

**NOTICE OF MATERIAL EVENT
ADVERSE TAX OPINION OR EVENT AFFECTING TAX-EXEMPT STATUS
NOTICE OF PROPOSED ADVERSE DETERMINATION OF TAXABILITY
PORT OF PORT ARTHUR NAVIGATION DISTRICT OF JEFFERSON COUNTY, TEXAS
UNLIMITED TAX PORT IMPROVEMENT BONDS, SERIES 2017A**

**CUSIP Nos. 735218 HE2, 735218 HF9, 735218 HG7, 735218 HH5, 735218 HJ1,
735218 HK8, 735218 HL6, 735218 HM4, 735218 HN2, 735218 HP7, 735218 HQ5,
735218 HR3, 735218 HS1, 735218 HT9, 735218 HU6, 735218 HV4, 735218 HW2,
735218 HX0, 735218 HY8, 735218 HZ5, 735218 JA8 and 735218 JB6**

August 23, 2023

This notice is being provided by the Port of Port Arthur Navigation District of Jefferson County, Texas (the "Port"), pursuant to the requirements of subsection (b)(5)(i)(C)(6) of Rule 15c2-12 of the United States Securities and Exchange Commission, as notification of the occurrence of the following event:

By a letter dated August 7, 2023 to the Port, the Internal Revenue Service issued a Notice of Proposed Issue (Form 5701-B, including Form 886-A Explanation of Items) (collectively, the "Notice") relating to the Port's Unlimited Tax Port Improvement Bonds, Series 2017A (the "Series 2017A Bonds"). The Notice contains a proposed notice of adverse determination that the Series 2017A Bonds are taxable hedge bonds due to alleged noncompliance with requirements of Section 149(g) of the Internal Revenue Code, which prescribes certain expectations for the timely expenditure of tax-exempt bond proceeds.

With respect to the Series 2017A Bonds, the Port believes it has complied with the applicable provisions of the federal Internal Revenue Code and intends to defend its position.

This is a notice of proposed adverse determination and not a final determination.