and state in which the Senior Secured Bonds Trustee, the Collateral Agent, the Account Bank or the applicable Deposit Account Bank, as applicable, is located are authorized or required by law, regulation or executive order to be closed.

"Calculation Date" means the first day of each month.

"Capital Project" means (i) an extension of the Borrower's intercity passenger rail system beyond the Orlando International Airport, (ii) any third-party commuter rail service on the corridor comprising the Project, (iii) any additional station beyond those stations in operation on the Closing Date or (iv) any physical expansion of, or improvement to, the Project, that would expand the scope of construction or operation of the Project in a manner that would materially change the nature of the Borrower's business as of the Closing Date.

"Capital Projects Account" has the meaning assigned thereto in Section 5.01(a).

"Capitalized Lease Obligations" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

Brightline Trains Florida (Project Owner) 5 Collateral Agency Agreement

"Casualty Event" means an event that causes all or a portion of the Project to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, other than an Expropriation Event

"Casualty Proceeds" means, with respect to any Casualty Event, all proceeds of insurance (other than proceeds of business interruption insurance and loss of advance profits insurance, which shall constitute "Project Revenues") payable to or received by the Borrower (whether by way of claims, return of premiums, ex gratia settlements or otherwise) in connection with such Casualty Event.

"CERCLA" has the meaning assigned thereto in Section 2.17.

"Clearing Agency" has the meaning assigned thereto in Section 5.15(f).

"Closing Date" has the meaning assigned thereto in the Preamble.

"Co-Collateral Agent" has the meaning assigned thereto in Section 2.11(b).

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute

"Collateral" means all real and personal property of the Borrower and the Pledgor that is intended to be subject to the Security Interests granted to the Collateral Agent under the Security Documents to secure the Borrower's payment and performance of the Secured Obligations, including the Grantor Collateral and the Pledged Collateral.

"Collateral Agency Agreement" means the Collateral Agency, Intercreditor and Accounts Agreement to which this Exhibit A is attached.

"Collateral Agent" has the meaning assigned thereto in the Preamble.

"Collection Account" means a collection account subject to the security interest of the Collateral Agent, established with a Deposit Account Bank in accordance with Section 5.02(a) and subject to an Account Control Agreement.

"Combined Exposure" means, as of any date of calculation, the sum (calculated without duplication) of the following, to the extent the same is held by a Secured Creditor (other than a Non-Voting Creditor): (a) the outstanding principal amount of all Secured Obligations outstanding under the relevant Secured Obligation Documents, (b) provided that no Secured Obligation Event of Default is in existence at such time, any outstanding Commitments under the relevant Secured Obligation Documents, and (c) if a Swap Bank shall have delivered to each Agent a Swap Termination Certificate, any Swap Termination Payments owed to a Swap Bank by the Borrower.

"Commercially Feasible Basis" means that, following a Casualty Event, (i) the Loss Proceeds, together with any other amounts available to the Borrower, will be sufficient to permit the Restoration of the Project and (ii) sufficient funds are or will be available to the Borrower to pay all total debt service on any outstanding Financing Obligations during the estimated period of Restoration.

Brightline Trains Florida (Project Owner)

"Commitment" means any commitment by a Secured Party to extend Indebtedness to the Borrower under the relevant Secured Obligation Document.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. Section 1 et sea.), as amended from time to time, and any successor statute.

"Consumer Price Index" means the Consumer Price Index, "All Urban Consumers; U.S. City Average", as published by the United States Department of Labor, Bureau of Labor Statistics, or if such index shall cease to be published, such other similar index as shall be reasonably selected by the Borrower.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and "Controlling" and "Controlled by" have meanings correlative thereto.

"Costs of Issuance" include the following:

- (a) expenses necessary or incident to determining the feasibility or practicability of the issuance and sale of the Financing Obligations, as applicable, the fees and expenses of management consultants for making studies, surveys and estimates of costs and revenues and other estimates necessary to the issuance of the Financing Obligations (as opposed to such studies, surveys or estimates related to completion of the Project, but not to the issuance of the Financing Obligations);
- (b) expenses of administration, supervision and inspection properly chargeable to the issuance and sale of the Financing Obligations, legal expenses and fees of the Senior Secured Bonds Issuer or the Borrower (as applicable) in connection with the issuance and sale of the Financing Obligations, legal expenses and fees and expenses of the Senior Secured Bonds Trustee, fees and expenses of the investment bank or investment banks designated by the Borrower to underwrite the sale of the Senior Secured Bonds, financial advisors or brokers in arranging for the sale or placement of the Financing Obligations, financial advisors or brokers in arranging for the sale or placement of the Financing Obligations, financing charges, remarketing fees, cost of audits, cost of preparing, issuing and selling the Financing Obligations, abstracts and reports on titles to real estate, title insurance premiums, recording fees and taxes and all other items of expense, including those of the Senior Secured Bonds Issuer or the Borrower (as applicable) not elsewhere specified herein incident to the issuance and sale of the Financing Obligations;
 - (c) any other cost relating to the issuance and sale of the Financing Obligations; and
- (d) reimbursement to the Borrower for any costs described above paid by it, whether before or after the execution of any Financing Obligation Document.

"Debt Service Reserve Accounts" means the Main Debt Service Reserve Account (including the sub-accounts thereof), any Additional Senior Debt Service Reserve Account and any Additional Senior Subordinated Debt Service Reserve Account.

"Debt Service Reserve Requirement" means, (i) with respect to the Senior DSR Sub-Account, an amount equal to the next twelve months of interest and principal payable on the Senior

Brightline Trains Florida (Project Owner) 7 Collateral Agency Agreement

Secured Bonds, (ii) with respect to any Additional Senior Debt Service Reserve Account, the corresponding Additional Senior Debt Service Reserve Requirement (if any), and (iii) with respect to any Additional Senior Subordinated Debt Service Reserve Account, the corresponding Additional Senior Subordinated Debt Service Reserve Requirement (if any).

"Denominator" has the meaning assigned thereto in Section 8.03(b).

"Deposit Account Bank" means any bank (which may include the Account Bank) at which any one or more of the Operating Accounts, the Equity Funded Account or the Collection Accounts is maintained and meeting the requirements set forth in Section 5.20.

"Direction Notice" has the meaning assigned thereto in Section 9.03(a).

"Discharge of Senior Indebtedness" means the Payment in Full of all Senior Indebtedness; provided, however, that if, at any time after the Discharge of Senior Indebtedness has occurred, the Borrower enters into any Additional Senior Indebtedness Documents evidencing Senior Indebtedness which incurrence is not prohibited by the applicable Financing Obligation Documents, then such Discharge of Senior Indebtedness shall automatically be deemed not to have occurred for all purposes of this Agreement with respect to such new Senior Indebtedness (other than with respect to any actions taken after and permitted as a result of the occurrence of such first Discharge of Senior Indebtedness), and, from and after the date on which such indebtedness becomes Senior Indebtedness in accordance with the Collateral Agency Agreement, the obligations under such Additional Senior Indebtedness Documents shall automatically and without any further action be treated as Senior Indebtedness for all purposes of this Agreement, including, with respect to Senior Secured Indebtedness, for purposes of lien priorities and rights in respect of Collateral set forth in the Collateral Agency Agreement, any Senior Subordinated Indebtedness shall be deemed to have been at all times junior and subordinated to such Senior Indebtedness.

"Distribution Account" has the meaning assigned thereto in Section 5.01(d).

"Dollar" means lawful money of the United States.

"Enforcement Action" means any action, whether by judicial proceedings or otherwise, to enforce any of the rights and remedies granted pursuant to the Security Documents against the Collateral or the Borrower upon the occurrence and during the continuance of a Secured Obligation Event of Default.

"Environmental Law" means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, or any other binding determination of any Governmental Authority relating to protection of the environment or health or safety relating to the release of or exposure to hazardous or toxic substances, materials or wastes. Environmental Laws include, without limitation, regulations and requirements imposed pursuant to the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., and any and all state law or local law counterparts, all as amended.

Brightline Trains Florida (Project Owner)

"Equity Contribution" means any equity contribution that is delivered, directly or indirectly, on or after the Closing Date and deposited to the Capital Projects Account, the Equity Funded Account or the Revenue Account in accordance with the Collateral Agency Agreement and the other applicable Financing Obligation Documents.

"Equity Funded Account" means the Equity Funded Account subject to the security interest of the Collateral Agent established with a Deposit Account Bank in accordance with Section 5.01(b) and subject to an Account Control Agreement.

"Equity Lock-Up Account" has the meaning assigned thereto in Section 5.01(a).

"Executed Documentation" has the meaning assigned thereto in Section 13.03(d).

"Excluded Swap Obligation" means, with respect to any Person, any Swap Obligation if, and to the extent that, all or a portion of the guarantee by such Person of, or grant of a security interest by such Person to secure, such Swap Obligation is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of the failure of such Person for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the guarantee or grant of security interest by such Person becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such security interest is or becomes excluded in accordance with the first sentence of this definition.

"Expropriation Event" means any action (or series of related actions) by any Governmental Authority (i) by which such Governmental Authority appropriates, confiscates, condemns, expropriates, nationalizes, seizes or otherwise takes all or any portion of the Collateral or the Project or (ii) by which such Governmental Authority assumes custody or control of all or any portion of the Collateral or the Project, in each case that is reasonably anticipated to last for more than 120 consecutive days.

"Expropriation Proceeds" means, with respect to any Expropriation Event, all proceeds received by the Borrower from the applicable Governmental Authority in connection with such Expropriation Event.

"FDFC" has the meaning assigned thereto in the Recitals.

"Federal Book-Entry Regulations" means (i) the United States Department of the Treasury's regulations governing "Securities" (as defined in 31 C.F.R. Section 357.2) issued by the United States Treasury and maintained in the form of entries in the federal reserve banks' bookentry system known as the Treasury/Reserve Automated Debt Entry System (TRADES), as such regulations are set forth in 31 C.F.R. Part 357 and (ii) regulations analogous and substantially similar to the regulations described in clause (i) above governing any other automated book-entry system operated by the United States federal reserve banks in which securities issued by government sponsored enterprises are issued, recorded, transferred and maintained in book-entry form.

Brightline Trains Florida (Project Owner) 9 Collateral Agency Agreement

"Financing Documents" means the Senior Financing Documents and the Senior Subordinated Financing Documents.

"Financing Obligation Documents" means, collectively and without duplication, the Secured Obligation Documents, the Additional Senior Unsecured Indebtedness Documents, the Additional Senior Subordinated Unsecured Indebtedness Documents and related notes (if any).

"Financing Obligations" means, collectively, without duplication, all of the Secured Obligations and the Borrower's obligations under any Additional Senior Unsecured Indebtedness Documents or Additional Senior Subordinated Unsecured Indebtedness Documents.

"Fiscal Quarter" means the three month period commencing on the first day of the first, fourth, seventh and tenth month of each Fiscal Year and ending on the last day of the third, sixth, ninth and twelfth month, respectively, of such Fiscal Year.

"Fiscal Year" means with respect to the Borrower the twelve months commencing on January 1 of any year and ending on December 31 of such year, or any other 12-month period which the Borrower designates as its fiscal year.

"Flow of Funds" means the withdrawals, transfers and payments from the Revenue Account in the amounts, at the times, for the purposes and in the order of priority set forth in Section 5.02(b).

"Free Cash Flow" means, with respect of any period:

- (a) all Project Revenues received by the Borrower and deposited to the Revenue Account during such period (excluding any Equity Contributions and any proceeds of Indebtedness, and for the avoidance of doubt, excluding any moneys (i) from the Equity Lock-Up Account transferred to the Revenue Account pursuant to Section 5.11(b) or (ii) transferred into the Revenue Account pursuant to Section 5.02(c) (except as expressly stated therein or in the definition of Casualty Proceeds to be considered or constitute Project Revenues), Section 5.02(d) or Section 5.02(e); plus
- (b) releases from the Rolling Stock Reserve Account, the Major Maintenance Reserve Account and the Ramp-Up Reserve Account used to pay O&M Expenditures or Major Maintenance Costs during such period (excluding any releases to the extent the funds so released were originally funded into such Accounts from Equity Contributions, proceeds of Indebtedness or moneys from the Equity Lock-Up Account transferred to the Revenue Account pursuant to Section 5.11(b)); less
- (c) all O&M Expenditures and Major Maintenance Costs to the extent paid during such period (excluding any amounts for Major Maintenance Costs paid out of the Capital Projects Account); *less*
- (d) deposits to the Rolling Stock Reserve Account, the Major Maintenance Reserve Account and the Ramp-Up Reserve Account during such period (excluding, in each case, the initial funding of any such Account or to the extent such deposits were funded from

Brightline Trains Florida (Project Owner)

10

Equity Contributions, proceeds of Indebtedness or moneys from the Equity Lock-Up Account transferred to the Revenue Account pursuant to Section 5.11(b)).

"Funds Transfer Certificate" means a certificate delivered by the Borrower in accordance with the Collateral Agency Agreement substantially in the form attached as $\underline{\text{Exhibit B}}$ to the Collateral Agency Agreement.

"GAAP" means such accepted accounting practice as conforms at the time to applicable generally accepted accounting principles in the United States, consistently applied; provided, that the adoption or issuance of any accounting standards (including the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842)), will not cause any lease that was not (or if it had been in existence on the date of such adoption or issuance, would not have been) a capital lease prior to such adoption or issuance to be deemed a capital lease.

"Governmental Authority" means any nation, state, sovereign or government, any federal, regional, state or local government or political subdivision thereof or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and having jurisdiction over the Person or matters in question.

"Grantor Collateral" has the meaning assigned thereto in the Senior Security Agreement.

"Hazardous Materials" means any material, substance or waste that is listed, defined, designated or classified as, or otherwise determined to be, hazardous, radioactive or toxic or a pollutant or a contaminant under or pursuant to or for which liability may be imposed under any Environmental Law, including any mixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor, asbestos or asbestos-containing materials and polychlorinated biphenyls.

"Indebtedness" means with respect to any Person: (a) indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, other than: (1) accounts payable and trade payables arising in the ordinary course of business (other than those addressed in clauses (2) through (5) of this clause (c)) which are payable in accordance with customary practices, provided that such accounts payable and trade payables (x) are not evidenced by a note, (y) are payable within 90 days of the date of incurrence and are not more than 90 days past due unless being contested in good faith and (z) do not exceed 4% of the sum of the original principal amount of the Senior Indebtedness at any one time outstanding, (2) accrued expenses arising in the ordinary course of business and not recorded as either "short term indebtedness" or "long term indebtedness" on the balance sheet of the Borrower in accordance with GAAP, (3) payments due under any maintenance agreement for Rolling Stock, in each case, that are not more than 90 days past due unless being contested in good faith, (4) any payments pursuant to any construction contracts that are not more than 90 days past due unless being contested in good faith or to the extent such payments represent "retainage", "holdback" or similar payments, and (5) payments due under any management contract pursuant to which a management company provides employees to provide services for the Borrower, (d) all indebtedness created or arising under any conditional sale or other title

11

Brightline Trains Florida (Project Owner)

Collateral Agency Agreement

retention agreement with respect to property acquired by such Person, (e) any Capitalized Lease Obligation, (f) all obligations, contingent or otherwise, of such Person under bankers acceptances issued or created for the account of such Person, (g) all unconditional obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any capital stock or other equity interests of such Person or any warrants, rights or options to acquire such capital stock or other equity interests, (h) all net obligations of such Person pursuant to Permitted Swap Agreements, (i) all guarantee obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (h) above, and (j) all Indebtedness of the type referred to in clauses (a) through (h) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness. Notwithstanding the foregoing, predelivery payments and commissioning costs and expenses in respect of Rolling Stock Assets are not included in the definition of Indebtedness.

"Initial Purchase Option Notice" has the meaning assigned thereto in Section 6.03.

"Initial Purchase Option Statement" has the meaning assigned thereto in Section 6.03.

"Insurance" means the contracts and policies of insurance taken out by or on behalf of the Borrower in connection with the Project in which the Borrower has an interest, other than any municipal bond or financial guaranty insurance policy issued to guarantee the scheduled payment when due of any secured obligations or any bonds related thereto.

"Intercreditor Vote" means any vote required to be conducted under the Collateral Agency Agreement among the Secured Creditors or any subset thereof, which vote shall be conducted in accordance with the procedures set forth in Article VIII among the applicable Secured Creditors.

"Interest Payment Date" means, (i) with respect to the Senior Secured Bonds, each January 1 and July 1, and (ii) with respect to any other Financing Obligations, each other date interest payments are required to be made under the related Financing Obligation Documents, and in each case continuing for so long as the Financing Obligations are outstanding.

"Interest Payments" means, with respect to a payment date for the Financing Obligations, the interest (including the interest component of the redemption price due in connection with any mandatory redemption payment on any Financing Obligation) due on such date on the Financing Obligations.

"Investment Grade Rating" means a credit rating assigned by a Nationally Recognized Rating Agency that is "BBB-" or better by S&P, "Baa3" or better by Moody's or the equivalent by another Nationally Recognized Rating Agency.

"Law" means any federal, state, local and municipal laws, rules and regulations, orders, codes, directives, permits, approvals, decisions, decrees, ordinances or by-laws having the force of law and any common or civil law, including binding court and judicial decisions having the force of law, and includes any amendment, extension or re-enactment of any of the same in force from time to time and all other instruments, orders and regulations made pursuant to statute.

Brightline Trains Florida (Project Owner)

12

- "Loss Event" means a Casualty Event or an Expropriation Event.
- "Loss Proceeds" means Casualty Proceeds and Expropriation Proceeds.
- "Loss Proceeds Account" has the meaning assigned thereto in Section 5.01(a).
- "Main Debt Service Reserve Account" has the meaning assigned thereto in Section 5.01(a).
- "Major Maintenance" means any lifecycle maintenance, repair, renewal, reconstruction or replacement work of any portion or component of the Project or any Capital Project, as applicable, of a type which is not normally included as an annually recurring cost in passenger rail maintenance and repair budgets.
- "Major Maintenance Costs" means the costs for Major Maintenance as reasonably determined by the Borrower, subject to any restrictions on the use of such funds in the Senior Financing Documents.
- "Major Maintenance Reserve Account" has the meaning assigned thereto in Section 5.01(a).
- "Major Maintenance Reserve Required Balance" means, with respect to the Major Maintenance Reserve Account, the amount equal to 100% of the Major Maintenance Costs reasonably estimated by the Borrower to be due on a rolling four Fiscal Quarter forward-looking basis.
- "Management Agreement" means the General Operations, Management and Administrative Services Agreement between the Borrower and Brightline Management LLC, as amended and restated effective as of April 18, 2019.
 - "Mandatory Prepayment Account" has the meaning assigned thereto in Section 5.01(a).
- "Modification", "Modify" and "Modified" mean, with respect to any Secured Obligation Document (other than a Mortgage), any amendment, supplement, waiver or other modification of the terms and provisions thereof and with respect to any Mortgage, any amendments, supplements, spreaders, releases, subordinations or other modification.
- "Moody's" means Moody's Investor Services and any successor to its rating agency business.
- "Mortgages" means, collectively, the Senior Mortgages and the Senior Subordinated Mortgages.
- "Mortgaged Property" means the real property as to which the Collateral Agent for the benefit of the applicable Secured Parties shall be granted Security Interests pursuant to the applicable Mortgages.

Brightline Trains Florida (Project Owner) 13 Collateral Agency Agreement

"Nationally Recognized Rating Agency" means any nationally-recognized securities rating agency that is then providing a rating on any of the Secured Obligations at the request of the Borrower

- "Non-Completed Work" has the meaning assigned thereto in Section 5.06(c).
- "Non-Completed Work Sub-Account" has the meaning assigned thereto in Section 5.01(a).
- "Non-Voting Creditor" has the meaning assigned thereto in Section 8.02(b).
- "Notice of Default" has the meaning assigned thereto in Section 9.02(a).
- "Numerator" has the meaning assigned thereto in Section 8.03(b).

"O&M Expenditures" means for any period, the sum (without duplication) of the following costs paid by or on behalf of the Borrower: (a) payments to any and all management operating companies, which may be an Affiliate of the Borrower (subject to the requirements on transactions with Affiliates set forth in the Financing Obligation Documents), including management fees, payment or reimbursement in respect of rent, furniture, telephone, computer, information technology systems and other equipment and property used or useful in the operation of the Project or any Capital Project and reimbursement of all salaries, employee benefits and other compensation of their employees providing management, leasing, operating, maintenance, legal, accounting, finance, IT, sales and marketing, and human resources services; plus (b) insurance deductibles, claims and premiums and, without duplication, payments made in respect of financing of insurance premiums in the ordinary course of business; plus (c) other than Major Maintenance Costs, costs (including capital expenditures) of operating and maintaining the portion of the Project or any Capital Project from Miami to the Orlando International Airport, including, without limitation, (i) Rolling Stock maintenance expenditures, advance payments to or deposits with vendors, suppliers or service providers, including pre-delivery payments and commissioning costs and expenses in respect of Rolling Stock Assets and scheduled rent payments and any deposits pursuant to the Stonebriar Lease, (ii) payments and deposits in the ordinary course of business in connection with or to secure bids, tenders, contracts, leases, subleases, licenses or sublicenses of real property, personal property or intellectual property, statutory obligations, surety bonds or appeal bonds and payments and deposits securing letters of credit supporting such obligations and (iii) payments and deposits in the ordinary course of business in connection with workers' compensation laws, unemployment insurance laws or similar legislation and payments and deposits securing letters of credit supporting such obligations; plus (d) property and other similar taxes payable by the Borrower in respect of the Project or any Capital Project: plus (e) fees for accounting, legal and other professional services; plus (f) general and administrative expenses, including payments for cash management services and reimbursements of banking institutions for checks drawn on insufficient funds; plus (g) Major Maintenance Costs solely in accordance with item Second in the Flow of Funds under Section 5.02(b); plus (h) so long as, in connection therewith, the Borrower obtains a Rating Confirmation, payments to any direct or indirect parent company of the Borrower to pay or reimburse U.S. federal, state and local taxes payable by such parent company or any direct or indirect owner thereof (including, for the avoidance of doubt, any required estimated tax payments and similar tax distributions to be made by such parent or direct or indirect owner) that are attributable to the taxable income, revenue, receipts or profits of the

Brightline Trains Florida (Project Owner)

14

Borrower for any taxable period (i) in which the Borrower is a member of a consolidated, combined, unitary or similar tax group of which such direct or indirect parent company is the common parent or (ii) in which the Borrower is treated as a disregarded entity or partnership for U.S. federal, state and/or local income tax purposes, plus (i) filings or other costs required in connection with the maintenance of the Security Interest of the Secured Parties in the Collateral or other Security Interests permitted by the Secured Obligation Documents; *provided*, that the following shall be excluded from the foregoing items (a) through (i): (1) payments of principal, interest or fees with respect to the Indebtedness (other than payments in respect of ordinary cash management services) permitted under the Secured Obligation Documents; (2) payments for Capital Projects permitted under the Financing Documents; (3) any payments, dividends or distributions to any Person in respect of any equity interests of the Borrower, except as set forth in clause (h) above; and (4) depreciation, amortization of intangibles and other non-cash accounting entries of a similar nature for such period. O&M Expenditures are not to be considered investments for the purposes of the Financing Obligation Documents.

"Operating Account" means each operating account subject to the security interest of the Collateral Agent, established with a Deposit Account Bank in accordance with Section 5.01(b) and subject to an Account Control Agreement.

"Ordinary Course Settlement Payments" means all regularly scheduled payments due under any Permitted Swap Agreement with a Swap Bank from time to time, calculated in accordance with the terms of such Permitted Swap Agreement, but excluding, for the avoidance of doubt, any Swap Termination Payments due and payable under such Permitted Swap Agreement.

"Owner", means each registered owner of Senior Secured Bonds as shown in the registration records of the Senior Secured Bonds Trustee.

"Payment in Full" or "Paid in Full" means, with respect to any Financing Obligations, all of the following: (i) termination or expiration of all commitments to extend credit under the applicable Financing Obligation Documents that would constitute Financing Obligations, (ii) payment in full in cash of such Financing Obligations (other than any obligations for costs, indemnifications, reimbursements, damages and other liabilities in respect of which no claim or demand for payment has been made at or prior to such time); and (iii) discharge or cash collateralization (in an amount equal to the lesser of (A) 105% of the aggregate undrawn amount and (B) the percentage of the aggregate undrawn amount required for release of liens under the terms of the applicable Financing Obligation Documents) of all outstanding letters of credit the reimbursement obligations in respect of which constitute Financing Obligations and the aggregate fronting and similar fees which will accrue thereon through the stated expiry of such letters of credit.

"Permitted Investments" means to the extent permitted by State law:

 (a) cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States);

- (b) investments in commercial paper maturing within 365 days from the date of acquisition thereof and having, at such date of acquisition, the highest short term credit rating obtainable from S&P or Moody's;
- (c) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bank or Federal Housing Administration;
- (d) direct and general obligations of any state of the United States or any municipality or political subdivision of such state, or obligations of any municipal corporation, if such obligations are rated at the time of investment in one of the three highest rating categories (without regard to gradation) by S&P, Moody's or other similar nationally recognized rating agency;
- (e) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000 and having short-term unsecured debt securities rated not lower than "A-1" by S&P and "P-1" by Moody's;
- (f) investment agreements, including guaranteed investment contracts, repurchase agreements, deposit agreements and forward delivery agreements, that are obligations of an entity whose senior long-term debt obligations, deposit rating or claims-paying ability are rated, or guaranteed by an entity, which may also be the Senior Secured Bonds Trustee or the Collateral Agent or any of their respective Affiliates, whose obligations have a rating (at the time the investment is entered into) of either not lower than "A-" by S&P or not lower than "A3" by Moody's, provided that, in connection with any repurchase agreement entered into in connection with the investment of funds held under the Senior Secured Bonds Indenture, the Senior Secured Bonds Issuer, the Senior Secured Bonds Trustee and the Collateral Agent shall have received an opinion of counsel to the provider (which opinion shall be addressed to the Senior Secured Bonds Issuer, the Senior Secured Bonds Trustee and the Collateral Agent) that any such repurchase agreement complies with the terms of this definition and is legal, valid, binding and enforceable upon the provider in accordance with its terms;
- (g) fully collateralized repurchase agreements with any financial institution that is rated by S&P, Moody's or other similar nationally recognized rating agency in a rating category at least equal to the higher of "A" (or equivalent) or such rating agency's then current rating on the Bonds, if any, that is fully secured by collateral security described in clauses (a), (b), (c) or (d). For the purpose of this definition, the term collateral means purchased securities under the terms of the PSA Bond Market Trade Association Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in the Collateral Agent's third-party custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-market daily, with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (e) above; and

Brightline Trains Florida (Project Owner)

16

(h) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated "AAA" by S&P and "Aaa" by Moody's, and (iii) have portfolio assets of at least \$5,000,000,000.

"Permitted Senior Commodity Swap" means any Swap Obligation under a Permitted Swap Agreement related to hedging of fluctuations of prices for oil and fuel permitted to be paid pari passu with Senior Indebtedness in the Flow of Funds in accordance with the Financing Obligation Documents.

"Permitted Swap Agreement" means any Swap Agreement, foreign currency trading transaction or other similar transaction or agreement entered into by the Borrower in the ordinary course of its business in connection with interest rate, foreign exchange or inflation risks to its business, or commodity risks for fuel and oil prices, and not for speculative purposes.

"Permitted Swap Counterparty" means any bank, trust company or financial institution which has (or whose parent company has) outstanding unguaranteed and unsecured long-term Indebtedness that is rated or which itself is rated "A-" or better by S&P or "A3" or better by Moody's or the equivalent by another nationally recognized rating agency, or any other counterparty permitted under the applicable Secured Obligation Documents or otherwise approved by the Collateral Agent (acting at the direction of Secured Debt Representatives representing the Required Secured Creditors).

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity, municipality, county, or any other person having separate legal personality.

"Pledged Collateral" has the meaning assigned thereto in the Senior Pledge Agreement.

"Pledgor" means BLTF Holdings LLC, a Delaware limited liability company.

"Potential Secured Obligation Event of Default" means an event, which with the giving of notice or lapse of time would become a Secured Obligation Event of Default.

"Principal Payment Date" means, with respect to any Financing Obligations, the dates on which Principal Payments are due under the applicable Financing Obligation Documents (as applicable).

"Principal Payments" means, with respect to a payment date, the principal (including the principal component of the redemption price due in connection with any mandatory redemption payment on any Financing Obligation) due or to become due prior to the next succeeding Principal Payment Date.

"Prior Bonds" means (a) FDFC's Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019A, (b) FDFC's Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019A-1, (c) FDFC's Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019A-2, (d) the FDFC's Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds), (e) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Project),

Brightline Trains Florida (Project Owner) 17 Collateral Agency Agreement

Florida Passenger Rail Expansion Project), Series 2023A, and (f) FDFC's Revenue Bonds (Brightline Florida Passenger Rail Expansion Project), Series 2023C.

"Prior Indebtedness" means the Prior Bonds, the Prior Notes and Loans and certain other obligations pursuant to the Prior Financing Documents.

"Prior Financing Documents" means the means the credit agreements, purchase agreements, indentures and similar contracts or instruments providing for the issuance or incurrence of, or evidencing, the Prior Bonds and Prior Notes and Loans, along with the collateral agency agreements and other security agreements, account control agreements and instruments and other document executed in connection therewith.

"Prior Notes and Loans" means (a) the Borrower's 8.000% Senior Secured Notes due 2028 (Green Notes) (including redemption premiums), (b) the Borrower's term loans outstanding under the Credit Agreement, dated as of September 24, 2021, among the Borrower, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, (c) the Borrower's term loans outstanding under the Credit Agreement, dated as of April 21, 2022, among the Borrower, the lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and Sumitomo Mitsui Banking Corporation, as green loan coordinator, (d) the Borrower's term loans outstanding under the Credit Agreement, dated as of March 31, 2023, among the Borrower, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, (e) the Borrower's term loans outstanding under the Credit Agreement, dated as of May 31, 2023, among the Borrower, the lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and Sumitomo Mitsui Banking Corporation, as green loan coordinator, (f) the Borrower's mortgage loan outstanding under the Loan Agreement, dated as of March 29, 2023, between the Borrower and City National Bank of Florida, and (g) the second amended and restated subordinated promissory note, dated October 3, 2023, made to BL Florida LLC.

"Project" means a privately owned and operated intercity passenger rail system extending from Miami to Tampa, Florida, with stations located or potentially located in Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach, Brevard County, the Treasure Coast Region, Orange County and Tampa, Florida, and elsewhere upon the rail corridor.

"Project Accounts" means the following accounts of the Borrower: (a) the Revenue Account, including the Senior Secured Bonds Interest Sub-Account, the Senior Secured Bonds Principal Sub-Account and any other sub-accounts created thereunder; (b) the Loss Proceeds Account; (c) each Debt Service Reserve Account; (d) the Ramp-Up Reserve Account; (e) the Mandatory Prepayment Account, including the Senior Secured Bonds Mandatory Prepayment Sub-Account; (f) the Capital Projects Account; (g) the Equity Lock-Up Account; (h) any Operating Account; (i) the Equity Funded Account; (j) any Collection Account; (k) the Major Maintenance Reserve Account; (l) the Rolling Stock Reserve Account; (m) the Project Reserve Account; and (n) all other Funds or Accounts created hereunder and designated a Project Account. For the avoidance of doubt, the Distribution Account is not a "Project Account".

"Project Costs" means all costs and expenses incurred in connection with the design, construction, commissioning and financing of the Project or any Capital Projects, including

Brightline Trains Florida (Project Owner)

18

amounts payable under all construction, engineering, technical and other contracts entered into by the Borrower in connection with the Project or any Capital Projects and, in accordance with the Secured Obligation Documents, Costs of Issuance, financing costs, fees, interest during construction, initial working capital costs, funding of reserves, development fees, any taxes, assessments or governmental charges payable by the Borrower in connection with the Project or any Capital Projects. "Project Costs" shall also include (i) payments under the Management Agreement and (ii) reimbursement for the prior payment of any of the foregoing costs and expenses, and "Project Costs" shall not include any O&M Expenditures.

"Project Reserve Account" has the meaning assigned thereto in Section 5.01(a).

"Project Reserve Required Balance" means \$100,000,000, such amount to be adjusted annually by the percentage increase in the Consumer Price Index from the prior year (effective on the first date such information is available).

"Project Revenues" for any period (without duplication), all revenues received in cash by or on behalf of the Borrower during such period, including but not limited to ridership revenues received by the Borrower, ancillary revenues, interest on any Project Accounts (or other accounts created under the Financing Obligation Documents), proceeds from any business interruption insurance, revenue derived from any third-party concession, lease or contract and any other receipts otherwise arising or derived from or paid or payable in respect of the Project, provided that such revenues shall exclude (i) any net insurance proceeds received by the Borrower and required to be deposited to the Loss Proceeds Account except to the extent such proceeds are later transferred from the Loss Proceeds Account to the Revenue Account in accordance with the Secured Obligation Documents and (ii) government grants provided to the Borrower for the purpose of financing Capital Projects.

"Purchasable Obligations" has the meaning assigned thereto in Section 6.03.

"Purchase Commitment" has the meaning assigned thereto in Section 6.03.

"Purchase Money Debt" means Indebtedness (including Capitalized Lease Obligations) incurred by the Borrower to finance or refinance the purchase, lease, development, ownership, construction, maintenance or improvement of real or personal property or equipment that is used or useful in the Project or any Capital Project or any other permitted activities, including (for the avoidance of doubt) for the purpose of depositing funds into reserve or prefunded interest accounts to the extent required thereby and to finance the fees, costs and expenses incurred in connection with the incurrence of such Indebtedness, and all Indebtedness incurred to refund, extend, renew, refinance or replace such Indebtedness.

"Purchase Option Purchasers" has the meaning assigned thereto in Section 6.03.

"Ramp-Up Reserve Account" has the meaning assigned thereto in Section 5.01(a).

"Ramp-Up Reserve Release Amount" means (i) in the aggregate for all Transfer Dates occurring in 2026, 50% of the balance in the Ramp-Up Reserve Account on December 31, 2025; (ii) in the aggregate for all Transfer Dates occurring in 2027, 50% of the balance in the Ramp-Up Reserve Account on December 31, 2026; (iii) in the aggregate for all Transfer Dates occurring in

Brightline Trains Florida (Project Owner) 19 Collateral Agency Agreement

2028, 50% of the balance in the Ramp-Up Reserve Account on December 31, 2027; and (iv) on any Transfer Date on or after January 1, 2029, any remaining balance in the Ramp-Up Reserve Account on such Transfer Date.

"Rating Confirmation" means a written confirmation from each of the Nationally Recognized Rating Agencies then rating any of the Senior Secured Indebtedness (which shall require, in any event, written confirmation from at least one Nationally Recognized Rating Agency), confirming that either (a) a contemplated action would not result in a downgrade of a credit rating assigned to such Senior Secured Indebtedness by such Nationally Recognized Rating Agency or (b) after giving effect to such contemplated action, such Senior Secured Indebtedness would maintain an Investment Grade Rating from such Nationally Recognized Rating Agency, in each case without giving effect to the Bond Insurance Policy.

"Reaffirmation Agreement" means a reaffirmation agreement substantially in the form attached as Exhibit H to the Collateral Agency Agreement.

"Rebate Funds" means the Senior Secured Bonds Rebate Fund and any similar rebate fund established with respect to any tax-exempt borrowings comprising Secured Obligations.

"Release" means any new or historical spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, migrating, abandoning or discarding.

"Required Secured Creditors" means, at any time, Secured Creditors representing more than 50% of the Combined Exposure, as determined by the Collateral Agent pursuant to Section 8.03; provided that in no event shall the Required Secured Creditors include any Non-Voting Creditor.

"Required Senior Subordinated Secured Creditors" means, at any time, Senior Subordinated Secured Creditors representing more than 50% of the Senior Subordinated Secured Obligations of all Senior Subordinated Secured Creditors, as determined by the Collateral Agent pursuant to Section 8.03; provided that in no event shall the Required Senior Subordinated Secured Creditors include any Non-Voting Creditor described in Section 8.02(b)(i) and Section 8.02(b)(ii).

"Responsible Officer" means (i) with respect to the Borrower, any manager, the chief executive officer, the chief financial officer or any other authorized designee of the managers of the Borrower, and when used with reference to any act or document of the Borrower, also means any other person authorized to perform the act or execute the document on behalf of the Borrower, (ii) with respect to the Senior Secured Bonds Issuer, the Senior Secured Bonds Issuer Representative and (iii) with respect to the Senior Secured Bonds Trustee, the Collateral Agent, the Account Bank or any other Person, a person with direct responsibility for the administration of this Agreement authorized to perform the act or execute the document on behalf of such Person.

"Restoration", "Restore" or "Restoring" means repairing, rebuilding or otherwise restoring the Project.

"Revenue Account" has the meaning assigned thereto in Section 5.01(a).

Brightline Trains Florida (Project Owner)

20

"Rolling Stock" means, collectively, all railroad cars, locomotives or other rolling stock, appliances, parts, accessories, additions, improvements and other equipment and components of any nature from time to time incorporated or installed in any item thereof and replacements thereof and substitutions therefor, used on such railroad cars, locomotives or other rolling stock (including superstructures and racks with replacement parts), together with any tools and maintenance shop equipment used in connection with the foregoing.

"Rolling Stock Assets" means (a) (i) each single-level economy class passenger coach, (ii) each single-level business class passenger coach, (iii) each diesel-electric locomotive, in each case, together with any and all appliances, parts, accessories, appurtenances, accessions, additions, improvements and other equipment or components of any nature from time to time incorporated or installed in any item thereof and replacements thereof and substitutions therefor, and (iv) any other Rolling Stock; (b) each replacement unit of any of the items described in clause (a); (c) all substitutions of any of the foregoing; (d) all records, logs and other documents at any time maintained with respect to the foregoing; (e) all right, title and interests in, to and under each of the following documents and instruments: (i) any purchase agreement and any bills of sale or similar instrument relating to the any of the foregoing, (ii) any and all manufacturer's warranties relating to any of the foregoing, (iii) any maintenance agreement and any other use or service agreements relating to the foregoing, and (iv) any lease relating to the foregoing and all amounts of rent, requisition proceeds, insurance proceeds and other payments of any kind for or with respect to the foregoing payable thereunder; (f) all requisition proceeds and all insurance proceeds with respect to the foregoing; (g) any segregated deposit accounts and securities accounts exclusively containing funds for maintenance costs, insurance costs or hedging purposes relating to the assets described in clauses (a), (b) and (c) and any proceeds of the amounts in this clause (g); (h) any commercial tort claims related to or arising from the foregoing; and (i) all proceeds of the foregoing.

"Rolling Stock Costs" means all costs and expenses incurred or expended after the Closing Date in connection with or relating to the acquisition of passenger coaches, including the cost to exercise any option to purchase passenger coaches pursuant to the Stonebriar Lease (but not ordinary lease payments constituting O&M Expenditures).

"Rolling Stock Reserve Account" has the meaning assigned thereto in Section 5.01(a).

"Rolling Stock Reserve Required Balance" means:

- (a) from the Closing Date until the Borrower has purchased 60 passenger coaches after the Closing Date, (i) the applicable "Total Required Balance" as set forth in Exhibit J., minus (ii) the aggregate amount of funds previously spent from the Rolling Stock Reserve Account on Rolling Stock Costs;
- (b) from and after the date that the Borrower has purchased 60 passenger coaches after the Closing Date, \$0; and
- (c) at any time, notwithstanding the foregoing, such lesser amount if a Rating Confirmation is obtained with respect thereto.

Brightline Trains Florida (Project Owner) 21 Collateral Agency Agreement

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and any successor to its rating agency business.

"Secured Creditors" means the Senior Secured Creditors and the Senior Subordinated Secured Creditors.

"Secured Debt Representative" means:

- (a) in the case of the Senior Secured Bonds, on behalf of the Owners of the Senior Secured Bonds and the Senior Secured Bonds Issuer, the Senior Secured Bonds Trustee, including any permitted successor or assign;
- (b) in the case of each Permitted Swap Agreement, the applicable Secured Swap Debt Representative as the representative of the Swap Bank; and
- (c) in the case of any other Secured Obligation Document, the administrative agent, trustee or other representative acting for the Secured Parties thereunder, or if there is no such agent, trustee or other representative, then each Secured Party thereunder.

"Secured Obligation Documents" means, collectively and without duplication, (a) the Financing Documents (other than Additional Senior Unsecured Indebtedness Documents and Additional Senior Subordinated Unsecured Indebtedness Documents), (b) any other credit agreement, note purchase agreement, indenture, reimbursement agreement or other agreement or instrument creating or evidencing Secured Obligations (other than a Permitted Swap Agreement), (c) each Permitted Swap Agreement with a Swap Bank; provided that such Swap Bank (or its Secured Debt Representative) is a party to the Collateral Agency Agreement or has validly executed and delivered an Accession Agreement and Reaffirmation Agreement, and (d) the Security Documents, in each case in effect at the relevant time of determination; provided, that with respect to Additional Senior Secured Indebtedness Documents, Additional Senior Subordinated Secured Indebtedness Documents and any documents described in clause (b), the relevant Secured Creditors (or their respective Secured Debt Representatives) are party to the Collateral Agency Agreement or become (or the Secured Debt Representative becomes) a party to the Collateral Agency Agreement by delivering an Accession Agreement and Reaffirmation Agreement.

"Secured Obligation Event of Default" means, (i) until the Discharge of Senior Indebtedness, an "Event of Default" as set forth or defined in any Senior Secured Obligation Document and (ii) on and after the Discharge of Senior Indebtedness, an "Event of Default" as set forth or defined in any Senior Subordinated Secured Obligation Document.

"Secured Obligations" means, collectively, without duplication, all of the Senior Secured Obligations and all of the Senior Subordinated Secured Obligations.

"Secured Parties" means (a) the Agents, (b) the Secured Creditors, and (c) the Senior Secured Bonds Issuer.

"Secured Swap Debt Representative" means with respect to any Permitted Swap Agreement, the Swap Bank specified to be the Secured Debt Representative with respect thereto

Brightline Trains Florida (Project Owner)

22

pursuant to <u>Section 7.06</u>, provided that such Swap Bank shall have executed an Accession Agreement and Reaffirmation Agreement in accordance with Section 7.06.

"Secured Swap Transaction" means any interest rate or oil or fuel commodities hedging transaction governed by a Permitted Swap Agreement.

"Securities Accounts" has the meaning assigned thereto in Section 5.01(a).

"Security Documents" means the Senior Security Agreement, the Senior Pledge Agreement, the Collateral Agency Agreement, the Senior Mortgages, the Account Control Agreements, all UCC financing statements required by any Security Document and any other security agreement, account control agreement or instrument or other document to be executed or filed pursuant to the Collateral Agency Agreement or to any other Security Document or any other Security Document or otherwise to create or perfect in favor of the Collateral Agent, on behalf of the applicable Secured Parties, a Security Interest in Collateral.

"Security Interest" means: (a) a mortgage, pledge, lien charge, assignment, hypothecation, security interest, title retention arrangement, preferential right, trust arrangement or other arrangement having the same or equivalent commercial effect as a grant of security; or (b) any agreement to create or give any arrangement referred to in clause (a) of this definition.

"Senior Distribution Release Certificate" means a certificate substantially in the form attached as Exhibit E to the Collateral Agency Agreement, signed by a Responsible Officer of the Borrower and delivered to the Collateral Agent.

"Senior DSR Sub-Account" has the meaning assigned thereto in Section 5.01(a).

"Senior Financing Documents" means (a) if any Senior Secured Bonds Obligations are outstanding, "Financing Documents" as defined in the Senior Secured Bonds Loan Agreement and (b) if any Additional Senior Indebtedness is outstanding, the related financing documents with respect to such Additional Senior Indebtedness.

"Senior Indebtedness" means (without duplication) the Senior Secured Bonds and the indebtedness incurred by the Borrower under the Senior Secured Bonds Loan Agreement, any Additional Senior Parity Bonds Loan Agreement (if executed) and the Additional Senior Indebtedness Documents, in each case in effect at the relevant time of determination.

"Senior Mortgage" means an agreement, including a mortgage, leasehold mortgage or any other document, creating and evidencing a Security Interest on a Mortgaged Property to secure the Senior Secured Obligations.

"Senior Obligations" means, collectively, without duplication, all of the Senior Secured Obligations and all obligations of the Borrower under any Additional Senior Unsecured Indebtedness Documents.

"Senior Pledge Agreement" means that certain Pledge Agreement, dated as of the Closing Date, entered into between the Collateral Agent and the Pledgor.

Brightline Trains Florida (Project Owner) 23

Collateral Agency Agreement

- "Senior Restricted Payment Conditions" means, with respect to any Transfer Date:
- (a) all transfers and distributions required to be made pursuant to clauses <u>First</u> through <u>Tenth</u> of the Flow of Funds on or prior to such Transfer Date shall have been satisfied in full;
- (b) either (i) the Total Senior DSCR on such Transfer Date shall be at least equal to 1.30:1.00, and the Total Senior DSCR for the 12-month period following such Transfer Date, taking into account the transfer requested pursuant to the Senior Distribution Release Certificate, is projected by the Borrower to be at least equal to 1.30:1.00 (as set forth in the Senior Distribution Release Certificate), or (ii) for the purpose of making any distributions pursuant to clauses Twelfth through Sixteenth of the Flow of Funds, the aggregate amount held in the Project Reserve Account, the Major Maintenance Reserve Account and the Ramp-Up Reserve Account, after giving effect to all prior transfers of the Flow of Funds, is at least \$50,000,000 in excess of the Project Reserve Required Balance as of such Transfer Date; and
- (c) no Potential Secured Obligation Event of Default or Secured Obligation Event of Default shall have occurred and be continuing or would exist as a result of the making of any transfer pursuant to the Senior Distribution Release Certificate.

"Senior Secured Bonds" has the meaning assigned thereto in the Recitals.

"Senior Secured Bonds Funded Interest Account" means the "Series 2024 Funded Interest Account" created and designated as such pursuant to the Indenture.

"Senior Secured Bonds Indenture" has the meaning assigned thereto in the Recitals.

"Senior Secured Bonds Interest Account" means the "Interest Account" created and designated as such pursuant to the Senior Secured Bonds Indenture.

"Senior Secured Bonds Interest Sub-Account" has the meaning assigned thereto in Section 5.01(a).

"Senior Secured Bonds Issuer" has the meaning assigned thereto in the Recitals.

"Senior Secured Bonds Issuer Representative" means the Chairman, Vice Chairman or Executive Director of the Senior Secured Bonds Issuer, or any other officer or employee of the Senior Secured Bonds Issuer designated in writing to the Senior Secured Bonds Trustee by the Chairman as an authorized representative of the Senior Secured Bonds Issuer for purposes of the Senior Secured Bonds Loan Agreement and the Senior Secured Bonds Indenture.

"Senior Secured Bonds Loan Agreement" has the meaning assigned thereto in the Recitals.

"Senior Secured Bonds Mandatory Prepayment Sub-Account" has the meaning assigned thereto in Section 5.01(a).

"Senior Secured Bonds Obligations" means the "Bond Obligations" as defined in the Senior Secured Bonds Loan Agreement.

Brightline Trains Florida (Project Owner)

24

"Senior Secured Bonds Principal Account" means the "Principal Account" created and designated as such pursuant to the Senior Secured Bonds Indenture.

"Senior Secured Bonds Principal Sub-Account" has the meaning assigned thereto in Section 5.01(a).

"Senior Secured Bonds Rebate Fund" means the "Series 2024 Rebate Fund" and any similar fund established and created with respect to Additional Senior Parity Bonds pursuant to the Senior Secured Bonds Indenture.

"Senior Secured Bonds Trustee" has the meaning assigned thereto in the Preamble.

"Senior Secured Creditors" means each of (i) the Owners of the Senior Secured Bonds, (ii) any Additional Senior Secured Indebtedness Holders, and (iii) each Person party to a Senior Swap Agreement, including by way of assignment, if at the time the Borrower enters into such Permitted Swap Agreement, in each case that is or becomes (or whose Secured Debt Representative is or becomes) a party to the Collateral Agency Agreement by executing and delivering an Accession Agreement and Reaffirmation Agreement (or becomes party to the Collateral Agency Agreement by operation of law).

"Senior Secured Indebtedness" means (without duplication) the Senior Secured Bonds, the indebtedness incurred by the Borrower with respect to the Senior Secured Bonds Loan Agreement, any Additional Senior Parity Bonds Loan Agreement (if executed) and the Additional Senior Secured Indebtedness Documents, in each case in effect at the relevant time of determination.

"Senior Secured Obligation Documents" means the Senior Financing Documents and any Additional Senior Secured Indebtedness Documents.

"Senior Secured Obligations" means, collectively, without duplication: (a) the Senior Secured Bonds Obligations; (b) all of the Borrower's Indebtedness, financial liabilities and obligations, of whatsoever nature and however evidenced (including principal, interest, makewhole amount, premium, fees, reimbursement obligations, Ordinary Course Settlement Payments, Swap Termination Payments, indemnities and legal and other expenses, whether due after acceleration or otherwise) to the Secured Parties in their capacity as such under the Senior Secured Obligation Documents; (c) until the Discharge of Senior Indebtedness, any and all sums advanced by the Agents in order to preserve the Collateral or preserve the security interest in the Collateral in accordance with the Security Documents; and (d) until the Discharge of Senior Indebtedness in the event of any proceeding for the collection or enforcement of the obligations described in clauses (a), (b) or (c) above, after a Secured Obligation Event of Default has occurred and is continuing and unwaived, the expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Collateral Agent of its rights under the Security Documents; provided that the Senior Secured Obligations shall not include any Excluded Swap Obligations.

"Senior Secured Parties" means (a) the Account Bank, the Collateral Agent and each Secured Debt Representative party to the Collateral Agency Agreement with respect to Senior Secured Indebtedness, (b) the Senior Secured Creditors, and (c) the Senior Secured Bonds Issuer.

Brightline Trains Florida (Project Owner) 25 Collateral Agency Agreement

"Senior Security Agreement" has the meaning assigned thereto in the Recitals.

"Senior Subordinated Distribution Release Certificate" means a certificate substantially in the form attached as Exhibit F to the Collateral Agency Agreement, signed by a Responsible Officer of the Borrower and delivered to the Collateral Agent.

"Senior Subordinated Financing Documents" means the financing documents with respect to any Additional Senior Subordinated Secured Indebtedness.

"Senior Subordinated Indebtedness" means (without duplication) the indebtedness incurred by the Borrower under the Additional Senior Subordinated Indebtedness Documents, in each case in effect at the relevant time of determination.

"Senior Subordinated Mortgage" means an agreement, including a mortgage, leasehold mortgage or any other document, creating and evidencing a Security Interest on a Mortgaged Property to secure the Senior Subordinated Secured Obligations.

"Senior Subordinated Restricted Payment Conditions" means, with respect to any Transfer Date:

- (a) all transfers and distributions required to be made pursuant to clauses <u>First</u> through <u>Fifteenth</u> of the Flow of Funds on or prior to such Transfer Date shall have been satisfied in full;
- (b) the Total Senior DSCR on such Transfer Date shall be at least equal to 1.30:1.00, and the Total Senior DSCR for the 12-month period following such Transfer Date, taking into account the transfer requested pursuant to the Senior Subordinated Distribution Release Certificate, is projected by the Borrower to be at least equal to 1.30:1.00 (as set forth in the Senior Subordinated Distribution Release Certificate);
- (c) the Total DSCR on such Transfer Date shall be at least equal to 1.10:1.00, and the Total DSCR for the 12-month period following such Transfer Date, taking into account the transfer requested pursuant to the Senior Subordinated Distribution Release Certificate, is projected by the Borrower to be at least equal to 1.10:1.00 (as set forth in the Senior Subordinated Distribution Release Certificate); and
- (d) no Potential Secured Obligation Event of Default or Secured Obligation Event of Default shall have occurred and be continuing or would exist as a result of the making of any transfer pursuant to the Senior Subordinated Distribution Release Certificate.

"Senior Subordinated Secured Creditors" means each of (i) any Additional Senior Subordinated Secured Indebtedness Holders, and (ii) each Person party to a Senior Subordinated Swap Agreement, including by way of assignment, if at the time the Borrower enters into such Permitted Swap Agreement, in each case that is or becomes (or whose Secured Debt Representative is or becomes) a party to the Collateral Agency Agreement by executing and delivering an Accession Agreement and Reaffirmation Agreement (or becomes party to the Collateral Agency Agreement by operation of law).

Brightline Trains Florida (Project Owner)

26

"Senior Subordinated Secured Indebtedness" means (without duplication) the indebtedness incurred by the Borrower under the Additional Senior Subordinated Secured Indebtedness Documents, in each case in effect at the relevant time of determination.

"Senior Subordinated Secured Obligation Documents" means any Additional Senior Subordinated Secured Indebtedness Documents.

"Senior Subordinated Secured Obligations" means, collectively, without duplication: (a) all of the Borrower's Indebtedness, financial liabilities and obligations, of whatsoever nature and however evidenced (including principal, interest, make-whole amount, premium, fees, reimbursement obligations, Ordinary Course Settlement Payments, Swap Termination Payments, indemnities and legal and other expenses, whether due after acceleration or otherwise) to the Secured Parties in their capacity as such under the Senior Subordinated Secured Obligation Documents; (b) on and after the Discharge of Senior Indebtedness, any and all sums advanced by the Agents in order to preserve the Collateral or preserve the security interest in the Collateral in accordance with the Security Documents; and (c) on and after the Discharge of Senior Indebtedness, in the event of any proceeding for the collection or enforcement of the obligations described in clauses (a) or (b) above, after a Secured Obligation Event of Default has occurred and is continuing and unwaived, the expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Collateral Agent of its rights under the Security Documents; provided that the Senior Subordinated Secured Obligations shall not include any Excluded Swap Obligations.

"Senior Subordinated Secured Parties" means (a) the Account Bank, the Collateral Agent and each Secured Debt Representative party to the Collateral Agency Agreement with respect to Senior Subordinated Secured Creditors, and (b) the Senior Subordinated Secured Creditors.

"Senior Subordinated Swap Agreement" means a Permitted Swap Agreement with respect to Additional Senior Subordinated Indebtedness.

"Senior Subordinated Swap Bank" means a Swap Bank providing a Senior Subordinated Swap Agreement.

"Senior Swap Agreement" means a Permitted Senior Commodity Swap or a Permitted Swap Agreement with respect to Senior Indebtedness or Purchase Money Debt.

"Senior Swap Bank" means a Swap Bank providing a Senior Swap Agreement.

"State" means the State of Florida.

"Stonebriar Lease" means the Master Lease Agreement, dated as of March 31, 2023, between Stonebriar Commercial Finance LLC and the Borrower as in effect on the Closing Date (other than changes or supplements to schedules thereto pursuant to the terms thereof).

"Supplemental Indenture" means any indenture supplementing or amending the Senior Secured Bonds Indenture that is adopted pursuant to the Senior Secured Bonds Indenture.

Brightline Trains Florida (Project Owner) 27 Collateral Agency Agreement

"Swap Agreement" means any agreement or instrument (including a cap, swap, collar, option, forward purchase agreement or other similar derivative instrument) relating to the hedging of any interest under Indebtedness or hedging of any fluctuation of prices for oil or fuel.

"Swap Bank" means, at any time, any Permitted Swap Counterparty party to a Permitted Swap Agreement.

"Swap Early Termination Date" means the date of early termination of any Permitted Swap Agreement, which date has occurred or is designated in accordance with the terms thereof.

"Swap Obligation" means any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Certificate" means a certificate of any Swap Bank stating that a Swap Early Termination Date has occurred or has been designated under a Permitted Swap Agreement constituting a Secured Obligation Document to which it is a party and setting forth the resulting Swap Termination Payment.

"Swap Termination Payment" means any amount payable by the Borrower in connection with an early termination (whether as a result of the occurrence of an event of default or other termination event) of any Permitted Swap Agreement with a Swap Bank in accordance with the terms thereof.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Termination Date" means the date when all Secured Obligations have been Paid in Full.

"Termination Notice" has the meaning assigned thereto in Section 5.20(a).

"Total DSCR" means (i) for the 12-month period ending on a Calculation Date (or, if prior to the first anniversary of the Closing Date, any shorter period from the Closing Date annualized for a 12-month period), or (ii) if a different calculation date or calculation period is specified in a Financing Obligation Document, then for such specified period ending or beginning on the specified calculation date (as applicable), the ratio of A divided by B where:

A = the Free Cash Flow for such period; and

B = all scheduled principal and interest payments on account of Financing Obligations then outstanding for such period;

provided that for purposes of this calculation, (x) principal payments of balloon Indebtedness scheduled to be made upon maturity or mandatory tender thereof shall be disregarded and instead the out-of-pocket fees and expenses incurred or projected to be incurred by the Borrower in connection with the refunding, refinancing, extension, renewal or replacement of such balloon Indebtedness shall be included, (y) balloon Indebtedness with a maturity or mandatory tender date during such period shall be projected to be refunded, refinanced, extended, renewed or

Brightline Trains Florida (Project Owner)

28

Collateral Agency Agreement

replaced on such maturity or mandatory tender date with Indebtedness that has level-pay, mortgage-style amortization, and (z) principal and interest payments on account of Financing Obligations shall be calculated net of any amounts held in a pre-funded principal or interest account established in connection therewith.

"Total Senior DSCR" means (i) for the 12-month period ending on a Calculation Date (or, if prior to the first anniversary of the Closing Date, any shorter period from the Closing Date annualized for a 12-month period), or (ii) if a different calculation date or calculation period is specified in a Financing Obligation Document, then for such specified period ending or beginning on the specified calculation date (as applicable), the ratio of A divided by B where:

A = the Free Cash Flow for such period; and

B = all scheduled principal and interest payments on account of Senior Obligations then outstanding for such period;

provided that for purposes of this calculation, (x) principal payments of balloon Indebtedness scheduled to be made upon maturity or mandatory tender thereof shall be disregarded and instead the out-of-pocket fees and expenses incurred or projected to be incurred by the Borrower in connection with the refunding, refinancing, extension, renewal or replacement of such balloon Indebtedness shall be included, (y) balloon Indebtedness with a maturity or mandatory tender date during such period shall be projected to be refunded, refinanced, extended, renewed or replaced on such maturity or mandatory tender date with Indebtedness that has level-pay, mortgage-style amortization, and (z) principal and interest payments on account of Senior Obligations shall be calculated net of any amounts held in a pre-funded principal or interest account established in connection therewith.

"Transfer Date" means the third Business Day prior to the fifteenth day of each month.

"UCC" means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest on any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Unanimous Senior Subordinated Voting Parties" means, with respect to any proposed decision or action hereunder, 100% of the votes of the Senior Subordinated Secured Parties (other than any Non-Voting Creditor described in Section 8.02(b)(i) and Section 8.02(b)(ii)). For the avoidance of doubt, Unanimous Senior Subordinated Voting Parties shall not include any votes from any Additional Senior Subordinated Unsecured Indebtedness Holders.

"Unanimous Voting Parties" means, with respect to any proposed decision or action hereunder, 100% of the votes of the Secured Parties (other than any Non-Voting Creditor). For the avoidance of doubt, Unanimous Voting Parties shall not include any votes from any Additional Senior Unsecured Indebtedness Holders or Additional Senior Subordinated Unsecured Indebtedness Holders.

"Voting Party Percentage" means, in connection with any proposed decision or action under the Collateral Agency Agreement, the percentage, as determined pursuant to Section 8.03(b), by dividing the Numerator by the Denominator.

Brightline Trains Florida (Project Owner)

30

Collateral Agency Agreement

RULES OF INTERPRETATION

- (a) <u>Principles of Construction</u>. Except as otherwise expressly provided, the following rules of interpretation shall apply to the Collateral Agency Agreement and each other Secured Obligation Document that incorporates the definitions of the Collateral Agency Agreement by reference:
 - the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined:
 - (ii) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;
 - (iii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation":
 - (iv) the word "will" shall be construed to have the same meaning and effect as the word "shall";
 - (v) unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein or therein) and shall include any appendices, schedules, exhibits, clarification letters, side letters and disclosure letters executed in connection therewith:
 - (vi) any reference herein to any Person shall be construed to include such Person's successors and assigns to the extent permitted under the Secured Obligation Documents and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities;
 - (vii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to the Collateral Agency Agreement in its entirety and not to any particular provision thereof;
 - (viii) all references in the Collateral Agency Agreement to Articles, Sections, Exhibits, Attachments and Schedules shall be construed to refer to Articles and Sections of, and Exhibits, Attachments and Schedules to, the Collateral Agency Agreement;
 - (ix) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights;
 - (x) each reference to a Law shall be deemed to refer to such Law as the same may in effect from time to time;

- (xi) references to days shall refer to calendar days unless Business Days are specified; references to weeks, months or years shall be to calendar weeks, months or years, respectively;
- (xii) except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP: and
- (xiii) where definitions of terms herein refer to terms defined in more than one other document, (A) in the event of any ambiguity, the definition resulting in a more restrictive covenant with respect to the Borrower shall apply and (B) if any such other document has been terminated or is no longer in effect, then only the definition in the remaining other documents shall apply.
- (b) <u>Withdrawals to Occur on a Business Day.</u> In the event that any withdrawal, transfer or payment to or from any Account contemplated under the Collateral Agency Agreement shall be required to be made on a day that is not a Business Day, such withdrawal, transfer or payment shall be made on the immediately succeeding Business Day.
- (c) <u>Delivery or Performance to Occur on a Business Day.</u> In the event that any document, agreement or other item or action is required by any Secured Obligation Document to be delivered or performed on a day that is not a Business Day, the due date thereof shall be extended to the immediately succeeding Business Day.

EXHIBIT J
ROLLING STOCK RESERVE REQUIRED BALANCE

From	То	Incremental Change	Total Required Balance
Closing Date	June 30, 2024	\$0	\$60,000,000
July 1, 2024	December 31, 2024	2,000,000	62,000,000
January 1, 2025	December 31, 2025	2,000,000	64,000,000
January 1, 2026	December 31, 2026	2,000,000	66,000,000
January 1, 2027	December 31, 2027	2,000,000	68,000,000
January 1, 2028	December 31, 2028	2,000,000	70,000,000
January 1, 2029	December 31, 2029	0	70,000,000
January 1, 2030	December 31, 2030	0	70,000,000
January 1, 2031	December 31, 2031	5,000,000	75,000,000
January 1, 2032	December 31, 2032	15,000,000	90,000,000
January 1, 2033	December 31, 2033	15,000,000	105,000,000
January 1, 2034	December 31, 2034	15,000,000	120,000,000
January 1, 2035	December 31, 2035	15,000,000	135,000,000
January 1, 2036	December 31, 2036	11,000,000	146,000,000
January 1, 2037	December 31, 2037	11,500,000	157,500,000
January 1, 2038	December 31, 2038	12,000,000	169,500,000
January 1, 2039	December 31, 2039	12,500,000	182,000,000
January 1, 2040	December 31, 2040	13,000,000	195,000,000
January 1, 2041	December 31, 2041	13,500,000	208,500,000
January 1, 2042	December 31, 2042	14,000,000	222,500,000
January 1, 2043	December 31, 2043	14,500,000	237,000,000
January 1, 2044	December 31, 2044	15,000,000	252,000,000
January 1, 2045	December 31, 2045	15,500,000	267,500,000
January 1, 2046	December 31, 2046	16,000,000	283,500,000
January 1, 2047	December 31, 2047	16,500,000	300,000,000
January 1, 2048	December 31, 2048	17,000,000	317,000,000
January 1, 2049	December 31, 2049	17,500,000	334,500,000
January 1, 2050	December 31, 2050	18,000,000	352,500,000
January 1, 2051	December 31, 2051	18,500,000	371,000,000
January 1, 2052	December 31, 2052	10,000,000	381,000,000
January 1, 2053	December 31, 2053	10,000,000	391,000,000

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APPENDIX H

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT



DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of [♠], 2024, is executed and delivered by Brightline Trains Florida LLC, a Delaware limited liability company (together with its successors and assigns, the "Company"), and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Company in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Company through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Company or anyone on the Company's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

RECITALS

WHEREAS, in connection with the issuance of the Bonds, the Company desires to appoint DAC as Disclosure Dissemination Agent on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

SECTION 1. <u>Definitions</u>. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Company for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt), in the aggregate principal amount of [\$_____] issued pursuant to the Indenture.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Company and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Company pursuant to Section 9 hereof.

"Disclosure Representative" means Jeff Swiatek or his designee, or such other person as the Company shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Failure to File Event" means the Company's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shutdown of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds

through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Indenture" means that certain Indenture of Trust dated as of [________, 2024] between the Issuer and the Trustee.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"Issuer" means the Florida Development Finance Corporation.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Exchange Act.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Official Statement" means that Official Statement prepared by the Company in connection with the Bonds, as listed in Exhibit A.

"Trustee" means Deutsche Bank National Trust Company.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

- (a) The Company shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the 30th day of April following the end of each fiscal year of the Company, commencing with the fiscal year ending December 31, 202[3]. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.
- (b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the

3

Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Company of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Company will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

- (c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Company irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.
- (d) If Audited Financial Statements of the Company are prepared but not available prior to the Annual Filing Date, the Company shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.
 - (e) The Disclosure Dissemination Agent shall:
 - (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
 - (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
 - (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
 - (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Company pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - "Principal and interest payment delinquencies;"
 - 2. "Non-Payment related defaults, if material;"

- "Unscheduled draws on debt service reserves reflecting financial difficulties:"
- "Unscheduled draws on credit enhancements reflecting financial difficulties:"
- 5. "Substitution of credit or liquidity providers, or their failure to perform;"
- 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
- "Modifications to rights of securities holders, if material;"
- 8. "Bond calls, if material;"
- 9. "Defeasances;"
- "Release, substitution, or sale of property securing repayment of the securities, if material;"
- 11. "Rating changes;"
- 12. "Tender offers:"
- "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
- 14. "Merger, consolidation, or acquisition of the obligated person, if material;"
- "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- 16. "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and
- 17. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties;"
- upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB,

5

identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Company pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 - 1. "amendment to continuing disclosure undertaking;"
 - "change in obligated person;"
 - 3. "notice to investors pursuant to bond documents;"
 - "certain communications from the Internal Revenue Service;" other than those communications included in the Rule;
 - "secondary market purchases;"
 - 6. "bid for auction rate or other securities;"
 - 7. "capital or other financing plan;"
 - "litigation/enforcement action;"
 - "change of tender agent, remarketing agent, or other ongoing party;"
 - 10. "derivative or other similar transaction;" and
 - 11. "other event-based disclosures:"
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Company pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
 - 1. "quarterly/monthly financial information;"
 - 2. "Timing of annual disclosure (120/150 days);"
 - 3. "change in fiscal year/timing of annual disclosure;"

6

H-3

- 4. "change in accounting standard;"
- 5. "interim/additional financial information/operating data;"
- 6. "budget;"
- 7. "investment/debt/financial policy;"
- "information provided to rating agency, credit/liquidity provider or other third party;"
- "consultant reports;" and
- 10. "other financial/operating data."
- (viii) provide the Company evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.
- (f) The Company may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.
- (g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

- (a) Each Annual Report shall contain Annual Financial Information with respect to the Company, including historical annual operating data addressing the following topics, which are addressed on a projected basis in various tables contained in the Official Statement and referenced below in parenthesis:
 - (i) Ridership data (see estimate of ridership found in the Official Statement under the heading PASSENGER RIDERSHIP ESTIMATES FOR THE PROJECT Key Findings and Ridership and Revenue Forecast Estimated Ridership);

7

- (ii) Fare data (see projection of fare revenue found in the Official Statement in the chart labeled Project Ridership and Revenue Forecast, 2025 found under the heading PASSENGER RIDERSHIP ESTIMATES FOR THE PROJECT – Key Findings and Ridership and Revenue Forecast – Estimated Ridership); and
- (iii) Debt service coverage data (see projection of debt service coverage found in the Official Statement under the heading PROJECTIONS).
- (b) Audited Financial Statements, if available, will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report, if reasonably available. If and when Audited Financial Statements become available, the same will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Company is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Company will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Company is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

- (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:
 - (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;
 - Substitution of credit or liquidity providers, or their failure to perform;

- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, 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 the Company;

Note to subsection (a)(xii) of this Section 4: For the purposes of the event described in subsection (a)(xii) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Company in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Company, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Company.

- (xiii) The consummation of a merger, consolidation, or acquisition involving the Company or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the

obligated person, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties

Note to subsections (a)(xv) and (xvi) of this Section 4: For the purposes of the events described subsections (a)(xv) and (xvi) of this Section 4, the term "financial obligation" means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Company shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Company desires to make, contain the written authorization of the Company for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Company desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

- (b) The Disclosure Dissemination Agent is under no obligation to notify the Company or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Company determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Company desires to make, contain the written authorization of the Company for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Company desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).
- (c) If the Disclosure Dissemination Agent has been instructed by the Company as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice

Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. <u>CUSIP Numbers</u>. The Company will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. <u>Additional Disclosure Obligations</u>. The Company acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Exchange Act, may apply to the Company, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Company acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

- (a) The Company may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Company desires to make, contain the written authorization of the Company for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Company desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Company as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.
- (b) The Company may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Company desires to make, contain the written authorization of the Company for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Company desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Company as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

- (c) The parties hereto acknowledge that the Company is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.
- (d) Nothing in this Disclosure Agreement shall be deemed to prevent the Company from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Company chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Company shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.
- SECTION 8. <u>Monthly, Quarterly, and Other Reporting</u>. Using the procedures described in Section 7 concerning additional disclosure filings, the Company shall deliver to the Disclosure Dissemination Agent the following information for filing by the Disclosure Dissemination Agent not later than the dates indicated below:
- Quarterly Unaudited Financial Statements. Beginning in respect of the Fiscal Quarter ended March 31, 2024, and for each of the first three Fiscal Quarters of each fiscal year thereafter, by not later than the 90th day following any such Fiscal Quarter, unaudited quarterly financial statements, consisting of (i) an unaudited balance sheet of the Company as at the end of such Fiscal Quarter, setting forth in comparative form the corresponding figures of the previous Fiscal Year, and (ii) unaudited condensed statements of operations and comprehensive income/(loss) for such Fiscal Quarter and the period from the beginning of the then-current Fiscal Year to the end of such Fiscal Quarter, setting forth in each case in comparative form the figures from the corresponding periods of the previous Fiscal Year, prepared in accordance with GAAP and subject to normal year-end adjustments and the absence of footnotes, (A) the status of the satisfaction of the various reserve requirements and the current balances in each reserve account and reserve sub-account established and maintained by the Trustee and the Collateral Agent in connection with the Bonds and the Project, (B) a debt service schedule of the Company's currently amortizing debt (consisting of scheduled principal and interest payments and excluding, for the avoidance of doubt, mandatory tender payments), and (C) any other material developments in respect of the operations of the Company concerning the Project;
- (b) Monthly Ridership and Revenue Reports. Beginning with respect to operations for the first full month following the issuance of the Bonds, by not later than the 20^{th} day of each month following the end of such month, a report showing the ridership and revenue results for such month; and
- (c) Other Reporting. If and to the extent the Company becomes a "Reporting Company" under the Exchange Act, the Company shall provide a copy of any 10-K, 10-Q or 8-K

(but only to the extent that such 8-K filings relate to a 10-K filing, a 10-Q filing or a Reportable Event (as defined in Section 5)) public filings made pursuant to the requirements of the Exchange Act within 5 Business Day that such filing was made.

SECTION 9. <u>Termination of Reporting Obligation</u>. The obligations of the Company and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Company is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 10. <u>Disclosure Dissemination Agent</u>. The Company has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Company may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Company or DAC, the Company agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Company shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Company.

SECTION 11. Remedies in Event of Default. In the event of a failure of the Company or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 12. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Company has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Company and shall not be deemed to be acting in any fiduciary capacity for the Company, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Company's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to

Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Company at all times.

The obligations of the Company under this Section shall survive resignation or removal of the

determine, or liability for failing to determine, whether the Company has complied with this

The obligations of the Company under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

- (b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Company.
- (c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 13. <u>Amendment: Waiver.</u> Notwithstanding any other provision of this Disclosure Agreement, the Company and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Company and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Company or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement which, in the opinion of counsel, are necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Company. No such amendment shall become effective if the Company shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 14. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Company, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. <u>Governing Law</u>. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 16. <u>Counterparts</u>. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. <u>Delivery or Performance to Occur on a Business Day</u>. In the event that any document or report is required to be delivered or filed, or any action is required to be taken or performed, hereunder on a day that is not a Business Day, the due date thereof shall be extended to the immediately succeeding Business Day.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Company have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

Name	:
Title:	
BRIC	HTLINE TRAINS FLORIDA LLC, a
Dela	vare limited liability company, as Company
Bv:	
Name	:
Title:	

DIGITAL ASSURANCE CERTIFICATION,

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Florida Development Finance Corporation			
Obligated Person(s): Brightline Trains Florida LLC				
Name of Bond Issue	: Florida Development Finance Corporation Revenue Bonds (Brightline Florida Passenger Rail Project) Brightline Trains Florida LLC Issue, Series 2024 (Tax-Exempt) (the "Bonds"), in the aggregate principal amount of [\$]			
Date of Issuance:				
Date of Official Stat	ement:			
CUSIP Numbers:				

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Florida Development Finance Corporation				
Obligated Person(s)	: Brightline Trains Florid	la LLC			
Name of Bond Issue	Florida Passenger Rail	inance Corporation Revenue Bonds (Brightline Project) Brightline Trains Florida LLC Issue, pt) (the "Bonds"), in the aggregate principal			
Date of Issuance:					
Date of Official Stat	tement:				
with respect to the Company and Digi Company has noti Report will be file	above-named Bonds as a tal Assurance Certification	the Company has not provided an Annual Report required by the Disclosure Agreement between the on, L.L.C., as Disclosure Dissemination Agent. The emination Agent that it anticipates that the Annual			
		Digital Assurance Certification, L.L.C., a Disclosure Dissemination Agent, on behalf of the Company			
cc: [Company R	depresentative]				

A-1

EXHIBIT C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: Florida Development Finance Corporation Issuer's Six-Digit CUSIP Number: or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates: Number of pages attached: [____] Description of Notice Events (Check One): "Principal and interest payment delinquencies;" "Non-Payment related defaults, if material;" "Unscheduled draws on debt service reserves reflecting financial difficulties;" "Unscheduled draws on credit enhancements reflecting financial difficulties;" "Substitution of credit or liquidity providers, or their failure to perform;" "Adverse tax opinions, IRS notices or events affecting the tax status of the security;" "Modifications to rights of securities holders, if material;" "Bond calls, if material;" "Defeasances;" "Release, substitution, or sale of property securing repayment of the securities, if material,"
"Rating changes;" "Tender offers;" "Bankruptcy, insolvency, receivership or similar event of the obligated person;" 14. "Merger, consolidation, or acquisition of the obligated person, if material;"
15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;" "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and 17. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties." ____Failure to provide annual financial information as required. I hereby represent that I am authorized by the Company or its agent to distribute this information publicly: Signature: Title: Name: Digital Assurance Certification, L.L.C. 390 N. Orange Avenue Suite 1750

C-1

Orlando, FL 32801 407-515-1100 Date:

EXHIBIT C-2

VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [•], 2024, between the Company and the DAC.

Issuer's and/or Other Obligated Person's Name:

Florida Development Finance Corporation				
Issuer's Six-Digit CUSIP Number:				
[]				
or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:				
[]				
Number of pages attached: []				
Description of Voluntary Event Disclosure (Check One):				
1. "amendment to continuing disclosure undertaking;" 2. "change in obligated person;" 3. "notice to investors pursuant to bond documents;" 4. "certain communications from the Internal Revenue Service;" 5. "secondary market purchases;" 6. "bid for auction rate or other securities;" 7. "capital or other financing plan;" 8. "litigation/enforcement action;" 9. "change of tender agent, remarketing agent, or other on-going party;" 10. "derivative or other similar transaction;" and 11. "other event-based disclosures." I hereby represent that I am authorized by the Company or its agent to distribute this information publicly:				
Signature:				
Name: Title:				
Digital Assurance Certification, L.L.C. 390 N. Orange Avenue Suite 1750 Orlando, FL 32801 407-515-1100				
Date:				

C-2

EXHIBIT C-3

VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of $[\bullet]$, 2024, between the Company and DAC.

Issuer's and/or Other Obligated Person's Name:
Florida Development Finance Corporation
Issuer's Six-Digit CUSIP Number:
[]
or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:
[]
Number of pages attached: []
Description of Voluntary Financial Disclosure (Check One):
1 "quarerly /monthly financial information;" 2 "change in fiscal year/timing of annual disclosure;" 3 "change in accounting standard;" 4 "interim/additional financial information/operating data;" 5 "budget;" 6 "investment/debt/financial policy;" 7 "information provided to rating agency, credit/liquidity provider or other third party;" 8 "consultant reports;" and 9 "other financial/operating data." I hereby represent that I am authorized by the Company or its agent to distribute this information publicly: Signature:
Name: Title:
Digital Assurance Certification, L.L.C. 390 N. Orange Avenue
Suite 1750
Orlando, FL 32801 407-515-1100
Date:

C-3

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APPENDIX I

SPECIMEN MUNICIPAL BOND INSURANCE POLICY





MUNICIPAL BOND **INSURANCE POLICY**

ISSUER:

BONDS: \$ in aggregate principal amount of

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereb), that ponion of the Principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by teason of Nonpayment by the Issuer

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the lace amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest, then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon west in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM for incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Truste. Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer been recovered from such Owner pursuant has

Page 2 of 2 Policy No. -N

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment, "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be demed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy. under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subragation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Author



A subsidiary of Assured Guaranty Municipal Holdings Inc. 1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500NY (5/90)





