

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 2, 2024

NEW ISSUE BOOK ENTRY ONLY

RATINGS:

See "RATINGS" herein

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2024A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes and, further, interest on the Series 2024A Bonds is not an item of tax preference 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 (as hereinafter defined) on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2024A Bonds is not excluded from the determination of adjusted financial statement income. See "TAX MATTERS" for a description of certain federal tax consequences of ownership of the Series 2024A Bonds. Bond Counsel is further of the opinion that the Series 2024A 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 in said Chapter 220. See "TAX MATTERS" herein.



CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

(successor to Reedy Creek Improvement District)

(Located in Orange and Osceola Counties)

**\$99,300,000* AD VALOREM TAX BONDS,
SERIES 2024A**

Dated: Date of Delivery

Due: June 1, as shown on inside cover

The Central Florida Tourism Oversight District, (the "District") Ad Valorem Tax Bonds, Series 2024A (the "Series 2024A Bonds") will be issued as fully registered bonds and will be initially issued to and registered in the name of Cede & Co., as nominee for The Depository Trust Company New York, New York ("DTC"), which will act as securities depository for the Series 2024A Bonds. The District is the successor to Reedy Creek Improvement District, pursuant to the provisions of Chapter 2023-5, Laws of Florida. The Series 2024A Bonds will be available to purchasers in denominations of \$5,000 or any integral multiple thereof under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, their Participants (herein defined). Purchasers will not receive physical delivery of the Series 2024A Bonds. For so long as any purchaser is the beneficial owner of a Series 2024A Bond, they must maintain an account with a broker or dealer who is, or acts through, a Participant in order to receive payment of principal of and interest on such Series 2024A Bond. For so long as the book-entry only system is in effect, any reference to a Bondholder or Bondholders shall be deemed to be Cede & Co. and not the Beneficial Owners (herein defined) of the Series 2024A Bonds. See "Book-Entry Only System" under "DESCRIPTION OF THE SERIES 2024A BONDS" herein. Interest on the Series 2024A Bonds is payable on each June 1 and December 1, commencing June 1, 2025, by U.S. Bank Trust Company, National Association, Orlando, Florida, as Paying Agent and Bond Registrar for the Series 2024A Bonds.

The Series 2024A Bonds are being issued by the District (i) to provide financing for additional improvements within the scope of the District-Wide Transportation Project, including, without limitation, the World Drive North corridor, Buena Vista Drive and Western Way (collectively, the "Series 2024A Project") and (ii) to pay the costs of issuance of the Series 2024A Bonds.

The Series 2024A Bonds and interest thereon are payable from and secured equally and ratably with other Outstanding Bonds under the Bond Resolution (as such terms are defined herein), by an irrevocable prior lien on and a pledge of the first proceeds collected by the respective tax collectors of Orange and Osceola Counties and remitted to the District from ad valorem taxes levied at a rate not exceeding 30 mills on the dollar per annum on the assessed value of all taxable property in the District, the major portion of which property is owned by affiliates of the Walt Disney Company.

The Series 2024A Bonds may be subject to optional and/or mandatory redemption prior to maturity as described in this Official Statement.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES, YIELDS AND INITIAL CUSIP NUMBERS ON INSIDE COVER**

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of the bond issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2024A Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to the approval of legality by Greenberg Traurig, P.A., Miami, Florida, the District's Bond Counsel. Certain legal matters will be passed upon by Roy Payne, Esq., Orlando, Florida, as General Counsel to the District and by Bryant Miller Olive P.A., Orlando, Florida, as the District's Disclosure Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, Marchena and Graham, P.A., Orlando, Florida. Public Resource Advisory Group, Inc., St. Petersburg, Florida, is acting as municipal advisor to the District. The Series 2024A Bonds are expected to be available for delivery through the offices of DTC in New York, New York on or about _____, 2024.

BofA Securities

Jefferies

Raymond James

Dated: _____, 2024

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of the Series 2024A Bonds in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The District has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
INITIAL CUSIP NUMBERS**

\$99,300,000*
Ad Valorem Tax Bonds
Series 2024A

\$[_____] * Serial Bonds

<u>Maturity</u> <u>(June 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP</u> <u>Number**</u>
	\$				

[\$ _____ *- ____ % Series 2024A Term Bond Due June 1, 20__* - Yield ____ % - Price _____ - CUSIP No. _____ **]

* Preliminary, subject to change.

** The District is not responsible for the use of CUSIP numbers, nor is a representation made as to their correctness.
The CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
(successor to Reedy Creek Improvement District)

(Located in Orange and Osceola Counties)
1900 Hotel Plaza Boulevard
Lake Buena Vista, Florida 32830

BOARD OF SUPERVISORS

Charbel Barakat, Vice Chair
Brian Aungst, Jr.
Ron Peri
Bridget Zeigler
Craig Mateer

DISTRICT ADMINISTRATOR

S.C. Kopelousos

DEPUTY DISTRICT ADMINISTRATORS

C. Michael Crikis
Paula J. Hoisington

DISTRICT CHIEF FINANCIAL OFFICER

Susan Higginbotham, C.P.A.

DISTRICT GENERAL COUNSEL

Roy Payne, Esq.
Orlando, Florida

BOND COUNSEL

Greenberg Traurig, P.A.
Miami, Florida

MUNICIPAL ADVISOR

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

UNDERWRITERS COUNSEL

Marchena and Graham, P.A.
Orlando, Florida

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by Central Florida Tourism Oversight District (the "District") or by the Underwriters 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 any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the Series 2024A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Certain information contained in this Official Statement (which includes the Appendices) has been obtained by the District from DTC (all as hereinafter defined) and other sources believed to be reliable. No representation is made by the District, however, as to the accuracy or completeness of such information, and nothing contained in this Official Statement is, or shall be relied upon as, a promise or representation as to such information by the District. This Official Statement is submitted in connection with the sale of the Series 2024A Bonds and may not be reproduced or used, in whole or in part, for any other purposes. The information herein is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information or in the affairs of the District 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 THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

UPON ISSUANCE, THE SERIES 2024A BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR WILL THE BOND RESOLUTION BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2024A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2024A BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE UNDERWRITERS OR THE DISTRICT AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2024A BONDS.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES, AND THE INFORMATION OR LINKS CONTAINED THEREIN, ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15c2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE WEBSITE [HTTP://WWW.MUNIOS.COM](http://www.munios.com). THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

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OFFICIAL STATEMENT
relating to
CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
(successor to Reedy Creek Improvement District)
(Located in Orange and Osceola Counties)

\$99,300,000*
Ad Valorem Tax Bonds,
Series 2024A

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the cover page, inside cover page, and the Appendices hereto, is to set forth certain information relating to the Central Florida Tourism Oversight District (the "District") and its Ad Valorem Tax Bonds, Series 2024A (the "Series 2024A Bonds"). The District is the successor to Reedy Creek Improvement District pursuant to the provisions of Chapter 2023-5, Laws of Florida.

The Series 2024A Bonds are being issued pursuant to the Constitution and laws of the State of Florida, particularly Chapter 2023-5, Laws of Florida, as amended and other applicable provisions of law (collectively, the "Act") and the Bond Resolution (hereafter defined). See "THE CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT – Powers" herein.

The Board of Supervisors of the District adopted a resolution on April 4, 1972 (the "1972 Resolution"), as amended and restated by Resolution No. 245 adopted on November 15, 1991 (the "1991 Resolution"), and as amended by Resolution No. 313 adopted on April 21, 1995 (the "1995 Resolution") as supplemented by Resolution No. 546 adopted on February 27, 2013, as amended by Resolution No. 551 adopted on July 24, 2013 (collectively, the "2013 Resolutions"). On September 25, 2024, the District adopted Resolution No. 670 (the "2024 Resolution") authorizing the issuance of the Series 2024A Bonds. The 1991 Resolution, as amended, particularly by the 1995 Resolution, as supplemented and amended by the 2013 Resolutions, and as supplemented by the 2024 Resolution, is referred to herein collectively as the "Bond Resolution."

The Series 2024A Bonds are being issued for the purpose of (i) financing the design, construction, equipping and improvement of transportation projects, within or outside the District, including, without limitation, the World Drive North corridor, Buena Vista Drive and Western Way (collectively, the "Series 2024A Project"), and (ii) paying the costs of issuance of the Series 2024A Bonds.

The Series 2024A Bonds are to be issued on a parity, and are to have an equal lien on the Ad Valorem Taxes collected by the respective tax collectors of Orange and Osceola County's and remitted to the District, with the Ad Valorem Tax Refunding Bonds, Series 2015A (the "Series 2015A Bonds"), the Ad Valorem Tax Bonds, Series 2016A (the "Series 2016A Bonds"), the Ad Valorem Tax Bonds, Series 2017A (the "Series 2017A Bonds") and the Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable) (the "Series 2020A Bonds," and collectively with the Series 2015A Bonds, the Series 2016A Bonds and the Series 2017A Bonds, the "Outstanding Bonds"), and with any subsequent series of Additional Bonds issued as authorized under the Bond Resolution, as supplemented. The Outstanding Bonds, together with the

* Preliminary, subject to change.

Series 2024A Bonds being issued, and any subsequent series of Additional Bonds that may be issued and outstanding after the issuance of the Series 2024A Bonds, as authorized under the Bond Resolution, are hereinafter collectively referred to as the "Bonds."

For a more complete description of the terms and conditions of the Series 2024A Bonds, reference is made to the Bond Resolution, which is attached (without Exhibits) as Appendix B hereto. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Bond Resolution. The description of the Series 2024A Bonds, the documents authorizing and securing the Series 2024A Bonds, and the information from financial reports contained herein do not purport to be comprehensive or definitive. All references herein to such documents and reports are qualified in their entirety by reference to such documents. Copies of such documents may be obtained from Roy Payne, Esq., District General Counsel, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida 32830 (telephone: 407-222-4120).

PURPOSE OF THE SERIES 2024A BONDS

The Series 2024A Bonds are being issued by the District for the purposes of (i) financing the Series 2024A Project, and (ii) paying costs of issuance of the Series 2024A Bonds.

DESCRIPTION OF THE 2024A PROJECT

The Series 2024A Bonds are being issued to provide financing for District-Wide Transportation Projects, which consist of designing, constructing, improving, enlarging, renovating, reconstructing, extending, widening, grading, paving, repaving, or otherwise improving highways, streets, roads, interchanges or other public ways and vehicular bridges, including drainage, signalization and signage, within or outside the District, including, without limitation, the World Drive North corridor, Buena Vista Drive and Western Way (collectively, the "Series 2024A Project").

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ESTIMATED SOURCES AND USES OF FUNDS

Based upon current cost estimates, the District intends to apply the proceeds of the Series 2024A Bonds, as follows:

SOURCES:

Par Amount of the Bonds

Plus/Less Net Original Issue Premium/Discount

TOTAL SOURCES

USES:

Deposit to Series 2024A Construction Account

Costs of Issuance⁽¹⁾

TOTAL USES

(1) Includes Underwriters' discount, legal and municipal advisory fees and expenses and other fees and expenses associated with the issuance of the Series 2024A Bonds

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DESCRIPTION OF THE SERIES 2024A BONDS

General Description

The Series 2024A Bonds are being issued as a single fully-registered Bond for each maturity, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "Book-Entry Only System" below. U.S. Bank Trust Company National Association, Orlando, Florida, shall serve as Paying Agent and Bond Registrar for the Series 2024A Bonds.

The Series 2024A Bonds will be dated as of their date of delivery, and will bear interest from their date of delivery at the rates and mature on the dates set forth on the inside cover page of this Official Statement. Interest on the Series 2024A Bonds is payable semiannually on each June 1 and December 1 of each year (the "Interest Payment Dates"), commencing June 1, 2025. Principal of and interest on the Series 2024A Bonds are payable to the registered owner thereof, which initially will be a nominee of DTC.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM DTC, AND NEITHER THE DISTRICT NOR THE UNDERWRITERS TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024A BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2024A BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2024A BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024A BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2024A BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, NEITHER THE DISTRICT NOR THE UNDERWRITERS MAKE NOR CAN MAKE ANY REPRESENTATIONS OR WARRANTIES CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2024A Bonds. The Series 2024A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024A Bond certificate will be issued for each maturity of the Series 2024A Bonds as set forth in the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for 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"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2024A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024A Bonds, except in the event that use of the book-entry system for the Series 2024A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024A 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 OF THE SERIES 2024A BONDS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER TO RECEIVE NOTICES (INCLUDING NOTICES OF REDEMPTION) AND OTHER INFORMATION REGARDING THE OFFERED BONDS THAT MAY BE SO CONVEYED TO DIRECT DTC PARTICIPANTS AND INDIRECT DTC PARTICIPANTS.

Redemption notices shall be sent to DTC. If less than all of a maturity and CUSIP number of the Series 2024A Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures.

Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 Series 2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024A 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 District or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024A Bonds at any time by giving reasonable notice to the District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2024A Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District and Underwriters believe to be reliable, but the District and Underwriters take no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the Series 2024A Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments.

NONE OF THE DISTRICT, THE BOND REGISTRAR AND PAYING AGENT WILL HAVE RESPONSIBILITY OR OBLIGATION TO THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2024A BONDS UNDER THE BOND RESOLUTIONS; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2024A BONDS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2024A BONDS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2024A BONDS; OR (6) ANY OTHER MATTERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2024A BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2024A BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2024A BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2024A BONDS.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Board or the Bond Registrar to DTC only.

For every transfer and exchange of Series 2024A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Because DTC is treated as the owner of the Series 2024A Bonds for substantially all purposes, the Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of the Beneficial Owners is unknown to the District, the Bond Registrar, the Paying Agent or DTC, it may be difficult to transmit information of potential interest to beneficial owners in an effective and timely manner. The Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Series 2024A Bonds that may be transmitted by or through DTC.

Prior to any discontinuation of the book entry only system hereinabove described, the District, the Bond Registrar and the Paying Agent may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the Series 2024A Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal, premium, if any, and interest on the Series 2024A Bonds;
- giving notices of redemption and other matters with respect to the Series 2024A Bonds;
- registering transfers with respect to the Series 2024A Bonds; and
- the selection of Series 2024A Bonds for redemption.

Optional Redemption

Series 2024A Bonds Optional Redemption. The Series 2024A Bonds maturing on and after June 1, 20__ are subject to redemption by the District prior to maturity in whole or in part on any date on or after June 1, 20__, at a redemption price equal to 100% of the principal amount being redeemed (without premium) plus accrued interest to the date fixed for redemption.

Selection of Series 2024A Bonds to be Redeemed in Partial Redemptions. If less than all of the Series 2024A Bonds shall be called for redemption, the Series 2024A Bonds to be redeemed shall be selected, in multiples of \$5,000, in such manner as the District in its discretion shall determine, and if less than all of a maturity shall be called for redemption, the Series 2024A Bonds to be redeemed shall be selected by lot within such maturity. However, so long as the Series 2024A Bonds are registered in book-entry-only form and so long as DTC or a successor securities depositor is the sole registered owner of the Series 2024A Bonds, partial redemptions will be done in accordance with DTC procedures.

[Mandatory Redemption]

Notice of Redemption

Notice of redemption of the Series 2024A Bonds (i) shall be filed with the Paying Agent, and (ii) shall be mailed, postage prepaid, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption, to all Registered Owners of the Series 2024A Bonds to be redeemed at their respective addresses as they appear on the registration books of the Registrar.

With respect to the Series 2024A Bonds, each notice of redemption shall meet the requirements set forth in (i), (ii), (iii), and (iv) below; provided, however, that the failure of such notice or payment to comply with the following terms shall not in any manner defeat the effectiveness of a redemption, if notice thereof is given as prescribed in the immediately preceding paragraph.

(i) Each notice of redemption shall set forth the name and address of the Paying Agent, a contact person with the Paying Agent and his or her telephone number and the CUSIP numbers, if any, of the Series 2024A Bonds called for redemption, the date of publication of the notice, the redemption price, the date of the issue, the interest rate and the stated maturity date with respect to the Series 2024A Bonds to be redeemed; and with respect to Registered Owners of \$1,000,000 or more in principal amount to be redeemed, such notice shall be sent by certified mail, return receipt requested or by overnight delivery service.

(ii) In addition to the foregoing, further notice of any redemption shall be given by the Registrar simultaneously with mailed notice to Registered Owners, for any redemption other than by Sinking Fund installment, to the Municipal Securities Rulemaking Board. Such further notice shall contain the information required in subparagraph (i) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(iii) Upon the payment of the redemption price of the Series 2024A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear or be accompanied by an advice showing the CUSIP number identifying, by issue, the Series 2024A Bonds being redeemed with the proceeds of such check or other transfer.

(iv) A second notice of redemption shall be mailed in the manner provided above to any Registered Owner who has not tendered Series 2024A Bonds that have been called for redemption within sixty (60) days after the applicable redemption date.

Notwithstanding the provisions of the Bond Resolution, the effectiveness of any notice of optional redemption of any Series 2024A Bond may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption (including, without limitation, the deposit of sufficient moneys with the Paying Agent for such purpose) and may also be subject to rescission by the District if expressly set forth in such notice.

SECURITY FOR THE SERIES 2024A BONDS

Pledge of Ad Valorem Taxes

Payment of principal of and interest and premium, if any, on the Series 2024A Bonds is secured (equally and ratably with all other Bonds) by an irrevocable prior lien on the first proceeds collected by the respective tax collectors of Orange and Osceola County and remitted to the District from Ad Valorem Taxes levied at a rate not exceeding 30 mills on the dollar per annum on the assessed value of all taxable property in the District. For the Fiscal Year ended September 30, 2024, the District levied Ad Valorem Taxes at the rate of 12.9500 mills, of which 3.9600 mills was for the payment of debt service on the Outstanding Bonds and 8.9900 mills was for the payment of the general operations of the District. For the Fiscal Year ending September 30, 2025, the District has set an Ad Valorem Tax rate of 13.0830 mills, of which 4.1700 mills is for the payment of debt service on Outstanding Bonds (inclusive of the Series 2024A Bonds) and 8.9130 mills is for the payment of the general operations of the District.

The District covenants to levy each year such millage, not exceeding 30 mills on each dollar of assessed valuation of all taxable property within the District, as will produce a sum equal to the amounts required to be deposited in the Sinking Fund in such Fiscal Year. If in any Fiscal Year the Ad Valorem Taxes actually collected by the respective tax collectors of Orange and Osceola County's and remitted to the District shall be less than the amount required, then the amount of the deficit shall be added to the amount of Ad Valorem Taxes required to be levied in the next succeeding year or years; such tax, however, shall not exceed 30 mills in any Fiscal Year.

Sinking Fund

The District shall maintain a Sinking Fund (the "Sinking Fund") for the payment of principal of and interest becoming due and payable on the Series 2024A Bonds and any other Bonds during each Fiscal Year. Sinking Fund deposit requirements in a particular Fiscal Year shall be satisfied from the Ad Valorem Taxes collected in such Fiscal Year. See" – Disposition of Ad Valorem Taxes – Flow of Funds" below.

Disposition of Ad Valorem Taxes – Flow of Funds

The proceeds of the Ad Valorem Taxes, as soon as received, shall be deposited in the Ad Valorem Taxes Fund (the "Ad Valorem Taxes Fund"), which is a trust fund required to be kept separate from all the other funds of the District.

Funds in the Ad Valorem Taxes Fund shall be disposed of in accordance with the terms of the Bond Resolution as follows:

(1) There shall be deposited in the Sinking Fund a sum sufficient to pay the Bond Service Requirement for all outstanding Bonds during the current Fiscal Year and any deficiencies for prior Fiscal Years. Such annual payments shall be reduced by the amounts of money, if any, which are deposited into the Sinking Fund out of proceeds from the sale of a Series of Bonds to the extent such amounts are available to pay the Bond Service Requirement on such Series of Bonds.

(2) Upon the issuance by the District of any Additional Bonds under the terms, limitations and conditions provided in the Bond Resolution, the payments into the Sinking Fund shall be increased in such amounts as are necessary to make the payments set forth in paragraph

(1) above for the principal of and interest on such Additional Bonds, on the same basis as provided with respect to the outstanding Bonds.

(3) The District shall not be required to make any further payments into the Sinking Fund when the aggregate amount of money in the Sinking Fund is at least equal to the aggregate principal amount of Bonds then outstanding, plus the amount of interest then due or thereafter to become due on such Bonds then outstanding.

(4) The balance of any moneys remaining in the Ad Valorem Taxes Fund after the above required current payments have been made in each Fiscal Year may be used for the purpose of redemption of the Bonds at the discretion of the District or for any other lawful purpose for which such moneys may be used by the District.

Excess proceeds of Ad Valorem Taxes in the Ad Valorem Taxes Fund are immediately transferred to the General Fund and are expended throughout the year to fund general operations of the District in accordance with the annual budget. The Ad Valorem Tax millage may be reduced to the extent the District receives revenues from operations or other sources. Such revenues will not be available to pay principal of and interest on the Series 2024A Bonds.

Covenant by the State of Florida to the District

The State of Florida covenants in the Act to the holders of any bonds issued by the District after the effective date of the Act that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects or to levy and collect the taxes, assessments, rentals, rates, fees, fares and other charges provided for in the Act, and to fulfill the terms of any agreement made with the holders of any bonds of the District and that it will not in any way impair the rights or remedies of the holders, or modify in any way the exemption from taxation provided in the Act until all such bonds, together with interest thereon and costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

Investment of Funds

The Sinking Fund, the Ad Valorem Taxes Fund and any other special funds and accounts created by the Bond Resolution (except for the Rebate Account as defined in the Bond Resolution), are trust funds for the purposes provided in the Bond Resolution. All such funds and accounts shall be continuously secured in the manner by which the deposit of public funds is authorized to be secured by the Laws of the State of Florida. Moneys on deposit in the Ad Valorem Taxes Fund and Sinking Fund may only be invested in investment obligations maturing no later than the date on which the moneys therein will be needed for the purposes of the Bond Resolution. Any and all income received by the District from investment in the Ad Valorem Taxes Fund and the Sinking Fund shall be deposited into the Sinking Fund.

Additional Obligations

The District has covenanted not to issue any other obligations payable from the proceeds of the Ad Valorem Taxes pledged under the Bond Resolution having priority to or being on parity with the lien of the Series 2024A Bonds and the Outstanding Bonds, except Additional Bonds as hereinafter described.

Additional Bonds

Additional Bonds may be issued by the District subject to the following terms and conditions:

(1) There shall have been filed with the Board of Supervisors certificates of the tax assessors of Orange and Osceola Counties stating the total assessed value of taxable property within the District for the current calendar year, if then determined, or otherwise for the calendar year immediately preceding the date of sale of the proposed Additional Bonds.

(2) The Maximum Bond Service Requirement on the Bonds then Outstanding and Additional Bonds proposed to be issued shall not exceed 85% of the estimated annual collections from Ad Valorem Taxes calculated upon the basis of (a) the assessed value of the taxable property within the District for the current calendar year, if then determined, or otherwise for the calendar year immediately preceding the date of sale of such Additional Bonds, and (b) the maximum annual rate of millage for the levy of such Ad Valorem Taxes as authorized by law at the date of sale of such Additional Bonds.

(3) If required by law, the Additional Bonds shall be approved at an election.

(4) The principal amount of the proposed Additional Bonds together with all other Bonds then outstanding of the District shall not exceed in the aggregate 50% of the assessed value of the taxable property within the District as shown on the pertinent tax records at the time of the authorization of such Additional Bonds or such higher amount as allowed by the Act.

At the time of issuance of the Series 2024A Bonds, the District will deliver evidence of its satisfaction of the foregoing terms and conditions.

THE DISTRICT

Location

The District is located in Orange and Osceola Counties in central Florida, about 15 miles southwest of the City of Orlando. The District currently encompasses approximately 25,000 acres or 40 square miles. Approximately 18,900 acres are located in Orange County and approximately 6,100 acres are located in Osceola County.

The District is intersected diagonally (northeast to southwest) by U.S. Interstate Highway No. 4 and midway (east to west) by U.S. Route 192. The land in the District (exclusive of about 7,124 acres (29%) primarily owned by the District itself, 743 acres (3%) owned by the State of Florida and 356 acres owned by others) is primarily owned by affiliates of the Walt Disney Company (the "WDC"). *Walt Disney World*® Resort ("WDW Resort"), which was first opened to the public on October 1, 1971, is located within the territorial boundaries of the District. See " – Description of Major Businesses in the District" below and "BONDHOLDERS' RISKS – Concentration of Land Ownership" herein.

Creation of the District and Restatement and Amendment of Enabling Legislation

The District was originally established in 1967 pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967, effective May 12, 1967, as amended (the "1967 Act") as a public corporation of the State. On April 22, 2022, the Governor of the State (the "Governor") signed into law Senate Bill 4-C, which

was passed by the Florida Senate on April 20, 2022, during a special legislative session, and by vote of the Florida House on April 21, 2022 (the "2022 Bill"). The 2022 Bill dissolved 6 independent special districts, including the Reedy Creek Improvement District, which were established by a special act prior to November 5, 1968 and which had not been reestablished, ratified or otherwise reconstituted thereafter, effective June 1, 2023. On February 27, 2023, prior to the effective date of the 2022 Bill, the Governor signed into law House Bill 9-B, which was approved by the Florida Senate on February 10, 2023, and by the Florida House on February 9, 2023, during a special legislative session and codified as Chapter 2023-5, Laws of Florida (the "Act"). The Act provides that the District was not dissolved as of June 1, 2023 and ratified and confirmed the continued existence of the Reedy Creek Improvement District under a new name, the Central Florida Tourism Oversight District. The Act also made significant amendments to the 1967 Act. The Act is the operating legislation of the District.

The amendments to the 1967 Act contained in the Act include, but are not limited to, the following:

- replacement of the landowner elected Board of Supervisors by a Board of Supervisors appointed exclusively by the Governor, subject to State Senate confirmation;

- imposition of limitations on appointments designed to ensure independence of the Board of Supervisors from operators of any theme park or entertainment complex in the District;

- removal of the power of the Board of Supervisors to amend the boundaries of the District without a special act;

- removal of the power of the Board of Supervisors to exercise extraterritorial eminent domain powers, own and operate airport facilities, certain types of recreational facilities (such as stadiums, civic center and convention halls) and "novel and experimental" facilities (such as a nuclear fission power plant).

Under the Act, the District is authorized to continue to do business under the name Reedy Creek Improvement District for two years following the effective date of the Act and the Act provides that all legal and financial documents and agreements of the District, even though executed under the name Reedy Creek Improvement District, continue to be effective and binding on the District.

Following the enactment of the Act, and the transition of the prior governing body to the newly appointed Board of Supervisors, the District undertook a forensic audit, and voluntarily brought to the attention of its auditor a discrepancy in the District's reporting of the W-2 income and wages of District employees in the years 2020 through 2023. As a result, the District submitted a voluntary closing agreement with the Internal Revenue Service ("IRS") and has budgeted approximately \$2 million to fund any obligation. The resolution of the matter and determination by the IRS of the District's obligation is in the process of being accepted and finalized. The District does not anticipate that a final determination will have a material adverse effect on its ability pay the principal of and interest on the Series 2024A Bonds.

After the enactment of the 2022 Bill, several legal actions were initiated. See "LITIGATION - *The District and Walt Disney Parks and Resorts U.S., Inc. Litigation*" herein.

Government

The District is governed by a Board of Supervisors of five members appointed by the Governor of the State and confirmed by the State Senate. As of the date of this Official Statement, the Governor of the State has not appointed the Chair. The Supervisors hold office for a term of four years each, except that for the initial appointments made after the effective date of the Act, two members were appointed to serve a term of 2 years. Members may not serve more than three consecutive terms. All members must be Florida residents and consideration is given for members from a broad range of fields including experience in accounting, business management, construction, cybersecurity or data privacy, engineering, environmental sciences, financial management, infrastructure management, land use, permitting, public administration, public safety, transportation, or utility operations and management. The present members of the Board of Supervisors and the respective dates on which their terms expire are as follows:

<u>Name</u>	<u>Term Expires</u>
Charbel Barakat, Vice Chair	2/26/2027
Brian Aungst, Jr.	2/26/2027
Ron Peri	2/26/2025
Bridget Ziegler	2/26/2025
Craig Mateer	2/26/2027

Administration

Under the direction of the Board of Supervisors, a District Administrator is appointed by the Governor and acts as the chief executive officer of the District and is responsible for the day-to-day operations of the District subject to the Board of Supervisor's direction and policy decisions.

S.C. Kopelousos joined the District as District Administrator in March 2024. Prior to joining the District, Ms. Kopelousos served as Director of Legislative & Intergovernment Affairs for Governor Ron DeSantis, County Manager for the Clay County Board of County Commissioners and Secretary of Transportation for the Florida Department of Transportation. Ms. Kopelousos graduated from the University of Alabama with a Bachelor's Degree in Political Science.

Susan Higginbotham is the District's Chief Financial Officer and has served in this position since September 2023. Prior to her promotion, she served as Comptroller and Director of Finance, and she has been with the District for over 30 years. Ms. Higginbotham has a Bachelor's Degree in Accounting from the University of Central Florida and is a licensed Certified Public Accountant and Certified Government Finance Officer.

Powers

General. In addition to the powers and authorities of the District under Chapter 298, Florida Statutes, the District has the powers authorized under the Act, including the following:

- (1) to acquire property, real, personal or mixed, within its territorial limits, to encumber any property acquired by the District, and to mortgage, hold, manage, control, convey, lease, sell, grant or otherwise dispose of the same;
- (2) to exercise the right and power of eminent domain within the limits of the District to condemn real property or mixed property which the Board of Supervisors deems

necessary for the use of any of the projects of the District; the power of eminent domain shall be exercised as provided by general law;

(3) to own, operate and maintain water and flood control facilities and to regulate the supply and level of water within the District; the District is declared eligible to receive grants and assistance from the State of Florida available to flood control districts, water management districts and navigation districts or agencies;

(4) to own, operate and maintain water systems, reclaimed water systems and sewer systems; to regulate the use of sewers and the supply of potable water and nonpotable water within the District; to prohibit or regulate the use and maintenance of other sanitary structures and to prescribe methods of sewage treatment;

(5) to own, operate and maintain a waste collection and disposal system and to sell or otherwise dispose of any effluent, residue or other byproducts of such system;

(6) to own, operate and maintain electric power plants, solar energy generating systems, transmission lines and related facilities, gas mains and facilities of any nature for the production, handling, distribution or sale of natural gas, and to purchase and sell electric power, natural gas and other sources of power for distribution within the District;

(7) to own, acquire, construct, operate, improve and maintain highways, streets, roads, alleys, sidewalks, promenades, boardwalks, bridges, tunnels, interchanges, causeways and public thoroughfares of all kinds and descriptions, and connections to and extensions of any and all existing public roads within the District;

(8) to own, acquire, construct, operate, improve and maintain fire control facilities for the District, including fire stations, water mains and plugs, fire trucks and other vehicles and equipment within the District;

(9) to lease as lessor or lessee to or from any person, firm, corporation, association or body, public or private, any projects of the type that the District is authorized to undertake;

(10) to own, operate and maintain canals, ditches, ponds, lakes, reservoirs, drains, dikes, levees, pumps, plants, and pumping systems and other works for drainage purposes and irrigation works;

(11) to own, acquire, construct, operate, improve and maintain parking facilities; and

(12) to issue general obligation, revenue, assessment or other bonds to finance the acquisition, construction, extension or improvement of any projects.

The District is authorized to exercise its rights, powers, privileges and authorities in any and all portions of the District lying within the boundaries of Orange County, Osceola County, the City of Bay Lake, the City of Lake Buena Vista or any other municipal corporation or other political subdivision, the boundaries of which lie wholly or partly within the geographic limits of the District. The District does not have the power to construct any project outside of the geographic limits of the District, except upon the consent, approval, or certification of any regulatory agency, the State or the governing body of any county, municipality or other political subdivision in which the project is located. Under the Act, District

projects are exempt from county zoning, building, subdivision and construction regulation except as otherwise determined by the Board of Supervisors.

The District may require all lands, buildings, and premises, and all persons, firms and corporations within the District or within any zone or area within the District created for such purpose, to use the drainage and reclamation facilities, flood control facilities, water and sewer systems and waste collection and disposal systems of the District. No other such systems and facilities may be built without the consent of and approval of plans and specifications by the District.

Fees, Charges and Services. The District has the power, after notice and public hearing, to prescribe, fix, establish and collect rates, fees, rentals, fares or other charges for the facilities and services furnished by the District, to recover the cost of making connections to any District facility or system, and to provide for reasonable penalties for delinquent charges. Such rates, fees and charges shall be just, equitable and uniform for users of the same class, and may be based or computed on the amount of service furnished, the average number of persons residing or working or otherwise occupying the premises served or any other factor affecting the use of the facilities furnished. The rates, fees, rentals, fares or other charges prescribed shall be such as will produce revenues, together with any other assessments, taxes, revenues or funds available or pledged for such purpose, at least sufficient to cover operation and maintenance expenses, operating reserves, debt service and reserves under resolutions authorizing the issuance of bonds.

Ad Valorem Taxes, Maintenance Taxes and Utility Taxes. The Board of Supervisors has the power to levy and assess an ad valorem tax on all taxable real and tangible personal property in the District to pay the principal of and interest on any general obligation bonds of the District, to provide for sinking or other funds in connection therewith, and to defray the costs of any project or activity of the District authorized by law. Such taxes are to be in addition to any county or municipal ad valorem taxes. The total amount of such ad valorem taxes levied by the Board of Supervisors in any year shall not be in excess of 30 mills on the dollar per annum on the assessed value of all taxable property in the District. Such taxes shall be based on assessed valuation for county taxes as determined by Orange and Osceola Counties. However, in addition to the ad valorem tax of 30 mills on the dollar per annum, the Board of Supervisors may levy and assess a special ad valorem maintenance tax at a rate not exceeding 10 mills on the dollar per annum on the assessed value of all taxable property in the District for the purpose of defraying any of the costs and expenses of the District, including but not limited to maintenance, repair and operation of the District, costs incurred in connection with the financing of District projects, and the costs of administration. To date, maintenance charges have been fully satisfied out of user fees, regular ad valorem taxes and other revenues of the District and no special ad valorem tax has been assessed by the District. The District also has the power to impose, levy and collect on each and every purchase of electricity, metered or bottled gas, water service, telephone or telegraph service within the District, a utility tax not to exceed 10% of the payments received by the seller of such utility service, excluding the sale of natural gas to a public or private utility. No such tax has been imposed to date.

Ad Valorem Tax Bonds. The District has the power to issue ad valorem tax bonds so long as the aggregate principal amount of bonds outstanding at any one time is not in excess of 50% of the assessed value of the taxable property within the District as shown on the pertinent tax records at the time of the authorization of such bonds. The assessed valuation of property in the District as of January 1, 2024, as certified by the Property Appraisers of Orange and Osceola Counties pursuant to the respective Certifications of Final Taxable Value (the "Certifications of Final Taxable Value"), is \$16,344,490,541. The aggregate principal amount of outstanding ad valorem tax debt of the District as of September 30, 2024 was \$616,460,000 which was approximately 3.77% of such assessed valuation as of January 1, 2024. Upon

issuance of the Series 2024A Bonds in the aggregate principal amount of \$99,300,000, the total principal amount of outstanding Bonds will be \$715,760,000, which is approximately 4.38% of the assessed valuation as of January 1, 2024. Other than refunding bonds, ad valorem tax bonds must be approved at an election in accordance with the applicable provisions of the Constitution and laws of the State of Florida. The District may pledge its full faith and credit for the principal, interest and reserve charges, if any, on such ad valorem tax bonds and for any reserve or other funds provided therefor, and may unconditionally and irrevocably pledge itself to levy ad valorem taxes on all taxable property in the District, to the extent necessary for the payment thereof, subject, however, to the limitations on the total amount of ad valorem taxes that may be levied in any one year as specified in the Act.

Other Borrowings Including Revenue Bonds; Authorization. The District has the power to issue revenue bonds from time to time without limitation as to amount. Such revenue bonds may be secured by or payable from the gross or net pledge of the revenues to be derived from any project or combination of projects, from the rates, fees, fares or other charges to be collected from the users of any project or projects, from any revenue-producing undertaking or activity of the District, or from any other source or pledged security. The Board of Supervisors may combine projects for revenue bonds financing and pledge to the payment of revenue bonds two or more sources of revenue. As of October 1, 2024 the current outstanding principal balance of utility revenue bonds will be \$116,521,000.

The District has the power to issue, without limitation as to amount, bonds payable from the proceeds of any utility service tax levied by the District.

The District may provide for the construction or reconstruction of assessable improvements and for the levying of special assessments upon benefitted property for the payment thereof and the Board of Supervisors may issue assessment bonds payable out of such assessments when collected. Special assessments are collected by the respective tax collectors of Orange and Osceola Counties and are remitted to the District.

The District has the power to issue bond anticipation notes to borrow money for the purposes for which bonds have been authorized. The District may also obtain loans for current expenses or other costs, for a term not exceeding two years, which may be repayable from such revenues, taxes or other funds as the Board of Supervisors may determine.

Comprehensive Plan

Pursuant to the Act, on or before July 1, 2026, the District is required to undertake a comprehensive review and evaluation of its comprehensive plan, zoning regulations, land development regulations, environmental protection regulations, building and safety codes and regulations, platting and subdivision regulations, and fire prevention regulations and adopt revisions to such as the District determines are necessary for the health, safety and welfare and for consistency with the Act.

Future Ad Valorem Tax Bond Financing Plans of the District

Other than the Series 2024A Bonds, the District has not authorized the issuance of any future additional ad valorem tax bonds. However, the District may authorize and issue additional ad valorem tax bonds in the future in accordance with the requirements of the Bond Resolution and the Act, which requirements include the holding of a referendum for approval of the qualified electors in the District.

Description of Major Businesses in the District

Approximately 66% of the land in the District is owned by affiliates of the WDC. Their combined properties, excluding properties leased to others by such affiliates, account for approximately 87% of the assessed valuations in the District, based upon the assessed valuation of taxable property within the District as of January 1, 2023.

Walt Disney World® Resort. *Walt Disney World® Resort* is located within the District, and includes theme parks (the *Magic Kingdom® Park*, *Epcot®*, *Disney's Hollywood Studios®* and *Disney's Animal Kingdom® Theme Park*); hotels; vacation club properties; a retail, dining and entertainment complex (*Disney Springs®* area); a sports complex; conference centers; campgrounds; golf courses; water parks; and other recreational facilities designed to attract visitors for an extended stay.

Magic Kingdom® Park. *Magic Kingdom® Park* consists of six themed areas: *Adventureland* area, *Fantasyland* area, *Frontierland* area, *Liberty Square* area, *Main Street, USA* area and *Tomorrowland* area. Each land provides a unique guest experience featuring themed attractions, restaurants, merchandise shops and entertainment experiences. Additionally, there are daily parades and a nighttime entertainment event.

Epcot®. *Epcot®* consists of four major themed areas: *World Showcase* area, *World Celebration* area, *World Nature* area and *World Discovery* area. Countries represented with pavilions include Canada, China, France, Germany, Italy, Japan, Mexico, Morocco, Norway, the United Kingdom and the United States. All areas feature themed attractions, restaurants, merchandise shops and entertainment experiences. *Epcot* also features a nighttime entertainment event.

Disney's Hollywood Studios®. *Disney's Hollywood Studios®* consists of eight themed areas: Animation Courtyard, Commissary Lane, Echo Lake, Grand Avenue, Hollywood Boulevard, *Star Wars: Galaxy's Edge®*, Sunset Boulevard and Toy Story Land. The areas provide behind-the-scenes glimpses of Hollywood-style action through various shows and attractions and offer themed food service, merchandise shops and entertainment experiences. The park also features nighttime entertainment events.

Disney's Animal Kingdom® Theme Park. *Disney's Animal Kingdom®* consists of a 145-foot tall Tree of Life centerpiece surrounded by five themed areas: Africa land, Asia land, *DinoLand U.S.A.®* area, *Discovery Island®*, and *Pandora – The World of Avatar* area. Each themed area contains attractions, restaurants, merchandise shops and entertainment experiences. The park features more than 300 species of live mammals, birds, reptiles and amphibians and 3,000 varieties of vegetation.

Hotels, Vacation Club Properties and Other Resort Facilities As of September 30, 2023, affiliates of the Walt Disney Company owned and operated 18 resort hotels and vacation club facilities at the *Walt Disney World® Resort*, with approximately 23,000 rooms and 3,600 vacation club units. Resort facilities include 500,000 square feet of conference meeting space and Disney's Fort Wilderness camping and recreational area, which offers approximately 800 campsites.

Disney Springs®. *Disney Springs®* area is a 120-acre retail, dining and entertainment complex and consists of four areas: *Disney Springs® Marketplace*, *Disney Springs® The Landing*, *Disney Springs® Town Center* and *Disney Springs® West Side*. The areas are home to more than 150 venues including the 64,000-square-foot World of Disney retail store and NBA Experience. Most of the *Disney Springs®* area facilities are operated by third parties that pay rent to affiliates of the Walt Disney Company.

Ten independently-operated hotels with approximately 7,000 rooms are situated on property leased from affiliates of the Walt Disney Company.

ESPN Wide World of Sports Complex is a 230-acre center that hosts professional caliber training and competitions, festival and tournament events and interactive sports activities. The complex, which welcomes both amateur and professional athletes, accommodates multiple sporting events, including baseball, basketball, football, soccer, softball, tennis and track and field. It also includes a stadium as well as two venues designed for cheerleading, dance competitions and other indoor sports.

Other recreational amenities and activities available at *Walt Disney World® Resort* include three championship golf courses, miniature golf courses, full-service spas, tennis, sailing, swimming, horseback riding and a number of other sports and leisure time activities. The resort also includes two water parks: *Disney's Blizzard Beach® Water Park* and *Disney's Typhoon Lagoon® Water Park*.

Facilities Serving Walt Disney World® Resort. The District owns the electric, water, gas, hot water and chilled water utilities which provide utility services within the District.

Affiliates of the Walt Disney Company provide transportation systems throughout *Walt Disney World® Resort*, including a monorail system, surface transportation, and water transportation.

The Walt Disney Company has publicly announced several new projects contemplated to be constructed at *Walt Disney World® Resort*. See <https://thewaltdisneycompany.com/d23-disney-experiences-horizons-digital-announcements/> and <https://d23.com/avengers-campus-expansion-villains-themed-land-encanto-attraction-and-monsters-inc-land-unveiled-at-disney-experiences-showcase/> for more information on those projects.

Certain Information on the Walt Disney Company and Affiliates. The common stock of the Walt Disney Company is listed for trading on the New York Stock Exchange. The Walt Disney Company is subject to the information requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC") which may be inspected and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please contact the SEC at (800) SEC-0330 for information on the operation of the Public Reference Room. Information set forth in the most recent Forms 8-K, 10-K and 10-Q filed by the Walt Disney Company with the SEC is available at the locations referred to above and online at www.sec.gov and www.disney.com/investors. Reference should be made to the foregoing for information on the Walt Disney Company and its affiliates.

The foregoing information under this subheading "Description of Major Businesses in the District" regarding the WDC and the WDW Resort has been obtained from the 10-K filing of the WDC with the SEC as of September 30, 2023. Neither the Underwriters, their counsel nor the District, its counsel nor the District's disclosure counsel has performed any independent investigation of the information and does not guarantee the accuracy or completeness of such information and does not make any representations as to the continued accuracy of such information after the date of such 10-K.

Taxation

Ad Valorem Taxes. The Board of Supervisors of the District has the power, under the Act, to levy and assess an ad valorem tax on all taxable real and tangible personal property in the District, to provide for sinking or other funds in connection therewith, and to defray the cost of District projects and

activities. Such taxes are in addition to any county or municipal ad valorem taxes. See " - Powers - Ad Valorem Taxes, Maintenance Taxes and Utility Taxes" above.

The Board of Supervisors of the District sets the millage rate to be applied against taxable property in the District. The real property tax bills are mailed to property owners on or about November 1 each year. The taxpayer is entitled to a 4% discount if taxes are paid in November; a 3% discount if paid in December; a 2% discount if paid in January next following; and a 1% discount if paid in February. Taxes may also be paid in installments over a four-month period ending in the March next following the November levy; in such cases the taxpayer is not allowed a discount. Taxes unpaid as of April 1 become delinquent and are subject to penalty, interest and the issuance of a tax deed and foreclosure in accordance with laws of the State of Florida. Delinquent District taxes, tax sales certificates, and penalties and costs relating thereto constitute a lien in favor of the District of equal dignity with the liens of state and county taxes.

Millage Rollback Legislation. In 2007, the State of Florida Legislature adopted a property tax plan which significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 fiscal year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in fiscal year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by zero to nine percent (0% to 9%). In addition, the Millage Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body. These limits pertain only to the levy of the operating portion of the District's ad valorem tax millage.

Homestead Exemption. In addition to other general exemptions, the State Constitution also provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption.

Other Legislative Proposals. In the past several legislative sessions, amendments were passed affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as the permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

During recent years, various other legislative proposals and constitutional amendments relating to ad valorem taxation and revenue limitation have been introduced in the State of Florida legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State of Florida to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or cause a reaction in, Ad Valorem Taxes.

Basis of Valuation. Ad Valorem Taxes of the District are based on the assessed valuation for county taxes of tangible real and tangible personal property in the District. Property is valued for tax purposes as of January 1 of each year. Valuation is based on the fair market value of the property, taking into account actual use (agriculture, commercial, etc.) and applicable zoning and other use restrictions. Certain property, including property owned by the District itself, homesteads and other types of property are by law exempt from Ad Valorem Taxes.

Property owners are notified of increases in valuation on or before each July 1, and may take an appeal to the applicable County Value Adjustment Board which meets the following September. Assessments are subject to review and adjustment by the Department of Revenue of the State of Florida.

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The table below sets forth total taxable assessed property based on the Certifications of Final Taxable Value issued by Orange County and Osceola County regarding property in the District, as well as millage rates and total tax levies for the District for the Fiscal Years ended September 30, 2014 through 2024 (tax years 2013-2023). For information concerning total Ad Valorem Taxes collected, see " – Taxation - Collection of District Taxes":

<u>Taxable Assessed Property</u>							
Fiscal Year Ended September 30,	(1) Assessed Value of Property Within District (\$ in thousands)	Debt Service Millage Rates (mills)	General Operating Millage Rates (mills)	(2) Tax Bill Amount (\$ in thousands)	Percentage of Tax Roll		
					The Walt Disney Company Related %	(3) Other %	(4) Percent Collected %
2014	\$7,714,277	4.3008	7.5045	\$ 91,069	89.10	10.90	99.99
2015	8,281,651	4.7131	7.8618	104,141	88.80	11.20	99.99
2016	9,328,586	4.9323	7.3388	114,472	85.40	14.60	99.99
2017	9,876,278	4.8993	7.5000	122,459	86.30	13.70	99.99
2018	10,617,333	5.0670	6.9630	127,727	86.10	13.90	99.99
2019	11,699,205	5.4806	6.9190	145,065	86.20	13.80	99.99
2020	12,625,711	4.9677	7.3231	155,180	86.70	13.30	99.99
2021	13,187,381	4.2962	6.8467	146,946	86.60	13.40	99.99
2022	12,432,754	4.9100	8.6641	168,763	87.70	12.30	99.99
2023	13,429,727	4.6400	9.2600	186,673	86.30	13.70	99.99
2024	15,252,970	3.9600	8.9900	197,526	86.80	13.20	99.99

- (1) Assessed values in years 2015 through 2021, as applicable, have been adjusted to reflect the resolution of certain valuation disputes with the Orange County Property Appraiser.
- (2) Tax bills are mailed to property owners on or about November 1. Payments are due by the following March 31. See " – Taxation – Ad Valorem Taxes" above.
- (3) The majority of taxpayers in this category are lessees of property owned by companies that are affiliated with the WDC.
- (4) Percentages are net of adjustments resulting from changes made in assessed values by the Orange County and Osceola County Tax Assessors after taxes were levied, and/or discounts for early payment were applied.

Source: District Tax Records.

Assessed Valuations; Description of Properties. Taxable property within the District in Orange County consists of substantially all of the developed property within the District. For Fiscal Years 2023 and 2024 (tax years 2022 and 2023, respectively), total assessed valuation of taxable property within the District in Orange County, based on the Certifications of Final Taxable Value, was \$12,693,078,083 and \$14,459,495,668, respectively.

Taxable property within the District in Osceola County consists principally of land set aside for conservation areas, water storage areas and agricultural uses. For Fiscal Years 2023 and 2024 (tax years 2022 and 2023, respectively), total assessed valuation of taxable property within the District in Osceola County, based on the Certifications of Final Taxable Value, was \$736,648,445 and \$793,474,323, respectively.

The table following identifies the major taxpayers of the District and indicates their type of business and assessed valuation for the Fiscal Years indicated (for information concerning the gross ad valorem tax revenues generated from the major taxpayers of the District, see " – Taxation - *Collection of District Taxes*" below). Approximately 66% of the land in the District is owned by affiliates of the WDC. Their combined properties, excluding properties leased to others by such affiliates, account for approximately 86.8% of the assessed valuations in the District, based upon the assessed valuation of taxable property within the District as of January 1, 2023 as set forth in the Certifications of Final Taxable Value.

Assessed Valuation of Major Taxpayers
Total Gross Assessed Valuation ⁽¹⁾
For Fiscal Year Ended September 30
(\$ in thousands)

Taxpayer	Type of Business	2020	2021	2022	2023	2024
Walt Disney Company and Affiliates (2)	Theme Park / Resort	\$10,947,826	\$11,419,701	\$10,907,179	\$11,592,335	\$13,240,045
HHR FS Orlando Hotel & Golf	Lodging / Sports	283,531	309,073	314,425	364,474	400,201
Dolphin	Lodging	336,562	361,116	294,249	318,771	351,435
Swan	Lodging	162,970	158,583	128,956	140,381	154,125
Palace Resort & Spa	Lodging	112,566	122,838	118,571	128,961	141,930
Hilton	Lodging	120,675	130,823	106,217	114,472	121,484
Swan Reserve	Lodging	-	-	-	114,775	113,965
Orlando Hotel Group	Lodging	14,777	15,200	32,360	101,334	106,011
Wyndham	Lodging	40,215	49,611	46,760	50,747	54,723
JL-FX Hotel Development, LLC	Lodging	51,924	47,480	41,733	45,282	49,066
Drury Hotels	Lodging	19,572	21,073	22,998	24,457	45,766
Duke Energy	Utility	35,377	38,098	42,001	42,836	44,250
B Resort & Spa	Lodging	25,622	28,202	30,179	32,297	35,181
Holiday Inn	Lodging	30,422	33,503	27,206	30,081	33,565
Sunbelt Rentals	Leasing	31,280	26,515	18,954	19,637	28,332
Doubletree	Lodging	22,188	24,245	21,936	23,827	27,453
Landry's Restaurants, Inc.	Dining	24,653	25,990	21,371	22,809	25,108
FL Solar	Utility	28,158	18,377	18,036	18,498	21,817
Century Golf Partners	Sports / Recreation	17,489	17,876	18,001	18,357	18,663
AMC Theatres	Entertainment	21,353	23,571	14,833	14,511	18,019
Smart City Telecommunications	Utility	19,015	19,377	19,197	16,361	17,897
Crown Castle Solutions Corporation	Utility	18,691	16,624	15,330	19,064	17,414
House of Blues	Entertainment	12,608	13,833	11,194	12,003	13,121
Hess Retail/Speedway LLC	Fuel / Convenience	10,993	11,407	11,337	12,011	12,315
AT&T Mobility	Communications	14,338	13,247	11,187	9,813	10,307
Harvest Power Orlando	Utility	12,968	10,574	-	-	-
Others	Entertainment	209,938	230,444	138,544	141,633	150,777
Total		\$12,625,711	\$13,187,381	\$12,432,754	\$13,429,727	\$15,252,970

(1) As of January 1 of the previous year.

(2) Assessed value in 2021 has been adjusted to reflect Orange County Property Appraiser settlements covering fiscal years 2016 through 2021.

Source: District Tax Records.

The District has prepared the following historical Summary Statement of Revenues, Expenditures and Changes in Fund Balance of the General and Debt Service Funds.

**Summary Statements of Revenues, Expenditures and Changes
in Fund Balance of the General and Debt Service Funds
For the Fiscal Years Ended September 30,**

	Audited			2024	2025
	2021	2022	2023	(Unaudited)	(Budgeted)
REVENUES:					
Ad Valorem Taxes - Net (1)	\$139,410,395	\$161,996,588	\$179,283,918	\$189,305,037	\$205,228,870
Intergovernmental	-	446,263	-	-	-
Building Permits and Fees	2,879,924	3,107,627	3,476,522	5,465,248	5,750,000
Drainage Fees	927,339	441,953	64,553	922,614	2,950,000
Interest from Investments	-	(1,645,846)	4,081,352	2,485,731	1,250,000
Emergency Service Fees	9,651	85,025	81,730	-	-
Other	735,662	726,064	625,253	217,933	325,000
Total Revenues	<u>143,962,971</u>	<u>165,157,674</u>	<u>187,613,328</u>	<u>198,396,563</u>	<u>215,503,870</u>
EXPENDITURES:					
Administrative	10,219,208	10,003,406	15,927,875	16,288,894	12,909,496
Human Resources	1,064,357	1,230,227	1,200,991	1,647,950	1,808,761
Information Systems & Technology	3,748,121	4,698,490	4,943,425	6,855,167	8,852,382
Property Management	4,136,698	4,103,642	5,403,304	5,269,347	5,853,012
Environmental Sciences	4,746,612	4,714,662	5,440,773	5,091,017	6,887,893
Building and Safety	5,616,794	5,839,426	5,475,280	5,023,882	7,100,016
Emergency Services	33,829,540	36,953,789	44,052,012	46,997,722	51,168,761
Water Control & Roadways	25,510,977	28,298,887	32,713,195	34,267,382	45,411,261
Planning and Engineering	3,109,855	3,562,755	3,568,445	4,415,222	8,464,914
Capital Outlay	1,730,447	2,074,139	7,185,755	6,147,073	5,761,170
Debt Service	58,619,504	58,522,024	59,058,346	58,830,356	66,892,971
Total Expenditures	<u>152,332,113</u>	<u>160,001,447</u>	<u>184,969,401</u>	<u>190,834,012</u>	<u>221,110,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,369,142)</u>	<u>5,156,227</u>	<u>2,643,927</u>	<u>7,562,551</u>	<u>(5,606,767)</u>
Other Financing Sources (Uses):					
Insurance recoveries	-	565,055	-	-	-
Lease Proceeds	-	-	701,815	-	-
Transfers In (Out)	68,006	-	-	-	-
Total Other Financing Sources (Uses)	<u>68,006</u>	<u>565,055</u>	<u>701,815</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(8,301,136)</u>	<u>5,721,282</u>	<u>3,345,742</u>	<u>7,562,551</u>	<u>(5,606,767)</u>
Fund Balance, Beginning of Year	<u>46,309,924</u>	<u>38,008,788</u>	<u>43,730,070</u>	<u>47,075,812</u>	<u>54,638,363</u>
Fund Balance, End of Year (2) (3)	<u>\$38,008,788</u>	<u>\$43,730,070</u>	<u>\$47,075,812</u>	<u>\$54,638,363</u>	<u>\$49,031,596</u>

(1) Net of prepayment discounts and other deductions. See " - Taxation – Ad Valorem Taxes."

(2) The District's Fund Balance Policy (as defined herein) requires that unassigned fund balance in the general fund will be budgeted at a level at least equal to two months of budgeted general fund operating expenditures, or as otherwise required by applicable law.

(3) Consists of the combined fund balance of the General Fund and Debt Service Funds. Certain amounts are reserved for specific purposes such as capital projects and debt service.

Source: District Finance Office.

Direct and Overlapping Taxes. The following table identifies governmental units authorized to levy ad valorem taxes on taxable real and tangible personal property in the District, and the millage levied for Fiscal Year ending September 30, 2024.

Governmental Unit	Millage	Total Millage
Central Florida Tourism Oversight District:		
General Operating	8.9900	
Debt Service	3.9600	12.9500
City of Bay Lake (1)		1.8850
City of Lake Buena Vista (1)		1.9243
Orange County:		
Commission	4.4347	
School	6.4210	
South Florida Water Management District	0.2301	
Library	0.3748	11.4606
Osceola County:		
Commission	6.7000	
School	5.5040	
South Florida Water Management District	0.2301	
Library	0.3000	12.7341

(1) The City of Bay Lake and the City of Lake Buena Vista are located in Orange County.
Source: Orange and Osceola County Tax Records.

Collection of District Taxes. The Assessed Valuations within the District are certified to the District by the Property Appraisers of Orange and Osceola Counties. The District levies its Ad Valorem Taxes based on these Assessed Valuations. Orange and Osceola Counties collect its taxes in like manner as prescribed by law for the collection of counties taxes, and remit those monies to the District.

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The following table sets forth total District Ad Valorem Taxes collected for the Fiscal Years ended September 30, 2014 through 2023 (tax years 2013 through 2022) (for information concerning the total taxable assessed property within the District, see "- Taxation - *Basis of Valuation*" above):

Collection of District Taxes

Fiscal Year Ended September 30,	(1) Total Tax Levy (\$ in thousands)	(1) Collections as a Percent of Total Tax Levy (%)	(1)(2) Adjustments and Discounts (\$ in thousands)	Total Net Tax Collections (\$ in thousands)	(3) Collections as a Percent of Net Tax Levy (%)
2014	\$ 91,069	95.77	\$3,849	\$87,220	99.99
2015	104,141	96.03	4,132	100,009	99.99
2016	114,472	95.42	5,244	109,228	99.99
2017	122,459	96.05	4,832	117,627	99.99
2018	127,727	96.20	4,849	122,878	99.99
2019	145,065	93.46	9,480	135,585	99.99
2020	155,180	95.67	6,719	148,461	99.99
2021	146,946	94.87	7,536	139,410	99.99
2022	168,763	95.99	6,766	161,997	99.99
2023	186,673	96.04	7,389	179,284	99.99

- (1) Amounts in years 2015 through 2021, as applicable, have been adjusted to reflect the resolution of certain valuation disputes with the Orange County Property Appraiser.
- (2) Adjustments resulting from changes made in assessed values by the Orange County and Osceola County Tax Assessors after taxes were levied.
- (3) Net Tax Levy includes reductions for adjustments described in (2) and discounts for early payment.
- Source: Orange and Osceola County Tax Records.

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Tourism

Certain information regarding tourism and demographics in the areas surrounding the District is included in Appendix E hereto.

Investment Policy

The District maintains an investment policy in accordance with Chapters 67-764 Laws of Florida. The investment policy applies to all of the financial assets under the control of the District except those otherwise restricted by ordinance or resolution by the District Board of Supervisors, or other statutory or administrative law. The purpose of the investment policy is to set forth the investment objectives and parameters for the management of the District funds. The investment policy is designed to ensure prudent management, availability of operating funds when needed, and an investment return competitive with comparable funds and financial market indices. The District's investment policy is reviewed annually, and any amendments would be approved by the District's Board of Supervisors. The current investment policy was adopted by the District on May 20, 2020.

Debt Management Policy

The District maintains a debt policy in accordance with the Internal Revenue Code, Florida Statutes and the Local District Charter. The debt policy sets forth the parameters for issuing debt and managing outstanding debt, including the timing and purpose for which debt may be issued, types and amounts of permissible debt, the method of sale that may be used and structural features that may be incorporated. Adherence to the debt policy helps to ensure that the District maintains a sound debt position and that credit quality is protected. The District's debt policy is reviewed annually, and any amendments would be approved by the District's Board of Supervisors. The current debt policy was adopted by the District on March 3, 2022.

Fund Balance Policy

The District maintains a fund balance policy in accordance with the recommendations of the Government Finance Officers Association's fund balance policy and with generally accepted accounting principles (GAAP). The purpose of the policy is to establish guidelines to ensure that the District maintains adequate levels of fund balance in the general fund, to mitigate current and future risks, help ensure stable tax rates for the taxpayers, and ensure that the District has sound financial management policies and practices. The District's policy requires that unassigned fund balance in the general fund will be budgeted at a level at least equal to two (2) months of budgeted general fund operating expenditures, or as otherwise required by applicable law. The policy also describes the types of obligations the District should reserve as committed and/or assigned fund balance. The District's fund balance policy was adopted by the District on July 26, 2023.

PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS

FRS Pension Plan

All full-time employees of the District participate in the Florida Retirement System (the "FRS"), a multiple-employer cost-sharing public retirement system administered by the State. The FRS provides

two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (the "FRS Pension Plan") and the Retiree Health Insurance Subsidy (the "HIS Plan"). Employees can elect participation in either the FRS Pension Plan or the defined contribution plan, which is administered by the State Board of Administration. FRS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The State annually issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The latest available report may be obtained at:

www.dms.myflorida.com/workforce_operations/retirement/publications.

The District has no responsibility to the FRS other than to make the periodic payments required by the Florida Statutes. The contribution rates by job class for the District's Fiscal Year ended September 30, 2023 were as follows for the Pension Plan: regular 11.91% from October 1, 2022 through June 30, 2023 and 13.57% from July 1, 2023 through September 30, 2023; special risk (e.g. emergency services personnel) 27.83% from October 1, 2022 through June 30, 2023 and 32.67% from July 1, 2023 through September 30, 2023; special risk administrative support 38.65% from October 1, 2022 through June 30, 2023 and 39.82% from July 1, 2023 through September 30, 2023; senior management service 31.57% from October 1, 2022 through June 30, 2023 and 34.52% from July 1, 2023 through September 30, 2023 and the deferred retirement option program (DROP) 18.60% from October 1, 2022 through June 30, 2023 and 21.13% from July 1, 2023 through September 30, 2023. The contribution rates by job class for the District's Fiscal Year ended September 30, 2023 were as follows for the Investment Plan: regular 11.30%; special risk (e.g. emergency services personnel) 19.00%; special risk administrative support 12.95%; and senior management service 12.67%

Information regarding the District's proportionate share of the FRS Pension Plan liability and related HIS Plan liability as of September 30, 2023 is included in Appendix A hereto - Note 9 in the Notes to Financial Statements of the District as of and for Fiscal Year ended September 30, 2023 and the Required Supplementary Information which follows such Notes.

Other Post Employment Benefit Plans

The District provides health-related and death benefits to retirees and certain former employees. This Other Post Employment Benefit (OPEB) plan is a single-employer plan and does not issue a stand-alone financial report. The District pays current benefits under its OPEB plan as they come due from its general operating revenues. The plan's financial activity is included in the fiduciary fund statements of the District's Financial Statements.

The District established the VEBA Trust in 2018 and has contributed annually to the Trust, although contributions are not codified or mandated. The trustee of the VEBA Trust is U.S. Bank, National Association. Investments of the VEBA Trust, actuarial assumptions, benefits provided, contributions and net OPEB liability at September 30, 2023 are included in Appendix A hereto – Note 10 in the Notes to Financial Statements of the District as of and for Fiscal Year ended September 30, 2023 and the Required Supplementary Information which follows such Notes. The District contributed \$1,000,000 to the VEBA Trust in Fiscal Years 2023 and 2024 and the total amount on deposit as of September 30, 2023 is \$16,527,216.

The District's net OPEB liability for Fiscal Year ended September 30, 2023 is \$50,544,621, an \$607,708 decrease from the Fiscal Year ended September 30, 2022. The decrease was due primarily to an increase in the assumed investment rate of return on investments in the OPEB trust from 4.00% at September 30, 2022 to 4.09% at September 30, 2023. For Fiscal Year 2023, the actuarial assumptions included an inflation rate of 2.50%, an overall payroll growth rate assumption of 3.50% and a long-term expected rate of return of 4.09%.

OUTSTANDING BONDS SECURED BY AD VALOREM TAXES

The following table provides principal amounts of the District's Outstanding Bonds, not including the Series 2024A Bonds, secured by Ad Valorem Taxes, as of October 1, 2024:

<u>Series of Bonds</u>	<u>Principal Amount Outstanding</u>
Series 2015A Bonds	\$7,225,000
Series 2016A Bonds	150,270,000
Series 2017A Bonds	158,310,000
Series 2020A Bonds	300,655,000
Total	<u>\$616,460,000</u>

Source: District Finance Office.

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AGGREGATE AD VALOREM DEBT SERVICE SCHEDULE

The following table sets forth the debt service for the Outstanding Bonds issued by the District and payable from Ad Valorem Taxes:

Fiscal Year Ended September 30	Outstanding Bond Debt Service	Series 2024A Bonds			Total Debt Service
		Principal	Interest	Total	
2025	58,516,296				
2026	58,512,790				
2027	58,514,460				
2028	58,512,655				
2029	58,513,385				
2030	58,514,601				
2031	58,516,148				
2032	58,517,833				
2033	58,521,348				
2034	58,521,391				
2035	58,520,667				
2036	58,522,528				
2037	58,521,045				
2038	25,698,160				
Totals ⁽¹⁾	<u>\$786,423,307</u>				

⁽¹⁾ Totals may not foot due to rounding.

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LITIGATION

As of the date of this Official Statement, there is no pending litigation restraining or enjoining the issuance or delivery of the Series 2024A Bonds or the proceedings and authority under which they are to be issued or the pledge established by the Bond Resolution, or which would adversely affect the District's ability to pay principal of and interest on the Series 2024A Bonds. Neither the creation, organization or existence of the District, nor the title of the present members of the Board of Supervisors of the District or other officers of the District to their respective offices is being contested.

Ad Valorem Tax Challenges

Some taxpayers in the District have filed lawsuits challenging the valuation of commercial parcels located in the District and/or contesting the legality, validity and methodology of ad valorem assessments made by the Property Appraiser on the parcels. Some of these challenges have resulted in downward adjustments to assessed valuations in certain years that reduced the amount of taxes owed resulting in refunds due to certain taxpayers. The District cannot predict whether future similar challenges will occur, whether those challenges will result in future refunds to taxpayers or the timing of future settlements. However, in fiscal years 2023 and 2024, the District budgeted \$5 million and \$6 million, respectively, to fund potential financial obligations arising from property appraiser settlements. The District increased the budgeted amount for such settlements to \$6.5 million in fiscal year 2025. The largest settlement paid by the District in any given year was just under \$6 million in fiscal year 2021, which resulted in a decrease in assessed valuations of approximately \$516 million over a 6-year period. The second largest settlement paid by the District was approximately \$3.5 million in fiscal year 2019. The District continues to monitor the ongoing challenges and the committed fund balance attributable to such potential settlements as appropriate. See Tables entitled "Taxable Assessed Property" and "Assessed Valuation of Major Taxpayers" under "THE DISTRICT-Taxation" herein.

The District and Walt Disney Parks and Resorts U.S., Inc. Litigation

Walt Disney Parks and Resorts U.S., Inc. ("WDPR") v. Ronald DeSantis, et. al., United States District Court for the Northern District of Florida Fla. Case No. 4:23-cv-00163-MW-MJF

On April 26, 2023, WDPR filed a suit with the United State District Court for the Northern District of Florida (the "District Court") against the members of the District's Board of Supervisors and its executive administrator in their official capacities (the "District Defendants") alleging retaliation against plaintiff in violation of the First Amendment to the United States Constitution. The complaint requested the District Court to invalidate the Act which changed the governance structure of the District to the current structure providing that the Governor appoint the five members of the Board. On June 18, 2024, the parties reached a settlement and the case was subsequently dismissed.

Central Florida Tourism Oversight District v. Walt Disney Parks and Resorts U.S., Inc., Orange County Circuit Court Case No. 2023-CA-011818-O

On May 1, 2023, the District filed a suit with the Orange County Circuit Court (the "Circuit Court") against WDPR seeking declaratory and injunctive relief regarding the validity of a development agreement and a declaration of restrictive covenants, long-term agreements entered into between WDPR

and the Reedy Creek Improvement District under the governance of the prior members of the District's Board of Supervisors. On March 27, 2024, the parties reached a settlement, and this litigation was subsequently dismissed.

Walt Disney Parks and Resorts U.S., Inc. v. Central Florida Tourism Oversight District, Orange County Circuit Court Case No. 2023-CA-017887-O

On December 22, 2023 WDPR filed a suit with the Circuit Court challenging certain District practices and procedures governing the retention of public records pursuant to chapter 119, Florida Statutes, and claiming that the District did not provide all public records responsive to WDPR's request. The District answered, denying liability and asserting various affirmative defenses. On March 27, 2024, the parties reached a settlement and this litigation was subsequently dismissed.

BONDHOLDER RISK FACTORS

Tourism Industry

The largest tax payers in the District are corporations who operate primarily in the tourism industry. The ability of such largest tax payers in the District to pay Ad Valorem Taxes could be affected adversely by, among other things, legislation, regulatory actions, changes in demand for services, economic conditions, demographic changes, hurricanes, litigation and public health emergencies. Also see "APPENDIX E" hereto for certain information regarding tourism in Orange and Osceola Counties.

COVID-19 Pandemic and other Infectious Disease Outbreaks

The outbreak of the highly contagious COVID-19 in the United States in March 2020 (the "Covid Pandemic") generally had a disruptive financial impact on local, state and national economies around the country, including without limitation fueling inflation and creating supply chain issues. COVID-19 was considered a Public Health Emergency of International Concern by the World Health Organization. This led to quarantine and other "social distancing" measures throughout the United States.

Due to concerns surrounding the Covid Pandemic, on March 12, 2020, the WDC announced the closure of the theme parks at the Walt Disney World Resort ("WDWR") in the District, beginning close of business March 15, 2020 through the end of March, 2020. On March 15, 2020, the Company announced the closure of the WDC hotels beginning 5 pm on March 20, 2020 and the retail and dining complex at Disney Springs at midnight on March 16, 2020. On May 27, 2020, the Company announced a phased approach of reopening starting with two theme parks on July 11 and the remaining two theme parks on July 15, 2020. The District cannot predict how future outbreaks of contagious disease, including but not limited to Covid 19, could affect tourism or other aspects of the local or the global economy or the suspension or termination of services provided by businesses in the District, including the WDC or its affiliates and the WDWR or other WDC establishments or establishments owned by other entities that own property within the District; or the financial impact that such suspensions, terminations or economic effects could have on property owners in the District.

Extreme Weather Events and Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes which could result in negative economic impacts on businesses and tourism in the District. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to businesses in the District. The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the District. However, to mitigate against such impacts, the District implemented a Hurricane Plan and Building Emergency Response Plan approximately 10 years ago. In addition, although not statutorily required to do so, the Board of Supervisors of the District approved a Comprehensive Emergency Management Plan in February 2023, which serves as a guiding operational framework for activities before, during and after a disaster or emergency. The District is currently working on a Continuity of Operations Plan with a planned completion date by the end of 2025.

Cybersecurity

The District and businesses operating in the District, rely on a technological environment to conduct operations. As such, they are vulnerable to cybersecurity threats including but not limited to hacking, viruses, malware and other attacks on computers, other sensitive digital systems, and networks. There can be no assurance that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant.

The District has established a comprehensive cybersecurity plan. This plan is guided by the National Institute of Technology (NIST) Cyber Security Framework (CSF) standards. It aims to safeguard the District's assets, data and infrastructure against emerging threats while ensuring adherence to industry standards. The District also maintains insurance that covers liabilities and costs related to certain cyber events with limits and retentions commensurate with the scope and size of the District, and also subject to market standard terms and conditions.

Concentration of Land Ownership in District

At closing of the sale of the Series 2024 Bonds it is expected that all or a majority of the lands within the District will continue to be owned either directly or indirectly by the WDC or affiliates thereof. In the unlikely event of the institution of bankruptcy or similar proceedings with respect to the WDC or any other subsequent significant owner of property within the District, delays could most likely occur in the payment of debt service on the Series 2024 Bonds. Such bankruptcy could negatively impact the ability of the Tax Collector to sell tax certificates in relation to such property with respect to the Ad Valorem Taxes.

Landowner Challenge of Assessed Valuation

State law provides both administrative and judicial procedures whereby a taxpayer may contest the assessed valuation of his or her property determined by the Property Appraiser. If the individual property owner believes that its property has not been appraised at just value, the owner may (i) request an informal conference with the Property Appraiser to resolve the issue, (ii) file a petition with the clerk

of the county value adjustment board, or (iii) appeal to the Circuit Court within sixty (60) days of the certification for collection of the tax roll or within sixty (60) days of the issuance of a final decision by the value adjustment board. A petitioner before the value adjustment board who challenges the assessed value of property must pay all non-ad valorem assessments and make a partial payment of at least 75% of the ad valorem taxes, less any applicable discount, before the taxes become delinquent. Before any judicial action to contest a tax assessment may be brought, the taxpayer shall pay to the tax collector not less than the amount of the tax which the taxpayer admits in good faith to be owing. During any such proceeding, all procedures for the collection of the unpaid taxes are suspended until the petition or suit is resolved. Several property owners have filed petitions challenging assessed valuations in multiple years. If the petitioner is successful the District may be obligated to repay any overpayment that may be determined. The District has established a reserve to fund potential payment obligations that may result from successful challenges to assessed valuations. In fiscal year 2024 the District budgeted \$6,000,000 to fund potential financial obligations that may arise from a successful challenge to assessed valuations. See "LITIGATION" herein for a description of prior challenges of the assessed valuation of property in the District by landowners in the District.

Economic Conditions

The value of property in the District and the ability of the tax payers in the District to pay Ad Valorem Taxes may be affected by changes in general economic conditions, fluctuations in the real estate market, decline in tourism and other factors beyond the control of the tax payers or the District.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements that the District must continue to meet after the issuance of the Series 2024A Bonds in order that the interest on the Series 2024A Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Series 2024A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024A Bonds. The District have covenanted in the Bond Resolution and the Series 2023 Indenture to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2024A Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications of the District and certain other participants in the issuance of the Series 2024A Bonds and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings, and court decisions, the interest on the Series 2024A Bonds is excludable from gross income of the holders thereof for federal income tax purposes; and, further, interest on the Series 2024A Bonds is not an item of tax preference 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 Series 2024A Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2024A Bonds and the interest thereon are not subject to taxation under the laws of the State, 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 in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series

2024A Bonds. Prospective purchasers of the Series 2024A Bonds should consult their own tax advisors as to the status of interest on the Series 2024A Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2024A Bonds will be based on and will assume the accuracy of certain representations and certifications of the District and certain other participants in the issuance of the Series 2024A Bonds, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2024A Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2024A Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2024A Bonds, or the ownership or disposition of the Series 2024A Bonds. Prospective purchasers of Series 2024A Bonds should be aware that the ownership of Series 2024A Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2024A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2024A Bonds, (iii) the inclusion of the interest on the Series 2024A Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2024A Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Series 2024A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Series 2024A Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Series 2024A Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2024A Bonds. Prospective purchasers of the Series 2024A Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance of the Series 2024A Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Premium

Certain of the Series 2024A Bonds (collectively, the "Discount Bonds") were 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 Series 2024A 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.

Certain of the Series 2024A Bonds (collectively, the “Premium Bonds”) were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount Bonds or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax 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, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2024A Bonds, or adversely affect the market price or marketability of the Series 2024A 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 Series 2024A Bonds. Prospective purchasers of the Series 2024A 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 Series 2024A 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 Series 2024A 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 Series 2024A Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Series 2024A Bonds and proceeds from the sale of Series 2024A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2024A Bonds. This withholding generally applies if the owner of Series 2024A 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 Series 2024A 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.

PROSPECTIVE PURCHASERS OF THE SERIES 2024A BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2024A BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2024A BONDS.

Audit Risk

The IRS routinely examines bond issues of state and local governments, including bonds issued by special districts. Owners of the Series 2024A Bonds are advised that, if the IRS does audit the Series 2024A Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2024A Bonds may have limited rights to participate in such procedure. The Bond Resolution does not provide for any adjustment to the interest rates borne by the Series 2024A Bonds in the event of a change in the tax-exempt status of the Series 2024A Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024A Bonds would adversely impact both liquidity and pricing of the Series 2024A Bonds in the secondary market.

There can be no assurance that an audit by the IRS of the Series 2024A Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

CONTINGENT FEES

The District has retained Bond Counsel, the Municipal Advisor and Disclosure Counsel with respect to the authorization, sale, execution and delivery of the Series 2024A Bonds. Payment of the fees of such professionals and the fees of Underwriters' Counsel are each contingent upon the issuance of the Series 2024A Bonds.

MUNICIPAL ADVISOR

Public Resources Advisory Group, Inc., St. Petersburg, Florida, is serving as municipal advisor to the District (the "Municipal Advisor"). Although the Municipal Advisor assisted in the preparation of this Official Statement, and in other matters relating to the planning, structuring and issuance of the Series 2024A Bonds and provided other advice, the Municipal Advisor is not obligated to undertake and has not undertaken to make an independent verification of the accuracy, completeness or fairness of the information or statements contained in this Official Statement or the appendices hereto. The Municipal Advisor did not engage in any underwriting activities with regard to the sale of the Series 2024A Bonds. The Municipal Advisor is an SEC registered municipal advisor and is not engaged in the business of underwriting, marketing or trading of municipal securities or any other negotiable instruments.

UNDERWRITING

The Underwriters listed on the cover page have agreed, subject to certain conditions, to purchase the Series 2024A Bonds from the District at an aggregate purchase price equal to \$_____ * (par of \$99,300,000* and less underwriters' discount of \$_____).

The Series 2024A Bonds may be offered and sold to certain dealers (including underwriters and other dealers depositing such Series 2024A Bonds into investment trusts) at prices lower than or yields greater than the public offering prices and yields set forth on the front cover of this Official Statement, and such public offering prices and yields may be changed, from time to time, by the Underwriters.

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 affiliates may have certain creditor and/or other rights against the District and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. 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.

BofA Securities, Inc., an underwriter of the Series 2024A Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2024A Bonds.

RATINGS

S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") have assigned their municipal bond ratings of "AA-" (stable outlook), and "AA-" (stable outlook), respectively, to the Series 2024A Bonds. Certain information and materials not included in this Official Statement were furnished to the rating agencies. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. Such credit ratings reflect only the views of such rating agencies, and an explanation of the respective significance of such credit ratings may be obtained from the rating agencies. There is no assurance that such credit ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by any of such rating agencies, if in their respective judgments circumstances so warrant. A revision or withdrawal of any such credit rating may have an adverse effect on the market price of the Series 2024A Bonds.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the validity of the Series 2024A Bonds and the issuance thereof by the District are subject to the approval of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel, whose approving opinion (in the proposed form attached hereto as Appendix C) will be delivered on the date of issuance of the Series 2024A Bonds. Certain legal matters will be passed on for the District by Roy Payne, Esq., General Counsel for the District and by Bryant Miller Olive P.A., Orlando, Florida Disclosure Counsel to the District. Marchena and Graham, P.A., Orlando, Florida is acting as counsel for the Underwriters.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Series 2024A Bondholders to provide certain financial information and operating data relating to the District and the Series 2024A Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated material events. Such covenant shall only apply so long as the Series 2024A Bonds remain Outstanding under the Bond Resolution. The covenant shall also cease upon the termination of the continuing disclosure requirements of SEC Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative actions. The Annual Report and the notices of material events will be filed by the District with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System commonly referred to as "EMMA." The specific nature of the information to be contained in the Annual Report and the material events for which notice will be provided are described in Appendix D - Form of Disclosure Dissemination Agent Agreement hereto, which shall be executed by the District at the time of issuance the Series 2024A Bonds. The District has retained the services of Digital Assurance Certification, L.L.C. as its Disclosure Dissemination Agent to provide information notices to the MSRB. These covenants have been made in order to assist the Underwriters in complying with the Rule. With respect to the Series 2024A Bonds, no party other than the District is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule.

LEGALITY FOR INVESTMENT IN FLORIDA

The Act provides that the Series 2024A Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other

fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State of Florida, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY LAWS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District is not and has not since December 31, 1975 been in default as to principal and interest on any of its bonds or other debt obligations.

CERTIFICATION CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2024A Bonds, the Chair or the Vice Chair of the Board of Supervisors of the District will furnish a certificate to the effect that, to the best of his/her knowledge, the Official Statement (other than information contained therein concerning DTC and its Book-entry only system) did not, as of its date and does not as of the date of delivery of the Series 2024A Bonds, contain any untrue statement of a material fact or omit to state a material fact which is necessary in order to make the statements contained herein, in the light of the circumstances in which they are made, not misleading.

MISCELLANEOUS

References to Documents

References in this Official Statement to and excerpts and summaries from legislation, reports, contracts, the Bond Resolution, the opinion of Bond Counsel to the District and other documents do not purport to be complete statements of the contents of such documents, and reference is made to such documents for full and complete statements of the provisions thereof. Copies of the Act, the Bond Resolution, and the opinion of Bond Counsel to the District are available upon request to the District.

Opinions

Any statement in this Official Statement, including the appendices attached hereto, involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as a representation of fact.

The execution and delivery of this Official Statement have been duly authorized by the Board of Supervisors of the Central Florida Tourism Oversight District.

**CENTRAL FLORIDA TOURISM OVERSIGHT
DISTRICT**

By: _____
Vice Chair, Board of Supervisors

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF
CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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Lake Buena Vista, Florida

ANNUAL FINANCIAL REPORT

Year Ended September 30, 2023

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
(LOCATED IN ORANGE AND OSCEOLA COUNTIES)
1900 HOTEL PLAZA BOULEVARD
LAKE BUENA VISTA, FLORIDA

BOARD OF SUPERVISORS

CHARBEL BARAKAT, VICE CHAIR
BRIAN AUNGST, JR.
RON PERI
BRIDGET ZIEGLER
CRAIG MATEER

DISTRICT ADMINISTRATOR

STEPHANIE KOPELOUSOS

CHIEF FINANCIAL OFFICER

SUSAN G. HIGGINBOTHAM, CPA

INDEPENDENT AUDITOR

Cherry Bekaert LLP
Orlando, Florida

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
ANNUAL FINANCIAL REPORT
Year Ended September 30, 2023

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Report of Independent Auditor

To the District Administrator, Deputy District Administrator, and Board of Supervisors
Central Florida Tourism Oversight District
Lake Buena Vista, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information Central Florida Tourism Oversight District, formerly known as Reedy Creek Improvement District (the "District"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Cherry Bekant LLP

Orlando, Florida
March 28, 2024

As management of the Central Florida Tourism Oversight District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets plus deferred outflows of resources of the District exceeded liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$630,136,373 (net position).
- The District's total net position increased during the year by \$66,537,334.
- The District's total noncurrent liabilities decreased by \$57,234,672 during the year.
- As of September 30, 2023, the District's governmental funds reported combined ending fund balances of \$128,122,682, a decrease of \$19,883,927 in comparison with the prior year. Approximately 24% of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At September 30, 2023, unassigned fund balance for the general fund was \$30,415,784, or 24% of total general fund expenditures, including transfers.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., arbitrage rebate owed but not due until a future year and earned but unused vacation leave).

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (continued)

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, public safety, physical environment and transportation. The business-type activities of the District include water, wastewater, reuse, gas, solid waste, chilled water, hot water and electric utility operations. The government-wide financial statements can be found on pages 14-17 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and the capital projects fund, all of which are considered to be major funds.

The District adopts an annual legally appropriated budget for its general fund and debt service fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 18-24 of this report.

Proprietary fund. Proprietary funds report the same functions presented as business-type activities in the government-wide financial statements. The District maintains a proprietary fund, the Utility Fund, which is an enterprise fund that accounts for eight utility operations. The Utility Fund provides the same type of information as the government-wide financial statements, only in more detail. The Utility Fund financial statements can be found on pages 25-29 of this report.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (continued)

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 32 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$630,136,373 at September 30, 2023.

District's Net Position

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and noncurrent assets	\$ 148,576,244	\$ 161,883,709	\$ 226,836,296	\$ 246,767,538	\$ 375,412,540	\$ 408,651,247
Capital assets	957,726,780	935,526,776	303,890,494	300,420,959	1,261,617,274	1,235,947,735
Total assets	1,106,303,024	1,097,410,485	530,726,790	547,188,497	1,637,029,814	1,644,598,982
Deferred outflows of resources	50,250,933	58,530,045	982,520	1,683,931	51,233,453	60,213,976
Current liabilities*	66,820,484	58,923,659	42,935,982	46,900,790	109,756,466	105,824,449
Noncurrent liabilities	775,663,428	810,227,271	143,671,954	166,342,783	919,335,382	976,570,054
Total liabilities	842,483,912	869,150,930	186,607,936	213,243,573	1,029,091,848	1,082,394,503
Deferred inflows of resources	27,156,201	33,210,832	1,878,845	25,608,583	29,035,046	58,819,415
Net position:						
Net investment in capital assets	369,915,280	338,020,323	216,126,571	199,545,861	586,041,851	537,566,184
Restricted	2,930,018	1,020,949	52,964,183	53,222,270	55,894,201	54,243,219
Unrestricted (deficit)	(85,931,454)	(85,462,505)	74,131,775	57,252,141	(11,799,679)	(28,210,364)
	\$ 286,913,844	\$ 253,578,767	\$ 343,222,529	\$ 310,020,272	\$ 630,136,373	\$ 563,599,039

*includes current liabilities payable from restricted assets

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

The District's net position includes: 1) net investment in capital assets (e.g., land, land improvements, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding and deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt. The District uses these capital assets to provide infrastructure and services to businesses operating within the District; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities; 2) net position restricted by contract or enabling legislation for nonoperating uses such as capital and debt service, 3) net position assigned by the Board of Supervisors to be used for a specific purpose such as emergency reserves and 4) unrestricted net position (deficit). The net investment in capital assets continues to increase as the related debt is paid.

Governmental activities. Governmental activities reflect negative unrestricted net position balances primarily due to the District's net pension liability and net OPEB liability. The District recognized an increase in the proportionate share of the Florida Retirement System (FRS) pension liability, due largely to the passage of Senate Bill 7024, which increased the level of monthly benefits in the HIS Program.

The increase in ad valorem tax revenues is primarily the result of an increase in assessed values from the prior year. Interest and investment income was positive during the year after unrealized losses on investments in the prior year. The increase in general government expenses was due to an increase in personnel and operating costs associated with the transition to the new District with the passage of Chapter 2023-5, a significant increase in legal services for general counsel and litigation services related to pending lawsuits, and a self-reported IRS tax liability associated with the Disney passes and discounts previously provided to employees and retirees. The increase in public safety expenses was largely due to the newly approved A Unit union contract for emergency services. The increase in transportation expenses was due to budgeted roadway improvements.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

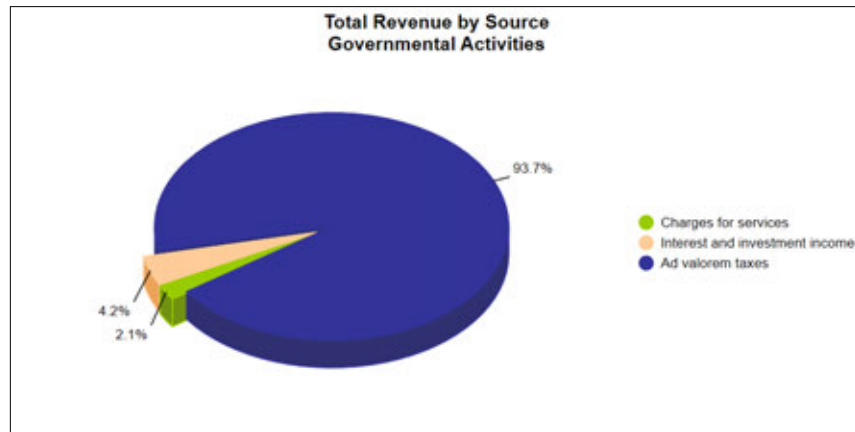
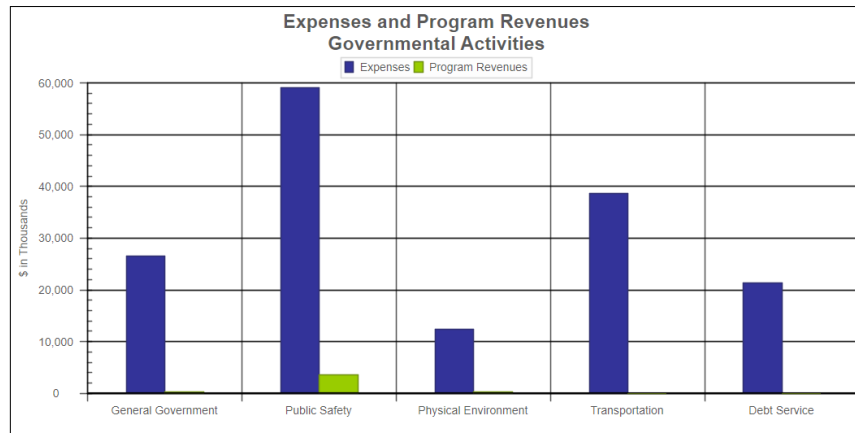
District's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 4,094,426	\$ 3,734,230	\$ 189,116,897	\$ 170,128,384	\$ 193,211,323	\$ 173,862,614
Intergovernmental	-	446,263	-	-	-	446,263
Capital contributions	64,553	441,953	487,203	707,891	551,756	1,149,844
Total program revenues	4,158,979	4,622,446	189,604,100	170,836,275	193,763,079	175,458,721
General revenues:						
Ad valorem taxes - net	179,283,918	161,996,588	-	-	179,283,918	161,996,588
Interest and investment gain (loss)	7,952,993	(3,699,682)	5,685,300	(5,103,608)	13,638,293	(8,803,290)
Nonoperating revenue	-	565,055	-	438,896	-	1,003,951
Gain on disposal of capital assets	-	169,513	-	-	-	169,513
Total general revenues	187,236,911	159,031,474	5,685,300	(4,664,712)	192,922,211	154,366,762
Total revenues	191,395,890	163,653,920	195,289,400	166,171,563	386,685,290	329,825,483
Expenses:						
General government	26,461,034	18,518,558	-	-	26,461,034	18,518,558
Public safety	59,061,885	46,243,331	-	-	59,061,885	46,243,331
Physical environment	12,311,541	10,555,304	-	-	12,311,541	10,555,304
Transportation	38,600,761	33,909,035	-	-	38,600,761	33,909,035
Utility operations	-	-	158,413,109	149,446,775	158,413,109	149,446,775
Loss on disposal of capital assets	292,141	-	-	-	292,141	-
Interest on debt	21,333,451	22,614,007	3,674,034	4,145,738	25,007,485	26,759,745
Total expenses	158,060,813	131,840,235	162,087,143	153,592,513	320,344,575	285,432,748
Change in net position	33,335,077	31,813,685	33,202,257	12,579,050	66,537,334	44,392,735
Net position - beginning	253,578,767	221,765,082	310,020,272	297,441,222	563,599,039	519,206,304
Net position - ending	\$ 286,913,844	\$ 253,578,767	\$ 343,222,529	\$ 310,020,272	\$ 630,136,373	\$ 563,599,039

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

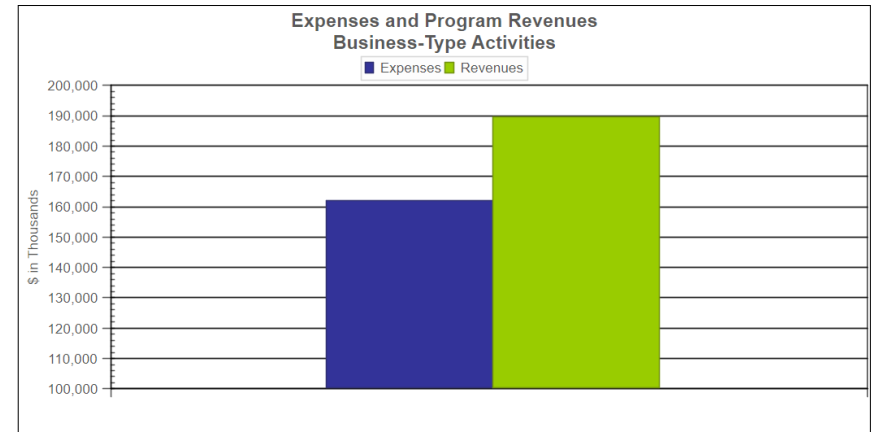


CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

Business-type activities. Assets and liabilities decreased with the paydown of utility system debt. Charges for services were higher due to an increase in utility rates from the prior year. Interest and investment income was positive during the year after unrealized losses on investments in the prior year. Labor and operating expenses increased in fiscal year 2023 with normal inflationary impacts.



Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2023, the District's governmental funds reported combined fund balances of \$128,122,682. Approximately 24% of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, committed, restricted or assigned. Restricted amounts are not available for general spending as those amounts have been reserved to pay for capital projects from bond proceeds and debt service payments. Committed amounts are set-aside to pay for projects from drainage fees or property appraiser settlements as directed by the Board of Supervisors. Assigned amounts have also been designated by the Board of Supervisors for emergency reserves.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds (continued)

The general fund is the chief operating fund of the District. At September 30, 2023, unassigned fund balance of the general fund was \$30,415,784, while total fund balance reached \$44,145,794. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24% of the total general fund expenditures (including transfers), while total fund balance represents 34% of that same amount. The fund balance of the District's general fund increased by \$1,436,673. While the District budgeted a drawdown of over \$8 million in the general fund in FY2023, the delay in certain roadway improvement projects that are anticipated to be completed in FY2024 resulted in the increase in fund balance.

The debt service fund has a total fund balance of \$2,930,018, an increase of \$1,909,069 from the prior year. The increase was due to an increase in assessed values and an increase in interest and investment income.

The capital projects fund has a total fund balance of \$81,046,870, a decrease of \$23,229,669 from the prior year. The decrease was due to expenditures related to transportation improvement projects, which were offset somewhat by the increase in interest and investment income.

Proprietary fund. At September 30, 2023, the unrestricted net position of the Utility Fund amounted to \$73,275,514, an increase of \$16,023,373 from the prior year. The increase is due to increases in utility revenues resulting from a utility rate increase in the current year, which more than offset inflationary increases in expenses. The restricted net position amounted to \$52,964,183, the bulk of which is restricted for debt service.

General Fund Budgetary Highlights

There were no amendments to the budget in fiscal year 2023. Minor transfers between activity budgets had no effect on total revenues or total expense.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business type activities as of September 30, 2023 amounted to \$1,261,617,274, net of accumulated depreciation and amortization. This represents an increase of \$25,669,539. The primary driver for the increase was ongoing capital projects as described above.

Additional information on the District's capital assets can be found in Note 5 of the financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (continued)

District's Capital Assets

(net of depreciation and amortization)

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,992,490	\$ 2,992,490	\$ 6,896,164	\$ 6,896,164	\$ 9,888,654	\$ 9,888,654
Buildings	233,419,152	241,780,450	19,292,902	19,951,451	252,712,054	261,731,901
Improvements other than buildings	-	-	138,687,523	112,837,258	138,687,523	112,837,258
Machinery and equipment	7,279,289	6,176,223	117,306,684	103,015,005	124,585,973	109,191,228
Infrastructure	699,173,360	642,378,810	-	-	699,173,360	642,378,810
Right-to-use subscription assets	603,179	-	914,021	-	1,517,200	-
Construction in progress	14,259,310	42,198,803	20,793,200	57,721,081	35,052,510	99,919,884
Total	<u>\$ 957,726,780</u>	<u>\$ 935,526,776</u>	<u>\$ 303,890,494</u>	<u>\$ 300,420,959</u>	<u>\$ 1,261,617,274</u>	<u>\$ 1,235,947,735</u>

Long-term debt. At September 30, 2023, the District had total long-term bonded debt outstanding of \$854,889,993. Of this amount, \$689,204,959 was comprised of debt backed by the full faith and credit of the District and \$165,685,034 was secured by the revenues generated by the District's utilities. During fiscal 2023, the District's total long-term debt decreased by \$62,610,863 (7%) with the paydown of both ad valorem and utility revenue debt.

The District has received ratings of "AA-" from Standard and Poor's, "AA-" from Fitch and "Aa3" from Moody's for the Ad Valorem Tax general obligation bonds and ratings of "A-" from Standard and Poor's, "A" from Fitch and "A1" from Moody's for the Utility Revenue bonds. Additional information on the District's long-term debt can be found in Note 7 of the financial statements.

District's Outstanding Long-term Debt

General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 689,204,959	\$ 728,451,073	\$ -	\$ -	\$ 689,204,959	\$ 728,451,073
Revenue bonds and notes from direct borrowings	-	-	165,685,034	189,049,783	165,685,034	189,049,783
Total	<u>\$ 689,204,959</u>	<u>\$ 728,451,073</u>	<u>\$ 165,685,034</u>	<u>\$ 189,049,783</u>	<u>\$ 854,889,993</u>	<u>\$ 917,500,856</u>

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (continued)

Infrastructure Assets. As demonstrated in the Required Supplementary Information on pages 76-88 of this report, there have been no significant changes in the assessed condition of the bridges, roads and water control structures that use the modified approach for infrastructure reporting. There is an ongoing program to repair the remaining water control structures considered in good condition. The current conditions of the remaining assets are within the established levels maintained by the District.

Economic Factors and Next Year's Budget and Rates

Assessed property values underlying the District's fiscal year 2024 budget and millage rate determination reflect the impact of any Orange County Property Appraiser revaluations of property value assessments as a result of Court of Appeals' recommendations.

- The unemployment rate of the Central Florida area is currently averaging 3.2%. This is slightly more than the state average of 3.1% and less than the national unemployment average of 3.7%.
- Fiscal year 2024 assessed values increased 14.1%. Millage rates decreased overall by 0.9500 mills as a result of increased assessed values, even though there is a budgeted increase in operating expenses.
- Inflationary trends in the region compare to national indices.

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Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Central Florida Tourism Oversight District, CFO, 1900 Hotel Plaza Blvd., P.O. Box 690519, Orlando, Florida 32869-0519.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 25,698,257	\$ 18,590,856	\$ 44,289,113
Cash and cash equivalents - restricted	44,859,295	64,369,820	109,229,115
Investments	26,450,838	30,813,363	57,264,201
Investments - restricted	48,709,097	71,775,603	120,484,700
Accounts receivable, net	435,266	25,585,841	26,021,107
Due from other governments	929,608	-	929,608
Internal balances	(1,035,332)	1,035,332	-
Inventories	-	12,287,132	12,287,132
Prepays	-	480,000	480,000
Deposits	236,741	-	236,741
Derivative fuel instruments	-	1,875,349	1,875,349
Other assets	2,292,474	23,000	2,315,474
Capital assets not being depreciated	716,425,160	27,689,364	744,114,524
Capital assets, net of accumulated depreciation	241,301,620	276,201,130	517,502,750
Total assets	1,106,303,024	530,726,790	1,637,029,814
DEFERRED OUTFLOWS OF RESOURCES			
Deferred fuel cost	-	982,520	982,520
Loss on defeased debt due to refundings	19,928,544	-	19,928,544
Deferred outflow of resources related to pensions	15,431,339	-	15,431,339
Deferred outflow of resources related to OPEB	14,891,050	-	14,891,050
Total deferred outflows of resources	50,250,933	982,520	51,233,453

(Continued)

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable and accrued liabilities	11,280,838	15,640,368	26,921,206
Accounts payable from restricted assets	8,987,835	2,264,684	11,252,519
Compensated absences	1,791,550	-	1,791,550
Self insurance liability	1,318,356	-	1,318,356
Subscription liability	120,675	191,341	312,016
Bonds and notes payable	35,710,000	22,678,000	58,388,000
Accrued interest payable	7,611,230	2,161,589	9,772,819
Noncurrent liabilities:			
Compensated absences	1,499,919	-	1,499,919
Self insurance liability	4,627,564	-	4,627,564
Subscription liability	375,050	664,920	1,039,970
Net pension liability	65,121,315	-	65,121,315
Net OPEB liability	50,544,621	-	50,544,621
Bonds and notes payable	653,494,959	143,007,034	796,501,993
Total	842,483,912	186,607,936	1,029,091,848
DEFERRED INFLOWS OF RESOURCES			
Accumulated increase in fair value of derivative instruments	-	1,875,349	1,875,349
Gain on defeased debt due to refundings	-	3,496	3,496
Deferred inflow of resources related to pensions	7,022,016	-	7,022,016
Deferred inflow of resources related to OPEB	20,134,185	-	20,134,185
Total deferred inflows of resources	27,156,201	1,878,845	29,035,046
NET POSITION			
Net investment in capital assets	369,915,280	216,126,571	586,041,851
Restricted for:			
Debt service	2,930,018	48,706,119	51,636,137
Renewal and replacement	-	3,758,064	3,758,064
Emergency repairs	-	500,000	500,000
Unrestricted (deficit)	(85,931,454)	74,131,775	(11,799,679)
Total net position	\$ 286,913,844	\$ 343,222,529	\$ 630,136,373

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF ACTIVITIES

For the Period Ended September 30, 2023

	<u>Total</u>	<u>Total Business-type Activities</u>	<u>Total Governmental Activities</u>
Expenses:			
Labor	\$ 99,555,114	\$ 32,094,453	\$ 67,460,661
Operating expenses	159,638,471	102,369,752	57,268,719
Depreciation and amortization	33,516,456	21,810,615	11,705,841
Nonoperating expenses	2,138,289	2,138,289	-
Loss on disposal of capital assets	292,141	-	292,141
Interest on debt	25,007,485	3,674,034	21,333,451
Total expenses	320,147,956	162,087,143	158,060,813
Program revenues:			
Charges for services	193,211,323	189,116,897	4,094,426
Capital contributions	551,756	487,203	64,553
Total program revenues	193,763,079	189,604,100	4,158,979
Net program expense (revenue)	126,384,877	(27,516,957)	153,901,834
General revenues:			
Ad valorem taxes	179,283,918	-	179,283,918
Interest and investment income	13,638,293	5,685,300	7,952,993
Total general revenues	192,922,211	5,685,300	187,236,911
Change in net position	66,537,334	33,202,257	33,335,077
Total net position - beginning	563,599,039	310,020,272	253,578,767
Total net position - ending	<u>\$ 630,136,373</u>	<u>\$ 343,222,529</u>	<u>\$ 286,913,844</u>

The accompanying notes are an integral part of these financial statements.

<u>Governmental Activities Expenses by Function</u>				
<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Debt Service</u>
\$ 8,974,379	\$ 49,968,254	\$ 7,358,271	\$ 1,159,757	\$ -
16,238,164	6,702,919	4,687,170	29,640,466	-
1,248,491	2,390,712	266,100	7,800,538	-
-	-	-	-	-
-	99,328	-	192,813	-
-	-	-	-	21,333,451
26,461,034	59,161,213	12,311,541	38,793,574	21,333,451
351,017	3,558,252	185,157	-	-
-	-	64,553	-	-
351,017	3,558,252	249,710	-	-
<u>\$ 26,110,017</u>	<u>\$ 55,602,961</u>	<u>\$ 12,061,831</u>	<u>\$ 38,793,574</u>	<u>\$ 21,333,451</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 25,698,257	\$ 1,269,762	\$ 43,589,533	\$ 70,557,552
Investments	26,450,838	1,350,155	47,358,942	75,159,935
Accounts receivable, net	435,266	-	-	435,266
Due from other funds	43,419	-	-	43,419
Due from other governments	619,312	310,296	-	929,608
Deposits	236,741	-	-	236,741
Other assets	<u>2,118,923</u>	<u>-</u>	<u>-</u>	<u>2,118,923</u>
Total assets	<u>\$ 55,602,756</u>	<u>\$ 2,930,213</u>	<u>\$ 90,948,475</u>	<u>\$ 149,481,444</u>
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	\$ 11,292,176	\$ 195	\$ 8,987,640	\$ 20,280,011
Due to other funds	<u>164,786</u>	<u>-</u>	<u>913,965</u>	<u>1,078,751</u>
Total liabilities	<u>11,456,962</u>	<u>195</u>	<u>9,901,605</u>	<u>21,358,762</u>
Fund balances:				
Nonspendable:				
Other assets	2,118,923	-	-	2,118,923
Committed				
Drainage system	4,611,087	-	-	4,611,087
Property appraiser disputes	5,000,000	-	-	5,000,000
Restricted:				
Capital projects	-	-	81,046,870	81,046,870
Debt service	-	2,930,018	-	2,930,018
Assigned:				
Emergency reserves	2,000,000	-	-	2,000,000
Unassigned	<u>30,415,784</u>	<u>-</u>	<u>-</u>	<u>30,415,784</u>
Total fund balances	<u>44,145,794</u>	<u>2,930,018</u>	<u>81,046,870</u>	<u>\$ 128,122,682</u>
Total liabilities and fund balances	<u>\$ 55,602,756</u>	<u>\$ 2,930,213</u>	<u>\$ 90,948,475</u>	

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

September 30, 2023

Fund Balances - Total Governmental Funds	\$ 128,122,682
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Accrued interest payable on bonds not currently due is not reported in the funds.	(7,599,892)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	957,726,780
Some liabilities, deferred outflows of resources and deferred inflows of resources, including those related to bonds payable, pensions, OPEB and other liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(791,335,726)</u>
Net position of governmental activities	<u>\$ 286,913,844</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

For the Period Ended September 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES				
Ad valorem taxes	\$ 119,436,439	\$ 59,847,479	\$ -	\$ 179,283,918
Emergency services	81,730	-	-	81,730
Building permits and fees	3,476,522	-	-	3,476,522
Drainage fees	64,553	-	-	64,553
Interest and investment income	3,179,088	902,264	3,871,641	7,952,993
Other	<u>625,253</u>	<u>-</u>	<u>-</u>	<u>625,253</u>
Total revenues	<u>126,863,585</u>	<u>60,749,743</u>	<u>3,871,641</u>	<u>191,484,969</u>
EXPENDITURES				
CURRENT:				
General government	24,270,721	-	-	24,270,721
Public safety	52,336,501	-	-	52,336,501
Physical environment	11,416,922	-	-	11,416,922
Transportation	30,701,157	-	-	30,701,157
Capital outlay	7,185,755	-	27,101,310	34,287,065
DEBT SERVICE:				
Principal	206,090	34,170,000	-	34,376,090
Interest	11,581	24,348,499	-	24,360,080
Fees and other charges	<u>-</u>	<u>322,175</u>	<u>-</u>	<u>322,175</u>
Total expenditures	<u>126,128,727</u>	<u>58,840,674</u>	<u>27,101,310</u>	<u>212,070,711</u>
Excess (deficiency) of revenues over (under) expenditures	734,858	1,909,069	(23,229,669)	(20,585,742)
OTHER FINANCING SOURCES				
Lease proceeds	<u>701,815</u>	<u>-</u>	<u>-</u>	<u>701,815</u>
Net change in fund balances	1,436,673	1,909,069	(23,229,669)	(19,883,927)
Fund Balances, beginning of year	<u>42,709,121</u>	<u>1,020,949</u>	<u>104,276,539</u>	<u>148,006,609</u>
Fund Balances, end of year	<u>\$ 44,145,794</u>	<u>\$ 2,930,018</u>	<u>\$ 81,046,870</u>	<u>\$ 128,122,682</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Period Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ (19,883,927)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.	22,581,224
The net effect of miscellaneous transactions involving capital assets resulted in a decrease in net position.	(381,218)
Governmental funds report the payment of bond principal and interest when the current financial resources are available and payments are due and they report the payment of issuance costs, premiums, discounts, and similar items when debt is first issued. However, on the statement of activities, interest is accrued.	37,185,048
Increases and decreases in other liabilities, deferred outflows of resources and deferred inflows of resources reported as expenses in the statement of activities not requiring the use of current financial resources in governmental funds.	<u>(6,166,050)</u>
Change in net position of governmental activities	<u>\$ 33,335,077</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Period Ended September 30, 2023

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Ad valorem taxes	\$119,323,256	\$119,323,256	\$ 119,436,439	\$ 113,183
Emergency services	-	-	81,730	81,730
Building permits and fees	3,250,000	3,250,000	3,476,522	226,522
Drainage fees	-	-	64,553	64,553
Interest and investment income	135,000	135,000	3,179,088	3,044,088
Other	<u>460,000</u>	<u>460,000</u>	<u>625,253</u>	<u>165,253</u>
Total revenues	<u>123,168,256</u>	<u>123,168,256</u>	<u>126,863,585</u>	<u>3,695,329</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Administrative:				
Labor	3,838,435	3,838,435	4,071,328	(232,893)
Operating	<u>7,063,410</u>	<u>7,723,410</u>	<u>11,856,547</u>	<u>(4,133,137)</u>
	<u>10,901,845</u>	<u>11,561,845</u>	<u>15,927,875</u>	<u>(4,366,030)</u>
Human Resources:				
Labor	1,121,164	1,121,164	979,618	141,546
Operating	<u>378,650</u>	<u>378,650</u>	<u>221,374</u>	<u>157,276</u>
	<u>1,499,814</u>	<u>1,499,814</u>	<u>1,200,992</u>	<u>298,822</u>
Information Systems & Technology:				
Labor	1,968,616	1,968,616	1,912,002	56,614
Operating	3,687,875	3,687,875	3,031,423	656,452
Capital outlay	<u>837,500</u>	<u>837,500</u>	<u>1,288,091</u>	<u>(450,591)</u>
	<u>6,493,991</u>	<u>6,493,991</u>	<u>6,231,516</u>	<u>262,475</u>
Property Management:				
Labor	1,272,974	1,272,974	1,244,846	28,128
Operating	1,048,700	1,050,700	953,583	97,117
Capital outlay	<u>75,000</u>	<u>75,000</u>	<u>68,356</u>	<u>6,644</u>
	<u>2,396,674</u>	<u>2,398,674</u>	<u>2,266,785</u>	<u>131,889</u>
TOTAL GENERAL GOVERNMENT	<u>21,292,324</u>	<u>21,954,324</u>	<u>25,627,168</u>	<u>(3,672,844)</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Period Ended September 30, 2023

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY				
Building & Safety:				
Labor	5,210,203	5,210,203	4,902,682	307,521
Operating	<u>581,250</u>	<u>581,250</u>	<u>572,598</u>	<u>8,652</u>
	<u>5,791,453</u>	<u>5,791,453</u>	<u>5,475,280</u>	<u>316,173</u>
Emergency Services:				
Labor	34,902,501	34,902,501	40,285,325	(5,382,824)
Operating	4,313,017	4,313,017	3,766,687	546,330
Capital outlay	<u>904,500</u>	<u>904,500</u>	<u>1,068,582</u>	<u>(164,082)</u>
	<u>40,120,018</u>	<u>40,120,018</u>	<u>45,120,594</u>	<u>(5,000,576)</u>
Property Management:				
Labor	328,085	328,085	445,575	(117,490)
Operating	2,932,000	2,930,000	2,363,634	566,366
Capital outlay	<u>1,598,000</u>	<u>1,598,000</u>	<u>2,120,045</u>	<u>(522,045)</u>
	<u>4,858,085</u>	<u>4,856,085</u>	<u>4,929,254</u>	<u>(73,169)</u>
TOTAL PUBLIC SAFETY	<u>50,769,556</u>	<u>50,767,556</u>	<u>55,525,128</u>	<u>(4,757,572)</u>
PHYSICAL ENVIRONMENT				
Environmental Sciences:				
Labor	4,008,581	4,008,581	4,135,552	(126,971)
Operating	2,099,000	1,465,000	1,305,221	159,779
Capital outlay	<u>124,000</u>	<u>98,000</u>	<u>90,659</u>	<u>7,341</u>
	<u>6,231,581</u>	<u>5,571,581</u>	<u>5,531,432</u>	<u>40,149</u>
Planning & Engineering:				
Labor	2,512,053	2,512,053	2,594,181	(82,128)
Operating	1,361,746	1,511,746	974,264	537,482
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
	<u>3,903,799</u>	<u>4,053,799</u>	<u>3,568,445</u>	<u>485,354</u>
Water Control:				
Operating	4,057,500	4,057,500	2,012,038	2,045,462

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Period Ended September 30, 2023

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Property Management:				
Operating	268,900	268,900	395,666	(126,766)
Capital outlay	<u>4,300,000</u>	<u>4,300,000</u>	<u>2,519,880</u>	<u>1,780,120</u>
	<u>4,568,900</u>	<u>4,568,900</u>	<u>2,915,546</u>	<u>1,653,354</u>
TOTAL PHYSICAL ENVIRONMENT	<u>18,761,780</u>	<u>18,251,780</u>	<u>14,027,461</u>	<u>4,224,319</u>
 TRANSPORTATION				
Roadway Maintenance:				
Labor	395,463	395,463	256,997	138,466
Operating	<u>29,493,370</u>	<u>29,343,370</u>	<u>20,855,716</u>	<u>8,487,654</u>
	<u>29,888,833</u>	<u>29,738,833</u>	<u>21,112,713</u>	<u>8,626,120</u>
 Parking Facilities:				
Labor	786,677	786,677	803,694	(17,017)
Operating	10,162,950	10,162,950	8,784,750	1,378,200
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>30,142</u>	<u>29,858</u>
	<u>11,009,627</u>	<u>11,009,627</u>	<u>9,618,586</u>	<u>1,391,041</u>
TOTAL TRANSPORTATION	<u>40,898,460</u>	<u>40,748,460</u>	<u>30,731,299</u>	<u>10,017,161</u>
 DEBT SERVICE				
Principal	-	-	206,090	(206,090)
Interest	<u>-</u>	<u>-</u>	<u>11,581</u>	<u>(11,581)</u>
TOTAL DEBT SERVICE	<u>-</u>	<u>-</u>	<u>217,671</u>	<u>(217,671)</u>
 Total expenditures	<u>131,722,120</u>	<u>131,722,120</u>	<u>126,128,727</u>	<u>5,593,393</u>
 Excess (deficiency) of revenues over (under) expenditures	(8,553,864)	(8,553,864)	734,858	9,288,722
 OTHER FINANCING SOURCES				
Lease proceeds	<u>-</u>	<u>-</u>	<u>701,815</u>	<u>701,815</u>
Net change in fund balance	<u>\$ (8,553,864)</u>	<u>\$ (8,553,864)</u>	<u>1,436,673</u>	<u>\$ 9,990,537</u>
Fund Balance, beginning of year			<u>42,709,121</u>	
Fund Balance, end of year			<u>\$ 44,145,794</u>	

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The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION - UTILITY FUND

September 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 18,590,856
Investments	14,121,460
Accounts receivable, net	25,585,841
Due from other funds	1,078,751
Inventories	12,287,132
Prepays	480,000
Derivative fuel instruments	1,875,349

Restricted assets:

Cash and cash equivalents	64,369,820
Investments	<u>38,900,120</u>
Total current assets	<u>177,289,329</u>

Noncurrent assets:

Investments	16,691,903
Restricted investments	32,875,483

Capital assets:

Land	6,896,164
Construction in progress	20,793,200
Buildings	67,345,692
Improvements other than buildings	315,583,029
Machinery and equipment	466,847,006
Right-to-use subscription assets	1,075,319
Less accumulated depreciation	<u>(574,649,916)</u>
Total capital assets	303,890,494
Other assets	<u>23,000</u>
Total noncurrent assets	<u>353,480,880</u>

Total assets	<u><u>530,770,209</u></u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred fuel cost	<u>982,520</u>
Total deferred outflows of resources	<u><u>982,520</u></u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION - UTILITY FUND

September 30, 2023

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	15,666,269
Subscription liabilities	191,341
Due to other funds	<u>43,419</u>
Total current liabilities	<u>15,901,029</u>

Current liabilities payable from restricted assets:

Bonds and notes payable	22,678,000
Accrued interest payable	2,135,688
Contracts and retainage payable	<u>2,264,684</u>
Total current liabilities payable from restricted assets	<u>27,078,372</u>

Long-term liabilities:

Bonds and notes payable	143,007,034
Subscription liabilities	<u>664,920</u>
Total long-term liabilities	<u>143,671,954</u>

Total liabilities	<u><u>186,651,355</u></u>
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DEFERRED INFLOWS OF RESOURCES

Accumulated increase in the fair value of derivative instruments	1,875,349
Gain on defeased debt due to refundings	<u>3,496</u>
Total deferred inflows of resources	<u><u>1,878,845</u></u>

NET POSITION

Net investment in capital assets	216,126,571
Restricted for debt service	48,706,119
Restricted for renewal and replacement	3,758,064
Restricted for emergency repairs	500,000
Unrestricted	<u>74,131,775</u>
Total net position	<u><u>\$ 343,222,529</u></u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

UTILITY FUND

For the Period Ended September 30, 2023

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OPERATING REVENUES

Utility sales	\$ 189,116,897
Total operating revenues	<u>189,116,897</u>

OPERATING EXPENSES

Purchased power and fuel	69,743,241
Labor support	32,094,453
Operating costs	16,762,182
Taxes	3,201,550
Repairs and maintenance	11,311,554
Insurance	1,351,225
Depreciation and amortization	<u>21,810,615</u>
Total operating expenses	<u>156,274,820</u>

Operating income	<u>32,842,077</u>
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NONOPERATING REVENUES (EXPENSES)

Interest and investment income	5,685,300
Interest expense	(3,674,034)
Loss on retirement of plant assets	<u>(2,138,289)</u>
Total nonoperating expenses, net	<u>(127,023)</u>

Income before contributions	32,715,054
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Capital contributions	<u>487,203</u>
Increase in net position	33,202,257

Total net position - beginning	<u>310,020,272</u>
Total net position - ending	<u>\$ 343,222,529</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF CASH FLOWS
UTILITY FUND

For the Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 188,196,331
Payments to suppliers	(109,876,775)
Payments for labor contract and management service agreement	<u>(28,049,890)</u>
Net cash provided (used) by operating activities	<u>50,269,666</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(23,789,770)
Proceeds from sale of capital assets	(2,043,387)
Principal paid on bonds	(22,707,000)
Interest paid on bonds	(4,619,886)
Capital contributions	<u>487,203</u>
Net cash provided (used) by capital and related financing activities	<u>(52,672,840)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(126,050,243)
Proceeds from sales and maturities of investments	157,617,643
Interest and investment loss	<u>5,685,300</u>
Net cash provided (used) by investing activities	<u>37,252,700</u>
Net increase in cash and cash equivalents	34,849,526
Balances - beginning of the year	<u>48,111,150</u>
Balances - end of the year	<u>\$ 82,960,676</u>
Unrestricted	\$ 18,590,856
Restricted	<u>64,369,820</u>
	<u>\$ 82,960,676</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF CASH FLOWS
UTILITY FUND

For the Year Ended September 30, 2023

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 32,842,077
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	21,810,615
Change in assets, liabilities and deferred inflows and outflows of resources:	
Accounts receivable	(920,566)
Inventories	1,381,210
Accounts payable and accrued liabilities and subscription liabilities	(5,377,346)
Due to other funds	(167,735)
Deferred fuel	<u>701,411</u>
Net cash provided by operating activities	<u>\$ 50,269,666</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

September 30, 2023

	<u>Other Post- Employment Benefits Trust</u>
ASSETS	
Trust cash	\$ 1,483,134
Trust investments	<u>15,044,082</u>
Total Assets	<u>16,527,216</u>
FIDUCIARY NET POSITION	
Restricted for other postemployment benefits	<u>\$ 16,527,216</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

For the Period Ended September 30, 2023

	<u>Other Post- Employment Benefit Trust</u>
ADDITIONS:	
Employer contributions	\$ 3,072,626
Net investment gain	
Investment gain	375,140
Investment expense	<u>(14,311)</u>
Total net investment gain	<u>360,829</u>
Total Additions	3,433,455
DEDUCTIONS:	
Benefits paid on behalf of participants	<u>2,058,314</u>
Net increase in fiduciary net position	1,375,141
Fiduciary net position - October 1, 2022	<u>15,152,075</u>
Fiduciary net position - September 30, 2023	<u>\$ 16,527,216</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Reedy Creek Improvement District (RCID) was a public corporation of the State of Florida ("State"), Chapter 67-764 Laws of Florida, created on May 12, 1967 by a special act of the legislature. On February 27, 2023, Governor DeSantis signed into law House Bill 9-B, which was passed by the Florida Senate on February 10, 2023 during another special legislative session, and by vote of the Florida House on February 9, 2023. The bill, as written, ratified and confirmed the continued existence of RCID under a new name, the Central Florida Tourism Oversight District (the "District"). The bill provided legislative intent concerning the District's authority to generate revenue and pay outstanding indebtedness, without interruption, pursuant to transitional provisions of the Florida Constitution for pre-1968 special districts. The bill retained the District's necessary authority related to taxation and the issuance of bonds.

The bill authorized the District to continue to do business as RCID for up to two years following the effective date of the bill to provide time to make necessary changes to legal and financial documents, physical assets and other locations where the RCID name is used. The bill incorporated a number of changes to the District's charter, the most significant of which included the following:

- Replaced the landowner-elected Board with a five-member Board newly appointed by the Governor and confirmed by the Senate for four-year terms, for up to three consecutive terms, except that for the initial appointments made during 2023, two members were appointed to serve terms of two years.
- Removed the District's ability to amend its own boundaries without a special act.
- Removed the District's ability to own and operate airport facilities, certain types of recreational facilities (such as stadiums, civic center and convention halls) and "novel and experimental" facilities (such as a nuclear fission power plant).

The District includes approximately 25,000 acres of land in Orange and Osceola Counties. Walt Disney World Co. or other wholly-owned subsidiaries of the Walt Disney Company own substantially all the land within the District. As outlined in Chapter 67-764, the District was organized to provide for the reclamation, drainage, and irrigation of land, to establish water, flood, and erosion control, to provide water and sewer systems and waste collection and disposal facilities, to provide for mosquito and other pest controls, to provide for public utilities, to create and maintain conservation areas, to provide streets, roads, bridges and street lighting facilities, and to adopt zoning and building codes and regulations.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Reporting Entity - Continued

The accompanying financial statements present the financial position and changes in financial position of the applicable fund types governed by the Board of Supervisors of the District in accordance with accounting principles generally accepted in the United States of America. Determination of the financial reporting entity of the District is founded upon the objective of accountability. Therefore, the financial statements include only the District (the primary government). There are no legally separate component units for which operational or financial responsibility rest with officials of the District or for which the nature and significance of their relationship to the District are such that exclusion would cause the financial statements to be misleading.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government. Fiduciary activities are reported only in the fund financial statements. As required by generally accepted governmental accounting principles, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses, of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds, the proprietary fund and the fiduciary fund. All governmental funds and the proprietary fund are considered to be major funds and are reported as separate columns in the fund financial statements. The OPEB trust fund is reported as a separate financial statement and is not included in the government-wide financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are generally not measurable and available until the District receives cash.

The District reports the following major governmental funds:

General Fund - The District's primary operating fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - Accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund - Accounts for the financial resources to be used for the acquisition or construction of major general government capital projects.

The District reports the following major proprietary fund:

Utility Fund - Accounts for activities of the following District systems: wastewater collection and treatment; potable water production, treatment, storage, pumping and distribution; reclaimed water distribution; electric generation and distribution; chilled water; hot water; natural gas distribution; and solid waste and recyclables collection and transfer.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Additionally, the District reports the following fiduciary fund type:

Other Postemployment Benefits Trust Fund - Accounts for the receipt and disbursement of assets held in trust for eligible participants of other postemployment benefits of the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) capital contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes. Bad debt expense, if any, reduces revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary fund are charges to customers for sales and services. The District also recognizes as operating revenue connection fees which are to recover the expense of connecting new customers to the system. Operating expenses for the proprietary fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Property Taxes

Property taxes are billed and collected within the same fiscal period, and are reflected on the modified accrual basis. Ad Valorem taxes on property values have a lien and assessment date of January 1, with millage established during the preceding September. The fiscal year for which taxes are levied begins October 1. Taxes, which are billed in November, carry a maximum discount available through November 30, and become delinquent April 1. State Statutes permit the District to levy property taxes at a rate up to 30 mills. The millage rates assessed by the District for the fiscal year ended September 30, 2023 were 9.2600 for General Operating and 4.6400 for Debt Service.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Cash, Cash Equivalents and Investments

Cash balances from the majority of funds are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable balances maintained in the pool by each fund. Holdings in the pool, for purposes of these statements, are allocated to the participating funds based on their equity.

Cash and cash equivalents consist of non-interest bearing demand deposits and money market funds and investments with an original maturity of three months or less when purchased. Cash and cash equivalents are carried at cost, which approximates fair value.

Investments are stated at fair value based upon quoted market prices or matrix pricing for certain fixed income securities. Investments are further explained in Notes 3, 10 and 13, Deposits and Investments, Other Postemployment Benefits and Fair Value Measurements, respectively.

F. Inventories

Utility Fund inventories consist of materials, supplies and fuel. All items are held for use only and are valued at cost.

G. Restricted Assets

Certain assets in the debt service fund, capital projects fund and utility fund are restricted as to use by specific provisions of bond resolutions. These assets are classified as restricted assets on the statement of net position.

H. Capital Assets

Infrastructure improvements such as roads, bridges, canals, curbs, gutters, sidewalks, drainage systems and lighting systems are recorded as capital expenditures in the various governmental funds at the time of purchase. These assets are presented as capital assets in the government-wide statement of net position for governmental activities. Infrastructure assets are not depreciated and are accounted for using the modified approach, as further explained in the Required Supplementary Information. Condition assessments are periodically performed and preservation and maintenance costs are reflected as expenses in the government-wide statement of activities under transportation expenses.

Land, buildings, plant, machinery and equipment are carried on the statement of net position for governmental activities and business-type activities at cost, except for contributed assets, which are recorded at acquisition value at the date of contribution. The District's capitalization threshold is \$5,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Capital Assets - Continued

Subscription-based information technology arrangements ("SBITAs") are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into services. SBITAs assets are amortized on a straight-line basis over the life of the related contract. Assets are depreciated or amortized as follows:

Buildings and land improvements	30-50 years
Improvements, including utility distribution and collection systems	30-50 years
Machinery and equipment	3-30 years
Right-to-use subscription assets	1-5 years

Repairs and maintenance are expensed when incurred. Additions, major renewals and replacements, which increase the useful lives of the assets, are capitalized.

I. Deferred Amount on Refunding

For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized using the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Deferred amounts are presented as a deferred outflow of resources or deferred inflow of resources in the Statement of Net Position.

J. Compensated Absences

In the Government-wide financial statements, compensated absences are recorded as a liability when the benefits are earned. The current portion is the amount accrued during the year that would normally be liquidated with available, expendable resources in the next fiscal year. In the fund statements, expenditures are recognized when payments are due to the employee.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. Fund Balances

In the Governmental Fund financial statements, fund balances are classified as follows:

Nonspendable - The portion of fund balance that includes amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact.

Restricted - Amounts that can only be used for specific purposes due to constraints that have been placed on them by external parties, constitutional provisions or enabling legislation.

Committed - Amounts that are constrained for specific purposes that are internally imposed through formal action of the Board of Supervisors and does not lapse at year end.

Assigned - Amounts constrained by the Board of Supervisors to be used for a specific purpose.

Unassigned - All amounts not included in other spendable classifications.

The District spends restricted amounts first when both restricted and unrestricted fund balance is available unless legally prohibited from doing so. When expenditures are incurred for payment from the unrestricted fund balances, assigned is used first, followed by unassigned fund balance.

The District's fund balance policy requires that unassigned fund balance be budgeted at a level at least equal to two months of general fund budgeted operating expenditures. The policy also requires the District assign a minimum \$2,000,000 reserve for emergencies, and commit balances as needed for pay-go capital projects, drainage system repairs and maintenance, and allowances for potential ad valorem tax disputes.

L. Budgets and Budgetary Accounting

The following procedures are used to establish the budgetary data reflected in the financial statements:

- (1) The District Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on October 1.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (4) Budgets are legally adopted for the General Fund, Debt Service Fund and the Utility Fund.
- (5) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America ("U.S. GAAP").

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Budgets and Budgetary Accounting - Continued

(6) The District's charter does not require formal authorization for actual expenditures to exceed budgeted expenditures; however, the Board of Supervisors monitors the budget periodically during the year. The budgetary control is legally maintained at the fund level. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual is presented in the same format as the District's operating budget.

(7) All appropriations and encumbrances, except those specifically approved by the Board of Supervisors, lapse at the close of the fiscal year to the extent not expended.

M. Forward Contracts

The District enters into forward contracts as part of its normal purchases of power and fuel and accounts for such contracts as settled, as a component of the cost of its operations.

N. Derivative Instruments

Fuel-related derivative transactions are executed in accordance with the District's established Energy Risk Management Policy ("Policy") which is controlling the level of price risk exposure involved in the normal course of the District's natural gas purchasing activities. The Policy establishes the Energy Risk Management Oversight Committee to enter into financial hedging agreements and contracts with third parties pursuant to enabling agreements approved by the Board of Supervisors. The Policy establishes the organizational structure of the committee and various volume and pricing limits. The fair value of these derivative fuel instruments is included in the Statement of Net Position, with the accumulated changes in fair value reported as deferred outflows or deferred inflows of resources as they have been determined to qualify for hedge accounting. Related gains or losses are deferred and recognized in the specific period in which the derivative is settled and included as part of fuel costs.

O. Pensions

The Florida Retirement System ("FRS") is responsible for providing participating employers with total pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, as well as the District's proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the FRS and additions to/deductions from the FRS's fiduciary net position have been determined on the same basis as they are reported by the FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

P. Postemployment Benefits Other Than Pensions ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plan fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at cost.

Q. Rates and Regulations

The District follows the accounting practices set forth in Governmental Accounting Standards Board ("GASB") No. 62, paragraphs 476-500, Regulated Operations for its utility operations. This standard allows utilities to capitalize or defer certain costs or revenues based on management's ongoing assessment that it is probable these items will be recovered through the rate-making process. Regulatory assets consist of deferred fuel cost and are presented as deferred outflows of resources on the statement of net position.

R. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences could be material.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the balance sheet – governmental funds and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Further details of certain elements of that reconciliation are as follows:

- (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount represents the total capital assets of governmental activities of \$1,065,952,373, net of accumulated depreciation and amortization of \$108,225,593, or \$957,726,780.
- (2) Some liabilities, including bonds payable, other long-term liabilities, and deferred outflows of resources and deferred inflows of resources, are not due and payable in the current period and therefore are not reported in the funds. The details of this difference are shown below:

Compensated absences payable	\$ 3,291,469
Self insurance liability	5,772,369
Subscription liabilities	495,725
Bonds payable	689,204,959
Deferred outflows - losses on defeased debt	(19,928,544)
Net pension liability	65,121,315
Deferred outflows - pensions	(15,431,339)
Deferred inflows - pensions	7,022,016
Net OPEB liability	50,544,621
Deferred outflows - OPEB	(14,891,050)
Deferred inflows - OPEB	20,134,185
Net adjustment to reduce total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 791,335,726</u>

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - CONTINUED

B. Explanation of certain differences between the statement of revenues, expenditures and changes in fund balances – governmental funds and the government-wide statement of activities

The statement of revenues, expenditures and changes in fund balances - governmental funds includes a reconciliation of the "net changes in fund balances - total governmental funds" and "change in net position of governmental activities" as reported in the government-wide statement of activities. Further details of certain elements of that reconciliation are as follows:

- (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is as follows:

Capital outlay expenditures:	
General fund	
General government	\$ 1,356,447
Public safety	3,188,627
Physical environment	2,610,539
Transportation	30,142
Capital projects	27,101,310
Depreciation and amortization expense	<u>(11,705,841)</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 22,581,224</u>
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- (2) Governmental funds report the payment of bond principal and interest when the current financial resources are available and payments are due, and they report the payment of issuance costs, premiums, discounts, and similar items when debt is first issued. However, on the statement of activities interest is accrued and certain bond related costs are deferred and amortized. The details of the difference are as follows:

Net changes of deferred loss, bond costs, discount and premium	\$ 2,500,189
Principal payments on bonds outstanding	34,170,000
Accrued interest payable	<u>514,859</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 37,185,048</u>

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - CONTINUED

B. Explanation of certain differences between the statement of revenues, expenditures and changes in fund balances – governmental funds and the government-wide statement of activities - Continued

- (3) Increases in other liabilities reported as expenses in the statement of activities not requiring the use of current financial resources in governmental funds. The details of the difference are as follows:

Compensated absences	\$ (241,164)
Self insurance	85,914
Subscription liabilities	(495,725)
Net OPEB liability	2,228,690
Pensions	<u>(7,743,765)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (6,166,050)</u>

3. DEPOSITS AND INVESTMENTS

The District is authorized to invest in securities as described in its investment policy and in its bond resolutions. As of September 30, 2023, the District held the following deposits and investments as categorized below:

	Investment maturities (in years)		
	Fair Value	Less than 1	1 - 5
Demand deposits	\$ 23,884,824	\$ 23,884,824	\$ -
U.S. Treasury securities	132,577,336	87,410,040	45,167,296
U.S. Government agency securities	37,213,602	26,561,518	10,652,084
Supranationals	11,781,995	9,941,343	1,840,652
Money market mutual funds	125,809,372	125,809,372	-
Totals	<u>\$ 331,267,129</u>	<u>\$ 273,607,097</u>	<u>\$ 57,660,032</u>

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy for operating funds is structured to provide sufficient liquidity to pay obligations as they come due and (1) limits investments to not more than 7-year maturities (with the exception of bond proceeds, described below); and (2) requires the portfolio have no more than 15% in securities maturing in or having an average life of more than 5 years. Bond proceeds and reserve funds are managed in accordance with bond covenants and funding needs which could result in maturities longer than 7 years.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

3. DEPOSITS AND INVESTMENTS - CONTINUED

Credit Risk - The District's investment policy limits credit risk by restricting authorized investments to the following: direct obligations of, or obligations guaranteed by, the U.S. Government; bonds and notes issued by various federal agencies; state and local government securities; Canadian public obligations; public improvement bonds; public utility obligations; public housing obligations; State Board of Education obligations; international development banks; certain government security money market mutual funds; repurchase agreements and reverse repurchase agreements. Securities that derive their value from underlying securities ("derivatives") are specifically prohibited except when separately approved by the District's Board of Supervisors.

Custodial Credit Risk - All demand deposits are entirely insured by federal depository insurance or by the multiple financial institution collateral pool pursuant to the Public Depository Security Act of the State of Florida.

The District's investment policy requires that all investments be held by a third party custodian and held in the District's name. As of September 30, 2023, all District investments are held in a bank's trust department in the District's name.

Concentration of Credit Risk - At September 30, 2023, there was one issuer with which the District held investments exceeding 5% of the total investment portfolio. The issuer was Federal Home Loan Mortgage Corporation (5.07%).

Restricted Cash and Cash Equivalents and Investments - The table below summarizes the District's balances of cash and cash equivalents and investments restricted as to use. Restricted amounts are primarily unspent bond proceeds and reserves for debt service:

Statement of Net Position Classifications:	
Restricted cash and cash equivalents	\$ 109,229,115
Restricted investments	<u>120,484,700</u>
	<u>\$ 229,713,815</u>

4. VALUATION ALLOWANCES

The District recognizes allowances for losses on accounts receivable based on an aging of receivables and includes accounts over 120 days. The Utility Fund recognized an allowance at September 30, 2023 in the amount of \$27,174. The expense associated with this allowance is recognized as an offset to utility revenues.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance October 1, 2022	Increases	Decreases	Ending Balance September 30, 2023
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 2,992,490	\$ -	\$ -	\$ 2,992,490
Construction in progress	42,198,803	29,545,247	(57,484,740)	14,259,310
Infrastructure	642,378,810	56,794,550	-	699,173,360
Total capital assets not being depreciated	<u>687,570,103</u>	<u>86,339,797</u>	<u>(57,484,740)</u>	<u>716,425,160</u>
Capital assets being depreciated/amortized				
Buildings	303,558,102	329,073	-	303,887,175
Machinery and equipment	41,523,244	3,987,764	(625,023)	44,885,985
Right-to-use subscription assets	-	754,053	-	754,053
Total capital assets being depreciated/amortized	<u>345,081,346</u>	<u>5,070,890</u>	<u>(625,023)</u>	<u>349,527,213</u>
Less accumulated depreciation/amortization for:				
Buildings	61,777,652	8,690,371	-	70,468,023
Machinery and equipment	35,347,021	2,864,596	(604,921)	37,606,696
Right-to-use subscription assets	-	150,874	-	150,874
Total accumulated depreciation/amortization	<u>97,124,673</u>	<u>11,705,841</u>	<u>(604,921)</u>	<u>108,225,593</u>
Total capital assets being depreciated/amortized, net	<u>247,956,673</u>	<u>(6,634,951)</u>	<u>(20,102)</u>	<u>241,301,620</u>
Governmental activities capital assets, net	<u>\$ 935,526,776</u>	<u>\$ 79,704,846</u>	<u>\$ (57,504,842)</u>	<u>\$ 957,726,780</u>

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

5. CAPITAL ASSETS - CONTINUED

	Beginning Balance October 1, 2022	Increases	Decreases	Ending Balance September 30, 2023
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 6,896,164	\$ -	\$ -	\$ 6,896,164
Construction in progress	57,721,081	24,416,468	(61,344,349)	20,793,200
Total capital assets not being depreciated	<u>64,617,245</u>	<u>24,416,468</u>	<u>(61,344,349)</u>	<u>27,689,364</u>
Capital assets being depreciated/amortized				
Buildings	66,564,022	781,670	-	67,345,692
Improvements other than buildings	283,120,074	32,462,955	-	315,583,029
Machinery and equipment	446,851,357	27,982,988	(7,987,339)	466,847,006
Right-to-use subscription assets	-	1,075,319	-	1,075,319
Total capital assets being depreciated/amortized	<u>796,535,453</u>	<u>62,302,932</u>	<u>(7,987,339)</u>	<u>850,851,046</u>
Less accumulated depreciation/amortization for:				
Buildings	46,612,571	1,440,219	-	48,052,790
Improvements other than buildings	170,282,816	6,612,690	-	176,895,506
Machinery and equipment	343,836,352	13,596,408	(7,892,438)	349,540,322
Accumulated amortization	-	161,298	-	161,298
Total accumulated depreciation/amortization	<u>560,731,739</u>	<u>21,810,615</u>	<u>(7,892,438)</u>	<u>574,649,916</u>
Total capital assets being depreciated/amortized, net	<u>235,803,714</u>	<u>40,492,317</u>	<u>(94,901)</u>	<u>276,201,130</u>
Business-type activities capital assets, net	<u>\$ 300,420,959</u>	<u>\$ 64,908,785</u>	<u>\$ (61,439,250)</u>	<u>\$ 303,890,494</u>

The District regularly reviews the feasibility of ongoing capital projects. During the year, the District wrote off \$1,475,555 in Utility Fund projects and \$361,117 in Governmental Fund projects.

6. INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund balances between funds results mainly from the time lag between the dates that the goods and services were provided or the expenditure occurs, the recording of the transaction and the date the payment between the funds are made. Interfund receivable and payable balances as of September 30, 2023 are as follows:

	Interfund Receivables (Due from)	Interfund Payables (Due to)
General Fund	\$ 43,419	\$ 164,786
Capital Projects Fund	-	913,965
Utility Fund	1,078,751	43,419
	<u>\$ 1,122,170</u>	<u>\$ 1,122,170</u>

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

7. LONG-TERM DEBT

A. Changes in long-term liabilities

	Beginning Balance October 1, 2022	Additions	Reductions	Ending Balance September 30, 2023	Due within one year
Governmental activities:					
General Obligation Bonds:					
2013A Ad Valorem	\$ 13,030,000	\$ -	\$ (13,030,000)	\$ -	\$ -
2013B Ad Valorem Refunding	4,590,000	-	(4,590,000)	-	-
2015A Ad Valorem Refunding	10,520,000	-	(1,610,000)	8,910,000	1,685,000
2016A Ad Valorem	156,110,000	-	(2,850,000)	153,260,000	2,990,000
2017A Ad Valorem	173,355,000	-	(7,340,000)	166,015,000	7,705,000
2020A Ad Valorem Refunding	328,735,000	-	(4,750,000)	323,985,000	23,330,000
Deferred amounts:					
Discount/Premium	42,111,073	-	(5,076,114)	37,034,959	-
Total long-term general obligations	<u>728,451,073</u>	<u>-</u>	<u>(39,246,114)</u>	<u>689,204,959</u>	<u>35,710,000</u>
Compensated absences	3,050,305	2,499,112	(2,257,948)	3,291,469	1,791,550
Self insurance liability	6,068,385	36,074	(158,539)	5,945,920	1,318,356
Subscription liabilities	-	701,815	(206,090)	495,725	120,675
Net pension liability	58,647,088	32,885,796	(26,411,569)	65,121,315	-
Net OPEB liability	51,152,329	-	(607,708)	50,544,621	-
Long-term liabilities	<u>\$ 847,369,180</u>	<u>\$ 36,122,797</u>	<u>\$ (68,887,968)</u>	<u>\$ 814,604,009</u>	<u>\$ 38,940,581</u>
Business-type activities:					
Revenue Bonds:					
2013-1 Utility Refunding	\$ 27,340,000	\$ -	\$ (6,050,000)	\$ 21,290,000	\$ 6,355,000
2018-1 Utility	26,230,000	-	-	26,230,000	-
2018-2 Utility	19,750,000	-	(4,700,000)	15,050,000	4,850,000
Deferred amounts:					
Discount/Premium	4,528,783	-	(657,749)	3,871,034	-
Total long-term bonds payable	<u>77,848,783</u>	<u>-</u>	<u>(11,407,749)</u>	<u>66,441,034</u>	<u>11,205,000</u>
Notes from Direct Borrowings:					
2021-1 Utility	35,095,000	-	(150,000)	34,945,000	350,000
2021-2 Utility	55,130,000	-	(6,625,000)	48,505,000	5,900,000
2021-4 Utility	20,976,000	-	(5,182,000)	15,794,000	5,223,000
Total direct borrowings	<u>111,201,000</u>	<u>-</u>	<u>(11,957,000)</u>	<u>99,244,000</u>	<u>11,473,000</u>
Subscription liability	-	1,075,319	(219,058)	856,261	191,341
Long-term liabilities	<u>\$ 189,049,783</u>	<u>\$ 1,075,319</u>	<u>\$ (23,583,807)</u>	<u>\$ 166,541,295</u>	<u>\$ 22,869,341</u>

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

7. LONG-TERM DEBT - CONTINUED

General Obligation Bonds Payable

2015A Ad Valorem Tax Refunding Bonds - In April 2015, the District issued \$50,925,000 Ad Valorem Refunding Bonds at interest rates of 2.0% to 5.0%. The proceeds were used for the current refunding of the 2005A and 2005B Ad Valorem Tax Bonds maturing on and after June 1, 2015.

2016A Ad Valorem Tax Bonds - In July 2016, the District issued \$165,500,000 Ad Valorem Tax Bonds at interest rates of 4.0% and 5.0%, interest only until June 2019. The proceeds were used to finance the costs to design, construct, equip and improve roadways and other facilities within and outside the District.

2017A Ad Valorem Tax Bonds - In October 2017, the District issued \$199,375,000 Ad Valorem Tax Bonds at interest rates of 3.0% to 5.0%, interest only until June 2019. The proceeds were used to finance additional transportation projects and were also used to retire the District's 2017 Bond Anticipation Note.

2020A Ad Valorem Tax Refunding Bonds - In February 2020, the District issued \$338,025,000 Taxable Ad Valorem Refunding Bonds at interest rates of 1.463% to 2.731%. The proceeds were used for the current refunding of the 2013A and 2013B Ad Valorem Tax Bonds maturing on and after June 2, 2024.

The major provisions of the District's Ad Valorem Tax Bond Resolutions authorizing its debt are as follows:

- (1) The Ad Valorem tax bond issues and related interest are collateralized by an irrevocable lien on the proceeds from Ad Valorem taxes levied by the District.
- (2) Additional bonds may be issued by the District provided (a) the maximum bond debt service requirement of the proposed and then outstanding bonds does not exceed 85% of the maximum annual collection from Ad Valorem Taxes calculated for the current year and (b) the principal amount of all bonds proposed and then outstanding not exceed 50% of the assessed value of the taxable property within the District.

Revenue Bonds Payable

2013-1 Utilities Revenue Refunding Bonds - In July 2013, the District issued \$54,915,000 Utilities Revenue Refunding Bonds at interest rates of 2.5% to 5.0%. The proceeds were used to refund the 2003-1 and 2005-1 Utilities Revenue Bonds.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

7. LONG-TERM DEBT - CONTINUED

2018-1 Utilities Revenue Bonds - In July 2018, the District issued \$26,230,000 Utilities Revenue Bonds at an interest rate of 5.0%. The proceeds are being used to pay for construction and acquisition of improvements to the utility systems.

2018-2 Taxable Utilities Revenue Bonds - In July 2018, the District issued \$19,750,000 Taxable Utilities Revenue Bonds at an average interest rate of 3.44%. The proceeds are being used to pay for improvements to certain existing utility systems.

Notes from Direct Borrowings

2021-1 Utilities Revenue Bonds - In February 2021, the District issued \$35,095,000 Utilities Revenue Bonds at an interest rate of 1.72%. The proceeds are being used to pay for construction and acquisition of improvements to the utility systems. The direct borrowing is a non bank-qualified bond, secured by a pledge of net revenues derived from operation of the District's utility system on a parity with all other previously outstanding Utility Revenue Bonds. The loan is subject to acceleration in accordance with the District's existing Trust Indenture at a default rate equal to prime +4%.

2021-2 Taxable Utilities Revenue Bonds - In February 2021, the District issued \$55,130,000 Taxable Utilities Revenue Bonds at interest rates of 1.03%-1.58%, interest only due until October 2022. The proceeds are being used to pay for improvements to certain existing utility systems. The direct borrowing is a taxable loan, secured by a pledge of net revenues derived from operation of the District's utility system on a parity with all other previously outstanding Utility Revenue Bonds. The loan is subject to acceleration in accordance with the District's existing Trust Indenture at a default rate equal to prime +4%.

2021-4 Utilities Revenue Refunding Bonds - In July 2021, the District issued \$20,976,000 Utilities Revenue Refunding Bonds at an interest rate of 0.79%, interest only due until October 2022. The proceeds were used to currently refund the 2021-3 Taxable Utility Revenue Refunding Bonds. The loan is subject to acceleration in accordance with the District's existing Trust Indenture at a default rate equal to prime +4%.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

7. LONG-TERM DEBT - CONTINUED

The major provisions of the Utility Fund's trust indentures securing its debt are as follows:

- (1) The debt obligation and related interest are collateralized by a pledge of the net revenues of the combined utility systems.
- (2) The District will establish rates that will provide sufficient net revenues (revenues less operating expenses (excluding depreciation and lease payments to WDWC)), to pay 110% of the annual debt service requirements due each year. Revenues are defined to mean all rates, fees, charges or other income (including certain investment earnings, impact fees and special assessments) generated by the Utility Fund.
- (3) The District will pay all current operating expenses.
- (4) The District will deposit into the Sinking Fund on a monthly basis an amount equal to one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal payment.
- (5) The District will maintain a renewal and replacement fund equal to 5% of the gross revenues (less expenses for purchased power and fuel) received in the prior year. Such amount may be and was reduced to 4% by certification from the District's consulting engineer.
- (6) The District will maintain on deposit in the emergency repair fund at least \$500,000.
- (7) The debt service reserve requirements are being provided by Debt Service Reserve accounts with the bond trustee.
- (8) Additional bonds may be issued if the net revenues (revenues of the system less operating expenses (excluding depreciation and lease payments to WDWC)) for twelve consecutive prior months are at least equal to 125% of the maximum annual debt service of the proposed and then outstanding bonds.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

7. LONG-TERM DEBT - CONTINUED

B. Annual Debt Service Requirements

The annual requirements to amortize the principal balance and interest of all bonds outstanding are as follows:

General Obligation Bonds		
Year Ended September 30,	Principal	Interest
2024	\$ 35,710,000	\$ 22,799,674
2025	36,725,000	21,791,296
2026	37,955,000	20,557,790
2027	39,260,000	19,254,460
2028	40,635,000	17,877,655
2029-2033	225,690,000	66,893,314
2034-2038	236,195,000	23,588,791
Total	\$ 652,170,000	\$ 192,762,980
Current portion	(35,710,000)	
Deferred amounts:		
Discount/Premium	37,034,959	
Long-term bonds payable	\$ 653,494,959	

Year Ended September 30,	Revenue Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 11,205,000	\$ 2,656,468	\$ 11,473,000	\$ 1,320,590
2025	12,300,000	2,147,855	10,315,000	1,218,212
2026	12,835,000	1,595,173	10,406,000	1,119,187
2027	1,480,000	1,274,500	19,005,000	934,150
2028	1,555,000	1,198,625	16,320,000	666,646
2029-2033	9,025,000	4,714,375	20,855,000	1,483,911
2034-2038	11,510,000	2,159,250	10,870,000	418,304
2039	2,660,000	66,500	-	-
Total	\$ 62,570,000	\$ 15,812,746	\$ 99,244,000	\$ 7,161,000
Current portion	(11,205,000)		(11,473,000)	
Deferred amounts:				
Discount/Premium	3,871,034		-	
Long-term bonds payable	\$ 55,236,034		\$ 87,771,000	

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

7. LONG-TERM DEBT - CONTINUED

C. Subscription Based Information Technology Arrangements

The District has entered into subscription-based information technology arrangements (SBITAs) for asset, energy, emergency and practice management, and procurement software for a period of one to five years and an incremental borrowing rate of 3.98% to 4.41%. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at October 1, 2022.

Future payments under the SBITA agreements are as follows:

Year Ended September 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 120,675	\$ 22,642	\$ 191,341	\$ 34,708	\$ 369,366
2025	131,663	15,253	206,088	26,952	379,956
2026	117,405	9,865	221,433	18,598	367,301
2027	125,982	5,107	237,399	9,623	378,111
Total	<u>\$ 495,725</u>	<u>\$ 52,867</u>	<u>\$ 856,261</u>	<u>\$ 89,881</u>	<u>\$ 1,494,734</u>

For the year ended September 30, 2023, the District had \$30,126 of SBITAs with variable payments that were based on user seats. The District had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability. The District had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

8. TRANSACTIONS WITH PRINCIPAL LANDOWNERS

During fiscal year 2023, Walt Disney World Co. and other wholly owned subsidiaries of The Walt Disney Company provided certain services to the District as follows:

Governmental Funds

- (1) Financial and other administrative services amounted to \$2,542,264, which included passes and other benefits, and service awards and celebrations for years of service.
- (2) Maintenance of various District water control facilities amounted to \$364,745, which included aquatic weed control.
- (3) Maintenance of certain roadways and District property within the District amounted to \$64,692, which included signage labor, street sweeping and mosquito control.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

8. TRANSACTIONS WITH PRINCIPAL LANDOWNERS - CONTINUED

Governmental Funds - Continued

- (4) Maintenance of certain building functions within the District amounted to \$57,684, including generators and fire alarm panels.

At September 30, 2023, the General Fund included accounts payable of \$40,622 and accounts receivable of \$74,637 to Walt Disney World Co. and other wholly-owned subsidiaries of the Walt Disney Company.

The District's primary source of revenue is ad valorem taxes. Walt Disney Co. comprised 86% of the total taxable assessed value within the District for the year ended September 30, 2023.

Utility Fund

- (1) Construction project management labor associated with various capital improvements amounted to \$1,219,737.
- (2) In fiscal year 2023, the Operational Services Fee Cap within the District's labor services agreement with Reedy Creek Energy Services (see Note 15 for additional details) was \$33,724,250. Total payments under this contract included operation and maintenance of the utility system of \$31,687,759, planned work projects of \$418,495 and planned work capital of \$1,136,495.

At September 30, 2023, the Utility Fund had accounts receivable of \$20,004,364 and accounts payable of \$3,703,862 with Walt Disney World Co. and other wholly-owned subsidiaries of The Walt Disney Company.

The District provides utility services to Walt Disney World Co. and other associated companies within its service area. Revenues from services provided to these companies were 84% of total utility revenues for the year ended September 30, 2023.

The District entered into an agreement February 2, 2023 with Walt Disney Parks and Resorts U.S., Inc. (WDPR) and Palm Hospitality Company, for the District to purchase land from each party in order to construct a 4-lane divided rural roadway and other improvements connecting the portions of the public roadway of World Drive described as the Northern portion and Southern portion. The agreement states the District will pay Palm Hospitality \$600,000 and WDPR \$12,272,000. No payments have been made and no land titles have been transferred as of September 30, 2023.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM

General Information - All full-time employees of the District participate in the FRS, administered by the State. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Employees elect participation in either the Pension Plan or the defined contribution plan ("Investment Plan"), which is administered by the State Board of Administration ("SBA"). The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The latest available report may be obtained by writing to the State, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida, 32315-9000, or from the website: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Benefits provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation and service credit. Pension plan members are eligible for retirement as follows:

	Class			
	Regular	Senior Management	Special Risk	Special Risk Administrative Support
Enrolled prior to July 1, 2011				
Vested	6 years	6 years	6 years	6 years
Normal retirement age	earlier of 30 years of credited service or attainment of age 62	earlier of 30 years of credited service or attainment of age 62	earlier of 25 years of credited service or attainment of age 55	earlier of 25 years of credited service or attainment of age 55
Retirement benefit	1.6% of average final compensation for each year of credited service	2% of average final compensation for each year of credited service	3% of average final compensation for each year of credited service	1.6% of average final compensation for each year of credited service
Enrolled on or after July 1, 2011				
Vested	8 years	8 years	8 years	8 years
Normal retirement age	earlier of 33 years of credited service or attainment of age 65	earlier of 33 years of credited service or attainment of age 65	earlier of 30 years of credited service or attainment of age 60	earlier of 30 years of credited service or attainment of age 60
Retirement benefit	1.6% of average final compensation for each year of credited service	2% of average final compensation for each year of credited service	3% of average final compensation for each year of credited service	1.6% of average final compensation for each year of credited service

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

If the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment, which is determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement, multiplied by 3%. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

Early retirement may be taken anytime; however, there is a 5% benefit reduction for each year prior to normal retirement age. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Pension Plan Members eligible for retirement are given the option to enter the Deferred Retirement Option Program ("DROP"), which effectively allows them to work with a FRS employer for up to 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - The contribution requirements of the District are established and may be amended by FRS. Effective July 1, 2011 Florida Legislature required employees contribute 3% of their annual earnings on a pretax basis, with remaining contributions being the obligation of the District. The District contributed 19.79% of covered employee payroll during the year. The District's contributions to FRS for the year ended September 30, 2023 were \$7,164,161. Employee contributions to FRS for the year ended September 30, 2023 were \$996,492. Contributions made and accrued were equal to the required contributions for each year.

The FRS has numerous classes of membership (of which District employees qualify in five classes) with descriptions and employer contribution rates in effect during the year ended September 30, 2023 as follows:

Regular Class - Members not qualifying for other classes (11.91% from 10/1/2022 through 6/30/2023 and 13.57% from 7/1/2023 through 9/30/2023).

Special Risk Class - Members employed as law enforcement officers, firefighters, correctional officers or community-based correctional probation officers, and paramedics and EMTs who meet the criteria set to qualify for this class (27.83% from 10/1/2022 through 6/30/2023 and 32.67% from 7/1/2023 through 9/30/2023).

Special Risk Administrative Support Class - Special risk employees who are transferred or reassigned to a non-special risk position (38.65% from 10/1/2022 through 6/30/2023 and 39.82% from 7/1/2023 through 9/30/2023).

Senior Management Service Class - Qualifying member of senior management (31.57% from 10/1/2022 through 6/30/2023 and 34.52% from 7/1/2023 through 9/30/2023).

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

Deferred Retirement Option Program (DROP) - Participating members of the program, not to exceed 96 months (18.60% from 10/1/2022 through 6/30/2023 and 21.13% from 7/1/2023 through 9/30/2023).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the District reported a liability of \$51,043,615 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net pension liability was based on historical employer contributions. At June 30, 2023, the District's proportionate share was 0.12810%, which was a decrease of 0.00278% from its proportionate share measured as of June 30, 2022.

For the year ended September 30, 2023, the District recognized an increase in the pension liability primarily due to investment losses and resulting pension fund asset depreciation experienced by FRS. The District recognized pension expense in the amount of \$9,635,699. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,792,554	\$ -
Change of assumptions	3,327,446	-
Net difference between projected and actual earnings on Pension Plan investments	2,131,720	-
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	1,820,369	4,753,418
District Pension Plan contributions subsequent to the measurement date	1,951,955	-
Total	\$ 14,024,044	\$ 4,753,418

The deferred outflows of resources related to the Pension Plan, totaling \$1,951,955 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in fiscal year 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

Fiscal Year Ending September 30,	Amount
2024	\$ 997,440
2025	(395,179)
2026	5,985,099
2027	568,536
2028	162,775

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.40%
- Salary increases: 3.25% average, including inflation
- Investment rate of return: 6.70% net of pension plan investment expense and inflation

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%, which is consistent with the 4.48% real return from the capital market outlook model developed by the FRS consulting actuary; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2023 by the FRS Actuarial Assumption Conference. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	2.9 %	2.9 %	1.1 %
Fixed Income	19.8	4.5	4.4	3.4
Global Equity	54.0	8.7	7.1	18.1
Real Estate	10.3	7.6	6.6	14.8
Private Equity	11.1	11.9	8.8	26.3
Strategic Investments	3.8	6.3	6.1	7.7
Total	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.4 %

⁽¹⁾ As outlined in the Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability (asset)	\$ 87,192,888	\$ 51,043,615	\$ 20,800,423

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan - At September 30, 2023, the District reported a payable in the amount of \$977,298 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2023.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM - CONTINUED

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. At September 30, 2023, the HIS contribution was 2.0%. The District contributed 100% of its statutorily required contributions for the current and preceding four years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$633,993 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the District reported a liability of \$14,077,700 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, with the liabilities developed in that valuation rolled forward to the Measurement Date using standard actuarial roll-forward techniques. The District's proportionate share of the net pension liability was based on the District's 2022-2023 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was 0.08864%, which was a decrease of 0.00530% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized pension expense of \$5,298,915. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM - CONTINUED

HIS Plan - Continued

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 206,088	\$ 33,043
Change of assumptions	370,098	1,219,880
Net difference between projected and actual earnings on HIS Plan investments	7,270	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	632,345	1,015,675
District HIS contributions subsequent to the measurement date	191,494	-
Total	\$ 1,407,295	\$ 2,268,598

The deferred outflows of resources related to the HIS Plan, totaling \$191,494 and resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as an increase to the net pension liability in fiscal year 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2024	\$ (183,952)
2025	(111,530)
2026	(185,563)
2027	(363,969)
2028	(192,798)
Thereafter	(14,985)

Actuarial Assumptions - The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.40%
- Salary increases: 3.25% average, including inflation
- Municipal bond rate: 3.65%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM - CONTINUED

HIS Plan - Continued

Discount Rate - The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
District's proportionate share of the HIS pension liability	\$ 16,060,458	\$ 14,077,700	\$ 12,434,126

HIS Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the HIS Plan - At September 30, 2023, the District reported a payable in the amount of \$78,290 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2023.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

9. RETIREMENT SYSTEM - CONTINUED

Investment Plan - Continued

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Costs to administer the Investment Plan, including the FRS Financial Guidance Program, are funded through employer contributions of 0.06% of payroll and by forfeited benefits of plan members. Allocations to investment member's accounts during the 2022-2023 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular 11.30%, Special Risk 19.00%, Special Risk Administrative Support 12.95%, and Senior Management Service 12.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee regains control over their account. If the employee does not return within the 5-year period, the employee forfeits the accumulated account balance. For fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, members may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description - The District provides OPEB through the Voluntary Employees' Beneficiary Association ("VEBA") Plan, a single-employer plan administered by the District. The Plan is administered by the VEBA Board, whose members are the same as the District's Board of Supervisors. The authority to establish and amend benefits, as well as the funding policy, rests with the District's Board. The Plan does not issue a separate publicly available financial report. The Plan trustee is US Bank.

State Statute requires the District to continue offering healthcare coverage to retirees at the District's cost; however, for employees hired prior to March 1, 2013, the District elected by policy to provide this coverage at no cost to retirees that have met certain requirements during employment with the District. Certain executive positions qualify for the health benefits regardless of hire date. The District also has a Survivor Income Plan for retirees that have met certain requirements during employment with the District.

Benefits provided - The VEBA Plan provides healthcare benefits for eligible retirees and their dependents enrolled in District-sponsored plans. Benefits are provided through a third party insurer. To qualify for this benefit non-union employees must have 20 years of service with the District and be age 62 to obtain paid coverage for themselves and their eligible dependent, certain executive positions must have 7 years of service and be age 62, and union employees must have 20 years of service with the District and be age 55 to obtain paid coverage for themselves. For employees hired after March 1, 2013, retirees may elect to continue coverage for themselves and their eligible dependents at the full, unsubsidized cost to the District for the elected coverage. The VEBA Plan also provides death benefits for certain retirees, equivalent of two times the participant's final annual base salary at retirement to their designated beneficiary. To qualify for this benefit, they must be designated or key employees as outlined by the plan and be age 62 with 10 years (7 years for executive positions) of service, or 25 years with no age requirement. The District currently has 9 retirees that meet the eligibility requirements.

Employees covered by benefit terms - At September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	145
Inactive employees entitled to but not yet receiving benefit payments	8
Active employees	365

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

General Information about the OPEB Plan - Continued

Contributions - Contributions to the VEBA Trust are not codified or mandated but the District's funding strategy is to contribute a minimum of \$1 million to the VEBA Trust per year. The District is paying current benefits as they come due from operations. For the year ended September 30, 2023, the District's contribution rate was 10.4% of covered-employee payroll. Employees are not required to contribute to the Plan. However, retirees reimburse the District for their elected health coverage at the District's cost in instances where they are not entitled to all or a portion of the subsidy.

Investments

Rate of Return - For the year ended September 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 2.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment guidelines related to the VEBA Trust are structured to provide sufficient liquidity to pay obligations as they come due. Guidelines for the VEBA Trust are consistent with the policy on other District investments as to the restrictions on the type of investments.

Custodial Credit Risk - VEBA Plan investments are held by the Trustee in the Plan's name.

Credit Risk - The investment policy limits credit risk by restricting authorized investments to the following: direct obligations of, or obligations guaranteed by, the U.S. Government; bonds and notes issued by various federal agencies; state and local government securities; Canadian public obligations; public improvement bonds; public utility obligations; public housing obligations; State Board of Education obligations; international development banks; certain government security money market mutual funds; repurchase agreements and reverse repurchase agreements.

Concentration of Credit Risk - At September 30, 2023, there were two issuers with which the District held investments exceeding 5% of the total investment portfolio. They were Federal Home Loan Bank (18.02%) and Federal National Mortgage Association (8.58%).

The VEBA Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. VEBA plan investments are summarized in the table below. Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using observable inputs other than quoted prices. The VEBA Plan's cash and cash equivalents are invested in First American Money Market Fund, which has a credit rating of AAAm as rated by Standard & Poor's. There are no redemption or deposit restrictions related to these money market funds and the fund aims to maintain NAV of \$1 per share.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Investments - Continued

2023				
Total Fair Value		Level 1	Level 2	Level 3
2023				
Total Fair Value		Level 1	Level 2	Level 3
Investments Measured at Fair Value				
U.S. Treasury and Government Agency Securities	\$ 13,117,167	\$ -	\$ 13,117,167	\$ -
Supranational	1,900,821	-	1,900,821	-
Total Investments at Fair Value	\$ 15,017,988	\$ -	\$ 15,017,988	\$ -
Investments Measured at Amortized Cost				
Money Market Funds	\$ 26,094			
Total Investments	\$ 15,044,082			

Long-Term Expected Rate of Return

The long-term expected rate of return on trust investments can be determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2023 are summarized in the following table:

	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	100.00 %	4.09 %
Total	100.00 %	

Net OPEB Liability

The District's net OPEB liability was measured as of September 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Net OPEB Liability - Continued

Actuarial Assumptions - The total OPEB liability in the September 30, 2023 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation 2.50%
- Salary increases 3.50%, including inflation
- Investment rate of return 4.09%, including inflation
- Healthcare cost trend rates The table below are annual trends based on the current trend study and are applied on a select and ultimate basis. Select trends are reduced .25% per year until reaching the ultimate trend rate.

Expense Type	Fiscal Years		
	2024	2025	2026+
Pre-65 Medical	6.3 %	6.0 %	5.2 %
Post-65 Medical	4.5	4.5	4.5
Dental	4.0	4.0	4.0
Vision	3.0	3.0	3.0

Mortality assumptions were based on table PUB-2010 with projections scale MP-2021. Retirement and turnover assumptions are consistent with the assumptions used in the actuarial valuation of the Florida Retirement System as of July 1, 2021.

The discount rate (long-term expected rate of return) is based on the Bond Buyer "20-Bond GO Index" and assuming that the expected return on plan assets is equal to the 20-Bond GO Index, believed to be reasonable given the assets are 100% invested in corporate and government fixed income securities of various maturities.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at October 1, 2022	\$ 66,304,404	\$ 15,152,075	\$ 51,152,329
Changes for the year:			
Service cost	1,124,357	-	1,124,357
Interest	2,655,985	-	2,655,985
Changes in assumptions	(954,595)	-	(954,595)
Contributions - employer	-	3,072,626	(3,072,626)
Net investment gain	-	360,829	(360,829)
Benefit payments	(2,058,314)	(2,058,314)	-
Net changes	767,433	1,375,141	(607,708)
Balances at September 30, 2023	\$ 67,071,837	\$ 16,527,216	\$ 50,544,621
Plan fiduciary net position as a percentage of total OPEB liability			24.6%

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate (rounded to the nearest thousand):

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Net OPEB liability	\$ 61,903,175	\$ 50,544,621	\$ 41,383,246

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.3% decreasing to 3.5%) or one percentage point higher (7.3% decreasing to 5.5%) than the current healthcare cost trend rates (rounded to the nearest thousand):

	1% Decrease (5.3% decreasing to 3.5%)	Healthcare Cost Trend Rates (6.3% decreasing to 4.5%)	1% Increase (7.3% decreasing to 5.5%)
Net OPEB liability	\$ 41,562,802	\$ 50,544,621	\$ 62,312,564

Changes of assumptions or other inputs. Beginning of year total OPEB liability was calculated using an assumed discount rate of 4.00%. The discount rate used at September 30, 2023 was 4.09%.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the District recognized OPEB expense of \$843,936. At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual demographic experience	\$ 1,814,630	\$ 1,000,888
Change of assumptions	11,962,037	19,133,297
Net difference between projected and actual investment performance	1,114,383	-
Total	\$ 14,891,050	\$ 20,134,185

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Amount
2024	\$ (2,278,993)
2025	(2,295,415)
2026	(2,345,747)
2027	(1,815,796)
2028	1,043,012
Thereafter	2,449,804

11. RISK MANAGEMENT

The District is self-insured and carries excess commercial insurance due to exposure to certain risks of loss related to theft, damage to and destruction of assets, torts, injuries to employees and natural disasters. The District retains risk up to a maximum of \$1,000,000 for each worker's compensation and employer's liability claim, \$250,000 for each liability claim, \$100,000 for most property damage claims, \$50,000 for crime/theft losses and \$125,000 for cyber liabilities. The District purchases commercial insurance for certain exposures in excess of risk retained with commercially reasonable limits, sublimits, terms and conditions. There have been no material claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2021, 2022 and 2023.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

11. RISK MANAGEMENT - CONTINUED

Liabilities are reported when it is probable that a material loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimate for claims that have been incurred but not reported. The self-insurance liability of \$5,945,920 at September 30, 2023 is based on an actuarial review of claims pending and past experience. Changes in the claims liability amount during fiscal years 2023 and 2022 are as follows:

	Year Ended September 30,	
	2023	2022
Self insurance liability beginning balance	\$ 6,068,385	\$ 5,989,533
Claims and changes in estimates	991,033	1,326,935
Claims payments	(1,113,498)	(1,248,083)
Self insurance liability ending balance	<u>\$ 5,945,920</u>	<u>\$ 6,068,385</u>

12. DERIVATIVE FUEL INSTRUMENTS

The District entered into derivative fuel instruments - cash flow hedges (commodity swaps, caps and collars) to financially hedge the cost of natural gas. The District's fuel-related derivative transactions are recorded at fair value on the Statement of Net Position as either an asset or liability depending on their fair value, and the related unrealized gains and/or losses for effective hedges are deferred and reported as either deferred inflows or outflows of resources. Realized gains and losses on these transactions are recognized as fuel expense in the specific period in which the instrument is settled. During the year, a total of \$2,321,135 in settlement gains was recognized in fuel expense.

The following is a summary of the derivative fuel instruments of the Utility Fund as of September 30, 2023 which have been deemed effective and are recorded as deferred inflows.

	Fair Value at September 30,				
Classification	2022	Change in fair value	2023	Notional	Maturity
Deferred outflows/(inflows)	\$ (25,601,855)	\$ 23,726,506	\$ (1,875,349)	10,799,883 MMBTUs	FY2024 - 2026

Credit Risk - The District's counterparties must have a minimum credit rating of BBB- issued by Standard and Poor's or Fitch's rating service or Baa3 issued by Moody's Investor Services.

Basis Risk - All of the District's transactions are based on the same reference rates, thus there is no basis risk.

Termination Risk - The District's Energy Risk Management Oversight Committee oversees the derivative instrument activity and of the counterparties who are required to maintain a minimum credit rating and present collateral at certain levels which mitigates the chance of a termination event. To date, no termination events have occurred.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

13. FAIR VALUE MEASUREMENTS

GASB No. 72 addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. For the District, this statement applies to certain investments and natural gas hedges.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability.

Level 1 - quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date

Level 2 - inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly

Level 3 - unobservable inputs for an asset or liability

Investments - The District's investments are summarized in the table below. Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using observable inputs other than quoted prices. The District's cash and cash equivalents are invested in First American Money Market Fund and Federated Hermes Treasury Obligations Fund, both of which have a credit rating of AAAM as rated by Standard & Poor's. There are no redemption or deposit restrictions related to these money market funds and the funds aim to maintain NAV of \$1 per share.

	2023			
	Total	Level 1	Level 2	Level 3
Investments Measured at Fair Value				
U.S. Treasury and Government Agency Securities	\$ 169,790,938	\$ -	\$ 169,790,938	\$ -
Supranational	11,781,995	-	11,781,995	-
Total Investments at Fair Value	\$ 181,572,933	\$ -	\$ 181,572,933	\$ -
Cash Equivalents Measured at Amortized Cost				
Money Market Funds	\$ 125,809,372			
Total	\$ 307,382,305			

Natural Gas Hedges - The District utilizes a derivative advisory and valuation service to value its portfolio of natural gas hedges, which are valued based on a discounted cash flows ("DCF") proprietary model. Commodity cap valuations were produced by a similar DCF model that incorporates an adaptation of the Black-Scholes option pricing model. As market quotations are not available for identical commodity derivatives, indirect valuation techniques are required. The District's derivative instruments for fuel cost natural gas hedges, which are presented as an asset and a deferred inflow on the statement of net position, have been categorized as Level 2 inputs.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

14. NET POSITION AND FUND BALANCE REPORTING

The Statement of Net Position for governmental activities reflects a negative unrestricted net position of \$85,931,454. This is primarily due to the District's net pension liability and net OPEB liability, including related deferred inflows and deferred outflows of resources, all of which amount to a combined \$112 million.

Governmental Fund Balances

In the Balance Sheet - Governmental Funds, the District has classified fund balances into nonspendable, committed, restricted, assigned and unassigned amounts. Restricted amounts represent the following:

- Capital Projects Fund - Bond funds restricted for road system and building improvements subject to specific provisions in bond resolutions.
- Debt Service Fund - Assets required for servicing general obligation bond indebtedness under the District's trust indenture.

Committed amounts in the general fund represent certain fees specifically set aside by action of the Board to be used solely to maintain the integrity of the drainage system. Also included are amounts set aside due to property appraiser disputes. Note 15 discusses these disputes in more detail.

15. COMMITMENTS AND CONTINGENCIES

Construction

As of September 30, 2023, the District's Board of Supervisors authorized a budget of approximately \$124.3 million for current or in-process major transportation and other construction projects. Executed construction commitments associated with these projects approximated \$76.1 million and of this amount, approximately \$14.3 million was spent as of September 30, 2023.

Purchased Power and Gas

The District has entered into Purchase Power Agreements ("PPA") with Investor Owned Utilities (IOUs), private solar developers and municipal entities throughout Florida for the purchase and sale of power at wholesale rates, and associated transmission service. In general, except for solar PPAs, purchase PPAs require the counterparty to pay reservation charges for capacity to reserve the right to call on such capacity as needed. The District's budgeted minimum commitment for fiscal year 2023 reservation charges under its agreements was estimated at \$7,085,250. There are no requirements for the District to sell wholesale power or reserve capacity for wholesale sales. Initial terms of the District's existing agreement expires on December 31, 2024, with various provisions for renewal or cancellation by the District and the respective counterparty in the agreement.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Purchased Power and Gas - Continued

On September 13, 2015, the District entered into a Service Agreement for Network Integration Transmission Service ("NITS") with Duke Energy for the period January 1, 2016 through December 31, 2020. On February 26, 2020, the District signed a restated Service Agreement for NITS with Duke Energy for the period March 1, 2020 through March 1, 2025. Although the agreement expires in 2025, the District has contractual rollover rights for 5-year increments. The District's budgeted transmission commitment for fiscal year 2023 under the NITS agreement was estimated at \$9,812,523.

On May 27, 2015, the District entered into a Purchase Power Agreement with Duke Energy for the purchase of solar energy from the "Mickey Solar" array. The agreement is for a term of 15 years with a total commitment to purchase approximately 109,000 MWh at a rate of \$68.95/MWh, or approximately \$7,515,550. The annual cost for fiscal year 2023 was estimated at \$557,116.

On October 9, 2017, the District entered into a Purchase Power Agreement with Origen Energy for the purchase of solar energy from the FL Solar 5, LLC facility. The agreement is for a term of 17 years with the option to extend the term up to 20 years. For the 17-year term, the District is committed to purchase approximately 1,978,360 MWh at a rate of \$38.76/MWh or approximately \$76,681,234. The annual cost for fiscal year 2023 was estimated at \$3,814,372.

On February 24, 2021, the District entered into a third Purchase Power Agreement to purchase solar energy from Bell Ridge Solar, LLC for a 20-year term. On March 23, 2022, based on mutual agreement of the parties the First Amendment to the original PPA with Bell Ridge Solar, LLC for the purchase of solar energy was executed. The term of the original agreement of 20 years equates to a total commitment to purchase approximately 3,699,482 MWh at a rate of \$33.96/MWh or approximately \$125,634,409. The annual cost for fiscal year 2023 is estimated at \$2,362,597.

The District is also obligated to purchase pipeline capacity to transport natural gas under two transportation and supply agreements with Florida Gas Transmission Company ("FGT"), dated December 1991 and October 1993, respectively. The terms of the FGT agreements expire in the year 2025; however, the District has contractual rollover rights for 10-year increments. Minimum reservation payments under these agreements were budgeted at approximately \$3,402,279 for fiscal year 2023.

The District also has a backup natural gas interconnection agreement with Peoples Gas System ("PGS"). The term of the PGS agreement expires in the year 2028 unless extended by the District. The District is in conversations with PGS to extend the existing agreement. Minimum payments under this agreement were budgeted at approximately \$477,600 for fiscal year 2023.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Purchased Power and Gas - Continued

The District has entered forward contracts for specified periods of time to purchase the natural gas commodity at either specified swap prices in the future or collars where prices fluctuate within a ceiling and floor. In general, the District's portfolio primarily consists of swaps and occasionally collars. The District enters these financial contracts to help plan its natural gas costs for the year and to protect itself against an increase in market price of the commodity. These purchases (hedges) are made in compliance with the District's Energy Risk Management Program (ERMP). It is possible the market price before or at the specified time to purchase natural gas may be lower or higher than the price at which the District is hedged. This would serve to reduce or increase the value of the hedge contracts at the time of settlement. If the market price for the commodity is more than the hedge price, the District benefits by only paying the fixed price of the hedge. However, if the market price for the commodity is less than the fixed price of the hedge, the District would pay the fixed price for the swap. The exposure for the District occurs if the counterparty fails to fulfill the hedge contracts.

Labor Services Agreement

In October 2022, the District entered into an Amended and Restated Labor Services Agreement ("LSA") with Reedy Creek Energy Services (RCES), to furnish all labor and services necessary to operate, maintain, repair, renew and administer a solid waste collection and disposal system, a wastewater system, a potable water system, a natural gas distribution system, an electric generation and distribution system, a chilled water system, and a hot water system (collectively the "utility systems"). The LSA was amended in February 2023 to clarify certain terms of the LSA. The term of the agreement as amended continues through December 2032, however, the termination date (as part of the settlement agreement with WDW, discussed in "Litigation and Other Claims" below) will terminate in 2028. The maximum amount billable under the LSA (Operating Services Fee Cap) in fiscal year 2023 was \$33,724,250. The Operational Services Fee Cap for fiscal year 2024 is \$35,502,576.

Inter-local Agreement

Prior to fiscal year 2023, the District (former Reedy Creek Improvement District) entered into an inter-local agreement with the cities of Bay Lake and Lake Buena Vista to provide administrative, managerial, accounting and other services. Administrative and accounting services included, but were not limited to, procurement and contract administration, financial services, technology services and risk management. Other services included water management and utilities, permitting and fire and emergency management services.

In September 2023, the District announced it would be terminating the administrative, managerial and accounting services portion of the agreements in fiscal year 2024. That termination became effective January 16, 2024.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Duke Energy Letter of Credit

In October 2022, the District entered into an Irrevocable Standby Letter of Credit ("LOC") with Truist Bank in the amount of \$3 million. The LOC was requested by Duke Energy subsequent to the passing of Senate Bill 4-C, which dissolved 6 independent special districts, including the former RCID. Duke Energy was named beneficiary and is allowed to draw under the letter of credit in the event of payment default by the District under the purchased power agreement. The LOC expires January 31, 2025.

STOPR Agreements

In September 2007, the District entered into an agreement with the City of St. Cloud, Tohopekaliga Water Authority ("TWA"), and Orange and Polk Counties to jointly perform permit compliance monitoring activities as required by the Water Use Permits issued by the South Florida Water Management District. Between 2010 and June 2016, Orange County was the contract manager and the District's payments were made to Orange County upon receipt of an invoice. In March 2016, the District executed an amendment to the original agreement that (1) made TWA the contract manager and (2) extended the term of the agreement. The agreement, as amended, requires the District to contribute 18.2% of the total costs. As of September 30, 2023, the District has paid \$1,366,693 for these efforts.

In August 2011, the District entered into an agreement with the Water Cooperative of Central Florida (which currently consists of the City of St. Cloud, TWA, Orange County and Polk County) to participate in the preliminary design and permitting of the Cypress Lake Wellfield Alternative Water Supply project. Originally TWA was the contract manager but with the First Amendment approved in June 2014, the Water Coop became the contract manager and the District's payments were made to them. The agreement, as amended, required the District to contribute \$749,139 for this work. Effective March 1, 2023 the District withdrew from the Cypress Lake Alternative Water Supply agreement. No additional payments were made to the Water Coop in fiscal year 2023.

Litigation and Other Claims

Various suits and claims arising in the ordinary course of operations are pending against the District. Management believes the ultimate disposition of such matters, including the cases described below, will not materially affect the financial position of the District or the results of its operations, or the District's ability to pay debt service on existing outstanding bonds.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2023

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Litigation and Other Claims - Continued

Various suits involve Walt Disney Parks and Resort US, Inc. and Disney Vacation Development, Inc. (collectively, "WDP and DVD Plaintiffs") naming the Orange County Property Appraiser, the Orange County Tax Collector and the District as defendants and challenging the Orange County Property Appraiser's valuation of multiple commercial parcels and contesting the legality and validity of the 2015 through 2022 ad valorem tax assessments on the parcels paid to the District. WDP and DVD Plaintiffs claim that the value of each of the assessments on the parcels does not represent the just value of the parcels because it exceeds the fair value thereof and claims the appraiser included the value of certain intangible property in the assessment in violation of law. WDP and DVD Plaintiffs have requested the court set aside the 2015 through 2022 assessments and resulting taxes to the extent they exceed the just value of such property and issue a new tax bill in said reassessed amounts. As a result of these claims, the Court of Appeals instructed that a revaluation be calculated by the Orange County Property Appraiser's office using the Court of Appeals' recommendations on the parcels applicable to the District. While the District anticipates further adjustments to the tax collections for fiscal years 2016 through 2023 (assessments in 2015 through 2022), it cannot predict the outcome of these cases. The District has committed fund balance in the amount of \$5 million to cover potential future settlements.

The federal litigation filed by Walt Disney Parks and Resorts, U.S., Inc. ("WDW"), which was dismissed by the Northern District of Florida and is currently on appeal to the Eleventh Circuit (Fla. Case No. 4:23-CV-00163-MW-MJF), could if WDW were successful, have the impact of unwinding the existing governance structure of the District and return it to the previous governance structure, which the District operated under for over 50 years. Moreover, if the declaration of restrictive covenants favoring WDW, being challenged by CFTOD in the Orange County Circuit Court (Case No. 2023-CA-011818-O), were declared valid and enforceable, such could have the impact of limiting the future development of CFTOD's real estate assets. Also, if the development agreement were declared valid and enforceable, such could have the impact of requiring the District to complete future capital improvement projects that would require the issuance of additional debt, therefore subjecting the District to additional debt service requirements similar to what the District has operated under in prior years.

The Board announced at a public meeting on March 27, 2024, just prior to publishing these financial statements, that a settlement had been reached with WDW in the above pending lawsuits, which had no financial impact on the District.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2023

Roadways

(Note 2. A.)

Fiscal Year	Percentage of Roadways		
	Excellent	Good/Satisfactory	Poor
2023	67 %	26 %	7 %
2022	69 %	25 %	6 %
2021	70 %	23 %	7 %
2020	70 %	24 %	6 %
2019	72 %	21 %	7 %

Bridges

(Note 2. B.)

Fiscal Year	Number of Bridges by Category				
	Excellent	Good	Fair	Poor	Total
2023 *	14	49	1	-	64
2022	58	2	N/A	-	60
2021	50	3	N/A	-	53
2020	50	8	N/A	-	58
2019	50	8	N/A	-	58

Water Control Structures

(Note 2. C.)

Fiscal Year	Number of Structures by Category				
	Excellent	Good	Fair	Poor	Total
2023 *	13	11	-	-	24
2022	17	7	N/A	-	24
2021	18	6	N/A	-	24
2020	18	6	N/A	-	24
2019	18	4	N/A	-	22

* Rating category modified in 2023; see further explanation below.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2023

Fiscal Year	Budgeted Costs			Actual Costs		
	Roads	Bridges	Water Control Structures	Roads	Bridges	Water Control Structures
2024	\$ 8,331,100	\$ 1,100,000	\$ 3,450,000	\$ -	\$ -	\$ -
2023	14,129,000	830,000	1,900,000	10,105,448	36,049	977,659
2022	12,238,876	4,285,000	1,760,000	2,626,838	3,547,250	847,977
2021	6,607,600	3,220,400	1,025,000	3,713,650	1,588,609	450,492
2020	4,345,000	95,000	1,378,400	1,624,955	47,071	708,075
2019	2,000,000	1,644,673	1,903,000	1,026,195	165,000	625,522

1. ELECTION TO USE MODIFIED APPROACH

The District has elected to use the "Modified Approach" as defined by GASB No. 34 for infrastructure reporting for its roads, bridges and water control structures. The infrastructure capital assets are managed using an asset management system with (1) an up-to-date inventory; (2) condition assessments conducted at a minimum of every three years; and (3) an estimated annual amount to maintain and preserve the asset at the established condition assessment level.

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL

A. Roads

Streets and roads are constantly deteriorating due to environmental causes (weathering and aging) and structural causes (repeated traffic loading). The rate at which pavement deteriorates depends on the original construction quality, environmental conditions, drainage, traffic loading and interim maintenance procedures. The District bases all pavement design on existing traffic counts, proposed traffic generation due to planned development and known loading factors.

In an effort to ensure the quality of the District's roadway network, the District performs a physical condition assessment of the public streets/roadways within its jurisdiction using the Road Manager Condition Evaluation test method. Roads are evaluated and given a numerical rating, or Pavement Condition Index ("PCI") of 1 through 100. This identifies the condition and helps determine what work is required. The ratings were based on visual observation of the roads surface condition: defects or deformation, cracking (transverse, reflective, longitudinal and alligator), and patching/pot hole frequency.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2023

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

A. Roads - Continued

Using the PCI Index, the following conditions were defined:

<u>Condition</u>	<u>PCI Rating</u>
Excellent	80 - 100
Good/Satisfactory	60 - 79
Poor	1 - 59

Complete assessments to evaluate the PCI ratings shall occur at a minimum every three years. In addition, yearly inspections are performed to account for changing conditions that may impact previous ratings.

The District has elected to maintain roads within the system at a minimum of 80% rated in excellent or good/satisfactory condition. As of the date of this report, 93% of the District's roads were in excellent or good/satisfactory condition.

In prioritizing roadway repairs, a benefit value for each roadway is determined based on the roadway use and the projected cost of the necessary repair. Based on the identified priorities, the District budgets for and schedules the pavement repairs. During fiscal year 2023, the District completed three pavement resurfacing repair projects that began in fiscal year 2022 and started a fourth project that will finish in early fiscal year 2024. The remaining work needed to upgrade the 7% of roadways in the poor category is programmed for subsequent fiscal years.

In addition to roadway construction and major asphalt refurbishment, the District continued with routine/ongoing maintenance and repairs throughout the roadway system. The routine work in 2023 encompassed maintenance repairs of asphalt, shoulder protection and replacement of guardrail totaling \$10,105,448.

B. Bridges

Bridges within the District are inspected bi-annually by a qualified Florida licensed Structural Engineer on a rolling basis. Bridge inspections are performed according to the latest National Bridge Inspection ("NBI") Standards and Florida Department of Transportation ("FDOT") requirements. As part of the inspection process, the bridge deck, super-structure, substructure and culvert (if applicable) are rated according to standard requirements. To be more consistent with industry standards, in 2023 the District implemented the NBI Condition Rating used by FDOT, which assigns classifications based on the table below:

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2023

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

B. Bridges - Continued

<u>Condition</u>	<u>NBI Condition Rating</u>
Excellent	8 - 9
Good/Satisfactory	6 - 7
Fair	5
Poor	1 - 4

The earliest bridges constructed within the District were placed into service in 1972 and a majority of the bridges were constructed during the following 25 years. Over the past eight years, the District has undergone major infrastructure expansion with additional bridges being placed into service, older bridges undergoing major modifications and numerous bridges retired from service.

The District has elected to maintain 90% of its bridges within the excellent or good category. As of the date of this report, 98% of the District's bridges were in excellent or good condition.

Preservation and maintenance of bridge structures is an on-going activity and allows the bridges to be classified as either Excellent or Good condition. Based on inspection results/recommendations, bridge installations and repairs were completed at a cost of \$36,049.

C. Water Control Structures

The Master Drainage System within the District is comprised of 66 river miles of canals and waterway. It incorporates 24 major water control structures comprised of Amil Gates, sharp crested weirs, and one set of 48" diameter culverts. Amil Gates are constant level water control structures. These gates provide a consistent water level within the waterways or canals, and open due to increasing water pressure during a storm event, thereby allowing flood waters to pass downstream and exit the District. Weirs maintain water levels at a set elevation; as the flood waters rise due to a storm event, they spill over the weirs and pass downstream. The set of 48" culverts act as an overflow or pass through, allowing flood waters to pass to an adjacent wetland on the eastern perimeter of the District. Construction on a majority of these structures began in the late 1960's, thus many are approaching 60 years of service time. Ongoing maintenance and major rehabilitative work has extended the useful life of the structures allowing them to remain operational.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2023

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

C. Water Control Structures - Continued

Structures are classified by their overall condition and were listed as Excellent, Good or Poor condition. In 2023, the District added the Fair category to better classify structures along the condition spectrum described below. This rating is generated by the annual inspection and condition assessment report. The Annual Water Control Structure Report lists all items inspected both above ground and below the water surface. Using this information, the structure condition is assigned, the required repairs are prioritized and the repair work is scheduled. Required repairs are listed as Priority 1, 2 or 3. Priority 1 signifies a major rehabilitative repair. Priority 1 repairs are items that if not repaired, may degrade the integrity of the structural element or reduce the operational capacity of the structure. Historically, we have found Priority 1 repairs often occur in underwater conditions and have evolved over long periods of time. This type of repair may require extensive construction work and as such, cannot always be done immediately. These major repairs are programmed and budgeted to occur in a future year. Priority 2 repairs are those that may impact the operational capacity of the structure but do not cause major cost impacts and can be addressed during annual routine maintenance. Priority 3 identifies items not in current need of repair but signify a condition, though noteworthy, that is expected to remain stable for a number of years. As such, the recommendation is that Priority 3 items need not be separately scheduled for repair, but addressed when the structure undergoes Priority 1 or Priority 2 repairs. As the structures continue to age, our annual inspections reveal an increasing number of Priority 1 and 2 repairs, and the annual maintenance for the water control system has begun to trend upward.

Based on the results of inspections and priority ranking of repairs, the following condition level categories have been assigned:

<u>Condition</u>	<u>Category Characteristics</u>
Excellent	<ul style="list-style-type: none">- No existing safety deficiencies- Acceptable performance expected, no operational impacts- Routine maintenance required, generally priority 3 and 2 repairs- Widespread typical deterioration
Good	<ul style="list-style-type: none">- No existing safety deficiencies- Acceptable performance expected- Minor operational impacts not critical to flood control- Routine maintenance required, generally priority 3 and 2 repairs- Widespread typical deterioration- Isolated significant condition exists that require remedial action greater than routine work and/or secondary studies/investigation. May include an isolated priority 1 repair.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2023

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL - CONTINUED

C. Water Control Structures - Continued

Poor	<ul style="list-style-type: none">- No existing safety deficiencies for normal operation conditions. Extreme hydrologic events may result in safety deficiencies.- Maintenance required to prevent developing safety concerns- Acceptable performance expected- Minor operational impacts not critical to flood control, but potential threat to flood control operations if impacts continue to deteriorate- Multiple conditions exist that require remedial action greater than routine work and/or secondary studies/investigation- Widespread severe deterioration
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The District has elected to maintain water control structures within the system at 80% in excellent or good condition and have no structures in poor condition. As of the date of this report, 100% of the District's structures were rated in excellent or good condition.

During fiscal year 2023, the District conducted routine maintenance on the system, which included repairs on structures, levees and debris removal throughout the canal system and maintenance/repair of erosion issues. The cost of these activities totaled \$977,659.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POSTEMPLOYMENT BENEFITS

Year Ended September 30, 2023

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Last 6 Fiscal Years*

	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY						
Service cost	\$ 1,124,357	\$ 2,019,443	\$ 1,926,349	\$ 1,511,559	\$ 1,219,287	\$ 1,179,666
Interest	2,655,985	1,840,307	1,851,303	2,167,491	2,521,415	2,332,664
Change in benefit terms	-	-	374,816	-	-	-
Difference between expected and actual experience	-	2,763,542	-	(6,200,300)	-	-
Changes of assumptions	(954,595)	(22,662,394)	(935,997)	6,505,338	18,890,916	(6,120,684)
Benefit payments	(2,058,314)	(2,218,031)	(1,757,481)	(1,709,222)	(1,523,266)	(1,521,768)
Net change in total OPEB liability	767,433	(18,257,133)	1,458,990	2,274,866	21,108,352	(4,130,122)
Total OPEB liability, beginning of year	66,304,404	84,561,537	83,102,547	80,827,681	59,719,329	63,849,451
Total OPEB liability, end of year	\$ 67,071,837	\$ 66,304,404	\$ 84,561,537	\$ 83,102,547	\$ 80,827,681	\$ 59,719,329
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 3,072,626	\$ 3,233,531	\$ 2,774,518	\$ 2,743,348	\$ 2,552,995	\$ 12,521,768
Net investment income (loss)	360,829	(1,011,926)	(60,629)	488,190	637,649	2,399
Benefit payments	(2,058,314)	(2,218,031)	(1,757,481)	(1,709,222)	(1,523,266)	(1,521,768)
Net change in plan fiduciary net position	1,375,141	3,574	956,408	1,522,316	1,667,378	11,002,399
Plan fiduciary net position, beginning of year	15,152,075	15,148,501	14,192,093	12,669,777	11,002,399	-
Plan fiduciary net position, end of year	16,527,216	15,152,075	15,148,501	14,192,093	12,669,777	11,002,399
District's net OPEB liability, end of year	\$ 50,544,621	\$ 51,152,329	\$ 69,413,036	\$ 68,910,454	\$ 68,157,904	\$ 48,716,930
Plan fiduciary net position as a percentage of the total OPEB liability	24.64 %	22.85 %	17.91 %	17.08 %	15.68 %	18.42 %
Covered-employee payroll	\$ 29,670,506	\$ 28,667,156	\$ 29,475,581	\$ 28,294,306	\$ 27,612,000	\$ 26,678,408
District's net OPEB liability as a percentage of covered-employee payroll	170.35 %	178.44 %	235.49 %	243.55 %	246.84 %	182.61 %

*Information in this schedule is intended to display the last 10 years; however, information is not available for all prior years. Additional years will be displayed as information becomes available.

Notes to Schedule

Changes of assumptions - The discount rate increased from 4.00% to 4.09% at September 30, 2023.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POST EMPLOYMENT BENEFITS - CONTINUED

Year Ended September 30, 2023

Schedule of the District's Contributions

Last 6 Fiscal Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 4,047,323	\$ 3,072,626	\$ 974,697	\$ 29,670,506	10.36 %
2022	5,171,142	3,233,531	1,937,611	28,667,156	11.28 %
2021	5,075,307	2,774,518	2,300,789	29,475,581	9.41 %
2020	4,838,645	2,743,348	2,095,297	28,294,306	9.70 %
2019	4,507,464	2,552,995	1,954,469	27,612,000	9.25 %
2018	3,580,651	12,521,768	(8,941,117)	26,678,408	46.94 %

* Information in this schedule is intended to display the last 10 years; however, information is not available for all prior years. Additional years will be displayed as information becomes available.

Notes to Schedules

Valuation Date: September 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal based on level basis over the earnings of the individual between entry age and assumed exit age(s). Projected Unit Credit method used in years 2018 and prior.
Amortization period	30-year open group
Asset valuation method	Fair market value
Contributions	Contributions to the VEBA Trust are not codified or mandated but the District's funding strategy is to contribute a minimum of \$1 million to the Trust per year.
Inflation	2.50%
Healthcare cost trend rates	6.5% initial, decreasing .25% per year to an ultimate rate of 4.5% for medical; 4.0% dental; 3.0% vision
Salary increases per year	3.50%
Investment rate of return (discount rate)	4.09%
Retirement age	Based on the 2021 Florida Retirement System Actuarial Valuation
Mortality	PUB-2010 mortality table with scale MP-2021

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POST EMPLOYMENT BENEFITS - CONTINUED**

Year Ended September 30, 2023

Schedule of Investment Returns

Last 6 Fiscal Years *

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2023	2.4%
2022	(6.4)%
2021	(0.3)%
2020	4.0%
2019	5.8%
2018	0.0%

* Information in this schedule is intended to display the last 10 years; however, information is not available for all prior years. Additional years will be displayed as information becomes available. Fiscal year 2018 was 0.0% as The Plan was funded at the end of the fiscal year.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS**

Year Ended September 30, 2023

Schedule of the District's Proportionate Share of the Net Pension Liability - Pension Plan

Florida Retirement System

Last 10 Fiscal Years*

Calendar Year	CFTOD's Proportion of the Net Pension Liability	CFTOD's Proportionate Share of the Net Pension Liability	CFTOD's Covered Employee Payroll	CFTOD's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.12810 %	\$ 51,043,615	\$ 35,229,560	144.89 %	82.38 %
2022	0.13088 %	48,696,935	34,235,982	142.24 %	82.89 %
2021	0.12138 %	9,169,131	31,367,402	29.23 %	96.40 %
2020	0.14788 %	64,091,387	33,311,667	192.40 %	78.85 %
2019	0.15020 %	51,728,123	32,604,660	158.65 %	82.61 %
2018	0.14924 %	44,950,699	31,337,271	143.44 %	84.26 %
2017	0.13850 %	40,967,776	27,550,271	148.70 %	83.89 %
2016	0.14236 %	35,945,064	26,833,753	133.95 %	84.88 %
2015	0.12545 %	16,204,183	24,758,513	65.45 %	92.00 %
2014	0.12860 %	7,846,750	23,975,240	32.73 %	96.09 %

*Amounts presented for each fiscal year were determined as of June 30.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2023

Schedule of the District's Contributions - Pension Plan

Florida Retirement System

Last 10 Fiscal Years*

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	CFTOD's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 7,164,161	\$ 7,164,161	\$ -	\$ 36,198,395	19.79 %
2022	6,072,376	6,072,376	-	34,180,174	17.77 %
2021	5,193,646	5,193,646	-	32,345,424	16.06 %
2020	5,173,531	5,173,531	-	32,847,147	15.75 %
2019	5,114,578	5,114,578	-	33,220,360	15.40 %
2018	4,642,954	4,642,954	-	31,540,901	14.72 %
2017	4,027,501	4,027,501	-	28,358,740	14.20 %
2016	3,815,742	3,815,742	-	27,184,949	14.04 %
2015	3,459,545	3,459,545	-	25,052,616	13.81 %
2014	3,199,940	3,199,940	-	24,221,740	13.21 %

*Amounts presented for each fiscal year were determined as of September 30.

Changes in assumptions

The District is not aware of any changes in assumptions during the fiscal year.

Change in benefit terms

Effective July 1, 2023, the maximum period of time an eligible member may participate in DROP increased from 60 months to 96 months. The effective annual rate of interest earned on accumulated ending balances in the DROP program increased from 1.3% to 4.0%.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2023

Schedule of the District's Proportionate Share of the Net Pension Liability - HIS Plan

Health Insurance Subsidy Program

Last 10 Fiscal Years*

Calendar Year	CFTOD's Proportion of the Net Pension Liability	CFTOD's Proportionate Share of the Net Pension Liability	CFTOD's Covered Employee Payroll	CFTOD's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.08864 %	\$ 14,077,700	\$ 35,229,560	39.96 %	4.12 %
2022	0.09394 %	9,950,153	34,235,982	29.06 %	4.81 %
2021	0.08857 %	10,863,849	31,367,402	34.63 %	3.56 %
2020	0.09597 %	11,718,223	33,311,667	35.18 %	3.00 %
2019	0.09749 %	10,908,108	32,604,660	33.46 %	2.63 %
2018	0.09590 %	10,150,278	31,337,271	32.39 %	2.15 %
2017	0.08638 %	9,235,838	27,550,271	33.52 %	1.64 %
2016	0.08682 %	10,118,388	26,833,753	37.71 %	0.97 %
2015	0.08138 %	8,299,010	24,758,513	33.52 %	0.50 %
2014	0.08064 %	7,539,962	23,975,240	31.45 %	0.99 %

*Amounts presented for each fiscal year were determined as of June 30.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2023

Schedule of the District's Contributions - HIS Plan

Health Insurance Subsidy Program

Last 10 Fiscal Years*

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	CFTOD's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 633,993	\$ 633,993	\$ -	\$ 36,198,395	1.75 %
2022	567,391	567,391	-	34,180,174	1.66 %
2021	536,934	536,934	-	32,345,424	1.66 %
2020	545,263	545,263	-	32,847,147	1.66 %
2019	551,458	551,458	-	33,220,360	1.66 %
2018	523,579	523,579	-	31,540,901	1.66 %
2017	470,755	470,755	-	28,358,740	1.66 %
2016	451,270	451,270	-	27,184,949	1.66 %
2015	340,982	340,982	-	25,052,616	1.36 %
2014	294,282	294,282	-	24,221,740	1.21 %

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*Amounts presented for each fiscal year were determined as of September 30.

Changes in assumptions

From 2022 to 2023, the municipal rate used to determine total pension liability increased from 3.54% to 3.65%.

Change in benefit terms

Effective July 1, 2023, employer contribution rates increased from 1.66% to 2.0% of gross compensation for active members. Additionally, the monthly HIS payment increased from \$5 to \$7.50 for each year of creditable service, the minimum HIS payment increased from \$30 to \$45, and the maximum HIS payment increased from \$150 to \$225.

APPENDIX B

BOND RESOLUTION

Resolution No. 245

Resolution No. 313

Resolution No. 546

Resolution No. 551

Resolution No. 670

[Exhibits intentionally omitted]

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Res 245

REEDY CREEK IMPROVEMENT DISTRICT AD VALOREM
TAX BONDS AMENDED AND RESTATED BOND RESOLUTION

Adopted on November 15, 1991

REEDY CREEK IMPROVEMENT DISTRICT AD VALOREM
TAX BONDS AMENDED AND RESTATED BOND RESOLUTION

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(This table of contents is not part
of the Bond Resolution and is only for
convenience of reference.)

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RESOLUTION No. 245

A RESOLUTION OF THE REEDY CREEK IMPROVEMENT DISTRICT SUPPLEMENTING, AMENDING AND RESTATING A RESOLUTION ADOPTED BY THE DISTRICT ON APRIL 4, 1972 PERTAINING TO THE ISSUANCE BY THE DISTRICT OF ITS AD VALOREM TAX BONDS TO PAY THE COSTS OF VARIOUS PUBLIC PURPOSES IN THE DISTRICT; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH AD VALOREM TAX BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to a Resolution (the "1972 Resolution") adopted by the Board of Supervisors (the "Board") of the Reedy Creek Improvement District (the "District") on April 4, 1972, the District authorized the issuance of its Ad Valorem Tax Bonds in the aggregate principal amount of \$20,000,000 (the "Series 1972 Bonds") and authorized the issuance of additional parity bonds under the 1972 Resolution, such bonds to be secured by a lien on certain Ad Valorem Taxes (as defined herein) collected by the District on a parity with the lien of the Series 1972 Bonds; and

WHEREAS, the District has issued its Ad Valorem Tax Bonds, Series 1987A, its Ad Valorem Tax Bonds, Series 1989A and its Ad Valorem Tax Bonds, Series 1989B as additional parity bonds under the 1972 Resolution; and

WHEREAS, Section 18 of the 1972 Resolution provides that certain amendments may be made to the 1972 Resolution upon receipt of the consent of the holders of two-thirds of all Bonds Outstanding under the 1972 Resolution; and

WHEREAS, pursuant to the 1972 Resolution, the District established a Reserve Account (the "Reserve Account") into which the District has deposited, in the aggregate, \$1,657,096 in connection with the issuance of the Series 1972 Bonds and all additional parity bonds heretofore issued pursuant to the 1972 Resolution; and

WHEREAS, upon the effective date of this resolution, the Reserve Account shall be abolished and the moneys on deposit therein shall be applied in accordance with a subsequent resolution adopted by the Board; and

WHEREAS, the District desires to amend and restate the 1972 Resolution to read in its entirety as provided herein, effective upon receipt of the consent of the Holders of two-thirds, and as to certain provisions as

herein provided, one hundred percent (100%) of the Bonds outstanding under the 1972 Resolution;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE REEDY CREEK IMPROVEMENT DISTRICT:

EXCEPT AS EXPRESSLY PROVIDED HEREIN, EFFECTIVE IMMEDIATELY UPON THE RECEIPT OF THE CONSENT OF THE HOLDERS OF TWO-THIRDS OF THE PRINCIPAL AMOUNT OF THE BONDS OUTSTANDING UNDER THE 1972 RESOLUTION, THE 1972 RESOLUTION IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY, TO READ AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967.

SECTION 2. DEFINITIONS. The following terms used herein shall have the meanings set forth below, unless the context otherwise expressly requires:

"Accreted Value" means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering), plus the interest accreted on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Valuation Date next preceding the date of computation or the date of computation if a Valuation Date, such interest to accrete at a rate not exceeding the maximum rate permitted by law, compounded periodically, plus, if such date of computation shall not be a Valuation Date, a portion of the difference between the Accreted Value as of the immediately preceding Valuation Date (or the date of original issuance if the date of computation is prior to the first Valuation Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Ad Valorem Taxes" means the proceeds collected by the District pursuant to Section 24 of the Act from Ad Valorem Taxes levied at a rate not exceeding thirty (30) mills on the dollar per annum on the assessed value of all taxable property in the District.

"Ad Valorem Taxes Fund" means the fund by that name created pursuant to Section 15A hereof.

"Additional Bonds" means additional Bonds issued in compliance with the terms, conditions and limitations contained in Section 15E hereof which shall have an equal lien on the tax proceeds deposited in the Ad Valorem Taxes

Fund created by this resolution and rank equally in all respects with the Bonds initially issued hereunder.

"Amortization Installment" means the funds to be deposited in the Sinking Fund in a given Bond Year for the payment at maturity or redemption of a portion of Term Bonds of a designed Series, as established by resolution of the District at or before the delivery of that Series of Term Bonds.

"Board" means the Board of Supervisors of the District.

"Bonds" means the Ad Valorem Tax Bonds herein authorized to be issued, together with any Additional Bonds hereafter issued under the terms, conditions and limitations contained herein.

"Bond Counsel" means nationally recognized counsel experienced in matters relating to the validity of, and the tax exemption of interest on, obligations of states and their political subdivisions.

"Bond Obligation" means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Accreted Value on all Capital Appreciation Bonds then Outstanding.

"Bond Service Requirement" means for a given Bond Year the remainder, after subtracting any accrued and capitalized interest for that Bond Year which has been deposited into the Sinking Fund from the sum of:

(1) The amount required to pay the interest coming due on Bonds during that Bond Year, including the accreted interest component of the Accreted Value of Capital Appreciation Bonds coming due during that Bond Year,

(2) The amount required to pay the principal of Serial Bonds and the principal of Term Bonds coming due during that Bond year including the principal component of the Accreted Value of Capital Appreciation Bonds maturing in that Bond Year that are not included in the Amortization Installments for such Term Bonds, and

(3) The Amortization Installment for all Series of Term Bonds for that Bond Year.

The interest rate for Variable Rate Bonds for the Bond Year in which such calculation is made, or for the following Bond Year, as the case may be, shall be assumed to

be one hundred ten percent (110%) of the greater of (i) the average daily interest rate on such Variable Rate Bonds during the twelve months ending with the month preceding the date of calculation, or such shorter period that such Variable Rate Bonds shall have been Outstanding, or (ii) the rate of interest on such Variable Rate Bonds on the date of calculation. For purposes of determining the Maximum Bond Service Requirement or the Bond Service Requirement for the issuance of Additional Bonds pursuant to Section 15E of this resolution, the interest rate on Variable Rate Bonds Outstanding on the date of calculation shall be calculated as provided above, and the interest rate on Variable Rate Bonds proposed to be issued shall be deemed to be the higher of (a) the initial interest rate on such Variable Rate Bonds on the date of issuance thereof, or (b) if Variable Rate Bonds are Outstanding hereunder, the rate calculated pursuant to the immediately preceding sentence for such Variable Rate Bonds. If Bonds are subject to purchase by the District at the option of the Holder and a liquidity facility is available with respect thereto at the time such determination is made to provide for the purchase of such Bonds, the "put" date or dates with respect to such Bonds shall be ignored and the stated maturity dates thereof shall be used for purposes of this calculation.

"Bond Year" means the annual period beginning on the first day of June of each year and ending on the last day of May of the following year, except that the first Bond Year with respect to any Series of Bonds shall begin on the date of issuance of such Series of Bonds and end on the last day of the succeeding May; provided that when such term is used to describe the period during which deposits are to be made to amortize the principal and interest on the Bonds maturing or becoming subject to redemption, the principal and interest maturing or becoming subject to redemption on the first day of the month immediately succeeding any Bond Year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

"Business Day" means any day other than a Saturday, Sunday, legal holiday or other day on which banking institutions in the city or cities in which the Paying Agent has its principal corporate trust office are authorized by law to be closed for business or on which the New York stock exchange is closed.

"Capital Appreciation Bonds" means those Bonds issued hereunder as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then current Accreted Value only at the maturity, earlier redemption or other payment date thereof, all as so designated by the supplemental resolution authorizing the issuance of such Bonds.

"Closing Date" means, with respect to any Series of Bonds, the date on which such Series of Bonds are issued and delivered.

"Code" means the Internal Revenue Code of 1986, as amended, and, if applicable, the Internal Revenue Code of 1954, as amended, or any corresponding provision of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, including interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published revenue rulings and private letter rulings) and applicable court decisions.

"Construction Fund" means the Ad Valorem Taxes Construction Fund created pursuant to Section 16C hereof.

"Current Interest Bonds" means those Bonds issued hereunder, the interest on which shall be payable on a periodic basis, as provided in the supplemental resolution authorizing the issuance of such Bonds.

"District" means the Reedy Creek Improvement District.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30 or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the District.

"Government Obligations" means direct noncallable obligations of the United States of America, obligations the payment when due of principal of and interest on which is unconditionally guaranteed by the United States of America and stripped interest obligations on bonds, notes, debentures and similar obligations issued by the Resolution Funding Corporation.

"Holder of Bonds" or "Bondholders" or any similar term means any person who shall be the bearer or owner of any Outstanding bearer Bond and Bonds registered to bearer, or the registered owner of any Outstanding registered Bond or Bonds which shall at the time be registered other than to bearer.

"Investment Obligations" means any investments in which the District is permitted to invest its funds under Section 68 of the Act, as amended or supplemented, or any other applicable provisions of law.

"Maturity Amount" means the amount payable at maturity of a Capital Appreciation Bond consisting of the original principal amount thereof or discounted principal value (original offering price) and interest or principal accreted thereon to the maturity date thereof, as determined by reference to the accreted value tables contained or referred to in such Bond.

"Maximum Bond Service Requirement" means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount or Accreted Value, as the case may be, of such Bonds that are to be redeemed or paid from Amortization Installments to be made in prior Bond Years. For purposes of this resolution, that Maximum Bond Service Requirement shall be calculated at least annually as of the first day of each Bond Year and as of the date of issuance of any Series of Bonds hereunder.

"Outstanding" means all Bonds authenticated and delivered under this resolution, except:

(a) all Bonds theretofore cancelled or required to be cancelled hereunder or under any supplemental resolution authorizing a Series of Bonds;

(b) Bonds for the payment, redemption or purchase of which moneys and/or Government Obligations, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Bonds in accordance herewith or with the supplemental resolution pursuant to which such Bonds were issued, shall have been or shall concurrently be deposited with the Paying Agent; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to this resolution or any supplemental resolution.

In determining whether the Holders of a requisite aggregate amount of Bond Obligation Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver, Bonds which are held on behalf of the District shall be disregarded for the purpose of any such determination.

"Paying Agent" means the applicable person or entity (including the District) authorized by the District to pay the principal of, premium, if any, and interest on Bonds on behalf of the District pursuant to the supplemental

resolution adopted in connection with the issuance of any Series of Bonds.

"Rebate Amount" shall have the meaning ascribed to that term in Section 15F of this resolution.

"Rebate Fund" means the Rebate Fund established pursuant to Section 15F of this resolution.

"Registrar" means, with respect to any Series of Bonds, the person or entity (including the District) designated as the registrar by the Board pursuant to a supplemental resolution adopted in connection with the issuance of such Series of Bonds.

"Serial Bonds" means all Bonds of a Series other than Term Bonds.

"Series" means the Bonds and any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, Amortization Installments or other provision, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a Series of Bonds issued pursuant to this resolution.

"Series 1972 Bonds" means the District's outstanding Ad Valorem Tax Bonds dated June 1, 1972 authorized hereby.

"Sinking Fund" means the Ad Valorem Taxes Sinking Fund created pursuant to Section 15B hereof.

"Taxable Bonds" means Bonds the interest on which is not intended at the time of the issuance thereof to be excluded from the gross income of the Holders thereof for federal income tax purposes.

"Term Bonds" means Bonds of a Series for which Amortization Installments are established, and such other Bonds of a Series so designated by supplemental resolution of the District adopted on or before the date of delivery of such Bonds.

"Valuation Date" means, with respect to any Capital Appreciation Bond, if applicable, the date or dates set forth in the supplemental resolution authorizing the issuance of such Capital Appreciation Bonds.

"Variable Rate Bonds" means Bonds issued with a variable, auction reset, adjustable, convertible or other

similar rate which is not fixed in percentage at the date of issue for the entire term thereof.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

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

A. It is necessary, desirable, and in the best interest of the District that the Series 1972 Bonds in an amount not exceeding \$20,000,000 be issued to finance the cost of various public purposes to be located within the District and described as follow:

(1) \$10,500,000 to provide for the refunding of \$7,000,000 outstanding Drainage Revenue Bonds, Series A Anticipation Notes of the District issued to finance the cost of the construction and acquisition of certain drainage, reclamation and water control improvements pursuant to the Special Report and Water Control for Reedy Creek Improvement District of Gee and Jenson, Consulting Engineers, Inc., dated April 1968, presently on file with the Board (hereinafter called "Project I").

(2) \$9,500,000 to finance the cost of the construction and acquisition of a sanitary sewer system pursuant to a design and report of James M. Montgomery, Consulting Engineers, Inc., dated December 16, 1966, and solid waste disposal facilities pursuant to a design and report of James M. Montgomery, Consulting Engineers, Inc., dated July 16, 1970, all presently on file with the Board (hereinafter called "Project II").

B. The issuance of the Series 1972 Bonds was approved by a majority of votes cast in a bond election held April 3, 1972, in the manner required by the Constitution and Laws of Florida.

C. Such Series 1972 Bonds together with all other outstanding ad valorem tax bonds of the District, if any, do not exceed fifty per centum (50%) of the assessed value of the taxable property within the District.

SECTION 4. AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF SERIES 1972 PROJECTS. There is hereby authorized the construction and acquisition of Projects I and II (hereinafter referred to as the "1972 Projects") pursuant to the reports and designs referred to in subsection 3A(1) and (2) hereof presently on file with the Board, as the same may be amended and supplemented, and subject to such modifications thereof and variations therefrom which from time to time may be determined by the Board to be

necessary for or in the best interest of the District. The cost of such 1972 Projects, in addition to the items set forth in the reports or in the plans and specifications, may include, but need not be limited to, the items contained in the definition of the term "cost" as provided in subsection 3(5) of the Act.

SECTION 5. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by the Holders thereof from time to time, this resolution shall be deemed to be and shall constitute a contract between the District and such Holders. The covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds and the coupons attached thereto, if any, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds or coupons, if any, over any other thereof, except as expressly provided therein and herein.

SECTION 6. AUTHORIZATION OF SERIES 1972 BONDS. Subject and pursuant to the provisions of this resolution, obligations of the District to be known as "Ad Valorem Tax Bonds," herein defined in the "Series 1972 Bonds," are hereby authorized to be issued in the aggregate principal amount of not exceeding Twenty Million Dollars (\$20,000,000.00).

SECTION 7. DESCRIPTION OF SERIES 1972 BONDS. The Series 1972 Bonds shall be dated June 1, 1972, shall be in the denomination of \$5,000 each, shall be numbered from one upward in order of maturity; shall bear interest at such rate or rates, not exceeding the legal rate, to be determined upon the sale thereof, such interest to be payable semi-annually, June 1 and December 1 of each year, and shall mature in numerical order on June 1 in the years and amounts as follows:

YEAR	AMOUNT	YEAR	AMOUNT
1974	\$270,000	1989	\$ 650,000
1975	290,000	1990	690,000
1976	305,000	1991	730,000
1977	325,000	1992	775,000
1978	345,000	1993	820,000
1979	365,000	1994	870,000
1980	385,000	1995	925,000
1981	410,000	1996	980,000
1982	430,000	1997	1,035,000
1983	460,000	1998	1,100,000
1984	485,000	1999	1,165,000
1985	515,000	2000	1,235,000
1986	545,000	2001	1,310,000
1987	580,000	2002	1,390,000
1988	615,000		

SECTION 8. DETAILS OF BONDS. The Series 1972 Bonds shall be issued in coupon form; shall be payable with respect to both principal and interest at a bank or banks to be subsequently determined by the District prior to the delivery of the Series 1972 Bonds; at least one of such banks shall be the main office of a bank located in the Borough of Manhattan, City and State of New York; shall be payable in lawful money of the United States of America; and shall bear interest from their date, payable in accordance with and upon surrender of the appurtenant interest coupons as they severally mature.

Except as otherwise provided in a subsequent resolution adopted with respect to a Series of Bonds, the following provisions shall apply to the Bonds: The Bonds shall be numbered consecutively from 1 upward preceded by the letter "R" prefixed to the number. The principal of and redemption premium, if any, on the Bonds shall be payable upon presentation and surrender at the principal office (or principal corporate trust office, if applicable) of the Registrar. Interest on Current Interest Bonds shall be paid by check or draft drawn upon the Registrar and mailed to the registered owners of such Bonds at the addresses as they appear on the registration books maintained by the Registrar at the close of business on the 15th day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Bonds subsequent to such Record Date and prior to such interest payment date, unless the District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the persons in whose names such Bonds are registered at the close of business on a special record date for the payment of such defaulted interest as established by notice deposited in the U.S. mails, postage prepaid, by the

District to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing. Payment of interest on Current Interest Bonds may, at the option of any Holder of Current Interest Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to such Holder to the bank account number on file with the Paying Agent as of the Record Date. Principal and any interest on Capital Appreciation Bonds shall be payable at maturity or earlier redemption thereof upon presentation and surrender of such Bonds at the office of the Registrar by check or draft unless otherwise provided by subsequent ordinance or resolutions.

If any date for payment of the principal of, premium, if any, or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day and payment on such date shall have the same force and effect as if made on the nominal date of payment.

If any Bond is not presented for payment when its principal or redemption price becomes due in whole or in part, either at stated maturity or by redemption, or a check for interest is uncashed, and if sufficient moneys for the purpose of paying that principal, redemption price or interest are on deposit with the Registrar and available for such purpose, all liability of the District to that Holder for that payment shall thereupon cease and be discharged completely, and it shall thereupon be the duty of the Registrar to hold those moneys in trust, without liability for interest thereon, for the exclusive benefit of that Bondholder who shall thereafter be restricted exclusively to those moneys for any claim of whatever nature on its part under the Bond Resolution and the Indenture.

Any moneys so held by the Registrar that remain unclaimed by the Holder of any Bond for a period of seven years after the due date of that payment shall be paid to the District, and thereafter the Holder of that Bond shall look only to the District for payment, and then only to the amounts so received by the District without any interest thereon, and the Registrar shall have no further responsibility with respect to those moneys.

The Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The District shall by supplemental resolution authorize such Series and shall specify the following: the authorized principal amount of such Series; the projects to be financed with the proceeds thereof; the date and terms of maturity

or maturities of the Bonds of such Series, or the payment of the Bonds on the demand of the holder, unless otherwise expressly provided by subsequent resolution; the interest rate or rates of the Bonds of such Series, which may include variable, dual adjustable, convertible or other rates, original issue discounts, compound interest, Capital Appreciation Bonds and zero interest rate bonds, provided that the average net interest cost rate on each such Series shall never exceed for such Series the maximum interest rate permitted by law in effect at the time such Series are issued, and provided further that in the event original issue discount, zero interest rate, Capital Appreciation Bonds or similar Bonds are issued, only the original principal amount of such Bonds shall be deemed issued on the date of issuance for the purposes of the maximum amount of Bonds authorized hereunder or under a supplemental resolution; the denominations, numbering, lettering and series designation of such Series of Bonds, provided that the Bonds shall be in the denominations of \$5,000 or any integral multiple thereof, or in the case of Capital Appreciation Bonds, \$5,000 amount due at maturity, or any integral multiple thereof, or any other denomination designated by subsequent resolution; the Paying Agent and place or places of payment of such Bonds; the redemption prices for such Series of Bonds and any terms of redemption or any formula for accretion upon redemption not inconsistent with the provisions of this resolution which may include mandatory redemption at the election of the holder or registered owner thereof; the amount and date of each Amortization Installment, if any, for such Series of Bonds and any other terms or provisions applicable to the Series of Bonds, not inconsistent with the provisions of this resolution or the Act.

SECTION 9. RESERVED.

SECTION 10. EXECUTION OF BONDS AND COUPONS.

Except as otherwise provided in a subsequent resolution adopted by the District with respect to a Series of Bonds, the Bonds shall be executed in the name of the District by the manual or facsimile signature of the President of the Board and countersigned and attested by the manual or facsimile signature of the Secretary to the Board, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signatures of the President or the Secretary may be imprinted or reproduced on the Bonds, provided that at least one signature required to be placed thereon, including that of the authentication agent, shall be manually subscribed. In case any officer whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Bonds may be signed and

sealed on behalf of the District by such person who at the actual time of the execution of such Bonds shall hold the proper office in the District although at the date of such Bonds such person may not have been such officer.

The coupons attached to any coupon Bonds issued hereunder shall be authenticated with the facsimile signatures of any present or future President and Secretary of said Board, and the validation certificate, if any, on the Bonds shall be executed with the facsimile signature of the President. The District may adopt and use for such purposes the facsimile signatures of any persons who shall have been such President and Secretary at any time on or after the date of particular Series of Bonds notwithstanding that they may have ceased to be such officers at the time such Series of Bonds shall be actually delivered.

With respect to any Series of Bonds issued hereunder, pending the preparation of definitive Bonds, the District may execute and deliver temporary Bonds. Temporary Bonds shall be issuable as registered Bonds without coupons, of any authorized denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions, and variations as may be appropriate for temporary Bonds, all as may be determined by the District. Temporary Bonds may contain such reference to any provisions of this resolution as may be appropriate. Every temporary Bond shall be executed and authenticated upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable the District shall execute and shall furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange for definitive Bonds without charge at the principal office of the Registrar, and the Registrar shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this resolution as definitive Bonds.

SECTION 11. NEGOTIABILITY AND REGISTRATION. The Bonds of each Series issued hereunder shall be, and shall have all of the qualities and incidents of, negotiable instruments under the law merchant and the Laws of the State of Florida, and each successive holder, in accepting any of such Bonds or the coupons appertaining thereto, if any, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the law merchant and the Laws of the State of Florida.

The District shall cause books for the registration of the Bonds to be kept by the Registrar. At the option of the Holder, any coupon Bond may be registered as

to principal alone on such books upon presentation thereof to the Registrar, who shall make notation of such registration thereon. Any coupon Bond may be registered as to both principal and interest upon presentation thereof to the Registrar, accompanied by all unmatured coupons and all matured coupons, if any, not theretofore paid or provided for, and the Registrar shall make notation of such registration thereon and detach therefrom and retain in its custody all such coupons. Any Bond registered as to principal alone or as to both principal and interest may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Registrar, such transfer to be made on such books and endorsed on the Bond by the Registrar. Unless such Bond shall be registered as to both principal and interest, such transfer may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of any Bond registered as to principal alone, unless registered to bearer, and the principal of any Bond registered as to both principal and interest shall be payable only to or upon the order of the registered owner or his legal representative, but the coupons appertaining to any coupon Bond registered as to principal alone shall remain payable to bearer notwithstanding such registration.

Any Series 1972 Bond registered as to both principal and interest may be reconverted into a coupon Bond upon presentation thereof to the Registrar, together with an instrument requesting such reversion duly executed by the registered owner or his attorney or legal representative and in such form as shall be satisfactory to the Registrar. Upon any such presentation, the Registrar shall reattach to such Series 1972 Bond the coupons representing the interest to become due thereafter on the Series 1972 Bond to the date of maturity and interest then due and unpaid, if any, and shall make notation thereon whether the Series 1972 Bond is registered as to principal alone or is payable to bearer. The District shall pay all costs of the first conversion or exchange of the Series 1972 Bonds from coupon form to fully registered and vice versa, but all costs of such subsequent conversions or exchanges shall be paid by the Bondholders requesting the same.

Except as otherwise provided in a subsequent resolution adopted by the Board with respect to any Series of Bonds, the registration of any Bond may be transferred upon the registration books upon delivery thereof to the principal office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Bondholder or his attorney-in-fact or legal representative, containing written instructions as to the

details of the transfer of such Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the terms hereof enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same series and maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. The District and the Registrar may charge the Bondholder for the registration of every transfer or exchange of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the District) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

Except as otherwise provided by a subsequent resolution adopted by the Board prior to the issuance of a Series of Bonds, neither the District nor the Registrar shall be required to register the transfer of any Bond during the period between the fifteenth (15th) day of the month preceding an interest payment date and such interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption.

The District and the Registrar may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal thereof and the interest and premiums, if any, thereon. Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Bonds, or other authorized denominations of the same series and maturity.

Notwithstanding the foregoing, with respect to any Series of Bonds, the District may provide for such alternative system of registration and terms for the Bonds, including, but not limited to, a book-entry system of registration, as such system of registration is provided for by a subsequent resolution of the Board adopted with respect to such Series of Bonds. If the District adopts a system for the issuance of uncertificated registered public obligations, it may permit thereunder the conversion, at the option of a Holder of any Bond then Outstanding, of a certificated registered public obligation to an uncertificated registered public obligation, and the reconversion of the same.

SECTION 12. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the District may in its discretion, issue and deliver a new Bond, with all unmatured

coupons attached with respect to coupon Bonds, of like tenor as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and attached coupons, if any, destroyed, stolen or lost, and upon the Holder furnishing the District proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may prescribe and paying such expenses as the District may incur. All Bonds and coupons so surrendered shall be cancelled by the Registrar. If any such Bond or coupon, if any, shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, if any, the District may pay the same, upon being indemnified as aforesaid, and if such Bond or coupon, if any, be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds and coupons, if any, issued pursuant to this section shall constitute original, additional contractual obligations on the part of the District whether or not the lost, stolen or destroyed Bonds or coupons, if any, be at any time found by anyone, and such duplicate Bonds and coupons, if any, shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from funds, as hereinafter pledged, and to the same extent as all other Bonds and coupons, if any, issued hereunder.

SECTION 12A. PROVISIONS FOR REDEMPTION. The Bonds of any particular Series may be redeemed prior to their stated dates of maturity, either in whole or in part, at such time or times and upon such terms as shall be determined by subsequent resolution of the Board adopted prior to the issuance of such Series of Bonds.

SECTION 12B. NOTICE OF REDEMPTION. Except, as otherwise provided in a subsequent resolution adopted by the Board with respect to any Series of Bonds, notice of redemption of the Bonds (i) shall be published at least thirty (30) days prior to the redemption date in a financial journal published in the Borough of Manhattan, City and State of New York, and in a newspaper or newspapers of general circulation in the counties in which the District is located, (ii) shall be filed with the Paying Agent, and (iii) shall be mailed by certified mail, postage prepaid, at least 30 but not more than 60 days prior to the date fixed for redemption to all registered owners of Bonds to be redeemed at their respective addresses as they appear on the registration books hereinbefore provided for. If all of the Bonds to be redeemed are registered other than Bonds registered to bearer, and notice of redemption is mailed to

the registered owners thereof as hereinabove provided, such notice need not be published.

Failure to give such notice by mailing to any Bondholder, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure or defect has occurred. All such Bonds called for redemption and for which funds are duly provided will cease to bear interest on such redemption date.

SECTION 12C. EFFECT OF REDEMPTION. Notice having been given in the manner and under the conditions hereinabove provided or as provided in any resolution adopted by the Board with respect to a Series of Bonds, the Series of Bonds or portions of Series of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series of Bonds or portions of Series of Bonds on such date. On the date so designated for redemption, notice having been published and/or mailed as required herein or in any resolution adopted with respect to a Series of Bonds and moneys for payment of the redemption price being held in separate accounts for the registered owners of the Bonds or portions thereof to be redeemed, all as provided in this resolution or in any resolution adopted with respect to a Series of Bonds, interest on the Series of Bonds or portions of Series of Bonds so called for redemption shall cease to accrue, such Series of Bonds and portions of Series of Bonds shall cease to be entitled to any lien, benefit or security under this resolution, and the holders or registered owners of such Series of Bonds or portions of Series of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and to receive replacement Bonds for any unredeemed portions of the Bonds.

SECTION 13. FORM OF SERIES 1972 BOND AND COUPONS. The Series 1972 Bonds, the interest coupons to be attached thereto, and the certificate of validation shall be in substantially the following form with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this resolution or in any subsequent resolution adopted prior to the issuance thereof;

R- --

\$5,000

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTIES OF ORANGE AND OSCEOLA
REEDY CREEK IMPROVEMENT DISTRICT
AD VALOREM TAX BONDS

KNOW ALL MEN BY THESE PRESENTS that Reedy Creek Improvement District, Orange and Osceola Counties, Florida (hereinafter called "District"), for value received, hereby promises to pay to the bearer, or if this Bond be registered, to the registered holder as herein provided, on the first day of December, 19__, from the special funds hereinafter mentioned, the principal sum of

FIVE THOUSAND DOLLARS

with interest thereon at the rate of _____ per centum (____%) per annum, payable semi-annually on the first day of June and the first day of December in each year upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal and interest on this Bond are payable in lawful money of the United States of America at _____ or, at the option of the holder, at _____.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$20,000,000 of like date, tenor and effect, except as to number, interest rate and date of maturity, issued to finance the cost of various public purposes within the District consisting of \$10,500,000 to provide for the refunding of certain outstanding Drainage Revenue Bonds, Series A Anticipation Notes of the District issued to finance the cost of the construction and acquisition of certain drainage, reclamation and water control improvements, and to finance the cost of construction and acquisition of additional drainage, reclamation and water control improvements, and \$9,500,000 to finance the cost of the construction and acquisition of a sanitary sewer system and solid waste disposal facilities, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 67-764, Laws of Florida, Special Acts of 1967, as amended, and other applicable provisions of law, and a resolution duly adopted by the Board of Supervisors of the District, (hereinafter called "Board") on the 24th day of February, 1972, as supplemented, (hereinafter collectively called "Resolution"), and is subject to all the terms and conditions of such Resolution.

(Provisions for redemption prior to maturity to be inserted in accordance with resolution to be subsequently adopted by the Board.)

Notice of such redemption shall be given in the manner required by the Resolution.

The Resolution provides that the Bonds, together with interest thereon, are payable from and secured by a prior lien on and a pledge of the first proceeds collected by the District from Ad Valorem Taxes levied at a rate not exceeding thirty (30) mills on the dollar per annum on the assessed value of all taxable property in the District. Such Ad Valorem Taxes shall be collected at the same time and in the same manner as other Ad Valorem Taxes of the District are assessed, levied and collected.

It is hereby certified and recited that all acts, conditions and things required to happen to exist and to be performed, precedent to and in the issuance of this Bond, have happened, exist, and have been performed in due time, form and manner as required by the Constitution and Laws of the State of Florida, applicable thereto; that the issue of Bonds of which this Bond is a part has been approved at an election held in accordance with the Constitution and Laws of Florida on the 3rd day of April, 1972; and that the total indebtedness of the District, including the issue of Bonds of which this Bond is one, does not exceed any constitutional or statutory limitation.

This Bond, and the coupons appertaining thereto, are and have all the qualities and incidents of a negotiable instrument under the law merchant and the Laws of the State of Florida.

This Bond may be registered as to principal alone or as to principal and interest in accordance with the provisions endorsed hereon.

IN WITNESS WHEREOF, Reedy Creek Improvement District, Orange and Osceola Counties, Florida, has issued this Bond and has caused the same to be signed by the manual or facsimile signature of the President of the Board of Supervisors and the corporate seal of said District or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon and attested and countersigned by the manual or facsimile signature of the Secretary of the Board, and has caused the interest coupons hereto attached to be executed with the facsimile signatures of such President and Secretary all as of the 1st day of June, 1972.

REEDY CREEK IMPROVEMENT DISTRICT

(SEAL)

By _____
President, Board of Supervisors

ATTESTED AND COUNTERSIGNED:

Secretary, Board of Supervisors

FORM OF COUPON

No. _____ \$ _____

On the 1st day of _____, 19____, Reedy Creek Improvement District, Orange and Osceola Counties, Florida, will pay to the bearer at _____ or, _____ at the option of the holder, at _____ the amount shown hereon in lawful money of the United States of America, upon presentation and surrender of this coupon, being six months' interest then due on its Ad Valorem Tax Bond, dated June 1, 1972, No. _____.

REEDY CREEK IMPROVEMENT DISTRICT

(SEAL)

By _____
President, Board of Supervisors

ATTESTED AND COUNTERSIGNED:

Secretary, Board of Supervisors

(To be inserted on coupons maturing after callable date)

"Unless the Bond to which this coupon is attached shall have been previously duly called for prior redemption and payment thereof duly provided for."

VALIDATION CERTIFICATE

This Bond is one of a Series of Bonds which were validated and confirmed by judgment of the Circuit Court for Osceola County, Florida, rendered on the _____ day of _____, 1972.

President, Board of Supervisors

PROVISIONS FOR REGISTRATION

This Bond may be registered as to principal alone on books of the District kept by the Secretary under the within mentioned Resolution, as Registrar, or such other Registrar as may hereafter be appointed, upon presentation hereof to the Registrar who shall make notation of such registration in the registration blank below, and this Bond may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Registrar, such transfer to be made on such books and endorsed hereon by the Registrar. Unless this Bond be registered as to both principal and interest, such transfer may be to bearer and thereby transferability by delivery shall be restored, but this Bond shall again be subject to successive registrations and transfers as before. The principal of this Bond, if registered, unless registered to bearer, shall be payable only to or upon the order of the registered owner or his legal representative. Notwithstanding the registration of this Bond as to principal alone, the coupons shall remain payable to bearer and shall continue to be transferable by delivery. This Bond may be registered as to both principal and interest upon presentation hereof to the Registrar who shall detach and retain in his custody all unmatured coupons and all matured coupons, if any, not theretofore paid or provided for, and shall make notation of such registration as to both principal and interest in the registration blank below, and this Bond may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Registrar, such transfer to be made on such books and endorsed hereon by the Registrar; after such registration both the principal of and interest on this Bond shall be payable only to or upon the order of the registered owner or his legal representative. This Bond, if converted into a Bond registered as to both principal and interest, may be reconverted into a coupon Bond upon presentation hereof to the Registrar, accompanied by an instrument duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Registrar; upon any such reconversion the Registrar shall reattach hereto the coupons representing

the interest to become due thereafter on this Bond to the date of maturity and the interest, if any, not theretofore paid and shall make notation in the registration blank below whether this bond is registered as to principal alone or is payable to bearer. The District shall bear the cost of the first conversion or exchange of this Bond from coupon form to fully registered and vice versa, but the cost of all subsequent conversions or exchanges of this Bond from fully registered into coupon form or vice versa shall be paid by the holder requesting such conversion or exchange.

DATE OF REGISTRATION	IN WHOSE NAME REGISTERED	MANNER OF REGISTRATION	SIGNATURE OF REGISTRAR

(End of Bond Form)

The form of any Series of Additional Bonds shall be as provided in a subsequent resolution adopted by the Board with respect to such Series of Bonds.

SECTION 14. PLEDGE OF AD VALOREM TAXES. The payment of the principal of and interest on the Bonds (including the Accreted Value of Capital Appreciation Bonds) shall be secured forthwith equally and ratably by an irrevocable prior lien on the first proceeds collected by the District from Ad Valorem Taxes levied at a rate not exceeding thirty (30) mills on the dollar per annum on the assessed value of all taxable property in the District. The District does hereby irrevocably pledge such funds to the payment of the principal of and interest on the Bonds and for any and all other required payments with respect to the Bonds.

The District will diligently enforce its right to receive the Ad Valorem Taxes to the extent lawful, will not take any action that will impair or adversely affect its rights to levy, collect and receive the Ad Valorem Taxes as herein provided, or impair or adversely affect in any manner the pledge of the Ad Valorem Taxes made herein, in each case, that would impair the rights of the Bondholders to receive payment for the Bonds. The District shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required to continue to entitle the District to receive the Ad Valorem Taxes in at least the amounts required by this resolution for payment of the Bonds.

SECTION 15. COVENANTS OF THE DISTRICT. With respect to each Series of Bonds issued hereunder, for as long as any of the principal of and interest on any of the Bonds of such Series shall be Outstanding and unpaid or until there shall have been set apart in the Sinking Fund, hereinafter established, a sum sufficient to pay when due the entire Bond Obligation with respect to such Series remaining unpaid, the District covenants with the Holders of any and all Bonds of such Series as follows:

A. AD VALOREM TAXES FUND. All of the proceeds of the Ad Valorem Taxes collected by the District, shall be deposited into a fund to be known as the "Ad Valorem Taxes Fund," which fund is hereby created and established. Such Ad Valorem Taxes Fund shall constitute a trust fund for the purposes herein provided, and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner herein provided.

The proceeds of all Ad Valorem Taxes shall be applied only for the purposes provided in this resolution, and shall be assessed, levied and collected in the same manner and at the same time as other Ad Valorem Taxes of the District are assessed, levied and collected.

Such annual Ad Valorem Taxes levied in the amount of not exceeding thirty (30) mills in each year shall be subject to the following provisions:

(1) In each Fiscal Year, the District shall be required to levy such millage, not exceeding thirty (30) mills, as will produce a sum at least sufficient to pay the amounts required to be deposited by this resolution into the Sinking Fund in such Fiscal Year.

(2) In the event that in any Fiscal Year the aggregate amount of such Ad Valorem Taxes actually collected and deposited in the Ad Valorem Taxes Fund shall be less than the amounts required to be deposited into the Sinking Fund in such Fiscal Year, then the amount of such deficit shall be added to the amount of Ad Valorem Taxes required to be levied pursuant to the preceding paragraph in the next succeeding Fiscal Year, or such additional Fiscal Years if necessary, not exceeding, in the aggregate, thirty (30) mills, however, in any Fiscal Year.

B. DISPOSITION OF FUNDS. All funds on deposit in the Ad Valorem Taxes Fund shall be disposed of annually in the following manner and in the following order of priority:

(1) From the moneys in the Ad Valorem Taxes Fund, the District shall, as soon as such moneys are available, first deposit into a separate fund designated as the "Ad Valorem Tax Bonds Sinking Fund" (herein called "Sinking

Fund") hereby created and established, such sums as will be sufficient to pay the Bond Service Requirement for all Outstanding Bonds during the current Fiscal Year, and any deficiencies for prior Fiscal Years. Such annual payments shall be reduced by the amounts of money if any, which are deposited into the Sinking Fund out of proceeds from the sale of a Series of Bonds to the extent such amounts are available to pay the Bond Service Requirement on such Series of Bonds.

(2) Upon the issuance by the District of any Additional Bonds under the terms, limitations and conditions provided in this resolution, the payments into the Sinking Fund shall be increased in such amounts as are necessary to make the payments required above for the principal of and interest on such Additional Bonds, on the same basis as hereinabove provided with respect to the Outstanding Bonds.

(3) The District shall not be required to make any further payments into the Sinking Fund when the aggregate amount of money in the Sinking Fund is at least equal to the aggregate principal amount of Bonds then outstanding, plus the amount of interest then due or thereafter to become due on such Bonds then Outstanding.

(4) The balance of any moneys remaining in the Ad Valorem Taxes Fund after the above required current payments have been made in each Fiscal Year may be used for the purpose of redemption of the Bonds at the discretion of the District or for any other lawful purpose for which such moneys may be used by the District.

The Sinking Fund, the Ad Valorem Taxes Fund and any other special funds herein established and created shall constitute trust funds for the purposes provided herein for such funds. All such funds shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State of Florida. Moneys on deposit in the Ad Valorem Taxes Fund and Sinking Fund may be invested and reinvested only in Investment Obligations maturing not later than the date on which the moneys therein will be needed for the purposes of this resolution. Any and all income received by the District from investments in the Ad Valorem Taxes Fund and the Sinking Fund shall be deposited into the Sinking Fund.

C. RESERVED.

D. ISSUANCE OF OTHER OBLIGATIONS. The District will not issue any other obligations, except under the conditions and in the manner hereinbelow provided, payable from the proceeds of the Ad Valorem Taxes pledged hereunder, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge

having priority to or being on a parity with the lien of the Bonds and the interest thereon, upon the proceeds of such Ad Valorem Taxes. Any other obligations issued by the District in addition to the Bond herein authorized payable from the proceeds of the Ad Valorem Taxes pledged hereunder shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds herein authorized, as to lien on and source and security for payment from such Ad Valorem Taxes.

E. ADDITIONAL BONDS. Additional Bonds may be issued by the District upon the following terms and conditions:

(1) There shall have been filed with the Board a certificate of the tax assessors of Orange and Osceola Counties setting forth the total amount of the assessed value of the taxable property within the District for the current calendar year, if then determined, or otherwise for the calendar year immediately preceding the date of sale of the proposed Additional Bonds.

(2) The Maximum Bond Service Requirement on (i) all Bonds issued hereunder and then Outstanding, and (ii) the Additional Bonds then proposed to be issued, shall not exceed eighty-five percent (85%) of the estimated annual collections from Ad Valorem Taxes calculated upon the basis of (a) the assessed value of the taxable property within the District for the current calendar year, if then determined, or otherwise for the calendar year immediately preceding the date of sale of such Additional Bonds, and (b) the maximum annual rate of millage for the levy of such Ad Valorem Taxes as authorized by law at the date of sale of such Additional Bonds.

(3) If required by law, such Additional Bonds shall be approved at an election.

(4) The principal amount of proposed Additional Bonds together with all other Bonds then Outstanding will not exceed in the aggregate fifty percent (50%) of the assessed value of the taxable property within the District as shown on the pertinent tax records at the time of the authorization of such Additional Bonds or such higher amount as allowed by the Act.

F. COMPLIANCE WITH TAX REQUIREMENTS: REBATE FUND. The District hereby covenants and agrees, for the benefit of the Holders from time to time of each Series of Bonds that are not Taxable Bonds, to comply with the requirements applicable to it contained in the Internal Revenue Code of 1954, as amended, if applicable, and contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended,

to the extent necessary to preserve the exclusion of interest on such Series of Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the District covenants and agrees:

(1) with respect to each Series of Bonds other than Taxable Bonds and other than the Series 1972 Bonds, to pay to the United States of America from the funds and sources of revenues pledged to the payment of such Series of Bonds, and from any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on such Series of Bonds, plus any income attributable to such excess or any penalty paid in lieu of payment of such amount (the "Rebate Amount");

(2) with respect to each Series of Bonds other than Taxable Bonds and other than the Series 1972 Bonds, to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) with respect to each Series of Bonds other than Taxable Bonds, to refrain from using proceeds from any Series of Bonds in a manner that would cause such Series of Bonds or any of the Bonds or portions thereof, to be classified as private activity bonds under Section 141(a) of the Code; and

(4) with respect to each Series of Bonds other than Taxable Bonds, to refrain from taking any action that would cause any Series of Bonds or any portion thereof to become arbitrage bonds under Section 103(b) and Section 148 of the Code.

The District understands that the foregoing covenants impose continuing obligations on the District to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

The District covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and

calculations of the Rebate Amount for each Series of Bonds other than the Series 1972 Bonds and Taxable Bonds in the manner and at the times required in a subsequent resolution adopted by the Board with respect to such Series of Bonds. A special fund designated as the "Rebate Fund" is hereby created and established. Upon the issuance of each Series of Additional Bonds, except Taxable Bonds and except as otherwise provided in a subsequent resolution adopted by the Board with respect to such Series of Bonds, the District shall create a separate account within the Rebate Fund. The District shall deposit into the account in the Rebate Fund created with respect to a Series of Bonds, from any legally available funds of the District, an amount equal to the Rebate Amount with respect to such Series of Bonds. The District shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by Section 15F above in the manner and at the times required by a subsequent resolution adopted by the Board with respect to such Series of Bonds.

If any amount shall remain in any rebate account in the Rebate Fund after payment in full of the Series of Bonds for which such account was established, and after payment in full of the Rebate Amount with respect to such Series of Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

Each rebate account in the Rebate Fund shall be held separate and apart from all other funds and accounts of the District, shall be impressed with a lien in favor of the Holders of the Series of Bonds for which such account was established, only after all obligations of the District with respect to payment of the Rebate Amounts with respect to such Series of Bonds have been fully satisfied and the moneys therein shall be available for use only as herein provided.

Notwithstanding any other provision of this resolution, the obligation to pay over the Rebate Amount with respect to a Series of Bonds to the United States and to comply with all other requirements of this Section 15F shall survive the defeasance or payment in full of any Series of Bonds.

SECTION 16. APPLICATION OF BOND PROCEEDS. All moneys received from the sale of the Series 1972 Bonds shall be applied by the District as follows:

A. All interest accrued or to accrue on the Series 1972 Bonds through December 1, 1972 shall be deposited in the Sinking Fund.

B. A special trust fund is hereby created, established and designated as the "Ad Valorem Tax Bonds Construction Fund". There is also created and established in the Construction Fund two separate accounts representing each of the two projects described in Section 3A of this resolution. The balance of the moneys remaining after making all the deposits and payments provided for in paragraphs A and B above with respect to the Series 1972 Bonds, shall be deposited in the Construction Fund to the credit of the special account representing the project for which the moneys so deposited are applicable.

Upon the issuance of any Series of Additional Bonds, there shall be established a separate account within the Construction Fund, which separate construction accounts may be held by the District or by a trustee with respect to any Series of the Bonds as provided in a subsequent resolution adopted by the Board prior to the issuance of such Series. Each separate account shall be held only for the benefit and security of the Holders of the Series of Bonds with respect to which such account was created.

The proceeds of any Series of Additional Bonds shall be applied by the District in the manner provided in a subsequent resolution adopted by the Board with respect to the issuance of such Series of Bonds.

The Construction Fund and the accounts therein created with respect to the Series 1972 Bonds pursuant to this resolution constitute trust funds for the purposes provided herein, and there is hereby created a lien upon moneys deposited therein until so applied in favor of the Holders of the Series 1972 Bonds. The accounts created in the Construction Fund with respect to the 1972 Bonds shall be kept separate and apart from all other funds and accounts of the District, and the moneys on deposit therein shall be withdrawn, used and applied by the District solely to the payment of the cost of the 1972 Projects (including, but not limited to, future expansions and improvements) and purposes incidental thereto, as hereinabove described and set forth (including each 1972 Project's pro rata share of the costs and expenses incurred in connection with the preparation, issuance and sale of the Series 1972 Bonds). If for any reason the proceeds of the Series 1972 Bonds or any part thereof on deposit in any of the special accounts in the Construction Fund created with respect to the 1972 Bonds are not necessary for or are not applied to the payment of such costs, then the unapplied proceeds shall be deposited in the Sinking Fund.

Any funds on deposit in any account in the Construction Fund which are not immediately necessary for expenditure, as hereinabove, may be invested in Investment Obligations maturing at such time or times as the Board may

deem appropriate to meet the requirements of the particular account in the Construction Fund. All income derived therefrom shall be retained in the appropriate account in the Construction Fund.

SECTION 17. DEFEASANCE. If, at any time after the date of issuance of any Series of Bonds, (a) all Bonds secured hereby or any Series or maturity of Bonds within a Series shall have become due and payable in accordance with their terms or otherwise as provided in this resolution, or shall have been duly called for redemption, or, with respect to Bonds other than Variable Rate Bonds, the District gives the Paying Agents irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Bonds at maturity or at any earlier redemption date scheduled by the District, or any combination thereof, (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds or any Series or maturity of Bonds within a Series then Outstanding, at maturity or upon redemption, shall be paid, or, with respect to Bonds other than Variable Rate Bonds, sufficient moneys shall be held by a Paying Agent or other authorized depository acting as an escrow agent in irrevocable trust for the benefit of the Holders of such Bonds (whether or not in any accounts created hereby) which, when invested in Government Obligations maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on such Bonds at the maturity thereof or the date upon which such Bonds are to be called for redemption prior to maturity, and (c) provisions satisfactory to the Registrar and Paying Agent shall also be made for paying all fees, charges and expenses of the Registrar and Paying Agent payable hereunder by the District, then and in that case the right, title and interest of the Holders of such Bonds hereunder and the pledge of and lien on the Ad Valorem Taxes, and all other pledges and liens created hereby or pursuant hereto, with respect to such Holders shall thereupon cease, determine and become void, and if such conditions have been satisfied with respect to all Bonds issued hereunder and then Outstanding, all balances remaining in any other funds or accounts created by this resolution other than moneys held for redemption or payment of Bonds and to pay all other sums payable by the District hereunder shall be distributed to the District for any lawful purpose; otherwise this resolution shall be, continue and remain in full force and effect. Except as otherwise provided in a subsequent resolution adopted by the Board, Variable Rate Bonds issued hereunder may not be defeased.

SECTION 18. AUTHORIZATION OF USE OF DERIVATIVE PRODUCTS. Nothing in this resolution shall be construed as

prohibiting the District from negotiating and entering into agreements relating to any derivative product in connection with the issuance of any Series of Bonds hereunder, including, but not limited to, interest rate swaps and interest rate caps.

SECTION 19. HOLDERS NOT AFFECTED BY USE OF BOND

PROCEEDS. The Holders of the Bonds issued hereunder shall have no responsibility for the use of the proceeds of said Bonds, and the use of such Bond proceeds by the District shall in no way affect the rights of such Bondholders. The District shall be irrevocably obligated to continue to levy and collect the Ad Valorem Taxes as provided herein and to pay the principal of and the interest on the Bonds notwithstanding any failure of the District to use and apply such Bond proceeds in the manner provided herein.

SECTION 20. MODIFICATION OR AMENDMENT.

No material modification or amendment of this resolution or of any resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Holders of at least a majority in principal amount of the Bond Obligation then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the District to pay the principal of and interest on the Bonds as the same shall become due from the proceeds of the Ad Valorem Taxes or reduce the percentage of the Holders of the Bond Obligation required to consent to any material modification or amendment hereof without the consent of the Holder or Holders of all such Bond obligation.

SECTION 21. EVENTS OF DEFAULT; REMEDIES. Each of the following events is hereby declared an "event of default," that is to say if:

A. EVENTS OF DEFAULT.

(a) payment of principal of or redemption price of any Bond shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any Bond or the unsatisfied balance of any Amortization Installment therefor shall not be made when the same shall become due and payable; or

(c) the District shall for any reason be rendered incapable of fulfilling its obligations hereunder to the extent that the payment of or

security for the Bonds or any of them would be materially adversely affected, and such conditions shall continue unremedied for a period of thirty (30) days after the District becomes aware or receives notice of such conditions; or

(d) an order or decree shall be entered, with the consent or acquiescence of the District, appointing a receiver or receivers of the District, or its assets, the Ad Valorem Taxes, or any part thereof, or the filing of a petition by the District for relief under federal bankruptcy laws or any other similar law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(e) any proceedings shall be instituted, with the consent or acquiescence of the District, for the purpose of effecting a composition between the District and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Ad Valorem Taxes; or

(f) the entry of a final judgment or judgments for the payment of money against the District which subjects any of the funds pledged hereunder to a lien for the payment thereof in contravention of the provisions of this resolution for which there does not exist adequate insurance, reserves or appropriate bonds for the timely payment thereof, and any such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(g) the District shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in this resolution on the part of the District to be performed, other than those mentioned in clauses (a) and (b) above, and such default shall continue for thirty (30) consecutive days after written notice specifying such default and requiring the same to be remedied shall have

been given to the District by the Holders of not less than ten percent (10%) of the Bond Obligation.

Notwithstanding the foregoing, with respect to the events described in clause (g), the District shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the District in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

B. REMEDIES. Upon the happening and continuance of any event of default specified in Paragraph 21A above, any Holder of Bonds, or of any coupons appertaining thereto, issued under the provisions of this resolution, may by suit, action, mandamus or other proceedings in any court of competent jurisdiction protect and enforce any and all rights under the laws of the State of Florida, including the Act, or granted and contained in this resolution, and may enforce and compel the performance of all duties required by this resolution or by any applicable statutes to be performed by the District or by any officer thereof, including, but not limited to, the levying and collecting of the Ad Valorem Taxes in the manner provided in this resolution. The Holders of not less than twenty-five percent (25%) of the Bond Obligation Outstanding may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Florida to serve as trustee for the benefit of the Holders of all Bonds then Outstanding (the "Default Trustee").

C. EFFECT OF DISCONTINUING PROCEEDINGS. In case any proceeding taken by the Default Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Default Trustee or such Bondholder, then and in every such case the District, the Default Trustee and Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Default Trustee shall continue as though no such proceeding had been taken.

D. DIRECTIONS TO DEFAULT TRUSTEE AS TO REMEDIAL PROCEEDINGS. Anything in this resolution to the contrary notwithstanding, the Holders of a majority of the Bond Obligation acting jointly, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Default Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Default Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this resolution, and that the Default Trustee shall have the right to decline to follow any such direction which in the opinion of the Default Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

E. RESTRICTIONS ON ACTIONS BY INDIVIDUAL BOND-HOLDERS. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to the Default Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five percent (25%) of the Bond Obligation shall have made written request of the Default Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Default Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Default Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Default Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Default Trustee, to be conditions precedent to the execution of the powers and trusts of this resolution or for any other remedy hereunder. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this resolution, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such Holders by law are restricted by this resolution to the rights and remedies herein provided.

Nothing contained herein, however, shall affect or impair the right of any Bondholder, individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and after the maturity thereof, at the time, place, from the source and in the manner provided in this resolution.

F. PRO RATA APPLICATION OF FUNDS. Anything in this resolution to the contrary notwithstanding, if at any time the Ad Valorem Taxes shall not be sufficient to pay the principal of or the interest on the Bonds, as the case may be, as the same become due and payable, such funds, together with any funds then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this resolution or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such funds shall be applied (1) first, to the payment of all installments of interest on Bonds other than Capital Appreciation Bonds then due, in the order of the maturity of the installments of such interest together with accrued and unpaid interest on the Bonds other than Capital Appreciation Bonds, theretofore called for redemption, to the persons entitled thereto, then, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof, ratably, according to the amounts due thereon without any discrimination or preference, and (2) then, to the payment of all unpaid principal, or with respect to Capital Appreciation Bonds, the unpaid Maturity Amount or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably according to the amounts due thereon, or with respect to Capital Appreciation Bonds the unpaid Maturity Amount due on such date without discrimination or preference.

(b) If the principal (or with respect to Capital Appreciation Bonds, the Maturity Amount) of all the Bonds shall have become due and payable, all such funds shall be applied to the payment of the principal and interest (or with respect to Capital Appreciation Bonds, the Maturity Amount) then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest (or with respect to Capital Appreciation Bonds, the Maturity Amount), to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Whenever funds are to be applied pursuant to the provisions of this Section, such funds shall be applied at such times, and from time to time, as the District in its sole discretion shall determine, having due regard to the amount of such funds available for application and the likelihood of additional funds becoming available for such application in the future; the setting aside of such funds, in trust for the proper purpose, shall constitute proper application of such funds. Whenever such discretion in

applying such funds shall be exercised, the date (which shall be an interest payment date unless another date more suitable shall be fixed) upon which such application is to be made shall be fixed by the District and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. Such notice as shall be deemed to be appropriate of the fixing of any such date shall be given. No payment to the Holder of any Bond shall be required unless such Bond shall be presented to the Registrar for appropriate endorsement or for cancellation if fully paid.

G. SUBROGATION. Notwithstanding anything in this resolution to the contrary, if the principal, interest and redemption premium, if any, with respect to any Series of Bonds are paid by a bond insurer with respect to such Series of Bonds, the pledge of the amounts on deposit from time to time in the funds and accounts created hereby and all covenants, agreements and other obligations of the District to the Bondholders of such Series of Bonds shall continue to exist and the Bond Insurer, to the extent of any payment by such entity with respect to such Series of Bonds shall be subrogated to the rights of such Bondholders.

SECTION 22. CONTRACTION OF DISTRICT BOUNDARIES.

A. Pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967, the District has the power to contract the territorial limits of the District to exclude any land within the District by following certain procedures set forth therein. By acceptance of any Bond issued hereunder, the Holder of such Bond acknowledges and agrees that (i) in addition to the rights provided under paragraph B below and subject to the provisions of paragraph C below, the District may contract and exclude from its boundaries an area of taxable property within the District, the assessed valuation of which, at the time of such exclusion, together with all other taxable property theretofore excluded from the District's boundaries (based upon its assessed valuation at the time of exclusion) after the date of adoption of this resolution, does not exceed 10% of the total assessed value of all taxable property located within the District at the time of the current exclusion, and (ii) after such contraction and exclusion, such land will not be subject to Ad Valorem Taxes thereafter imposed by the District.

B. Notwithstanding the preceding paragraph, and subject to the conditions set forth in this paragraph and paragraph C below, the District may contract and exclude from its boundaries any area of taxable property, without regard to the assessed value thereof, if the District provides at the time of such exclusion an amount of funds equal to the percentage of the principal amount of the Bond Obligation Outstanding hereunder that the assessed value of such taxable property, at the time of such exclusion, bears to the total assessed value of all taxable property within the District at the time of such exclusion, such amount to be provided at the time of such contraction of the

District's boundaries (the "Contraction Amount"), which Contraction Amount, together with all interest earnings thereon, shall be held in escrow by the District or an escrow agent appointed by the District, for the benefit of the Holders of all Bonds Outstanding hereunder. The District shall apply the Contraction Amount, to the payment of the Bonds on a pro rata basis on each interest payment date following the contraction. Prior to any contraction pursuant to this paragraph B, the District shall obtain an opinion of Bond Counsel to the effect that the use of the Contraction Amount to pay debt service on the Bonds pursuant to the terms of the escrow established pursuant to this paragraph will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes.

C. In no event shall the District contract or exclude any taxable property pursuant to this Section 22 unless the District certifies in writing at the time of such contraction or exclusion that, after such contraction or exclusion, (i) the Maximum Bond Service Requirement on all Bonds Outstanding hereunder does not exceed eighty-five (85%) of the estimated annual collections from Ad Valorem Taxes calculated on the basis of (a) the assessed value of the taxable property within the District for the current calendar year, if determined, or otherwise for the calendar year immediately preceding the date of such contraction and (b) the maximum annual rate of millage for the levy of such Ad Valorem Taxes as authorized by law at the date of such contraction and (ii) the principal amount of all Bonds then Outstanding will not exceed in the aggregate fifty percent (50%) of the assessed value of the taxable property within the District at the time of the contraction or such higher amount as allowed by the Act.

D. The District agrees to notify Moody's Investors Services, Inc. and Standard & Poor's Corporation of the occurrence of any contraction or exclusion pursuant to this Section.

SECTION 23. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds or coupons issued hereunder.

SECTION 24. SALE OF BONDS. The Bonds shall be issued and sold in such manner and at such price or prices consistent with the Act, all at one time or in installments

from time to time, as shall be hereafter determined by the Board.

SECTION 25. VALIDATION AUTHORIZED. The attorney for the District is authorized and directed to prepare and file proceedings to validate the Series 1972 Bonds in the manner provided by law.

SECTION 26. REPEALING CLAUSE. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superceded and repealed.

SECTION 27. NO THIRD PARTY BENEFICIARIES. Except as herein otherwise expressly provided, nothing in this resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and Holders of the Bonds issued under and secured by this resolution, any right, remedy or claim, legal or equitable, under or by reason of this resolution or any provision hereof, this resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and Holders from time to time of the Bonds issued hereunder.

SECTION 28. CONTROLLING LAW; MEMBERS OF GOVERNING BODY OF DISTRICT NOT LIABLE. All covenants, stipulations, obligations and agreements of the District contained in this resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of or to the Board in his individual capacity, and neither the members of the Board nor any official executing the Bonds shall be liable personally on the Bonds or this resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the District or such members thereof.

SECTION 29. EFFECTIVE DATE. This resolution shall take effect upon receipt of the consent to the amendments made herein by the Holders of two-thirds of the Bond Obligation Outstanding; provided, however, that the provisions of Section 22 hereof and the amendment to Section 18 of the 1972 Resolution as provided in Section 20 hereof shall only become effective upon receipt of the consent of

the Holders of one hundred percent (100%) of the Bond
Obligation Outstanding.

PASSED AND ADOPTED this 15th day of November,
1991.

REEDY CREEK IMPROVEMENT DISTRICT

Thomas B. Dowd
President, Board of Supervisors

ATTEST:

Kim M. Miller
Secretary to Board of
Supervisors

(SEAL)

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I certify this to be a true and exact copy of Resolution No. 245 as adopted by the Reedy Creek
Improvement District Board of Supervisors on November 15, 1991.

Donna L. Palmer
Donna L. Palmer, Clerk

32189R 10ARBR:46

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RESOLUTION NO. 313

A RESOLUTION OF THE REEDY CREEK IMPROVEMENT DISTRICT SUPPLEMENTING AND AMENDING RESOLUTION NO. 245 ADOPTED ON NOVEMBER 15, 1991; AUTHORIZING THE ISSUANCE OF REEDY CREEK IMPROVEMENT DISTRICT AD VALOREM TAX BONDS, SERIES 1995A IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$60,000,000 FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF AN ADMINISTRATION BUILDING FOR THE DISTRICT AND CERTAIN SPORTS AND RECREATION FACILITIES; DELEGATING TO THE PRESIDENT OF THE BOARD OF SUPERVISORS AND THE SECRETARY OR THE DISTRICT DIRECTOR OF FINANCE AND PLANNING THE AUTHORIZATION TO AWARD THE SALE OF SUCH BONDS ON A NEGOTIATED BASIS TO MERRILL LYNCH & CO., BEAR, STEARNS & CO. INC., MORGAN STANLEY & CO. INC., PAINEWEBBER INCORPORATED, WARD BRADFORD & CO. AND FIRST EQUITY CORPORATION OF FLORIDA; APPROVING THE FORM AND CONTENT OF AND RATIFYING THE DISTRIBUTION, USE, EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CONTRACT OF PURCHASE WITH RESPECT TO SUCH BONDS; AUTHORIZING SUN BANK, NATIONAL ASSOCIATION TO ACT AS REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT WITH RESPECT TO SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE REGISTRAR AND PAYING AGENT AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A LETTER OF REPRESENTATIONS WITH THE DEPOSITORY TRUST COMPANY; MAKING CERTAIN FINDINGS, REPRESENTATIONS AND COVENANTS WITH RESPECT THERETO; PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

WHEREAS, the Board of Supervisors (the "Board") of the Reedy Creek Improvement District (the "District") previously adopted a Resolution on April 4, 1972 (the "1972 Resolution") authorizing the issuance of certain ad valorem tax bonds and additional bonds thereunder on a parity therewith; and

WHEREAS, on November 15, 1991, the District adopted Resolution No. 245 (the "Bond Resolution") providing for the amendment and restatement of the 1972 Resolution as provided therein; and

WHEREAS, the Board now desires to issue bonds pursuant to the Bond Resolution and this Resolution, payable on a parity with the bonds outstanding under the Bond Resolution, in an aggregate principal amount not exceeding \$60,000,000 to finance a portion of the cost of the acquisition and construction of an administration building for the District (the "Building") and certain sports and

recreation facilities more particularly described on Exhibit "A" hereto (the "Series A Facilities"), with a portion of the cost of certain other sports and recreation facilities to be paid for through the issuance by the District of its Ad Valorem Tax Bonds, Series 1995B; and

WHEREAS, pursuant to Resolution No. 304 adopted by the District on September 21, 1994, the District authorized the holding of a referendum related to the issuance of not to exceed \$60,000,000 ad valorem tax bonds, notes or other obligations to finance the costs of the Series A Facilities and certain other facilities and not to exceed \$5,000,000 ad valorem tax bonds, notes or other obligations to finance the cost of the Building; and

WHEREAS, the issuance of not to exceed \$125,000,000 principal amount of ad valorem tax bonds, notes or other obligations to finance the Series A Facilities and certain other facilities and not to exceed \$5,000,000 ad valorem tax bonds, notes or other obligations to finance the cost of the Building was approved at an election of the qualified voters of the District held on October 25, 1994; and

WHEREAS, Merrill Lynch & Co., Bear, Stearns & Co. Inc., Morgan Stanley & Co. Inc., PaineWebber Incorporated, Ward Bradford & Co. and First Equity Corporation of Florida (collectively, the "Original Purchaser"), intend to submit an offer to purchase the District's Ad Valorem Tax Bonds, Series 1995A, in an aggregate principal amount not exceeding \$60,000,000 (the "1995A Bonds") to finance the cost of the Building and of the Series A Facilities, pursuant to a Contract of Purchase in substantially the form attached hereto as Exhibit "B" (the "Purchase Contract"); and

WHEREAS, the Board desires to approve the form and content of and ratify the distribution of the Preliminary Official Statement relating to the 1995A Bonds attached hereto as Exhibit "C" and to authorize the execution and delivery of the 1995A Final Official Statement with such changes from the Preliminary Official Statement as shall be approved by the President or Secretary to the Board (the "1995A Final Official Statement"); and

WHEREAS, the Board wishes to approve the form of and authorize the execution of a Registrar and Paying Agent Agreement, in substantially the form attached hereto as Exhibit "D" (the "Paying Agent Agreement") and to appoint Sun Bank, National Association to act as the registrar and paying agent thereunder and as authenticating agent for the 1995A Bonds; and

WHEREAS, the Board wishes to approve the form of a Letter of Representations between the District and The Depository Trust

substantially in the form attached hereto as Exhibit "E" (letter of Representations"); and

WHEREAS, because of the current conditions existing in the market for securities similar to the 1995A Bonds, the Board deems it appropriate to delegate to the President of the Board and the Secretary to the Board or Director of Finance and Planning of the District, the authority to accept the offer of the Original Contract to purchase the 1995A Bonds pursuant to the terms of the Original Contract if certain conditions set forth in this Resolution are met; and

WHEREAS, the Board desires to amend Section 15F of the Bond Resolution in order to make modifications thereto to conform with the current requirements of the Internal Revenue Code of 1986, which modifications shall be immaterial to the Holders of the Bonds (as those terms are used in the Bond Resolution) and the Bond Resolution; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the 1995A Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE REEDY CREEK IMPROVEMENT DISTRICT, that:

SECTION 1. **Authority.** This Resolution is adopted pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967, and other applicable provisions of law (collectively, the "Act") and the Bond Resolution.

SECTION 2. **Definitions.** All terms used herein in capitalized form, unless otherwise defined herein, shall have the same meanings as ascribed to such terms in the Bond Resolution. All terms defined in the preamble hereto shall have the meanings ascribed therein. As used herein, the following terms shall have the meanings set forth below:

"1991A Bonds" means the Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1991A.

"1992 Bonds" means, collectively, the Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1992A and Ad Valorem Tax Refunding Bonds, Series 1992B.

"Closing Date" means the date of issuance of the 1995A Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context

of, including interpretations thereof contained or set forth in applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), applicable rulings of the Internal Revenue Service (including private letter rulings and private letter decisions) and applicable court decisions.

"Costs" means the cost of acquisition, construction or shipping and all other items of cost incident to the acquisition, construction and equipping, and the financing the Building and the Series A Facilities, including, without limitation, the following:

(i) obligations incurred for labor and materials and for contractors, builders and materialmen in connection with such construction, for machinery and equipment, and for the restoration or relocation of property damaged or destroyed in connection with such construction;

(ii) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in or any settlement or compromise of any proceeding to acquire by condemnation, such property, lands, rights, rights of way, franchises, easements and other interests in land constituting a part of, or as may be deemed necessary or convenient for the acquisition or construction of, the Building and the Series A Facilities, options and partial payments thereon, the cost of filling, draining or improving any lands so acquired, and the amount of any damages incident to or consequent upon the acquisition or construction of the Building and the Series A Facilities;

(iii) the fees and expenses of the Paying Agent under the Paying Agent Agreement, including legal expenses and fees (including appellate fees), fees and expenses of consultants and financial advisors, legal and accounting fees and expenses, financing charges, costs of preparing and issuing the 1995A Bonds not previously paid or reimbursed to the District, including but not limited to, consultant fees and expenses, costs of printing the 1995A Final Official Statement and the 1995A Bonds and any other costs incurred by the District with respect to the issuance of the 1995A Bonds, costs of bond insurance, if any, taxes or other municipal or governmental charges lawfully levied or assessed upon the Building and the Series A Facilities, during construction, or any property acquired therefor, and premiums of insurance (if any) in connection with the Building and the Series A Facilities during construction;

(iv) fees and expenses of engineers for making studies, surveys and estimates of costs and of revenues and for preparing plans and supervising construction, as well as for the performance of all other duties of engineers set forth herein in relation to the construction of the Building and the Series A Facilities or the issuance of the 1995A Bonds therefor;

(v) expenses of administration properly chargeable to the Projects, and all other items of expense not elsewhere in this Section specified, incident to the acquisition or construction and equipping of the Building and the Series A Facilities and the placing of the same in operation, including, to the extent authorized by applicable law, certain operating expenses, and to the acquisition of real estate, franchises and rights of way therefor, including abstracts of title and title insurance; and

(vi) any amounts heretofore or hereafter advanced by the District for any of the foregoing purposes.

"Election Resolution" means, collectively Resolution No. 304 adopted by the Board on September 21, 1994 and Resolution No. 305 adopted by the Board on October 31, 1994.

"Paying Agent" means Sun Bank, National Association appointed hereunder to serve as Paying Agent and Registrar under the Paying Agent Agreement, its successors or assigns.

"President" means the President or Vice President of the Board.

"Rebate Year" means, with respect to the Series 1995A Bonds issued hereunder, the twelve-month period commencing on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary of such Closing Date in the following year, except that the first Rebate Year with respect to the Series 1995A Bonds shall commence on the Closing Date and the final Rebate Year shall end on the date of final maturity of such Series 1995A Bonds; or such other period as regulations promulgated by the United States Department of Treasury may prescribe.

"Secretary" means the Secretary to the Board.

SECTION 3. Findings and Awards.

A. The District is authorized by the Act to own, acquire, construct, equip, operate and maintain athletic fields, stadiums, recreational centers and recreational facilities and projects of all types and descriptions and facilities for the carrying out of the functions of the District and to issue general

obligation bonds to pay all or part of the cost of the acquisition, construction, maintenance and operation of any project authorized by the Act.

B. The primary livelihood of the residents and visitors of the District is tourism and the provision of recreation and entertainment and the construction and operation of sports stadium, arena, tennis facilities, gymnasiums, track and facilities, athletic fields and other sports facilities and office, administrative and parking facilities and roads, to enhance the District and benefit the residents and taxpayers thereof by providing employment opportunities, promoting development and having a positive impact on the general economy of the District.

C. It is necessary, desirable, and in the best interest of, and advantageous to, the District that 1995A Bonds be issued in an aggregate principal amount not exceeding \$60,000,000 to finance acquisition of the cost of the Building and the Series A Facilities.

D. The District shall not use more than the net proceeds from \$5,000,000 in principal amount of the 1995A Bonds to pay a portion of the Cost of the Building.

E. The issuance of the 1995A Bonds to finance the cost of the Building and the Series A Facilities was approved by a majority vote of the qualified electors of the District at an election duly called pursuant to Resolution No. 304 adopted on September 21, 1994, and held for that purpose on October 25, 1994, the results of which were certified to the Board by the inspectors and clerk of the election designated pursuant to Resolution No. 304.

F. The 1995A Bonds will not be issued until all conditions relating to the issuance of Additional Bonds under the Bond Resolution have been met, and when issued, the 1995A Bonds will be payable on a parity with the District's Outstanding 1991A Bonds and 1992 Bonds and with any other additional parity bonds hereafter issued under the terms of the Bond Resolution.

G. The District will issue the 1995A Bonds with the intent that the interest thereon will be excluded from the gross income of the Holders thereof for federal income tax purposes.

H. It is hereby ascertained, determined and declared that, because of the characteristics of the 1995A Bonds, prevailing and anticipated market conditions and additional savings to be realized from an expeditious sale of the 1995A Bonds, it is in the best interest of the District to accept the offer of the Original Purchaser to purchase the 1995A Bonds in an aggregate original principal amount not exceeding \$60,000,000 at a private negotiated sale, upon the terms and conditions set forth herein and in the

Purchase Contract or as determined by the President, and the Secretary to the Board or Director of Finance and Planning of the District in accordance with the terms hereof.

I. The Original Purchaser will provide to the District to the execution of the Purchase Contract a disclosure statement regarding the 1995A Bonds containing the information required by Section 218.385(6), Florida Statutes. The Original Purchaser will submit prior to the date of issuance of the 1995A Bonds, sworn affidavits on public entity crimes as required by Section 287.133(3)(a), Florida Statutes. No further disclosure is required by the Board.

J. The 1995A Bonds shall only be issued at a rate of interest not exceeding the maximum interest rate established pursuant to the terms of Section 215.84, Florida Statutes.

K. Notice of a public hearing to be held before the Board on the date hereof, inviting comments and discussion concerning the issuance of 1995A Bonds by the District to finance the Series A Facilities was published in the Orlando Sentinel, a newspaper of general circulation in the District, at least 14 days prior to the date hereof, which constitutes reasonable notice of such hearing.

L. Following such notice, a public hearing was held by the Board on the date hereof, during which comments and discussions concerning the issuance of the 1995A Bonds to finance the Series A Facilities were requested and heard.

SECTION 4. Resolution to Constitute a Contract. In consideration of the acceptance of the 1995A Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution, together with the Bond Resolution, shall be deemed to be and shall constitute a contract between the District and the Bondholders of the 1995A Bonds. The covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the Bondholders, and all 1995A Bonds shall be of equal rank and without preference, priority or distinction over any other thereof, except as expressly provided herein.

SECTION 5. Authorization of Building and Series A Facilities. There is hereby authorized the acquisition, construction and equipping of the Building and the Series A Facilities pursuant to the reports, plans, specifications and designs on file, or to be on file, with the Board, as the same may be supplemented and amended, and subject to such modifications thereof and variations therefrom which, from time to time, may be determined by the Board to be necessary or to be in the best interests of the District.

SECTION 6. Authorization of 1995A Bonds. Subject and to the provisions of this Resolution and any subsequent provisions adopted by the Board in connection with the 1995A Bonds to the issuance thereof, the 1995A Bonds of the District known as "Ready Creek Improvement District, Ad Valorem Tax Series 1995A" are hereby authorized to be issued in an amount not exceeding \$60,000,000 to finance the Building and the Series A Facilities, with the exact amount to be determined in accordance with the terms hereof. This authorization shall constitute approval of the issuance of the 1995A Bonds for purposes of Section 147(f) of the Florida Constitution.

SECTION 7. Delegation to President and Secretary or Director of Finance and Planning: Terms and Form of 1995A Bonds.

A. The President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized and directed to award the sale of the 1995A Bonds to the Original Purchaser and to approve the terms thereof, including without limitation, the principal amount thereof, the dates thereof, the interest rate or rates with respect to the purchase price thereof and the redemption terms with respect thereto, provided, however, that in no event shall (i) the principal amount of the 1995A Bonds exceed \$60,000,000, (ii) the purchase price be less than 99% of the original principal amount of the 1995A Bonds (excluding original issue discount) (the "Minimum Purchase Price"), (iii) the true interest cost rate (the "TIC") for the 1995A Bonds exceed 6.5% (the "Maximum TIC") or (iv) the interest rates exceed the maximum rates permitted by applicable law.

B. The 1995A Bonds shall bear interest from their date, payable semiannually on the first day of June and the first day of December of each year, commencing on the date provided in the Purchase Contract and approved by the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District, at the rates, and shall mature in accordance with the schedules, set forth or incorporated by reference in the Purchase Contract and the 1995A Final Official Statement and approved by the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District, the approval of the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District to be conclusively evidenced by their execution of the Purchase Contract. The principal of the 1995A Bonds shall be payable either in annual or semiannual installments, as shall be set forth in the Purchase Contract and approved by the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District, the execution thereof to be conclusive evidence of such approval.

The 1995A Bonds shall be issued as fully registered bonds with a denomination of \$5,000 (\$5,000 value at maturity with interest coupon or Capital Appreciation Bonds) each or any multiple thereof and may be issued as current interest coupon bonds or capital appreciation bonds. In all interest on the 1995A Bonds shall be computed on the basis of a year consisting of twelve (12) thirty (30) day months.

SECTION 8. Redemption Provisions. The 1995A Bonds shall be subject to such optional and mandatory redemption provisions, if any, as may be provided in the Purchase Contract and approved by the Board and the Secretary to the Board or the Finance and Planning of the District, the execution of which shall be conclusive evidence of such approval.

SECTION 9. Notice of Redemption. In addition to the requirements of Section 12B of the Bond Resolution, each notice of redemption, if any, with respect to the 1995A Bonds shall meet the requirements set forth in (i), (ii), (iii), (iv), and (v) below; notwithstanding that, notwithstanding any other provision of this Resolution or of the Bond Resolution to the contrary, failure of the issuer to comply with the terms of this Section 9 shall not in any manner defeat the effectiveness of a redemption if notice thereof is given as otherwise prescribed in Section 12B of the Bond Resolution.

(i) Each notice of redemption shall set forth the name and address of the Paying Agent, a contact person with the Paying Agent and his or her telephone number and the CUSIP numbers, if any, of the 1995A Bonds called for redemption, the date of publication of the notice, the redemption price, the date of the issue, the interest rate and the stated maturity date with respect to the 1995A Bonds to be redeemed; and with respect to owners of \$1,000,000 or more in principal amount to be redeemed, such notice shall be sent by certified mail, return receipt requested.

(ii) Each notice of redemption shall be sent at least thirty-five (35) days before the redemption date and to the extent possible, at least two (2) days prior to the general publication date by certified mail, return receipt requested or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the 1995A Bonds (such depositories now being The Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois, and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to two or more national information services that disseminate notices of redemption or obligations such as the 1995A Bonds.

(iii) Each notice of redemption shall be published once in THE BOND BUYER, New York, New York or, if THE BOND BUYER is no longer published in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the 1995A Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(iv) Upon the payment of the redemption price of the 1995A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear or be accompanied by an advice showing the CUSIP number identifying, by issue, the 1995A Bonds being redeemed with the proceeds of such check or other transfer.

(v) A second notice of redemption shall be mailed in the manner provided above to any registered owner who has not tendered 1995A Bonds that have been called for redemption within sixty (60) days after the applicable redemption date.

SECTION 10. Funds and Accounts.

A. Establishment of and Payments from the Building Construction Account and the Series A Facilities Construction Account. There are hereby established and created two accounts within the Construction Fund created pursuant to the Bond Resolution to be designated, respectively, the "Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1995A Building Construction Account" (hereinafter referred to as the "Building Construction Account") and the "Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1995A Facilities Construction Account" (hereinafter referred to as the "Series A Facilities Construction Account"), into which shall be deposited the amounts provided in Section 11 below from which Costs of the Building and Costs of the Series A Facilities, respectively, and capitalized interest may be paid as set forth herein. Costs of issuance of the 1995A Bonds shall be paid from the Building Construction Account and from the Series A Facilities Construction Account on a pro rata basis, such pro rata to be based upon the amount of net proceeds to be deposited in each such account. The amounts in the Building Construction Account and the Series A Facilities Construction Account (collectively, the "Construction Accounts"), until applied as hereinafter provided, shall be held for the security of all the 1995A Bonds outstanding. In addition to payment of Costs, funds may be disbursed from the Construction Accounts to pay any Rebate Amounts due in accordance with the Bond Resolution and this Resolution.

The District shall make payments from the Construction Accounts to pay Costs of the Building and the Series A Facilities only after making the following determinations:

(i) that the work to which the payment relates has been accomplished in a manner satisfactory to the District, and that the amount to be paid does not exceed the obligation on account of which the payment is made; and the District's determinations may be based upon the Engineer or engineers or construction manager or other persons;

(ii) that the obligation was properly incurred and that the proper charge against the appropriate Construction Account and that the amount requisitioned is due and unpaid;

(iii) that with respect to such items, there are no vendors' liens, mechanics' liens, or other liens, mortgages, leases or conditional sale contracts which must be satisfied or discharged before the payments as requisitioned therein are made, or which will not be discharged by such payment; and

(iv) in the case of a transfer of funds in the Construction Accounts to pay any Rebate Amount or in the case of a transfer of funds in the Construction Accounts to pay any capitalized interest, that such transfer is necessary and in accordance with the provisions and requirements of the Resolution.

Any balance remaining in the respective Construction Accounts after the respective completion dates of the Building and the Series A Facilities, and after the District has set aside amounts for payment of items included in the Cost of the Building and the Series A Facilities but not then due and payable, shall be set aside and segregated from all other moneys of the District and applied at the discretion of the District as follows:

(i) to redeem or purchase 1995A Bonds or a portion thereof, in the case of redemption, at the earliest redemption date permitted on which a premium or penalty for redemption is not required; or

(ii) for any other legal purpose for which such funds may be used by the District, provided that the District obtains an opinion of Bond Counsel to the effect that such use is authorized under the Act, the Election Resolutions, the Bond Resolution and this Resolution and such use will not adversely affect the exclusion from federal income tax of interest on the 1995A Bonds.

Until used as provided in subsections (i) or (ii) above, such segregated amount may be invested as permitted by the Bond Resolution but may not be invested (without an opinion of Bond

to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any of the 1995A Bonds) to produce a yield amount greater than the yield on the 1995A Bonds, all in accordance with Section 148 of the Code. Any investment earnings shall be retained in the Construction Account from which derived as provided herein; provided, however, that the District may, to the extent that it determines that adequate funds are available, deposit in the applicable Construction Account to pay the Building or the Series A Facilities, as the case may be, if it receives an opinion of Bond Counsel that such investment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 1995A Bonds. The District may apply such earnings to pay operating costs of the Building and the Series A Facilities, as the case may be.

Section 10. Establishment of and Payments from the Series 1995A Rebate Account. There is hereby established and created a trust account within the Rebate Fund created pursuant to the Bond Resolution to be designated "Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1995A Rebate Account" (hereinafter referred to as the "Series 1995A Rebate Account") into which all moneys shall be deposited as set forth below.

Section 11. The District covenants and agrees that it shall maintain and keep in all records pertaining to and shall be responsible for making or having made all determinations and calculations of the Rebate Amount for the 1995A Bonds for each Rebate Year within twenty-five (25) days after the end of such Rebate Year and within twenty-five (25) days after the final maturity of such 1995A Bonds. On or before the expiration of each such period, the District shall deposit into the Series 1995A Rebate Account from any legally available funds of the District, an amount equal to the Rebate Amount with respect to the 1995A Bonds for such Rebate Year. The District shall use such moneys deposited in the Series 1995A Rebate Account only for the payment of the Rebate Amount with respect to the 1995A Bonds to the United States as required by the Bond Resolution, which payments shall be made in installments, commencing not more than thirty (30) day after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of the 1995A Bonds. In complying with the foregoing, the District may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Series 1995A Rebate Account after payment in full of all 1995A Bonds issued hereunder and after payment in full of the Rebate Amount with respect to the 1995A Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

SECTION 11. Application of Proceeds of 1995A Bonds. The proceeds from the sale of the 1995A Bonds shall be applied by the District as follows:

(1) There shall first be paid into the Sinking Fund, established and administered by the District pursuant to the Bond Ordinance, an amount equal to the accrued interest on the 1995A Bonds, which amount shall be used on the first payment date for the payment of interest due on the 1995A Bonds.

(2) There shall next be paid into the Building Construction Account an amount set forth in a certificate of the President of the Board to be used to pay Costs of the Building, an amount set forth in a certificate of the President of the Board to pay costs of issuance of the 1995A Bonds and an amount set forth in a certificate of the President of the Board to be used to pay capitalized interest on the 1995A Bonds; and

(3) There shall next be paid into the Series A Facilities Construction Account an amount set forth in a certificate of the President of the Board to be used to pay Costs of the Series A Facilities, an amount set forth in a certificate of the President of the Board to be used to pay costs of issuance of the 1995A Bonds and an amount set forth in a certificate of the President of the Board to be used to pay capitalized interest on the 1995A Bonds.

SECTION 12. Form of 1995A Bonds. The 1995A Bonds shall be in substantially the form provided in Exhibit "F" hereto, subject to such changes, omissions and insertions and such filling of blanks and the officers executing the same shall approve, such execution to be conclusive evidence of such approval.

SECTION 13. Approval of Purchase Contract. The form of the Purchase Contract presented by the Original Purchaser is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Purchase Contract by the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement from the Original Purchaser, the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized to accept the offer of the Original Purchaser to purchase the 1995A Bonds in an aggregate principal amount not exceeding \$60,000,000, at a TIC not to exceed the Maximum TIC, and at a purchase price of not less than the Minimum Purchase Price, plus accrued interest thereon to the date of delivery, upon the terms and conditions set forth in the Purchase Contract. The

President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized to execute the Purchase Contract for and on behalf of the District pursuant to the terms hereof and of the Purchase Contract.

SECTION 14. Paying Agent, Registrar and Authenticating Agent. The Board hereby appoints Sun Bank, National Association as the Paying Agent and Registrar in connection with the 1995A Bonds under the terms of the Paying Agent Agreement, and Sun Bank, National Association, as Registrar, is hereby appointed to act as authenticating agent in connection with the 1995A Bonds.

SECTION 15. Paying Agent Agreement. The Board hereby approves the form and content of the Paying Agent Agreement attached hereto as Exhibit "D." The President of and Secretary to the Board are hereby authorized to execute on behalf of the Board, the Paying Agent Agreement substantially in the form attached hereto with such changes, omissions and insertions as they, in their sole discretion, may approve, such execution to be conclusive evidence of such approval.

SECTION 16. Official Statements. The Board hereby approves the form and content of the Preliminary Official Statement attached hereto as Exhibit "C" and ratifies the use and distribution of a Preliminary Official Statement by the Original Purchaser in connection with the marketing of the 1995A Bonds. The President of the Board or the Secretary is hereby authorized to make any findings with regard to the Preliminary Official Statement required under Securities and Exchange Commission Rule 15c2-12 and is hereby authorized to execute, on behalf of the Board, the 1995A Final Official Statement relating to the Series 1995A Bonds with such changes, omissions and insertions from the Preliminary Official Statement as the officer or officers executing the same may, in his or their sole discretion, approve, such execution to be conclusive evidence of such approval.

SECTION 17. Letters of Representations. The Board hereby approves the form and content of the Letter of Representations pertaining to the 1995A Bonds between the District and The Depository Trust Company ("DTC") attached hereto as Exhibit "E" (the "Letter of Representations"). The President of and the Secretary to the Board are hereby authorized to execute, on behalf of the District, the Letter of Representations substantially in the form attached hereto, with such changes, omissions and insertions as the officer executing the same may, in his or her sole discretion, approve, such execution to be conclusive evidence of such approval.

SECTION 18. Continuing Disclosure. (A) So long as any of the 1995A Bonds remain Outstanding, the District will provide to one or more nationally recognized municipal securities information

Series, within 180 days of the end of each Fiscal Year, a copy of the District's audited general purpose financial statements for such Fiscal Year.

(B) So long as any of 1995A Bonds remain Outstanding, the District will also in good faith endeavor to provide one or more nationally recognized municipal securities information services notice of the occurrence of any of the following promptly upon the District having actual knowledge thereof:

(i) delinquencies in the payment of principal or interest on the 1995A Bonds;

(ii) material non-payment defaults hereunder or under the Bond Resolution;

(iii) unscheduled draws on any credit enhancement facility securing any 1995A Bonds;

(iv) receipt of any adverse opinion of Bond Counsel relating to, or the occurrence of any event known to adversely affect, the exclusion from gross income for federal income tax purposes of interest on the 1995A Bonds;

(v) material amendments hereto or to the Bond Resolution;

(vi) the redemption of any 1995A Bonds other than pursuant to a mandatory sinking fund redemption;

(vii) the defeasance of any 1995A Bonds;

(viii) material matters adversely affecting the ad valorem taxes of the District;

(ix) the pledging of any supplemental revenues hereunder or under the Bond Resolution; and

(x) any changes in the credit ratings assigned to the 1995A Bonds.

(C) The District shall also provide such information to the Registrar. The Registrar is hereby authorized to provide such information to any requesting Bondholder or potential Bondholder, provided that the Registrar shall be entitled to charge such requesting Bondholder or potential Bondholder an amount sufficient to reimburse the Registrar for costs incurred for copying and shipping such information.

(D) By endeavoring to provide information pursuant to this Section, the District intends only to in good faith attempt to

make available information that might not otherwise be easily available to interested parties. The dissemination of certain information or notices pursuant to this Section shall not be construed as a representation by the District that other matters that may be material to an investment decision in the 1995A Bonds have not transpired; and failure to provide information or notice of matters referred to in this Section shall not be construed as a representation on behalf of the District that matters that may be material to an investment decision with respect to the 1995A Bonds have not transpired. Nothing in this Section is intended to impose upon the District, and this Section shall not be construed as imposing upon the District, any disclosure obligations beyond those imposed by applicable law.

SECTION 19. Amendment of Bond Resolution. In order to make certain amendments to Section 15F in order to comply with the current requirements of the Code, which amendments the Board hereby finds will be immaterial to the Holders of any Bonds Outstanding under the Bond Resolution, the provisions of Section 15F of the Bond Resolution are hereby amended in their entirety to read as follows:

CHAPTER. COMPLIANCE WITH TAX REQUIREMENTS; REBATE FUND. The District hereby covenants and agrees, for the benefit of the Holders from time to time of each Series of Bonds that are not Taxable Bonds, to comply with the requirements applicable to it contained in the Internal Revenue Code of 1954, as amended, if applicable, and contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended, to the extent necessary to preserve the exclusion of interest on such Series of Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the District covenants and agrees:

(1) with respect to each Series of Bonds other than Taxable Bonds and other than the Series 1972 Bonds, to pay to the United States of America from the funds and sources of revenues pledged to the payment of such Series of Bonds, and from any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the amount, if any, required by Section 148(f) of the Code the exclusion from gross income for federal income tax purposes of interest on such Series of Bonds (the "Rebate Amount");

(2) with respect to each Series of Bonds other than Taxable Bonds and other than the Series 1972 Bonds, to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and

calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) with respect to each Series of Bonds other than Taxable Bonds, to refrain from using proceeds from any Series of Bonds in a manner that would cause such Series of Bonds or any of the Bonds of such Series or portions thereof, to bear interest that is not excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code; and

(4) with respect to each Series of Bonds other than Taxable Bonds, to refrain from taking any action that would cause any Series of Bonds or any portion thereof to become arbitrage bonds under Section 103(b) and Section 148 of the Code.

The District understands that the foregoing covenants impose continuing obligations on the District to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

The District covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and calculations of the Rebate Amount for each Series of Bonds other than the Series 1972 Bonds and Taxable Bonds in the manner and at the times required in a subsequent resolution adopted by the Board with respect to such Series of Bonds. A special fund designated as the "Rebate Fund" is hereby created and established. Upon the issuance of each Series of Additional Bonds, except Taxable Bonds and except as otherwise provided in a subsequent resolution adopted by the Board with respect to such Series of Bonds, the District shall create a separate account within the Rebate Fund. The District shall deposit into the account in the Rebate Fund created with respect to a Series of Bonds, from any legally available funds of the District, an amount equal to the Rebate Amount with respect to such Series of Bonds. The District shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by Section 15F above in the manner and at the times required by a subsequent resolution adopted by the Board with respect to such Series of Bonds.

If any amount shall remain in any rebate account in the Rebate Fund after payment in full of the Series of Bonds for which such account was established, and after payment in full of the Rebate Amount with respect to such Series of Bonds to

the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

Each rebate account in the Rebate Fund shall be held separate and apart from all other funds and accounts of the District, shall be impressed with a lien in favor of the holders of the Series of Bonds for which such account was established, only after all obligations of the District with respect to payment of the Rebate Amounts with respect to such Series of Bonds have been fully satisfied and the moneys or therein shall be available for use only as herein provided.

Notwithstanding any other provision of this resolution, the obligation to pay over the Rebate Amount with respect to each Series of Bonds to the United States and to comply with all other requirements of this Section 15F shall survive the satisfaction or payment in full of any Series of Bonds.

SECTION 20. Bond Insurance. The President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized to negotiate with a bond insurer for municipal bond insurance with respect to the 1995A Bonds and to execute a commitment and any other documentation necessary in connection therewith.

SECTION 21. Authorizations.

A. The President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized and directed to sign the Purchase Contract at the places provided therein and to approve such changes, in accordance with the terms of this Resolution, to the Purchase Contract as they may deem advisable. The signature of the President and the Secretary or Director of Finance on the Purchase Contract shall be conclusive evidence of the acceptance and the terms thereof. The President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized and directed to deliver the Purchase Contract immediately following the execution thereof pursuant to the terms hereof to the representative of the Original Purchaser.

B. The President of and the Secretary to the Board or their duly authorized alternative officers are hereby authorized and directed on behalf of the District to execute the 1995A Bonds (including any temporary bond or bonds) as provided in the Bond Resolution and herein and any of such officers is hereby authorized and directed upon the execution of the 1995A Bonds in substantially the form and manner set forth herein, to deliver the 1995A Bonds in the amounts authorized to be issued hereunder to the Registrar for authentication and delivery to or upon the order of the Original Purchaser pursuant to the Purchase Contract upon payment of the

purchase price and upon compliance by the Original Purchaser with the terms of the Purchase Contract.

C. The President, Vice President or Treasurer of and Secretary and Assistant Secretary to the Board and the Director of Finance and Planning of the District, and such other officers of the Board legally authorized to take action in their absence, and such other officers, employees or agents of the District as may be designated by the President, are each designated as agents of the Board and the District in connection with the issuance and delivery of the 1995A Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Board and the District that are necessary or desirable in connection with the execution and delivery of the 1995A Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Bond Resolution or any action relating to the 1995A Bonds heretofore taken by the Board. Such officers and those so designated are hereby charged with the responsibility for the issuance of the 1995A Bonds.

SECTION 22. Severability. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the 1995A Bonds issued hereunder.

SECTION 23. No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the 1995A Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders from time to time of the 1995A Bonds issued hereunder.

SECTION 24. Controlling Law; Members of Governing Body of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board or the


District in his individual capacity, and neither the members of the Board nor any official executing the 1995A Bonds shall be liable personally on the 1995A Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Board or such members thereof.

SECTION 25. Repeal of Inconsistent Resolutions. All resolutions or portions thereof previously adopted by the Board, other than the Bond Resolution, which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

SECTION 26. Effective Date. This Resolution shall become effective immediately upon its adoption.

This Resolution approved and adopted by the Board of Supervisors of the Reedy Creek Improvement District, this 21st day of April, 1995.

REEDY CREEK IMPROVEMENT DISTRICT


President, Board of Supervisors

ATTEST:


Secretary to Board of Supervisors

(SEAL)

LAK-73164.6:733
32169-19

RESOLUTION NO. 546

A RESOLUTION OF THE REEDY CREEK IMPROVEMENT DISTRICT SUPPLEMENTING RESOLUTION NO. 245 ADOPTED ON NOVEMBER 15, 1991, AS AMENDED; AUTHORIZING THE ISSUANCE OF REEDY CREEK IMPROVEMENT DISTRICT AD VALOREM TAX REFUNDING BONDS, SERIES [TO BE DESIGNATED] IN ONE OR MORE SERIES AND AT ONE OR MORE TIMES IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$115,000,000 (COLLECTIVELY, THE "REFUNDING BONDS") TO PROVIDE FOR THE ADVANCE REFUNDING OF ALL OR A PORTION OF THE DISTRICT'S AD VALOREM TAX BONDS, SERIES 2004A, AD VALOREM TAX BONDS, SERIES 2004B, AD VALOREM TAX BONDS, SERIES 2005A, AND AD VALOREM TAX REFUNDING BONDS, SERIES 2005B; DELEGATING TO THE PRESIDENT, THE SECRETARY, THE DISTRICT ADMINISTRATOR, THE DEPUTY DISTRICT ADMINISTRATOR AND DISTRICT COMPTROLLER THE AUTHORIZATION TO AWARD THE SALE OF EACH SERIES OF THE BONDS ON A NEGOTIATED BASIS; APPROVING THE FORM AND CONTENT OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO EACH SERIES OF REFUNDING BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE WITH RESPECT TO EACH SERIES OF REFUNDING BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW DEPOSIT AGREEMENTS WITH RESPECT TO THE REFUNDED 2004A BONDS, REFUNDED 2004B BONDS, REFUNDED 2005A BONDS, AND REFUNDED 2005B BONDS; AUTHORIZING U.S. BANK NATIONAL ASSOCIATION TO ACT AS REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT WITH RESPECT TO SUCH REFUNDING BONDS AND AS ESCROW AGENT WITH RESPECT TO THE REFUNDED BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE REGISTRAR AND PAYING AGENT AGREEMENTS AND ONE OR MORE DISCLOSURE DISSEMINATION AGENT AGREEMENTS RELATING TO THE REFUNDING BONDS; MAKING CERTAIN FINDINGS, REPRESENTATIONS AND COVENANTS WITH RESPECT THERETO; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "Board") of the Reedy Creek Improvement District (the "District") previously adopted a Resolution on April 4, 1972 (the "1972 Resolution") authorizing the issuance of certain ad valorem tax bonds and additional bonds thereunder on a parity therewith; and

WHEREAS, on November 15, 1991, the District adopted Resolution No. 245 (the "1991 Resolution") providing for the amendment and restatement of the 1972 Resolution as provided therein; and

WHEREAS, on April 21, 1995, the District adopted Resolution No. 313 (the "1995A Resolution") supplementing and amending the 1991 Resolution (the 1991 Resolution as amended by the 1995A Resolution is hereinafter referred to as the "Bond Resolution") to authorize the issuance of the District's Ad Valorem Tax Bonds, Series 1995A and to amend Section 15F of the 1991 Resolution regarding compliance with tax requirements; and

WHEREAS, on November 19, 2003, the District adopted Resolution No. 441 (the "2004 Resolution") supplementing the 1991 Resolution (the 1991 Resolution as amended by the 2004 Resolution is hereinafter referred to as the "2004 Bond Resolution") to authorize the issuance of the District's Ad Valorem Tax Bonds, Series 2004A (the "Series 2004A Bonds") and Ad Valorem WHEREAS, on November 15, 1991, the District adopted Resolution No. 245 (the "1991 Tax Bonds, Series 2004B (the "Series 2004B Bonds"); and

WHEREAS, on April 21, 2005, the District adopted Resolution No. 450 (the "2005 Resolution") supplementing the 1991 Resolution (the 1991 Resolution as amended by the 2005 Resolution is hereinafter referred to as the "2005 Bond Resolution") to authorize the issuance of the District's Ad Valorem Tax Bonds, Series 2005A (the "Series 2005A Bonds") and Ad Valorem Tax Refunding Bonds, Series 2005B (the "Series 2005B Bonds"); and

WHEREAS, as a result of a decline in interest rates the District now desires to issue Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series [to be designated] (the "Refunding Bonds") in one or more series and at one or more times in an aggregate principal amount not exceeding \$115,000,000, pursuant to the 2004 Bond Resolution and 2005 Bond Resolution, as applicable) and this Resolution, payable on a parity with the bonds outstanding under the Bond Resolution to provide for the advance refunding of all or a portion of the District's Series 2004A Bonds (the "Refunded 2004A Bonds"), all or a portion of the District's Series 2004B Bonds (the "Refunded 2004B Bonds"), all or a portion of the Series 2005A Bonds (the "Refunded 2005A Bonds") and all or a portion of the District's Series 2005B Bonds (the "Refunded 2005B Bonds" and, together with the Refunded 2004A Bonds, the Refunded 2004B Bonds, and the Refunded 2005A Bonds, the "Refunded Bonds"), as more particularly described in Exhibit A attached hereto; and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery of one or more Escrow Deposit Agreements relating to the Refunded Bonds (the "Escrow Deposit Agreements"), the proposed form of which is attached hereto as Exhibit G, to provide for the payment of the Refunded Bonds, and to appoint U.S. Bank National Association to act as escrow agent thereunder with respect to the Refunded Bonds; and

WHEREAS, the Board wishes to approve the form of and authorize the execution, subject to the conditions hereinafter set forth, of one or more Contracts of Purchase substantially in the form of Exhibit C attached hereto (the "Purchase Contracts"), with the underwriters named therein (the "Underwriters"), with respect to the Refunding Bonds; and

WHEREAS, the Board desires to approve the form and content of one or more Preliminary Official Statements relating to the Refunding Bonds substantially in the form of Exhibit E attached hereto with such changes as are appropriate to reflect the terms of the related series of Refunding Bonds, to deem each "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to authorize the execution and delivery of a Final Official Statement relating to the related series of Refunding Bonds (each a "Final Official Statement") with such changes from the Preliminary Official Statement as shall be approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller (the "Official Statement"); and

WHEREAS, the Board wishes to approve the form of and authorize the execution of one or more Registrar and Paying Agent Agreements, in substantially the form of Exhibit D attached hereto (the "Paying Agent Agreement") and to appoint U.S. Bank National Association to act as the registrar and paying agent thereunder and as authenticating agent for the related series of Refunding Bonds; and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery by the District of one or more Disclosure Dissemination Agent Agreements in connection with the Refunding Bonds, the proposed form of which is attached hereto as Exhibit H, and

WHEREAS, because of the current conditions existing in the market for securities similar to the Refunding Bonds, the Board finds it appropriate to delegate to the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, the authority to accept an offer from the Underwriters to purchase a series of Refunding Bonds pursuant to the terms of the related Purchase Contract, if certain conditions set forth in this Resolution are met; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the issuance of the Refunding Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE REEDY CREEK IMPROVEMENT DISTRICT THAT:

SECTION 1. Authority. This Resolution is adopted pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967, Chapter 132, Florida Statutes, and other applicable provisions of law (collectively, the "Act") and the 2004 Bond Resolution or 2005 Bond Resolution, as applicable.

SECTION 2. Definitions. All terms used herein in capitalized form, unless otherwise defined herein, shall have the same meanings as are ascribed to such terms in the 2004 Bond Resolution or 2005 Bond Resolution, as applicable. All terms defined in the preamble hereto shall have the meanings ascribed therein. As used herein, the following terms shall have the meanings set forth below:

"2004A Bonds" means the \$63,520,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2004A.

"2004B Bonds" means the \$10,230,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2004B.

"2005A Bonds" means the \$18,925,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2005A.

"2005B Bonds" means the \$90,310,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2005B.

"2010 Bonds" means the \$12,150,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2010.

"2011 Bonds" means the \$47,715,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2011.

"Closing Date" means the date of issuance of the Refunding Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, including interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published revenue rulings and private letter rulings) and applicable court decisions.

"Escrow Agent" means U.S. Bank National Association, appointed hereunder to serve as escrow agent under the Escrow Deposit Agreements, its successors or assigns.

"Escrow Deposit Agreements" means the Escrow Deposit Agreements with respect to the Refunded Bonds, the proposed form of which are attached to this Resolution as Exhibit G, each between the District and the Escrow Agent, pursuant to which a portion of the proceeds of the Bonds, together with investment earnings thereon and certain other funds and investments will be held in irrevocable escrow for the payment of the principal of and interest on the related series of Refunded Bonds.

"Paying Agent" means U.S. Bank National Association, appointed hereunder to serve as Paying Agent and Registrar under the Paying Agent Agreement, its successors or assigns.

"President" means the President or Vice President of the Board.

"Rebate Year" means, with respect to the Refunding Bonds issued hereunder, the twelve-month period commencing on the anniversary of the applicable Closing Date in each year and ending on the day prior to the anniversary of such Closing Date in the following year, except that the first Rebate Year with respect to each series of Refunding Bonds shall commence on the applicable Closing Date and the final Rebate Year shall end on the date of final maturity of such Refunding Bonds; or such other period as regulations promulgated by the United States Department of Treasury may prescribe.

hereunder. "Refunded 2004A Bonds" means the 2004A Bonds which are to be refunded

hereunder. "Refunded 2004B Bonds" means the 2004B Bonds which are to be refunded

hereunder. "Refunded 2005A Bonds" means the 2005A Bonds which are to be refunded

hereunder. "Refunded 2005B Bonds" means the 2005B Bonds which are to be refunded

"Secretary" means the Secretary to the Board.

SECTION 3. Findings and Awards.

A. The District is authorized by the Act to own, acquire, construct, equip, operate, improve and maintain roads located within or outside of the District and projects of all types and descriptions and facilities for the carrying out of the functions of the District and to issue ad valorem tax bonds to pay all or part of the cost of the acquisition, construction, maintenance and operation of any project authorized by the Act.

B. The primary livelihood of the residents and taxpayers of the District is tourism and the provision of improvements to the roads and other public ways of the District will enhance the District and benefit the residents and taxpayers thereof by promoting development and having a positive impact on the general economy of the District.

C. It is necessary, desirable and in the best interest of the District that the Refunding Bonds be issued to advance refund the Refunded Bonds.

D. The Refunding Bonds will not be issued until all conditions relating to the issuance of Additional Bonds under the Bond Resolution have been met, including, but not limited to, (i) the Maximum Bond Service Requirement on all Bonds issued under the Bond Resolution and then Outstanding and the Refunding Bonds to be issued hereunder shall not exceed eight-five percent (85%) of the estimated annual collections from Ad Valorem Taxes calculated as provided in the 2004 Bond Resolution and the 2005 Bond Resolution, as applicable, and (ii) the principal amount of the proposed issuance of Refunding Bonds together with all other Bonds then outstanding will not exceed in the aggregate fifty percent (50%) of the assessed value of the taxable property within the District, and when issued, the Refunding Bonds will be payable on a parity with the District's Outstanding unrefunded 2004A Bonds, unrefunded 2004B Bonds, unrefunded 2005A Bonds, unrefunded 2005B Bonds, 2010 Bonds and 2011 Bonds and with any other additional parity bonds hereafter issued under the terms of the Bond Resolution.

E. The District will issue the Refunding Bonds (other than the Bonds issued to refund the Refunded 2005B Bonds) with the intent that the interest thereon will be excludable from the gross income of the Holders thereof for federal income tax purposes. Refunding Bonds

issued to refund the Refunded 2005B Bonds are expected to be includable in the gross income of the Holders thereof for federal income tax purposes.

F. It is hereby found, determined and declared that a negotiated sale of the Refunding Bonds is in the best interest of the District and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) Due to the volatility of the municipal market, including the market for tax exempt securities such as the Refunding Bonds (or taxable securities with respect to the Refunding Bonds refunding the 2005B Bonds), the District must be able to enter the market at the most advantageous time, rather than at a specific advertised date, thereby permitting the District to obtain the best possible price and interest rate with respect to the Refunding Bonds.

(ii) The Underwriters have participated in structuring the issuance of the Refunding Bonds and can assist the District in attempting to obtain the most attractive financing for the District.

(iii) The nature of the Refunding Project is a complex transaction which requires the assistance of an underwriter in dealing with prospective investors.

G. It is hereby ascertained, determined and declared that it is in the best interest of the District to authorize each of the President, the Secretary, the District Administrator, the Deputy District Administrator and the District Comptroller to accept an offer of the Underwriters to purchase each series of the Refunding Bonds at a private negotiated sale upon the terms and conditions set forth herein and in the related Purchase Contract or as determined by the President, the Secretary, the District Administrator, Deputy District Administrator or District Comptroller in accordance with the terms hereof.

H. The Underwriters will provide to the District prior to the execution of each Purchase Contract a disclosure statement regarding the related series of Refunding Bonds, containing the information required by Section 218.385(6), Florida Statutes.

I. The District is authorized under the Act and Chapter 132, Florida Statutes, to issue refunding bonds and to deposit the proceeds thereof in escrow to provide for the payment when due of the principal of, interest on and redemption premiums, if any, in connection with the Refunded Bonds.

J. The Refunding Bonds to refund the Refunded Bonds shall only be issued at a lower average net interest cost rate than the average net interest cost rate of the related series of Refunded Bonds and the rate of interest borne by the Refunding Bonds shall not exceed the maximum interest rate established pursuant to the terms of Section 215.84, Florida Statutes. It is estimated that the present value of the total debt service savings anticipated to accrue to the District from the issuance of Refunding Bonds, calculated in accordance with Section 132.35(2), Florida Statutes, shall be at least 5.00% of the aggregate principal amount of the Refunded Bonds to be refunded.

K. The principal amount of each series of Refunding Bonds to be used to refund the Refunded Bonds shall not exceed an amount sufficient to pay the sum of the principal amount of the related Refunded Bonds that are outstanding on the date of issuance of such series of Refunding Bonds, the aggregate amount of unmatured interest payable on such Refunded Bonds to and including the date that they are called for redemption, the applicable redemption premiums, if any, related to such Refunded Bonds that are called for redemption, and the costs of issuance of the related series of Refunding Bonds, all in accordance with Section 132.35, Florida Statutes.

L. The sum of the present value of the total payments of both principal and interest to become due on the portion of the Refunding Bonds (excluding all such principal and interest payments as will be made with moneys held by the Escrow Agent under the Escrow Deposit Agreements) allocated to the refunding of the related Refunded Bonds and the present value of costs of issuance of such portion of the Refunding Bonds, if any, not paid with proceeds of the Refunding Bonds, will be less than the present value of the principal and interest payments to become due at their stated maturities, or earlier mandatory redemption dates, on the related Refunded Bonds.

M. The Refunding Bonds shall in no event mature later than the maturity date of the related Refunded Bonds.

N. The first installment of principal of each series of Refunding Bonds shall mature, or be subject to mandatory redemption, not later than the date of the first stated maturity or mandatory redemption of the related Refunded Bonds occurring after the issuance of such series of Refunding Bonds.

O. Each series of Refunding Bonds shall not be issued until such time as the District Comptroller shall have filed a certificate with the Board setting forth the present value of the total debt service savings which will result from the issuance of such series of Refunding Bonds to refund a portion of the Refunded Bonds, computed in accordance with the terms of Section 132.35, Florida Statutes, and demonstrating mathematically that the series of Refunding Bonds are issued at a lower net average interest cost rate than the related Refunded Bonds.

P. Each series of Refunding Bonds shall only be issued at a rate of interest not exceeding the maximum interest rate established Pursuant to the terms of section 215.84, Florida Statutes.

SECTION 4. Resolution to Constitute a Contract In consideration of the acceptance of the Refunding Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution, together with the Bond Resolution, shall be deemed to be and shall constitute a contract between the District and the Bondholders of the Refunding Bonds. The covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the Bondholders, and the Refunding Bonds shall be of equal rank and without preference, priority of or distinction over any other thereof, except as expressly provided herein.

SECTION 5. Authorization of Refunding The District hereby authorizes the advance refunding of the Refunded 2004A Bonds, Refunded 2004B Bonds, Refunded 2005A Bonds and Refunded 2005B Bonds. The District hereby authorizes (i) the deposit and pledge of a sufficient portion of the proceeds of the Refunding Bonds, together with interest earnings thereon, and certain other funds of the District, if necessary, to pay the principal of, interest on and redemption premiums, if any, with respect to the Refunded 2004A Bonds, Refunded 2004B Bonds, Refunded 2005A Bonds and Refunded 2005B Bonds, (ii) the investment and reinvestment of a portion of the proceeds from the sale of Refunding Bonds in Government Obligations for the purpose of effecting the defeasance of the Refunded 2004A Bonds, Refunded 2004B Bonds, Refunded 2005A Bonds and Refunded 2005B Bonds, (iii) the calling of the Refunded 2004A Bonds, Refunded 2004B Bonds, Refunded 2005A Bonds and Refunded 2005B Bonds prior to their dates of maturity as set forth in the related Escrow Deposit Agreement, (iv) the disbursement of unneeded principal and income, if any, from the funds and accounts created and established pursuant to each Escrow Deposit Agreement to the District in accordance with the terms of such Escrow Deposit Agreement. The District hereby elects to call and redeem the Refunded 2004A Bonds, Refunded 2004B Bonds, Refunded 2005A Bonds and Refunded 2005B Bonds in accordance with the terms of the related Escrow Deposit Agreement as approved by the Secretary, District Administrator, Deputy District Administrator and the District Comptroller.

The Escrow Agent is hereby directed in the name of the District, to cause notice of such call to be given as required by law and by the terms of the Refunded 2004A Bonds, Refunded 2004B Bonds, Refunded 2005A Bonds and Refunded 2005B Bonds, as the case may be, and the related Escrow Deposit Agreement.

SECTION 6. Authorization of Refunding Bonds Subject and pursuant to the provisions of this Resolution and any subsequent resolutions adopted by the Board in connection with the Refunding Bonds and prior to the issuance thereof, the Refunding Bonds of the District to be known as "Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series [To be Designated] [(Taxable)]" are hereby authorized to be issued in an aggregate principal amount not exceeding \$115,000,000 to finance the Refunding Project and the payment of a portion of the costs of issuance of the Refunding Bonds, with the exact principal amount to be determined in accordance with the terms hereof.

SECTION 7. Delegation to President and Secretary, District Administrator, Deputy District Administrator or District Comptroller; Terms and Form of Refunding Bonds

A. The President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller are hereby authorized and directed to award the sale of each series of the Refunding Bonds to the Underwriters and to approve the terms thereof, including, without limitation, the principal amounts thereof, the series designations thereof, the date thereof, the interest rates with respect thereto, the purchase price thereof and the redemption terms with respect thereto, provided, however, that in no event shall (i) the principal amount of the Refunding Bonds exceed \$115,000,000, (ii) the purchase price of Refunding Bonds be less than 98% of the face amount thereof exclusive of original issue discount (the "Minimum Purchase Price"), (iii) the present value of the total savings anticipated to accrue to the District upon refunding the Refunded Bonds be less than 5.00% of the aggregate principal

amount of the principal amount of the amount of Refunded Bonds to be refunded, or (iv) the interest rates exceed the maximum rates permitted by applicable law.

B. Each series of the Refunding Bonds shall bear interest from their date, payable semiannually on the first day of June and the first day of December of each year, at the rate, and shall mature in accordance with the schedules, set forth or incorporated by reference in the related Purchase Contract and Final Official Statement and approved by the President, the Secretary, the District Administrator, Deputy District Administrator or the District Comptroller, such approval to be conclusively evidenced by their execution of the related Purchase Contract. The principal of the Refunding Bonds shall be payable either in annual or semiannual installments, as shall be set forth in the related Purchase Contract and approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, the execution thereof to be conclusive evidence of such approval.

The Refunding Bonds shall be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof. Interest on the Refunding Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

So long as there shall be maintained a book-entry-only system with respect to a series of Refunding Bonds, the following provisions shall apply:

Such Refunding Bonds shall initially be issued in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Refunding Bonds and so long as the Refunding Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Refunding Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with DTC Participants, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Refunding Bonds ("Beneficial Owners").

The principal of and interest on the Refunding Bonds at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Paying Agent, or the Issuer.

The Refunding Bonds shall initially be issued in the form of one fully registered Proposed Bond for each maturity and shall be held in such form until maturity. Individuals may purchase beneficial interests in denominations of \$5,000 or integral multiples thereof, in book-entry-only form, without certificated Refunding Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE REFUNDING BONDS, ANY NOTICE TO BE PROVIDED TO ANY REGISTERED

OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIVIDUAL PURCHASERS OF BENEFICIAL INTERESTS.

The District has entered into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the District. In the event of such termination, the District shall select another securities depository. If the District does not replace DTC, the Registrar will register and deliver to the Beneficial Owners replacement Refunding Bonds in the form of fully registered Refunding Bonds of the same series and maturity, in denominations of \$5,000 or integral multiples thereof, in accordance with instructions from Cede & Co.

SECTION 8. Redemption Provisions. the Refunding Bonds shall be subject to such optional and mandatory redemption provisions, if any, as are provided in the Purchase Contract for the related series of Refunding Bonds, and approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, the execution thereof to be conclusive evidence of such approval. In the case of an optional redemption of the Refunding Bonds, in no event shall the redemption price for the Refunding Bonds exceed one hundred one percent (101%) of the principal amount or accreted value of the Refunding Bonds to be redeemed nor shall the first optional redemption date of the Refunding Bonds be later than June 1, 20[].

SECTION 9. Notice of Redemption. In lieu of the requirements of Section 12B of the Bond Resolution, each notice of redemption, if any, with respect to the Refunding Bonds shall meet the requirements set forth below. Notice of any redemption of Refunding Bonds hereunder shall be mailed, by first class mail, or such other manner as may be customary for the industry, to the registered owner of each Refunding Bond to be redeemed at such Holder's registered address as it appears in the bond register or at such other address as is furnished in writing by such Holder to the Registrar; provided, however, that failure to give any such notice to any Holder, or any defect therein, shall not affect the validity of the redemption proceedings for any Refunding Bond with respect to which no such failure or defect has occurred.

(i) Each notice of redemption shall set forth (A) the name and address of the Paying Agent, a contact person with the Paying Agent and his or her telephone number, (B) the complete official name of the Refunding Bonds, to be redeemed, (C) the CUSIP numbers, if any, of the Refunding Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Refunding Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Refunding Bonds, (D) any other descriptive information needed to identify accurately the Refunding Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on,

such Bonds, (E) in the case of partial redemption of any Refunding Bonds, the respective principal amounts thereof to be redeemed; (F) the date of mailing of redemption notices, (G) the redemption date, (H) the redemption price; (I) that on the redemption date the redemption price will become due and payable upon each such Proposed Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date.

(ii) Each notice of redemption shall be sent at least thirty (30) days and not more than sixty (60) days before the redemption date.

(iii) In addition to the foregoing, further notice of any redemption of Refunding Bonds hereunder shall be given by the Registrar simultaneously with mailed notice to Holders, by registered or certified mail or overnight delivery service to at least two national information services that disseminate notices of redemption of obligations such as the Refunding Bonds and, for any redemption other than by sinking fund installment, to the Municipal Securities Rulemaking Board. Such further notice shall contain the information required in 9(i). Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(iv) Upon the payment of the redemption price of the Refunding Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear or be accompanied by an advice showing the CUSIP number identifying, by issue, the Refunding Bonds being redeemed with the proceeds of such check or other transfer.

(v) A second notice of redemption shall be mailed in the manner provided above to any registered owner who has not tendered Refunding Bonds that have been called for redemption within sixty (60) days after the applicable redemption date.

SECTION 10. **Funds and Accounts.**

Establishment of and Payments from the Rebate Account. There is hereby established and created a trust account for each series of Refunding Bonds within the Rebate Fund pursuant to the Bond Resolution to be designated the "Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2013[SERIES TO BE DESIGNATED] Rebate Account" (hereinafter referred to as the "Series 2013[SERIES TO BE DESIGNATED] Rebate Account"), as the case may be, into which amounts shall be deposited as set forth below.

The District covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and calculations of the

Rebate Amount for the related series of Refunding Bonds for each Rebate Year within twenty-five (25) days after the end of such Rebate Year and within twenty-five (25) days after the final maturity of the related series of Refunding Bonds. On or before the expiration of each such period, the District shall deposit into the Rebate Account for each series of Refunding Bonds from any legally available funds of the District, an amount equal to the Rebate Amount with respect to such series of Refunding Bonds for such Rebate Year. The District shall use such moneys deposited in each Rebate Account only for the payment of the Rebate Amount with respect to such related series of Refunding Bonds to the United States as required by the Bond Resolution, which payments shall be made in installments, commencing not more than thirty (30) days after the end of the fifth Rebate Year for such related series of Refunding Bonds and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of such related series of Refunding Bonds. In complying with the foregoing, the District may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the respective Rebate Account after payment in full of all such related series of Refunding Bonds issued hereunder and after payment in full of the Rebate Amount with respect to such related series of Refunding Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

SECTION 11. Application of Proceeds of Refunding Bonds. The proceeds from the sale of the Refunding Bonds shall be applied by the District as follows:

(i) Upon issuance of the Refunding Bonds there shall be paid to the Escrow Agent an amount to be provided in the Series 2004A Escrow Deposit Agreement for the defeasance of the Refunded 2004A Bonds, an amount to be provided in the Series 2004B Escrow Deposit Agreement for the defeasance of the Refunded 2004B Bonds, an amount to be provided in the Series 2005A Escrow Deposit Agreement for the defeasance of the Refunded 2005A Bonds and an amount to be provided in the Series 2005B Escrow Deposit Agreement for the defeasance of the Refunded 2005B Bonds; and

(ii) The balance of the proceeds from the sale of the Refunding Bonds shall be paid to the District and used to pay the costs of issuing the Refunding Bonds.

SECTION 12. Form of Refunding Bonds. The Refunding Bonds shall be in substantially the form provided in Exhibit B hereto, subject to such changes, omissions and insertions and such filling of blanks as the officers executing the same shall approve, such execution to be conclusive evidence of such approval.

SECTION 13. Approval of a Purchase Contract for each Series of Refunding Bonds. The form of a Purchase Contract for each series of Refunding Bonds, substantially in the form presented hereto as Exhibit C, by the Underwriters is hereby approved, subject to such

changes, insertions and omissions and such filling of blanks therein as may be approved and made in such related Purchase Contract by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, in a manner consistent with the provisions of Sections 7 and 8 of this Resolution, such execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement from the Underwriters, the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller are hereby authorized to accept an offer of the Underwriters to purchase the Refunding Bonds in an aggregate principal amount not exceeding \$115,000,000, at a TIC not to exceed the Maximum TIC, and at a purchase price of not less than the Minimum Purchase Price, plus accrued interest thereon to the date of delivery, upon the terms and conditions set forth in the related Purchase Contract, and, so long as the present value of the total savings to accrue to the District upon refunding the Refunded 2004A Bonds shall be not less than % of the aggregate principal amount of the Refunded 2004A Bonds, upon refunding the Refunded 2004B Bonds shall be not less than % of the aggregate principal amount of the Refunded 2004B Bonds, upon refunding the Refunded 2005A Bonds shall be not less than % of the aggregate principal amount of the Refunded 2005A Bonds and upon refunding the Refunded 2005B Bonds shall be not less than % of the aggregate principal amount of the Refunded 2005B Bonds. The President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller are hereby authorized to execute and deliver the related Purchase Contract for and on behalf of the District pursuant to the terms hereof and of the related Purchase Contract.

SECTION 14. Registrar and Paying Agent. The Board hereby appoints U.S. Bank National Association as the initial Paying Agent, Registrar and Authenticating Agent in connection with the Refunding Bonds under the terms of the Registrar and Paying Agent Agreement.

SECTION 15. Registrar and Paying Agent Agreement. The Board hereby approves the form and content of the Registrar and Paying Agent Agreement attached hereto as Exhibit D. The President and Secretary are hereby authorized to execute on behalf of the Board, the Registrar and Paying Agent Agreement substantially in the form attached hereto with such changes, omissions and insertions as they, in their sole discretion, may approve, such execution to be conclusive evidence of such approval.

SECTION 16. Official Statement. The Board hereby approves the form and content of the Preliminary Official Statement attached hereto as Exhibit E, and approves the use and distribution of a Preliminary Official Statement substantially in the form of Exhibit E by the Underwriters in connection with the marketing of the Refunding Bonds. The President is hereby authorized to execute, on behalf of the Board, a Final Official Statement relating to the Refunding Bonds with such changes, omissions and insertions from the form of Preliminary Official Statement as the officer or officers executing the same may, in his or their sole discretion, approve, such execution to be conclusive evidence of such approval, the use and distribution of the final Official Statement in connection with the offering and sale of the Refunding Bonds by the Underwriters is hereby authorized. The District Comptroller is authorized to deem the Preliminary Official Statement other than Permitted Omissions "final" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, in the form as

mailed, and in furtherance thereof to execute a certificate evidencing same substantially in the form attached hereto as Exhibit F.

SECTION 17. Escrow Deposit Agreements. The Board hereby approves the forms and content of the Escrow Deposit Agreement attached hereto as Exhibit G. The President and Secretary to the Board are hereby authorized to execute on behalf of the Board, the Escrow Deposit Agreements, substantially in the forms attached hereto with such changes, omissions and insertions, including, without limitation, the filling of blanks therein and attachment of schedules thereto, as they, in their sole discretion, may approve, such execution to be conclusive evidence of such approval.

SECTION 18. Escrow Agent. The Board hereby appoints U.S. Bank National Association as the initial Escrow Agent in connection with the Refunded Bonds under the terms of the respective Escrow Deposit Agreement.

SECTION 19. Continuing Disclosure Compliance. The District hereby approves the form and content of an agreement between the District and Digital Assurance Certification, L.L.C. ("DAC") for continuing secondary market disclosure in connection with the Refunding Bonds (the "Disclosure Dissemination Agent Agreement"), in the form attached hereto as Exhibit H. The President, jointly with the Secretary, District Administrator, Deputy District Administrator or District Comptroller of the District, are authorized and directed to execute and deliver the Disclosure Dissemination Agent Agreement substantially in the form of Exhibit H with such changes, insertions or deletions as the officer executing the same, in his or her sole discretion, may approve, such execution to constitute conclusive evidence of such approval.

SECTION 20. Authorizations.

A. The President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller are hereby authorized and directed to sign the Purchase Contract with respect to each series of Refunding Bonds at the place provided therein and to approve such changes, in accordance with the terms of this Resolution, to each related Purchase Contract as they may deem advisable. The signature of the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller on the related Purchase Contract shall be conclusive evidence of the acceptance of the terms thereof. The President, the Secretary, the District Administrator, Deputy District Administrator or the District Comptroller are hereby authorized and directed to deliver the Purchase Contract with respect to each series of Refunding Bonds immediately followings the execution thereof pursuant to the terms hereof to the Underwriters.

B. The President and the Secretary or their duly authorized alternative officers are hereby authorized and directed on behalf of the District to execute the Refunding Bonds (including any temporary bond or bonds) as provided in the Bond Resolution and herein and any of such officers is hereby authorized and directed upon the execution of the Refunding Bonds in substantially the form and manner set forth herein, to deliver the Refunding Bonds in the amounts authorized to be issued hereunder to the Registrar for authentication and delivery to or upon the order of the Underwriters pursuant to the Purchase Contract upon payment of the

purchase price and upon compliance by such Underwriters with the terms of such Purchase Contract.

C. The President or Treasurer of and Secretary and Assistant Secretary to the Board and the District Administrator, the Deputy District Administrator, the District Comptroller, and such other officers of the Board legally authorized to take action in their absence, and such other officers, employees or agents of the District as may be designated by the President, are each designated as agents of the Board and the District in connection with the issuance and delivery of the Refunding Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Board and the District that are necessary or desirable in connection with the execution and delivery of the Refunding Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Bond Resolution or any action relating to the Refunding Bonds heretofore taken by the Board. Such officers and those so designated are hereby charged with the responsibility for the issuance of the Refunding Bonds.

SECTION 21. Severability. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Refunding Bonds issued hereunder.

SECTION 22. No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, the Bond Insurer, if any, for all or any portions of the Refunding Bonds, and the owners and holders of the Refunding Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto, the Bond Insurer, if any, for the Refunding Bonds, and the Holders from time to time of the Refunding Bonds issued hereunder.

SECTION 23. Controlling Law: Members of Governing Body of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided by the constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board or the District in his or her individual capacity, and, to the extent permitted by law, neither the members of the Board nor any official executing the Refunding Bonds shall be liable personally on the Refunding Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Board or such members thereof.

SECTION 24. Open Meetings. It is hereby found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution and the

consummation of the transactions contemplated by this Resolution were adopted in open meetings of the Board, and that all deliberations of the Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 25. Repeal of Inconsistent Resolutions. All resolutions or portions thereof previously adopted by the Board, other than the Bond Resolution, which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

SECTION 26. Effective Date. This Resolution shall become effective immediately upon its adoption.

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This Resolution is hereby approved and adopted by the Board of Supervisors of the Reedy Creek Improvement District, this 27th day of February, 2013.

(SEAL)

REEDY CREEK IMPROVEMENT
DISTRICT



President, Board of Supervisors

ATTEST



Secretary, Board of Supervisors

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RESOLUTION NO. 551

A RESOLUTION OF THE REEDY CREEK IMPROVEMENT DISTRICT SUPPLEMENTING RESOLUTION NO. 245 ADOPTED ON NOVEMBER 15, 1991, AS AMENDED; AUTHORIZING THE ISSUANCE OF REEDY CREEK IMPROVEMENT DISTRICT AD VALOREM TAX BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$360,000,000 TO PROVIDE FINANCING FOR TRANSPORTATION IMPROVEMENTS BENEFITTING PRIMARILY THE BUENA VISTA DRIVE CORRIDOR, INCLUDING DESIGNING, CONSTRUCTING, EQUIPPING OR IMPROVING CERTAIN ROADWAYS AND PARKING FACILITIES WITHIN OR OUTSIDE THE DISTRICT; DELEGATING TO THE PRESIDENT, THE SECRETARY, THE DISTRICT ADMINISTRATOR, THE DEPUTY DISTRICT ADMINISTRATOR OR THE DISTRICT COMPTROLLER THE AUTHORIZATION TO AWARD THE SALE OF THE 2013A BONDS ON A NEGOTIATED BASIS; APPROVING THE FORM AND CONTENT OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE 2013A BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE WITH RESPECT TO THE 2013A BONDS; AUTHORIZING U.S. BANK NATIONAL ASSOCIATION TO ACT AS REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT WITH RESPECT TO SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REGISTRAR AND PAYING AGENT AGREEMENT AND A DISCLOSURE DISSEMINATION AGENT AGREEMENT RELATING TO THE 2013A BONDS; MAKING CERTAIN FINDINGS, REPRESENTATIONS AND COVENANTS WITH RESPECT THERETO; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AMENDING CERTAIN PROVISIONS OF RESOLUTION NO. 546 ADOPTED FEBRUARY 27, 2013; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "Board") of the Reedy Creek Improvement District (the "District") previously adopted a Resolution on April 4, 1972 (the "1972 Resolution") authorizing the issuance of certain ad valorem tax bonds and additional bonds thereunder on a parity therewith; and

WHEREAS, on November 15, 1991, the District adopted Resolution No. 245 (the "1991 Resolution") providing for the amendment and restatement of the 1972 Resolution as provided therein; and

WHEREAS, on April 21, 1995, the District adopted Resolution No. 313 (the "1995A Resolution") supplementing and amending the 1991 Resolution (the "1991 Resolution") as amended by the 1995A Resolution is hereinafter referred to as the "Bond Resolution") to authorize the issuance of the District's Ad Valorem Tax Bonds, Series 1995A and to amend Section 15F of the 1991 Resolution regarding compliance with tax requirements; and

WHEREAS, the Board now desires to issue bonds pursuant to the Bond Resolution and this Resolution, payable on a parity with the bonds outstanding under the Bond Resolution, in an aggregate principal amount not exceeding \$360,000,000 to provide financing for transportation improvements benefitting primarily the Buena Vista Drive corridor, including designing, constructing, equipping or improving certain roadways and parking facilities within or outside the District as more particularly described in Exhibit A hereto (the "Transportation Project"); the portion of the Transportation Project financed by the Series 2013A Bonds being hereinafter referred to as the "Series 2013A Project"; and

WHEREAS, pursuant to Resolution No. 548 adopted by the District on April 24, 2013, the District authorized the holding of a referendum related to the issuance of (i) not to exceed \$360,000,000 ad valorem tax bonds, notes or other obligations to finance the costs of the Transportation Project, and (ii) not to exceed \$5,000,000 ad valorem tax bonds, notes or other obligations to finance the costs of a "District Facilities Project", as described therein; and

WHEREAS, the issuance of ad valorem tax bonds, notes or other obligations (i) in an aggregate principal amount not to exceed \$360,000,000 to finance the Transportation Project and (ii) in an aggregate principal amount not to exceed \$5,000,000 to finance the District Facilities Project was approved at an election of the qualified voters of the District held on June 4, 2013, which result was certified by the Board pursuant to Resolution No. 550 adopted by the District on June 26, 2013; and

WHEREAS, pursuant to Resolution No. 546 adopted by the District on February 27, 2013, the District authorized the issuance of an aggregate principal amount not exceeding \$115,000,000 of its Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series [to be designated] (the "Refunding Bonds"), payable on a parity with the bonds outstanding under the Bond Resolution to provide for the advance refunding of all or a portion of the District's Series 2004A Bonds (the "Refunded 2004A Bonds"), all or a portion of the District's Series 2004B Bonds (the "Refunded 2004B Bonds"), all or a portion of the Series 2005A Bonds (the "Refunded 2005A Bonds") and all or a portion of the District's Series 2005B Bonds (the "Refunded 2005B Bonds") and, together with the Refunded 2004A Bonds, the Refunded 2004B Bonds, and the Refunded 2005A Bonds, the "Refunded Bonds"); and

WHEREAS, because of the uncertainty of the timing of issuance of one or more series of Refunding Bonds, certain redemption and savings parameters governing the sale of Refunding Bonds in Resolution No. 546 were not completed, so the Board now wishes to complete the requirements for issuance of Refunding Bonds by amending such provisions of Resolution No. 546; and

WHEREAS, the Board wishes to approve the form of and authorize the execution, subject to the conditions hereinafter set forth, of a Contract of Purchase substantially in the form

of Exhibit C (the "Purchase Contract"), with the underwriters named therein (the "Underwriters"), with respect to the District's Ad Valorem Tax Bonds, Series 2013A (the "2013A Bonds") and the first series of Refunding Bonds, hereby designated "Ad Valorem Tax Refunding Bonds, Series 2013B" (the "Series 2013B Bonds"); and

WHEREAS, the Board desires to approve the form and content of the Preliminary Official Statement relating to the 2013A Bonds and the Series 2013B Bonds attached hereto as Exhibit E, to deem the same "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to authorize the execution and delivery of the Final Official Statement relating to the 2013A Bonds and the Series 2013B Bonds (the "Final Official Statement") with such changes from the Preliminary Official Statement as shall be approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller; and

WHEREAS, the Board wishes to approve the form of and authorize the execution of a Registrar and Paying Agent Agreement, in substantially the form attached hereto as Exhibit D (the "Paying Agent Agreement") and to appoint U.S. Bank National Association to act as the registrar and paying agent thereunder and as authenticating agent for the 2013A Bonds; and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery by the District of a Disclosure Dissemination Agent Agreement in connection with the 2013A Bonds and the Series 2013B Bonds, the proposed form of which is attached hereto as Exhibit G, and

WHEREAS, because of the current volatile conditions existing in the market for securities similar to the 2013A Bonds, the Board finds it appropriate to delegate to the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, the authority to accept an offer from the Underwriters to purchase the 2013A Bonds pursuant to the terms of the Purchase Contract, if certain conditions set forth in this Resolution are met; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the issuance of the 2013A Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE REEDY CREEK IMPROVEMENT DISTRICT THAT:

SECTION 1. Authority. This Resolution is adopted pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967, and other applicable provisions of law (collectively, the "Act") and the Bond Resolution.

SECTION 2. Definitions. All terms used herein in capitalized form, unless otherwise defined herein, shall have the same meanings as are ascribed to such terms in the Bond Resolution. All terms defined in the preamble hereto shall have the meanings ascribed therein. As used herein, the following terms shall have the meanings set forth below:

"Closing Date" means the date of issuance of the 2013A Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, including interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published revenue rulings and private letter rulings) and applicable court decisions.

"Costs" means the cost of acquisition, construction, improving or equipping and all other items of cost incident to the acquisition, construction, improving and equipping, and the financing or refinancing of the Series 2013A Project, including, without limitation, the following:

(i) obligations incurred for labor and materials and to contractors, builders and materialmen in connection with such construction, for machinery and equipment, and for the restoration or relocation of property damaged or destroyed in connection with such construction;

(ii) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in or any settlement or compromise of any proceeding to acquire by condemnation, such property, lands, rights, rights of way, franchises, easements and other interests in land constituting a part of, or as may be deemed necessary or convenient for the acquisition or construction of the Transportation Project, options and partial payments thereon, the cost of filling, draining or improving any lands so acquired, and the amount of any damages incident to or consequent upon the acquisition or construction of the Transportation Project;

(iii) the fees and expenses of the Paying Agent under the Paying Agent Agreement, including legal expenses and fees (including appellate fees), fees and expenses of consultants and financial advisors, escrow agents, verification agents, legal and accounting fees and expenses, financing charges, interest on the 2013A Bonds during construction of the Series 2013A Project and for a reasonable period thereafter, costs of preparing and issuing the 2013A Bonds not previously paid or reimbursed to the District, including but not limited to, consultant fees and expenses, costs of printing the Final Official Statement and the 2013A Bonds and any other costs incurred by the District with respect to the issuance of the 2013A Bonds, costs of bond insurance, if any, taxes or other municipal or governmental charges lawfully levied or assessed upon the Transportation Project during construction, or any property acquired therefor, and premiums of insurance (if any) in connection with the Transportation Project during construction;

(iv) fees and expenses of engineers for making studies, surveys and estimates of costs and of revenues and for preparing plans and supervising construction, as well as for the performance of all other duties of engineers set forth herein in relation to the construction of the Series 2013A Project or the issuance of the 2013A Bonds therefor;

(v) expenses of administration properly chargeable to the Series 2013A Project, and all other items of expense not elsewhere in this Section specified, incident to the acquisition or construction and equipping of the Series 2013A Project and the placing of the same in operation, including, to the extent authorized by applicable law, certain operating expenses, and to the acquisition of real estate, franchises and rights of way therefor, including abstracts of title and title insurance; and

(vi) any amounts heretofore or hereafter advanced by the District for any of the foregoing purposes.

"Deputy District Administrator" means the Deputy District Administrator of the District.

"District Comptroller" means the Comptroller of the District.

"Election Resolutions" means, collectively Resolution No. 548 adopted by the Board on April 24, 2013, and Resolution No. 550 adopted by the Board on June 26, 2013.

"Paying Agent" means U.S. Bank National Association, appointed hereunder to serve as Paying Agent and Registrar under the Paying Agent Agreement, its successors or assigns.

"President" means the President or Vice President of the Board.

"Rebate Year" means, with respect to any series of 2013A Bonds issued hereunder, the twelve-month period commencing on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary of such Closing Date in the following year, except that the first Rebate Year with respect to a Series of the 2013A Bonds shall commence on the Closing Date and the final Rebate Year shall end on the date of final maturity of such Series of 2013A Bonds; or such other period as regulations promulgated by the United States Department of Treasury may prescribe.

"Secretary" means the Secretary to the Board.

SECTION J. Findings and Awards

A. The District is authorized by the Act to own, acquire, construct, equip, operate, improve and maintain roads located within or outside of the District and projects of all types and descriptions and facilities for the carrying out of the functions of the District and to

issue ad valorem tax bonds to pay all or part of the cost of the acquisition, construction, maintenance and operation of any project authorized by the Act.

B. The primary livelihood of the residents and taxpayers of the District is tourism and the provision of improvements to the roads and other public ways of the District will enhance the District and benefit the residents and taxpayers thereof by promoting development and having a positive impact on the general economy of the District.

C. Implementation of the Transportation Project will enhance the District and benefit the residents and taxpayers thereof by providing a more extensive network of roads and parking facilities, reducing the traffic congestion on existing roads arising from new development and population growth.

D. It is necessary, desirable, and in the best interest of the District that 2013A Bonds be issued in the aggregate amount of not exceeding \$360,000,000 to finance the Transportation Project;

E. The issuance of the 2013A Bonds to finance the Transportation Project was approved by a majority vote of the qualified electors of the District at an election duly called pursuant to the Election Resolutions and held for that purpose on June 4, 2013, the results of which were certified to the Board by the inspectors and clerk of the election designated pursuant to the Election Resolutions on June 26, 2013.

F. The 2013A Bonds will not be issued until all conditions relating to the issuance of Additional Bonds under the Bond Resolution have been met, including, but not limited to, (i) the Maximum Bond Service Requirement on all Bonds issued under the Bond Resolution and then Outstanding and the 2013A Bonds shall not exceed eight-five percent (85%) of the estimated annual collections from Ad Valorem Taxes calculated as provided in the Bond Resolution, and (ii) the principal amount of 2013A Bonds together with all other Bonds then outstanding will not exceed in the aggregate fifty percent (50%) of the assessed value of the taxable property within the District, and when issued, the 2013A Bonds will be payable on a parity with the District's Outstanding Series 2005B Bonds, Series 2010A Bonds and the Series 2011A Bonds and if issued, the Series 2013B Bonds, and with any other additional parity bonds hereafter issued under the terms of the Bond Resolution.

G. The District will issue the 2013A Bonds with the intent that the interest thereon will be excludable from the gross income of the Holders thereof for federal income tax purposes.

H. It is hereby found, determined and declared that a negotiated sale of the 2013A Bonds, alone or together with the Series 2013B Bonds, is in the best interest of the District and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) Due to the volatility of the municipal market, including the market for tax exempt securities such as the 2013A Bonds, the District must be able to enter the market at the most advantageous time, rather than at a specific

advertised date, thereby permitting the District to obtain the best possible price and interest rate with respect to the 2013A Bonds.

(ii) The Underwriters have participated in structuring the issuance of the 2013A Bonds and can assist the District in attempting to obtain the most attractive financing for the District.

I. It is hereby ascertained, determined and declared that it is in the best interest of the District to authorize the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller to accept an offer of the Underwriters to purchase the 2013A Bonds, alone or together with the Series 2013B Bonds, at a private negotiated sale upon the terms and conditions set forth herein and in the related Purchase Contract or as determined by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller in accordance with the terms hereof.

J. The Underwriters will provide to the District prior to the execution of the Purchase Contract a disclosure statement regarding the 2013A Bonds, containing the information required by Section 218.385(6), Florida Statutes.

K. The 2013A Bonds shall only be issued at a rate of interest not exceeding the maximum interest rate established pursuant to the terms of section 215.84, Florida Statutes.

SECTION 4. Resolution to Constitute a Contract. In consideration of the acceptance of the 2013A Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution, together with the Bond Resolution, shall be deemed to be and shall constitute a contract between the District and the holders of the 2013A Bonds. The covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the Bondholders, and the 2013A Bonds shall be of equal rank and without preference, priority of or distinction over any other thereof, except as expressly provided herein.

SECTION 5. Authorization of Series 2013A Project. There is hereby authorized the Transportation Project as the Series 2013A Project pursuant to the respective reports, plans, specifications and designs on file, or to be on file, with the Board, as the same may be supplemented and amended, and subject to such modifications thereof and variations therefrom which, from time to time, may be determined by the Board to be necessary or to be in the best interests of the District.

SECTION 6. Authorization of 2013A Bonds. Subject and pursuant to the provisions of this Resolution and any subsequent resolutions adopted by the Board in connection with the 2013A Bonds and prior to the issuance thereof, the 2013A Bonds of the District to be known as "Reedy Creek Improvement District, Ad Valorem Tax Bonds, Series 2013A" are hereby authorized to be issued in an aggregate principal amount not exceeding \$360,000,000 to finance the Transportation Project and to pay a portion of the costs of issuance of the Series 2013A Bonds, with the exact principal amount to be determined in accordance with the terms hereof.

In the event that less than the maximum principal amount of Series 2013A Bonds shall be issued at one time, the remaining authorized principal amount may be issued in one or more

additional series, to be designated by year and letter as determined by the District Administrator or Deputy District Administrator, and governed by this Resolution to the extent applicable.

SECTION 7. Delegation of Authority: Terms and Form of 2013A Bonds

A. The President, the Secretary, the District Administrator, the Deputy District Administrator and the District Comptroller are each hereby authorized and directed to award the sale of the 2013A Bonds to the Underwriters and to approve the terms thereof, including, without limitation, the principal amounts thereof, the series designations thereof, the date or dates thereof, the interest rates with respect thereto, the purchase prices thereof and the redemption terms with respect thereto, provided, however, that in no event shall (i) the principal amount of the 2013A Bonds exceed \$360,000,000, (ii) the purchase price of the 2013A Bonds be less than 98% of the face amount thereof exclusive of original issue discount (the "Minimum Purchase Price"), (iii) the true interest cost rate (the "TIC") for the 2013A Bonds exceed 5.25% per annum (the "Maximum TIC"), or (iv) the interest rates exceed the maximum rates permitted by applicable law.

B. The 2013A Bonds shall bear interest from their date(s) of issuance, payable semiannually on the first day of June and the first day of December of each year, commencing on the date provided in the Purchase Contract and approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, at the rates, and shall mature in accordance with the schedules, set forth or incorporated by reference in the Purchase Contract and the Final Official Statement and approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, such approval to be conclusively evidenced by their execution of the Purchase Contracts. The principal of the 2013A Bonds shall be payable either in annual or semiannual installments, as shall be set forth in the Purchase Contracts and approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, the execution thereof to be conclusive evidence of such approval.

The 2013A Bonds shall be issued as fully registered bonds in the denomination of \$5,000 (\$5,000 value at maturity with respect to zero coupon or Capital Appreciation Bonds) each or any integral multiple thereof and may be issued as current interest bonds, zero coupon bonds or capital appreciation bonds. In all cases, interest on the 2013A Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

So long as there shall be maintained a book-entry-only system with respect to the 2013A Bonds, the following provisions shall apply:

The 2013A Bonds shall initially be issued in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the 2013A Bonds and so long as the 2013A Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the 2013A Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with DTC Participants, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect

Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the 2013A Bonds ("Beneficial Owners").

The principal of and interest on the 2013A Bonds at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Paying Agent, or the Issuer.

The 2013A Bonds shall initially be issued in the form of one fully registered 2013A Bond for each maturity and shall be held in such form until maturity. Individuals may purchase beneficial interests in denominations of \$5,000 or integral multiples thereof, in book-entry only form, without certificated 2013A Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE 2013A BONDS, ANY NOTICE TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIVIDUAL PURCHASERS OF BENEFICIAL INTERESTS.

The District has entered into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the District. In the event of such termination, the District shall select another securities depository. If the District does not replace DTC, the Registrar will register and deliver to the Beneficial Owners replacement 2013A Bonds in the form of fully registered 2013A Bonds of the same series and maturity, in denominations of \$5,000 or integral multiples thereof, in accordance with instructions from Cede & Co.

SECTION 8. Redemption Provisions. The 2013A Bonds shall be subject to such optional and mandatory redemption provisions, if any, as are provided in the Purchase Contract, and approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, the execution thereof to be conclusive evidence of such approval. In the case of an optional redemption of the 2013A Bonds, in no event shall the redemption price for the 2013A Bonds exceed one hundred one percent (101%) of the principal amount or accreted value of the 2013A Bonds to be redeemed nor shall the first optional redemption date of the 2013A Bonds be later than June 1, 2024.

SECTION 9. Notice of Redemption. In addition to the requirements of Section 12D of the Bond Resolution, each notice of redemption, if any, with respect to the 2013A Bonds shall meet the requirements set forth in (i), (ii), (iii), (iv), and (v) below; provided however that, notwithstanding any other provision of this Resolution or of the Bond Resolution to the contrary, failure of such notice or payment to comply with the terms of this Section 9 shall not in any manner defeat the effectiveness of a redemption if notice thereof is given as otherwise prescribed in Section 12B of the Bond Resolution.

(i) Each notice of redemption shall set forth the name and address of the Paying Agent, a contact person with the Paying Agent and his or her telephone number and the CUSIP numbers, if any, of the 2013A Bonds called for redemption, the date of publication of the notice, the redemption price, the date of the issue, the interest rate and the stated maturity date with respect to the 2013A Bonds to be redeemed; and with respect to owners of \$1,000,000 or more in principal amount to be redeemed, such notice shall be sent by certified mail, return receipt requested.

(ii) In addition to the foregoing, further notice of any redemption hereunder shall be given by the Registrar simultaneously with mailed notice to Holders, for any redemption other than by sinking fund installment, to the Municipal Securities Rulemaking Board. Such further notice shall contain the information required in 9(i) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(iii) Each notice of redemption shall be published once in THE BOND BUYER, New York, New York or, if THE BOND BUYER is no longer published in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the 2013A Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(iv) Upon the payment of the redemption price of the 2013A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear or be accompanied by an advice showing the CUSIP number identifying, by issue, the 2013A Bonds being redeemed with the proceeds of such check or other transfer.

(v) A second notice of redemption shall be mailed in the manner provided above to any registered owner who has not tendered 2013A Bonds that have been called for redemption within sixty (60) days after the applicable redemption date.

SECTION 10. Funds and Accounts

A. **Establishment of and Payments from the Series 2013A Project Construction Account.** There is hereby established and created an account within the Construction Fund created pursuant to the Bond Resolution to be designated the "Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2013A Project Construction Account" (hereinafter referred to as the "Construction Account") into which shall be deposited the amount provided in Section 12 below from which Costs of the Series 2013A Project and capitalized

interest may be paid as set forth herein. Costs of issuance of the 2013A Bonds shall be paid from the Construction Account. The amounts in the Construction Account until applied as hereinafter provided, shall be held for the security of the 2013A Bonds outstanding. In addition to payment of Costs, funds may be disbursed from the Construction Account to pay any Rebate Amounts due in accordance with the Bond Resolution and this Resolution with respect to the 2013A Bonds.

The District shall make payments from the Construction Account to pay Costs of the Series 2013A Project only after making the following determinations:

(i) that the work to which the payment relates has been accomplished in a manner satisfactory to the District, and that the amount to be paid does not exceed the obligation on account of which the payment is made (the District's determinations shall be based upon certificates satisfactory to it provided by a consulting engineer or engineers or construction manager or managers);

(ii) that the obligation was properly incurred and is a proper charge against the Construction Account and that the amount requisitioned is due and unpaid;

(iii) that with respect to such items, there are no vendors' liens, mechanics' liens, or other liens, bailment leases or conditional sale contracts which must be satisfied or discharged before the payments as requisitioned therein are made, or which will not be discharged by such payment; and

(iv) in the case of a transfer of funds in the Construction Account to pay any Rebate Amount or in the case of a transfer of funds in the Construction Account to pay any capitalized interest, that such transfer is necessary and in accordance with the provisions and requirements of the Resolution.

Any balance remaining in the Construction Account after the completion date of the Series 2013A Project, and after the District has set aside amounts for payment of items included in the Cost of the Series 2013A Project but not then due and payable, shall be set aside and segregated from all other moneys of the District and applied at the discretion of the District as follows:

(i) to redeem or purchase 2013A Bonds or a portion thereof, in the case of redemption, at the earliest redemption date permitted on which a premium or penalty for redemption is not required; or

(ii) for any other legal purpose for which such funds may be used by the District, provided that the District obtains an opinion of Bond Counsel to the effect that such use is authorized under the Act, the Election Resolutions or any other subsequent

election resolutions, the Bond Resolution and this Resolution and such use will not adversely affect the exclusion from federal income tax of interest on the 2013A Bonds.

Until used as provided in subsections (i) or (ii) above, such segregated amount may be invested as permitted by the Bond Resolution but may not be invested to produce a yield on such amount greater than the yield on the 2013A Bonds (without an opinion of Bond Counsel to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2013A Bonds), all in accordance with Section 148 of the Code. Any investment earnings shall be retained in the Construction Account and applied as provided herein; provided, however, that the District may, to the extent that it determines that adequate funds remain on deposit in the Construction Account to pay the Cost of the Series 2013A Project and if it receives an opinion of Bond Counsel that such application will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2013A Bonds or violate the Act, apply such earnings to pay operating costs of the Series 2013A Project.

B. Establishment of and Payments from the Series 2013A Rebate Accounts.

There are hereby established and created a trust account within the Rebate Fund created pursuant to the Bond Resolution to be designated "Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2013A Rebate Account" (hereinafter referred to as the "Series 2013A Rebate Account"), into which amounts shall be deposited as set forth below. If the 2013A Bonds and the Series 2013B Bonds are treated as one issue for the tax purposes, then the trust accounts for the 2013A Bonds and Series 2013B Bonds may be combined into one account within the Rebate Fund to be designated "Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2013 Rebate Account" (hereinafter referred to as the "Series 2013 Rebate Account"), and (i) all references in this Subsection B to the separate Series 2013A Rebate Account shall be deemed to refer to the Series 2013 Rebate Account and (ii) all references in the succeeding paragraphs to the 2013A Bonds shall be deemed to refer also to the Series 2013B Bonds, if any.

The District covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and calculations of the Rebate Amount for each Series of Bonds for each Rebate Year within twenty-five (25) days after the end of such Rebate Year and within twenty-five (25) days after the final maturity of the 2013A Bonds. On or before the expiration of each such period, the District shall deposit into the Series 2013A Rebate Account from any legally available funds of the District, an amount equal to the Rebate Amount with respect to the 2013A Bonds for such Rebate Year. The District shall use such moneys deposited in the Series 2013A Rebate Account only for the payment of the Rebate Amount with respect to 2013A Bonds to the United States as required by the Bond Resolution, which payments shall be made in installments, commencing not more than thirty (30) days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of the 2013A Bonds. In complying with the foregoing, the District may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Series 2013A Rebate Account after payment in full of all 2013A Bonds issued hereunder and after payment in full of the Rebate Amount with respect to the 2013A Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

SECTION 11. Application of Proceeds of 2013A Bonds. The proceeds from the sale of the 2013A Bonds shall be applied by the District as follows:

(i) There shall first be paid into the Sinking Fund, established and administered by the District pursuant to the Bond Resolution, an amount equal to the accrued interest, if any, on 2013A Bonds received by the District as part of the proceeds of the sale of such 2013A Bonds, which amount shall be used on the first interest payment date for the payment of interest due on such 2013A Bonds; and

(ii) Upon issuance of the 2013A Bonds there shall be paid into the Construction Account an amount of 2013A Bond proceeds set forth in a certificate of the President to be used to pay Costs of the Series 2013A Project, an amount to be used to pay costs of issuance of the 2013A Bonds and an amount to be used to pay capitalized interest on the 2013A Bonds for a period not to exceed the estimated completion of the Series 2013A Project, plus up to one year.

SECTION 12. Form of 2013A Bonds. The 2013A Bonds shall be in substantially the form provided in Exhibit B hereto, subject to such changes, omissions and insertions and such filling of blanks as the officers executing the same shall approve, such execution to be conclusive evidence of such approval.

SECTION 13. Approval of Purchase Contract for 2013A Bonds. The form of the Purchase Contract presented hereto as Exhibit C, by the Underwriters is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Purchase Contract by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, in a manner consistent with the provisions of Sections 7 and 8 of this Resolution, such execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement from the Underwriters, the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller are hereby authorized to accept an offer of the Underwriters to purchase the 2013A Bonds in an aggregate principal amount not exceeding \$360,000,000, at a TIC not to exceed the Maximum TIC, and at a purchase price of not less than the Minimum Purchase Price, plus accrued interest thereon to the date of delivery, upon the terms and conditions set forth in the Purchase Contract. The President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller are hereby authorized to execute and deliver the Purchase Contract for and on behalf of the District pursuant to the terms hereof and of the Purchase Contract. In the event that the District issues the Series

2013B Bonds, the bond purchase contract previously approved for the Series 2013B Bonds may be combined with the Purchase Contract.

SECTION 14. Paying Agent, Registrar and Authenticating Agent. The Board hereby appoints U.S. Bank National Association as the initial Paying Agent and Registrar in connection with the 2013A Bonds under the terms of the Paying Agent Agreement, and U.S. Bank National Association, as Registrar, is hereby appointed to act as authenticating agent in connection with the 2013A Bonds.

SECTION 15. Paying Agent Agreement. The Board hereby approves the form and content of the Paying Agent Agreement attached hereto as Exhibit D. The President, the Secretary, the District Administrator, the Deputy District Administrator and the District Comptroller are each hereby authorized to execute on behalf of the Board, the Paying Agent Agreement substantially in the form attached hereto with such changes, omissions and insertions as they, in their sole discretion, may approve, such execution to be conclusive evidence of such approval.

SECTION 16. Official Statement. The Board hereby approves the form and content of the Preliminary Official Statement attached hereto as Exhibit E, and approves the use and distribution of a Preliminary Official Statement substantially in the form of Exhibit E by the Underwriters in connection with the marketing of the 2013A Bonds and the Series 2013B Bonds, if any. The President is hereby authorized to execute, on behalf of the Board, a Final Official Statement relating to the 2013A Bonds and the Series 2013B Bonds, if any, with such changes, omissions and insertions from the form of Preliminary Official Statement as the officer or officers executing the same may, in his or their sole discretion, approve, such execution to be conclusive evidence of such approval. The use and distribution of the final Official Statement in connection with the offering and sale of the 2013A Bonds and the Series 2013B Bonds, if any, by the Underwriters is hereby authorized. The District Comptroller is authorized to deem the Preliminary Official Statement "final", other than Permitted Omissions within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, in the form as mailed, and in furtherance thereof to execute a certificate evidencing same substantially in the form attached hereto as Exhibit F.

SECTION 17. Continuing Disclosure Compliance. The District hereby approves the form and content of an agreement between the District and Digital Assurance Certification, L.L.C. ("DAC") for continuing secondary market disclosure in connection with the 2013A Bonds and the Series 2013B Bonds, if any (the "Disclosure Dissemination Agent Agreement"), in the form attached hereto as Exhibit G. The President, jointly with the Secretary or District Comptroller of the District, are authorized and directed to execute and deliver the Disclosure Dissemination Agent Agreement substantially in the form of Exhibit G with such changes, insertions or deletions as the officer executing the same, in his sole discretion, may approve, such execution to constitute conclusive evidence of such approval.

SECTION 18. Authorizations.

A. The President, the Secretary, the District Administrator, the Deputy District Administrator and the District Comptroller are each hereby authorized and directed to execute the Purchase Contract at the place provided therein and to approve such changes, in accordance with the terms of this Resolution, to the Purchase Contract as they may deem advisable, including without limitation, the combination of the Purchase Contract into one Purchase Contract which includes the Series 2013B Bonds, if any. The signature of the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller on a Purchase Contract shall be conclusive evidence of the acceptance of the terms thereof. The President, the Secretary, the District Administrator, the Deputy District Administrator and the District Comptroller are each hereby authorized and directed to deliver the Purchase Contract immediately following the execution thereof pursuant to the terms hereof to the Underwriters.

B. The President and the Secretary or their duly authorized alternative officers are hereby authorized and directed on behalf of the District to execute the 2013A Bonds (including any temporary bond or bonds) as provided in the Bond Resolution and herein and any of such officers is hereby authorized and directed upon the execution of the 2013A Bonds in substantially the form and manner set forth herein, to deliver the 2013A Bonds in the amounts authorized to be issued hereunder to the Registrar for authentication and delivery to or upon the order of the Underwriters pursuant to the Purchase Contract upon payment of the purchase price and upon compliance by such Underwriters with the terms of the Purchase Contract.

C. The President or Treasurer or and Secretary and Assistant Secretary to the Board and the District Comptroller, and such other officers of the Board legally authorized to take action in their absence, and such other officers, employees or agents of the District as may be designated by the President, are each designated as agents of the Board and the District in connection with the issuance and delivery of the 2013A Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Board and the District that are necessary or desirable in connection with the execution and delivery of the 2013A Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Bond Resolution or any action relating to the 2013A Bonds heretofore taken by the Board. Such officers and those so designated are hereby charged with the responsibility for the issuance of the 2013A Bonds.

SECTION 19. Amendment of Resolution No. 546.

A. Section 8 of Resolution No. 546, entitled "Redemption Provisions" is hereby amended to read as follows: "the Refunding Bonds shall be subject to such optional and mandatory redemption provisions, if any, as are provided in the Purchase Contract for the related series of Refunding Bonds, and approved by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, the execution thereof to be conclusive evidence of such approval. In the case of an optional redemption of the Refunding Bonds, in no event shall the redemption price for the Refunding Bonds exceed one hundred one percent (101%) of the principal amount or accreted value of the Refunding Bonds to

be redeemed nor shall the first optional redemption date of any series of the Refunding Bonds be later than ten(10) years from the date of issuance thereof."

B. Section 13 of Resolution No. 546, entitled "Approval of a Purchase Contract for each Series of Refunding Bonds" is hereby amended to read as follows: The form of a Purchase Contract for each series of Refunding Bonds, substantially in the form presented hereto as Exhibit C, by the Underwriters is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such related Purchase Contract by the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller, in a manner consistent with the provisions of Sections 7 and 8 of this Resolution, such execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement from the Underwriters, the President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller are hereby authorized to accept an offer of the Underwriters to purchase the Refunding Bonds in an aggregate principal amount not exceeding \$115,000,000, at a TIC not to exceed the Maximum TIC, and at a purchase price of not less than the Minimum Purchase Price, plus accrued interest thereon to the date of delivery, upon the terms and conditions set forth in the related Purchase Contract, and, so long as the present value of the total savings to accrue to the District upon refunding the Refunded 2004A Bonds shall be not less than 5% of the aggregate principal amount of the Refunded 2004A Bonds, upon refunding the Refunded 2004B Bonds shall be not less than 5% of the aggregate principal amount of the Refunded 2004B Bonds, upon refunding the Refunded 2005A Bonds shall be not less than 5% of the aggregate principal amount of the Refunded 2005A Bonds and upon refunding the Refunded 2005B Bonds shall be not less than 5% of the aggregate principal amount of the Refunded 2005B Bonds. The President, the Secretary, the District Administrator, the Deputy District Administrator or the District Comptroller are hereby authorized to execute and deliver the related Purchase Contract for and on behalf of the District pursuant to the terms hereof and of the related Purchase Contract.

SECTION 19. Severability. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the 2013A Bonds issued hereunder.

SECTION 20. No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the owners and holders of the 2013A Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Holders from time to time of the 2013A Bonds issued hereunder.

SECTION 21. Controlling Law: Members of Governing Body of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided by the constitution and laws of the

State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board or the District in his individual capacity, and, to the extent permitted by law, neither the members of the Board nor any official executing the 2013A Bonds shall be liable personally on the 2013A Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Board or such members thereof.

SECTION 22. Repeal of Inconsistent Resolutions. All resolutions or portions thereof previously adopted by the Board, other than the Bond Resolution, which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency. Resolution No. 546, except as modified hereby, is hereby ratified and affirmed.

SECTION 23. Open Meetings. It is hereby found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the Board, and that all deliberations of the Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 24. Effective Date. This Resolution shall become effective immediately upon its adoption.

This Resolution is hereby approved and adopted by the Board of Supervisors of the Reedy Creek Improvement District, this 24th day of July, 2013.

(SEAL)

REEDY CREEK IMPROVEMENT
DISTRICT

ATTEST

Bill Warren
Secretary, Board of Supervisors

Vice- President
President, Board of Supervisors

RESOLUTION NO. 670

A RESOLUTION OF CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT SUPPLEMENTING RESOLUTION NO. 245 ADOPTED ON NOVEMBER 15, 1991, AS AMENDED BY RESOLUTION NO. 313 ADOPTED ON APRIL 21, 1995, AS FURTHER AMENDED BY RESOLUTION NO. 551 ADOPTED ON JULY 24, 2013; AUTHORIZING THE ISSUANCE OF CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT AD VALOREM TAX BONDS IN ONE OR MORE SERIES (THE "SERIES 2024A BONDS") IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$99,300,000 TO FINANCE THE REMAINING PORTION OF THE COSTS OF THE DISTRICT-WIDE TRANSPORTATION PROJECT AND THE ADDITIONAL BUENA VISTA DRIVE CORRIDOR IMPROVEMENTS PROJECT; AUTHORIZING THE CHAIR, THE VICE CHAIR, THE DISTRICT ADMINISTRATOR, A DEPUTY DISTRICT ADMINISTRATOR OR THE CHIEF FINANCIAL OFFICER (THE "DISTRICT OFFICIALS") TO AWARD THE SALE OF THE SERIES 2024A BONDS ON A NEGOTIATED BASIS; APPROVING THE FORM AND CONTENT OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2024A BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE WITH RESPECT TO THE SERIES 2024A BONDS; APPOINTING A REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT AND A DISCLOSURE DISSEMINATION AGENT WITH RESPECT TO THE SERIES 2024A BONDS; APPROVING THE FORMS AND CONTENT OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REGISTRAR AND PAYING AGENT AGREEMENT AND A DISCLOSURE DISSEMINATION AGENT AGREEMENT RELATING TO THE SERIES 2024A BONDS; DELEGATING TO THE DISTRICT OFFICIALS THE DETERMINATION OF CERTAIN MATTERS AND DETAILS CONCERNING SUCH SERIES 2024A BONDS; MAKING CERTAIN FINDINGS, REPRESENTATIONS AND COVENANTS WITH RESPECT THERETO; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "Board") of the Central Florida Tourism Oversight District (successor to the Reedy Creek Improvement District pursuant to the provisions of Chapter 2023-5, Laws of Florida) (the "District") previously adopted a Resolution on April 4, 1972 (the "1972 Resolution") authorizing the issuance of certain ad valorem tax bonds and additional bonds thereunder on a parity therewith; and

WHEREAS, on November 15, 1991, the District adopted Resolution No. 245 (the "1991 Resolution") providing for the amendment and restatement of the 1972 Resolution as provided therein, and on April 21, 1995 the District adopted Resolution No. 313 (the "1995 Resolution"), inter alia, amending the 1991 Resolution; and

WHEREAS, on July 24, 2013, the District adopted Resolution No. 551 (the "2013A Resolution") supplementing and amending the 1991 Resolution, as amended, to authorize the issuance of the District's Ad Valorem Tax Bonds, Series 2013A and to amend certain provisions of a prior refunding Resolution No. 546 adopted on February 27, 2013 (the "2013B Resolution") regarding compliance with certain refunding parameters (the 1991 Resolution, as supplemented and amended, including, as supplemented and amended by the 1995 Resolution, the 2013A Resolution and the 2013B Resolution, is hereinafter referred to as the "Bond Resolution"); and

WHEREAS, pursuant to Resolution No. 548 adopted by the District on April 24, 2013, the District authorized the holding of a referendum related, among other items, to the issuance of ad valorem tax bonds, notes or other obligations ("Bonds") pursuant to the Bond Resolution in an aggregate amount not to exceed \$360,000,000 to provide financing for the design, construction, equipping and improvement of roadways and parking facilities within or outside the District benefitting primarily the Buena Vista Drive Corridor particularly described in **Exhibit A** hereto (the "Buena Vista Drive Corridor Improvements Project"); and

WHEREAS, the issuance of ad valorem tax bonds, notes or other obligations in an aggregate principal amount not to exceed \$360,000,000 to finance the Buena Vista Drive Corridor Improvements Project was approved at an election of the qualified voters of the District held on June 4, 2013, which result was certified by the Board pursuant to Resolution No. 550 adopted by the District on June 26, 2013; and

WHEREAS, pursuant to Resolution No. 570 adopted by the District on June 24, 2015, the District authorized the holding of a referendum related, among other items, to the issuance of Bonds pursuant to the Bond Resolution in an aggregate amount not to exceed (a) \$350,000,000 to provide financing for the design, construction, equipping and improvement of roadways and other public transportation improvements within or outside the District, primarily relating to World Drive North, Center Drive, Western Way and Osceola Parkway, as more particularly described in **Exhibit A** hereto (the "District-Wide Transportation Project"), and (b) \$15,000,000 to provide additional financing for the Buena Vista Drive Corridor Improvements Project described in **Exhibit A** hereto; and

WHEREAS, the issuance of ad valorem tax bonds, notes or other obligations in an aggregate principal amount not to exceed (a) \$350,000,000 to finance the District-Wide Transportation Project and (b) \$15,000,000 to finance the additional Buena Vista Drive Corridor Improvements Project was approved at an election of the qualified voters of the District held on August 18, 2015, which result was certified by the Board pursuant to Resolution No. 572 adopted by the District on August 26, 2015; and

WHEREAS, pursuant to Resolution No. 584 adopted by the District on October 26, 2016, the District authorized the holding of a referendum related, among other items, to the issuance of ad valorem tax bonds, notes or other obligations ("Bonds") pursuant to the Bond Resolution in an

aggregate amount not to exceed \$80,000,000 to provide financing for the costs of the design, construction, equipping and improvement of roadways and other public transportation improvements within or outside the District, benefitting primarily the Buena Vista Drive Corridor, including primarily public parking facilities, a pedestrian bridge over Buena Vista Drive and related improvements as more particularly described in **Exhibit A** hereto (the “2017 Transportation Improvement Projects”); and

WHEREAS, the issuance of ad valorem tax bonds, notes or other obligations in an aggregate principal amount not to exceed \$80,000,000 to finance the 2017 Transportation Improvement Projects was approved at an election of the qualified voters of the District held on December 6, 2016, which result was certified by the Board pursuant to Resolution No. 586 adopted by the District on December 14, 2016; and

WHEREAS, on July 24, 2013, the District adopted Resolution No. 551 (the “2013A Resolution”) supplementing the Bond Resolution to authorize the issuance of the District’s Ad Valorem Tax Bonds, Series 2013A (the “2013A Bonds”) in an amount not to exceed \$360,000,000 for the purpose of financing the costs of the Buena Vista Drive Corridor Improvements Project; and

WHEREAS, on September 5, 2013, the District issued the 2013A Bonds in an aggregate principal amount of \$344,960,000 for the Buena Vista Drive Corridor Improvements Project, together with a series of Ad Valorem Tax Refunding Bonds, Series 2013B (the “2013B Bonds”) to refund a prior series of Ad Valorem Tax Bonds, Series 2004; and

WHEREAS, the 2013A Bonds and the 2013B Bonds are no longer outstanding; and

WHEREAS, on April 27, 2016, the District adopted Resolution No. 579 (the “2016A Resolution”), supplementing the Bond Resolution to authorize the issuance of the District’s Ad Valorem Tax Bonds, Series 2016A (the “2016A Bonds”) in an amount not to exceed \$350,000,000 for the purpose of financing the costs of the District-Wide Transportation Project, and in an amount not to exceed \$15,000,000 for the purpose of financing additional costs of the Buena Vista Drive Corridor Improvements Project, as well as other projects; and

WHEREAS, on July 7, 2016, the District issued the 2016A Bonds in an aggregate principal amount of \$165,500,000, of which \$148,950,000 was allocable to a portion of the District-Wide Transportation Project and \$12,412,500 was allocable to additional costs of the Buena Vista Drive Corridor Improvements Project; and

WHEREAS, on August 23, 2017, the District adopted Resolution No. 594 (the “2017A Resolution”), supplementing the Bond Resolution to authorize the issuance of the District’s Ad Valorem Tax Bonds, Series 2017A (i) in an amount not to exceed \$150,000,000 for the purpose of financing the remaining costs of the District-Wide Transportation Project, and (ii) in an amount not to exceed \$80,000,000 for the purpose of financing the costs of the District’s 2017 Transportation Improvement Projects; and

WHEREAS, on October 12, 2017, the District issued the 2017A Bonds in an aggregate principal amount of \$199,375,000, of which \$130,027,174 was allocable to fund additional costs

of the District-Wide Transportation Project and \$69,347,826 was allocable to the costs of the 2017 Transportation Improvement Projects; and

WHEREAS, on December 18, 2019, the District adopted Resolution No. 612, supplementing the Bond Resolution to authorize the issuance of the District’s Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable) (the “2020A Bonds”) for the purpose of refunding portions of the 2013A Bonds and the 2013B Bonds; and

WHEREAS, on February 27, 2020, the District issued the 2020A Bonds in an aggregate principal amount of \$338,025,000; and

WHEREAS, as a result of the previously approved referenda and issuances described above, the District has a remaining ad valorem tax bond issuance capacity of \$99,300,000 relating to the District-Wide Transportation Project, the Buena Vista Drive Corridor Improvements Project and the 2017 Transportation Improvement Projects; and

WHEREAS, the Board now desires to issue Ad Valorem Tax Bonds, Series 2024A (the “Series 2024A Bonds”) pursuant to the Bond Resolution and this Resolution, payable on a parity with Bonds outstanding under the Bond Resolution, in an aggregate principal amount not exceeding \$99,300,000 to provide financing for additional improvements within the scope of the District-Wide Transportation Project, the Buena Vista Drive Corridor Improvements Project and the 2017 Transportation Improvement Projects (collectively referred to herein as the “Series 2024A Project”); and

WHEREAS, the Board wishes to approve the form of and authorize the execution, subject to the conditions hereinafter set forth, of a Contract of Purchase substantially in the form of **Exhibit C** (the “Purchase Contract”), with the underwriters named therein (the “Underwriters”), with respect to the Series 2024A Bonds; and

WHEREAS, the Board wishes to approve the form of and authorize the execution of a Registrar and Paying Agent Agreement, in substantially the form attached hereto as **Exhibit D** (the “Paying Agent Agreement”) and to appoint U.S. Bank Trust Company, National Association to act as the registrar and paying agent thereunder and as authenticating agent for the Series 2024A Bonds; and

WHEREAS, the Board desires to approve the form and content of the Preliminary Official Statement (“Preliminary Official Statement”) relating to the Series 2024A Bonds attached hereto as **Exhibit E**, to deem the same “final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) in the form attached hereto as **Exhibit E**, and to authorize the execution and delivery of the final Official Statement relating to the Series 2024A Bonds (the “Official Statement”) with such changes from the Preliminary Official Statement as shall be approved by the Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer; and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery by the District of a Disclosure Dissemination Agent Agreement with Digital Assurance Certification, LLC in connection with the Series 2024A Bonds, the proposed form of which is attached hereto as **Exhibit G**; and

WHEREAS, because of the current volatile conditions existing in the market for securities similar to the Series 2024A Bonds, the Board finds it appropriate to delegate to the Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer, the authority to accept an offer from the Underwriters to purchase the Series 2024A Bonds pursuant to the terms of the Purchase Contract, if certain conditions set forth in this Resolution are met; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the issuance of the Series 2024A Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT:

SECTION 1. Authority. This Resolution is adopted pursuant to Chapter 2023-5, Laws of Florida, and other applicable provisions of law (collectively, the “Act”) and the Bond Resolution.

SECTION 2. Definitions. All terms used herein in capitalized form, unless otherwise defined herein, shall have the same meanings as are ascribed to such terms in the Bond Resolution. All terms defined in the preamble hereto shall have the meanings ascribed therein. As used herein, the following terms shall have the meanings set forth below:

“Chair” means, if appointed or designated, the Chair of the Board.

“Chief Financial Officer” means the Chief Financial Officer of the District.

“Closing Date” means the date of issuance of the Series 2024A Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, including interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published revenue rulings and private letter rulings) and applicable court decisions.

“Costs” means the cost of acquisition, construction, improving or equipping and all other items of cost incident to the acquisition, construction, improving and equipping, and the financing or refinancing of the Series 2024A Project, whether or not previously paid from the proceeds of the Note, including, without limitation, the following:

(i) obligations incurred for labor and materials and to contractors, builders and materialmen in connection with such construction, for machinery and equipment, and for the restoration or relocation of property damaged or destroyed in connection with such construction;

(ii) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in or any

settlement or compromise of any proceeding to acquire by condemnation, such property, lands, rights, rights of way, franchises, easements and other interests in land constituting a part of, or as may be deemed necessary or convenient for the acquisition or construction of the Series 2024A Project, options and partial payments thereon, the cost of filling, draining or improving any lands so acquired, and the amount of any damages incident to or consequent upon the acquisition or construction of the Series 2024A Project;

(iii) the fees and expenses of the Registrar and Paying Agent under the Paying Agent Agreement, including legal expenses and fees (including appellate fees), fees and expenses of consultants and financial advisors, escrow agents, verification agents, legal and accounting fees and expenses, financing charges, interest on the Series 2024A Bonds during construction of the Series 2024A Project and for a reasonable period thereafter, costs of preparing and issuing the Series 2024A Bonds not previously paid or reimbursed to the District, including but not limited to, consultant fees and expenses, costs of printing the final Official Statement and the Series 2024A Bonds and any other costs incurred by the District with respect to the issuance of the Series 2024A Bonds, costs of bond insurance, if any, taxes or other municipal or governmental charges lawfully levied or assessed upon the Series 2024A Project during construction, or any property acquired therefor, and premiums of insurance (if any) in connection with the Series 2024A Project during construction;

(iv) fees and expenses of engineers for making studies, surveys and estimates of costs and of revenues and for preparing plans and supervising construction, as well as for the performance of all other duties of engineers set forth herein in relation to the construction of the Series 2024A Project or the issuance of the Series 2024A Bonds therefor;

(v) expenses of administration properly chargeable to the Series 2024A Project, and all other items of expense not elsewhere in this Section specified, incident to the acquisition or construction and equipping of the Series 2024A Project and the placing of the same in operation, including, to the extent authorized by applicable law, certain operating expenses, and to the acquisition of real estate, franchises and rights of way therefor, including abstracts of title and title insurance; and

(vi) any amounts heretofore or hereafter advanced by the District for any of the foregoing purposes.

“Deputy District Administrator” means a Deputy District Administrator of the District.

“Election Resolutions” means, collectively (i) Resolution No. 548 adopted by the Board on April 24, 2013, with respect to the Buena Vista Corridor Improvements Project, (ii) Resolution No. 570 adopted by the Board on June 24, 2015 with respect to the District-Wide Transportation

Project and the Buena Vista Corridor Improvements Project and (iii) Resolution No. 584 adopted by the Board on October 26, 2016 with respect to the 2017 Transportation Improvement Projects.

“Paying Agent” means U.S. Bank Trust Company, National Association, appointed hereunder to serve as Paying Agent and Registrar under the Paying Agent Agreement, its successors or assigns.

“Rebate Year” means, with respect to the Series 2024A Bonds issued hereunder, the twelve-month period commencing on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary of such Closing Date in the following year, except that the first Rebate Year with respect to the Series 2024A Bonds shall commence on the Closing Date and the final Rebate Year shall end on the date of final maturity of the Series 2024A Bonds; or such other period as regulations promulgated by the United States Department of Treasury may prescribe.

“Secretary” means the Executive Director or her designee, or any other person designated by the Board to perform the duties of a corporate secretary under Florida law.

“Series 2024A Project” means additional improvements within the scope of the District-Wide Transportation Project, the Buena Vista Drive Corridor Improvements Project and the 2017 Transportation Improvement Projects to be financed from the proceeds of the Series 2024A Bonds.

“Vice Chair” means the Vice Chair of the Board.

“2015A Bonds” means the \$50,925,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2015A, of which \$7,225,000 remains Outstanding.

“2016A Bonds” means the \$165,500,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2016A, of which \$150,270,000 remains Outstanding.

“2017A Bonds” means the \$199,375,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2017A, of which \$158,310,000 remains Outstanding.

“2020A Bonds” means the \$338,025,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable), of which \$300,655,000 remains Outstanding.

SECTION 3. Findings.

A. The District is authorized by the Act to own, acquire, construct, equip, operate, improve and maintain roads located within or outside of the District and projects of all types and descriptions and facilities for the carrying out of the functions of the District and to issue ad valorem tax bonds to pay all or part of the cost of the acquisition, construction, maintenance and operation of any project authorized by the Act.

B. The primary livelihood of the residents and taxpayers of the District is tourism and the provision of improvements to the roads and other public ways of the District will enhance the District and benefit the residents and taxpayers thereof by promoting development and having a positive impact on the general economy of the District.

C. Implementation of the Series 2024A Project will enhance the District and benefit the residents and taxpayers thereof by providing a more extensive network of roads, and reducing the traffic congestion on existing roads arising from new development and population growth.

D. It is necessary, desirable, and in the best interest of the District that Bonds be issued in the aggregate principal amount of not exceeding \$99,300,000 to finance the Series 2024A Project.

E. The issuance of Bonds to finance the District-Wide Transportation Project was approved by a majority vote of the qualified electors of the District at an election duly called pursuant to the Election Resolutions and held for that purpose on August 18, 2015, the results of which were certified to the Board by the inspectors and clerk of the election designated pursuant to the Election Resolutions on August 26, 2015.

F. The issuance of Bonds to finance the Buena Vista Drive Corridor Improvements Project was approved by a majority vote of the qualified electors of the District at elections duly called pursuant to the Election Resolutions and held for that purpose on June 4, 2013 and August 18, 2015, the results of which were certified to the Board by the inspectors and clerk of the election designated pursuant to the Election Resolutions on June 26, 2013 and August 26, 2015.

G. The issuance of Bonds to finance the 2017 Transportation Improvement Projects was approved by a majority vote of the qualified electors of the District at an election duly called pursuant to the Election Resolutions and held for that purpose on December 6, 2016, the results of which were certified to the Board by the inspectors and clerk of the election designated pursuant to the Election Resolutions on December 14, 2016.

H. The Series 2024A Bonds will not be issued until all conditions relating to the issuance of Additional Bonds under the Bond Resolution have been met, including, but not limited to, (i) the Maximum Bond Service Requirement on all Bonds issued under the Bond Resolution and then Outstanding and the Series 2024A Bonds shall not exceed eighty-five percent (85%) of the estimated annual collections from Ad Valorem Taxes calculated as provided in the Bond Resolution, and (ii) the principal amount of Series 2024A Bonds together with all other Bonds then Outstanding will not exceed in the aggregate fifty percent (50%) of the assessed value of the taxable property within the District, and when issued, the Series 2024A Bonds will be payable on a parity with the District's Outstanding Series 2015A Bonds, Series 2016A Bonds, Series 2017A Bonds and Series 2020A Bonds and with any other Bonds authorized hereunder and any additional parity bonds hereafter issued under the terms of the Bond Resolution.

I. The District will issue the Series 2024A Bonds with the intent that the interest thereon will be excludable from the gross income of the Holders thereof for federal income tax purposes.

J. It is hereby found, determined and declared that a negotiated sale of the Series 2024A Bonds is in the best interest of the District and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) Due to the volatility of the municipal market, including the market for tax exempt securities such as the Series 2024A Bonds, the District must be able to enter the market at the most advantageous time, rather than at a specific advertised date, thereby permitting the District to obtain the best possible price and interest rate with respect to the Series 2024A Bonds.

(ii) The Underwriters have participated in structuring the issuance of the Series 2024A Bonds and can assist the District in attempting to obtain the most attractive financing for the District.

K. It is hereby ascertained, determined and declared that it is in the best interest of the District to authorize the Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer to accept an offer of the Underwriters to purchase the Series 2024A Bonds at a private negotiated sale upon the terms and conditions set forth herein and in the related Purchase Contract or as determined by the Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer in accordance with the terms hereof.

L. The Underwriters will provide to the District prior to the execution of the Purchase Contract a disclosure statement regarding the Series 2024A Bonds, containing the information required by Section 218.385(6), Florida Statutes.

M. The Underwriters will assist the District in establishing the issue price of the Series 2024A Bonds and will execute and deliver to the District at closing an "issue price" certificate in form satisfactory to the Underwriters, the District and the District's bond counsel.

N. The Series 2024A Bonds shall only be issued at a rate of interest not exceeding the maximum interest rate established pursuant to the terms of section 215.84, Florida Statutes.

SECTION 4. Resolution to Constitute a Contract. In consideration of the acceptance of the Series 2024A Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution, together with the Bond Resolution, shall be deemed to be and shall constitute a contract between the District and the holders of the Series 2024A Bonds. The covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the Bondholders, and the Series 2024A Bonds shall be of equal rank and without preference, priority of or distinction over any other thereof, except as expressly provided herein.

SECTION 5. Authorization of Series 2024A Project. There is hereby authorized additional improvements constituting the remaining costs of the District-Wide Transportation Project and the Buena Vista Drive Corridor Improvements Project to be financed from the proceeds of the Series 2024A Bonds, as the Series 2024A Project pursuant to the respective reports, plans, specifications and designs on file, or to be on file, with the Board, as the same may be supplemented and amended, and subject to such modifications thereof and variations therefrom which, from time to time, may be determined by the Board to be necessary or to be in the best interests of the District. The Series 2024A Project is further described on **Exhibit A**.

SECTION 6. Authorization of Bonds. Subject and pursuant to the provisions of this Resolution and any subsequent resolutions adopted by the Board in connection with Bonds and prior to the issuance thereof, Bonds of the District to be known as "Central Florida Tourism Oversight District, Ad Valorem Tax Bonds, Series 2024A" are hereby authorized to be issued in an aggregate principal amount not exceeding \$99,300,000, (i) to finance the cost of the Series 2024A Project, (ii) to pay capitalized interest on the Series 2024A Bonds, if deemed appropriate and (iii) to pay costs of issuance of the Series 2024A Bonds, with the exact principal amount to be determined in accordance with the terms hereof.

In the event that less than the maximum principal amount of Series 2024A Bonds authorized hereunder shall be issued initially as Series 2024A Bonds, the remaining authorized principal amount may be issued in one or more additional series of Bonds, to be designated by year and letter as determined by the Chair, the Vice Chair or District Administrator, and governed by this Resolution to the extent applicable.

SECTION 7. Delegation of Authority: Terms and Form of Series 2024A Bonds.

A. The Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer are each hereby authorized and directed to award the sale of the Series 2024A Bonds to the Underwriters and to approve the terms thereof, including, without limitation, the principal amounts thereof, the series designations thereof, the date or dates thereof, the interest rates with respect thereto, the maturity dates thereof, the purchase prices thereof and the redemption terms with respect thereto, provided, however, that in no event shall (i) the principal amount of the Series 2024A Bonds exceed \$99,300,000, (ii) the purchase price of the Series 2024A Bonds be less than 99% of the face amount thereof exclusive of original issue premium (the "Minimum Purchase Price"), or (iii) the true interest cost rate (the "TIC") for the Series 2024A Bonds exceed 5.00% per annum (the "Maximum TIC").

B. The Series 2024A Bonds shall bear interest from their date(s) of issuance, payable semiannually on the first day of June and the first day of December of each year, commencing on the date provided in the Purchase Contract and approved by the Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer, at the rates, and shall mature in accordance with the schedules, set forth or incorporated by reference in the Purchase Contract and the Final Official Statement and approved by the Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer, such approval to be conclusively evidenced by their execution of the Purchase Contract. The principal of the Series 2024A Bonds shall be payable either in annual or semiannual installments, as shall be set forth in the Purchase Contract and approved by the Chair, the Vice

Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer, the execution thereof to be conclusive evidence of such approval.

The Series 2024A Bonds shall be issued as fully registered bonds in the denomination of \$5,000 (\$5,000 value at maturity with respect to zero coupon or Capital Appreciation Bonds) each or any integral multiple thereof and may be issued as current interest bonds, zero coupon bonds or capital appreciation bonds. In all cases, interest on the Series 2024A Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

So long as there shall be maintained a book-entry-only system with respect to the Series 2024A Bonds, the following provisions shall apply:

The Series 2024A Bonds shall initially be issued in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2024A Bonds and so long as the Series 2024A Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Series 2024A Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("Direct Participants") and other institutions that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2024A Bonds ("Beneficial Owners").

The principal of and interest on the Series 2024A Bonds at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Paying Agent, or the Issuer.

The Series 2024A Bonds shall initially be issued in the form of one fully registered Series 2024A Bond for each maturity and shall be held in such form until maturity. Individuals may purchase beneficial interests in denominations of \$5,000 or integral multiples thereof, in book-entry only form, without certificated Series 2024A Bonds, through Direct Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE SERIES 2024A BONDS, ANY NOTICE TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DIRECT PARTICIPANTS AND DIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIVIDUAL PURCHASERS OF BENEFICIAL INTERESTS.

The District has entered into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the District. In the event of such termination, the District shall select another securities depository. If the District does not replace DTC, the Registrar will register and deliver to the Beneficial

Owners replacement Series 2024A Bonds in the form of fully registered Series 2024A Bonds of the same series and maturity, in denominations of \$5,000 or integral multiples thereof, in accordance with instructions from Cede & Co.

SECTION 8. Redemption Provisions. The Series 2024A Bonds shall be subject to such optional and mandatory redemption provisions, if any, as are provided in the Purchase Contract, the execution thereof to be conclusive evidence of such approval. In the case of an optional redemption of the Series 2024A Bonds, in no event shall the redemption price for the Series 2024A Bonds exceed one hundred percent (100%) of the principal amount of the Series 2024A Bonds to be redeemed nor shall the first optional redemption date of the Series 2024A Bonds be later than June 1, 2035. Notwithstanding the provisions of Section 12C of the Bond Resolution, the effectiveness of any notice of optional redemption of any Series 2024A Bonds may be conditioned upon the occurrence of non-occurrence of such event or events as shall be specified in such notice of optional redemption (including, without limitation, the deposit of sufficient moneys with the Paying Agent for such purpose) and may also be subject to rescission by the District if expressly set forth in such notice.

SECTION 9. Notice of Redemption. In addition to the requirements of Section 12B of the Bond Resolution and Section 8 hereof, each notice of redemption, if any, with respect to the Series 2024A Bonds shall meet the requirements set forth in (i), (ii), (iii), (iv), and (v) below; provided however that, notwithstanding any other provision of this Resolution or of the Bond Resolution to the contrary, failure of such notice or payment to comply with the terms of this Section 9 shall not in any manner defeat the effectiveness of a redemption if notice thereof is given as otherwise prescribed in Section 12B of the Bond Resolution.

(i) Each notice of redemption shall set forth the name and address of the Paying Agent, a contact person with the Paying Agent and his or her telephone number and the CUSIP numbers, if any, of the Series 2024A Bonds called for redemption, the date of publication of the notice, the redemption price, the date of the issue, the interest rate and the stated maturity date with respect to the Series 2024A Bonds to be redeemed; and with respect to owners of \$1,000,000 or more in principal amount to be redeemed, such notice shall be sent by certified mail, return receipt requested, or by overnight delivery service.

(ii) In addition to the foregoing, further notice of any redemption hereunder shall be given by the Registrar simultaneously with mailed notice to Holders, for any redemption other than by sinking fund installment, to the Municipal Securities Rulemaking Board pursuant to the Disclosure Dissemination Agent Agreement hereinafter defined. Such further notice shall contain the information required in 9(i) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(iii) Each notice of redemption shall be published once in THE BOND BUYER, New York, New York or, if THE BOND BUYER is no longer published, in some other financial newspaper or journal which

regularly carries notices of redemption of other obligations similar to the Series 2024A Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(iv) Upon the payment of the redemption price of the Series 2024A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear or be accompanied by an advice showing the CUSIP number identifying, by issue, the Series 2024A Bonds being redeemed with the proceeds of such check or other transfer.

(v) A second notice of redemption shall be mailed in the manner provided above to any registered owner who has not tendered Series 2024A Bonds that have been called for redemption within sixty (60) days after the applicable redemption date.

SECTION 10. Funds and Accounts.

A. Establishment of and Payments from the Series 2024A Project Construction Account. There is hereby established and created an account within the Construction Fund created pursuant to the Bond Resolution to be designated the "Central Florida Tourism Oversight District Ad Valorem Tax Bonds, Series 2024A Project Construction Account" (hereinafter referred to as the "Construction Account") into which shall be deposited the amount provided in Section 12 below from which Costs of the Series 2024A Project and capitalized interest, if any, may be paid as set forth herein. Costs of issuance of the Series 2024A Bonds shall be paid from the Construction Account. In addition to payment of Costs, funds may be disbursed from the Construction Account to pay any Rebate Amounts due in accordance with the Bond Resolution and this Resolution with respect to the Series 2024A Bonds.

The District shall make payments from the Construction Account to pay Costs of the Series 2024A Project, only after making the following determinations:

(i) that the work to which the payment relates has been accomplished in a manner satisfactory to the District, and that the amount to be paid does not exceed the obligation on account of which the payment is made (the District's determinations shall be based upon certificates satisfactory to it provided by a consulting engineer or engineers or construction manager or managers);

(ii) that the obligation was properly incurred and is a proper charge against the Construction Account and that the amount requisitioned is due and unpaid;

(iii) that with respect to such items, there are no vendors' liens, mechanics' liens, or other liens, bailment leases or conditional sale contracts which must be satisfied or discharged before the payments as requisitioned therein are made, or which will not be discharged by such payment; and

(iv) in the case of a transfer of funds in the Construction Account to pay any Rebate Amount or in the case of a transfer of funds in the Construction Account to pay any capitalized interest, that such transfer is necessary and in accordance with the provisions and requirements of the Resolution.

Any balance remaining in the Construction Account after the completion date of the Series 2024A Project, and after the District has set aside amounts for payment of items included in the Cost of the Series 2024A Project but not then due and payable, shall be set aside and segregated from all other moneys of the District and applied at the discretion of the District as follows:

(i) to redeem or purchase Series 2024A Bonds or a portion thereof, in the case of redemption, at the earliest redemption date permitted on which a premium or penalty for redemption is not required; or

(ii) for any other legal purpose for which such funds may be used by the District, provided that the District obtains an opinion of Bond Counsel to the effect that such use is authorized under the Act, the Election Resolutions or any other subsequent election resolutions, the Bond Resolution and this Resolution and such use will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2024A Bonds.

Until used as provided in subsections (i) or (ii) above, such segregated amount may be invested as permitted by the Bond Resolution but may not be invested to produce a yield on such amount greater than the yield on the Series 2024A Bonds (without an opinion of Bond Counsel to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2024A Bonds), all in accordance with Section 148 of the Code. Any investment earnings shall be retained in the Construction Account and applied as provided herein; provided, however, that the District may, to the extent that it determines that adequate funds remain on deposit in the Construction Account to pay the Cost of the Series 2024A Project and if it receives an opinion of Bond Counsel that such application will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2024A Bonds or violate the Act, apply such earnings to pay operating costs of the Series 2024A Project.

B. Establishment of and Payments from the Series 2024A Rebate Account. There is hereby established and created a trust account within the Rebate Fund created pursuant to the Bond Resolution to be designated "Central Florida Tourism Oversight District Ad Valorem Tax Bonds, Series 2024A Rebate Account" (hereinafter referred to as the "Series 2024A Rebate Account"), into which amounts shall be deposited as set forth below.

The District covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and calculations of the Rebate Amount for the Series 2024A Bonds for each Rebate Year within twenty-five (25) days after the end of such Rebate Year and within twenty-five (25) days after the final maturity of the Series 2024A Bonds. On or before the expiration of each such period, the District shall deposit into the Series 2024A Rebate Account from any legally available funds of the District, an amount

equal to the Rebate Amount with respect to the Series 2024A Bonds for such Rebate Year. The District shall use such moneys deposited in the Series 2024A Rebate Account only for the payment of the Rebate Amount with respect to Series 2024A Bonds to the United States as required by the Bond Resolution, which payments shall be made in installments, commencing not more than sixty (60) days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of the Series 2024A Bonds. In complying with the foregoing, the District may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Series 2024A Rebate Account after payment in full of all Series 2024A Bonds issued hereunder and after payment in full of the Rebate Amount with respect to the Series 2024A Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

SECTION 11. Application of Proceeds of Series 2024A Bonds. The proceeds from the sale of the Series 2024A Bonds shall be applied by the District as follows:

(i) There shall first be paid into the Sinking Fund, established and administered by the District pursuant to the Bond Resolution, an amount equal to the accrued interest, if any, on Series 2024A Bonds received by the District as part of the proceeds of the sale of such Series 2024A Bonds, which amount shall be used on the first interest payment date for the payment of interest due on such Series 2024A Bonds; and

(ii) Upon issuance of the Series 2024A Bonds there shall be paid into the Construction Account an amount of Series 2024A Bond proceeds set forth in a certificate of the Chair, the Vice Chair or the District Administrator to be used to pay Costs of the Series 2024A Project, an amount to be used to pay costs of issuance of the Series 2024A Bonds and, if applicable, an amount to be used to pay capitalized interest on the Series 2024A Bonds for a period not to exceed the estimated completion of the Series 2024A Project, plus up to one year.

SECTION 12. Form of Series 2024A Bonds. The Series 2024A Bonds shall be in substantially the form provided in **Exhibit B** hereto, subject to such changes, omissions and insertions and such filling of blanks as the officers executing the same shall approve, such execution to be conclusive evidence of such approval.

SECTION 13. Approval of Purchase Contract for Series 2024A Bonds. The form of the Purchase Contract presented hereto as **Exhibit C**, by the Underwriters is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Purchase Contract by the Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or Chief Financial Officer in a manner consistent with the provisions of Sections 7 and 8 of this Resolution, such execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement from the Underwriters, the Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial

Officer is hereby authorized to accept an offer of the Underwriters to purchase the Series 2024A Bonds in an aggregate principal amount not exceeding \$99,300,000, at a TIC not to exceed the Maximum TIC, and at a purchase price of not less than the Minimum Purchase Price, plus accrued interest thereon to the date of delivery, if any, upon the terms and conditions set forth in the Purchase Contract. The Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer is hereby authorized to execute and deliver the Purchase Contract for and on behalf of the District pursuant to the terms hereof and of the Purchase Contract.

SECTION 14. Paying Agent, Registrar and Authenticating Agent. The Board hereby appoints U.S. Bank Trust Company, National Association as the initial Paying Agent and Registrar in connection with the Series 2024A Bonds under the terms of the Paying Agent Agreement, and U.S. Bank Trust Company, National Association, as Registrar, is hereby appointed to act as authenticating agent in connection with the Series 2024A Bonds.

SECTION 15. Paying Agent Agreement. The Board hereby approves the form and content of the Paying Agent Agreement attached hereto as **Exhibit D**. The Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer is hereby authorized to execute on behalf of the Board, the Paying Agent Agreement substantially in the form attached hereto with such changes, omissions and insertions as they, in their sole discretion, may approve, such execution to be conclusive evidence of such approval.

SECTION 16. Official Statement. The Board hereby approves the form and content of the Preliminary Official Statement attached hereto as **Exhibit E**, and approves the use and distribution of the Preliminary Official Statement in connection with the marketing of the Series 2024A Bonds. The Chair or the Vice Chair is hereby authorized to execute, on behalf of the Board, a final Official Statement relating to the Series 2024A Bonds with such changes, omissions and insertions from the form of Preliminary Official Statement as the officer or officers executing the same may, in his/her or their sole discretion, approve, such execution to be conclusive evidence of such approval. The use and distribution of the final Official Statement in connection with the offering and sale of the Series 2024A Bonds is hereby authorized. The District Administrator, a Deputy District Administrator or Chief Financial Officer is authorized to deem the Preliminary Official Statement "final", other than Permitted Omissions within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, in the form as mailed, and in furtherance thereof to execute a certificate evidencing same substantially in the form attached hereto as **Exhibit F**.

SECTION 17. Continuing Disclosure Compliance. The District hereby approves the form and content of an agreement between the District and Digital Assurance Certification, LLC for continuing secondary market disclosure in connection with the Series 2024A Bonds (the "Disclosure Dissemination Agent Agreement"), in the form attached hereto as **Exhibit G**. The Chair, the Vice Chair, the District Administrator, a Deputy District Administrator or Chief Financial Officer is hereby authorized and directed to execute and deliver the Disclosure Dissemination Agent Agreement substantially in the form of **Exhibit G** with such changes, insertions or deletions as the officer executing the same, in his or her sole discretion, may approve, such execution to constitute conclusive evidence of such approval.

SECTION 18. Authorizations.

A. The Chair, the Vice Chair, the Secretary, the District Administrator, a Deputy District Administrator or the Chief Financial Officer is hereby authorized and directed to execute all instruments, documents and contracts on behalf of the District, including, but not limited to the execution and delivery of documentation necessary or desirable in connection with the sale, execution and delivery of the Series 2024A Bonds, and which are specifically authorized by or are not inconsistent with the terms of this Resolution. The execution and delivery of the Purchase Contract of the Chair, the Vice Chair, District Administrator, a Deputy District Administrator or Chief Financial Officer shall be conclusive evidence of the Board's approval of the final details, terms and prices of the Series 2024A Bonds.

B. The Chair, the Vice Chair and the Secretary or the District Administrator, a Deputy District Administrator or the Chief Financial Officer, are hereby authorized and directed on behalf of the District to execute the Series 2024A Bonds as provided in the Bond Resolution and herein and any of such officers is hereby authorized and directed upon the execution of the Series 2024A Bonds in substantially the form and manner set forth herein, to deliver the Series 2024A Bonds in the amounts authorized to be issued hereunder to the Registrar for authentication and delivery to or upon the order of Underwriters pursuant to the Purchase Contract the upon payment of the purchase price of the Series 2024A Bonds and upon compliance by such Underwriters with the terms of the Purchase Contract.

C. The Chair, the Vice Chair and Secretary and the District Administrator, a Deputy District Administrator, the Chief Financial Officer, and such other officers of the Board legally authorized to take action in their absence, and such other officers, employees or agents of the District as may be designated by the Chair and the Vice Chair, are each designated as agents of the Board and the District in connection with the issuance and delivery of the Series 2024A Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Board and the District that are necessary or desirable in connection with the execution and delivery of the Series 2024A Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Bond Resolution or any action relating to the Series 2024A Bonds heretofore taken by the Board. Such officers and those so designated are hereby charged with the responsibility for the issuance of the Series 2024A Bonds.

SECTION 19. Severability. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Series 2024A Bonds issued hereunder.

SECTION 20. No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the owners and holders of the Series 2024A Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions

being intended to be and being for the sole and exclusive benefit of the Holders from time to time of the Series 2024A Bonds issued hereunder.

SECTION 21. Controlling Law: Members of Governing Body of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided by the constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board or the District in his or her individual capacity, and, to the extent permitted by law, neither the members of the Board nor any official executing the Series 2024A Bonds shall be liable personally on the Series 2024A Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Board or such members thereof.

SECTION 22. Repeal of Inconsistent Resolutions. All resolutions or portions thereof previously adopted by the Board, other than the Bond Resolution, which are inconsistent with the provisions of this Resolution are hereby repealed to the extent of such inconsistency.

SECTION 23. Open Meetings. It is hereby found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the Board, and that all deliberations of the Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 24. Effective Date. This Resolution shall become effective immediately upon its adoption.

This Resolution is hereby approved and adopted by the Board of Supervisors of the Central Florida Tourism Oversight District, this 25th day of September, 2024.

(SEAL)

**CENTRAL FLORIDA TOURISM
OVERSIGHT DISTRICT**

ATTEST

SKopelaw
Secretary/District Administrator

B. J. P. J.
for Vice Chair, Board of Supervisors

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APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

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PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2024A Bonds, Greenberg Traurig, P.A. proposes to render its approving opinion in substantially the following form:

[Date of Delivery]

Central Florida Tourism Oversight District
1900 Hotel Plaza Boulevard
Orlando, Florida 32869-0519

Re: **\$[_____] Central Florida Tourism Oversight District
Ad Valorem Tax Bonds, Series 2024A**

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by Central Florida Tourism Oversight District (successor to Reedy Creek Improvement District) (the “District”), of an aggregate principal amount of \$[_____] Central Florida Tourism Oversight District Ad Valorem Tax Bonds, Series 2024A (the “Series 2024A Bonds”).

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under Resolution No. 245 adopted by the District on November 15, 1991, Resolution No. 313 adopted by the District on April 21, 1995, Resolution No. 546 adopted by the District on February 27, 2013, Resolution No. 551 adopted by the District on July 24, 2013 and Resolution No. 670 adopted by the District on September 25, 2024 (collectively, the “Resolution”).

The Series 2024A Bonds are dated as of their date of issuance and have been issued in fully registered form. The Series 2024A Bonds have been issued to (i) finance additional improvements within the scope of the District-Wide Transportation Project, the Buena Vista Drive Corridor Improvements Project and the 2017 Transportation Improvement Projects, as defined in the Resolution, and (ii) pay the costs of issuance of the Series 2024A Bonds. The Series 2024A Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the Resolution and the Official Statement relating to the Series 2024A Bonds dated October [____], 2024.

Pursuant to the Resolution, the principal of, premium, if any, and interest on the Series 2024A Bonds shall be payable from a levy of a direct annual tax on all the taxable property within the District (excluding homesteads to the extent provided under applicable law), and the ad valorem taxing power of the District, not to exceed 30 mills per annum per dollar of assessed valuation, is pledged for the payment of the principal of, interest on and premium, if any, with respect to the Series 2024A Bonds on a parity with the District’s outstanding Ad Valorem Tax Refunding Bonds, Series 2015A, Ad Valorem Tax Bonds, Series 2016A, Ad Valorem Tax Bonds, Series 2017A and Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable) (collectively, the “Outstanding Bonds”), and with any other Bonds issued on a parity pursuant to the Resolution.

In rendering the opinions set forth below, we have examined certified copies of the legal proceedings, including the Resolution and certain other proceedings of the Board of Supervisors of the District, and other proofs submitted, relative to the issuance and sale of the Series 2024A Bonds.

In addition to the foregoing, we have examined and relied upon the opinion of Roy Payne, Esq., General Counsel to the District, and such other agreements, certificates, documents and opinions, including certificates and representations of public officials and other officers and representatives of the various parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, documents, certificates, representations and opinions, and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that:

(1) The District is a public corporation of the State of Florida with the power to adopt the Resolution, to issue the Series 2024A Bonds and to perform its obligations thereunder.

(2) The Resolution has been duly and lawfully adopted by the District, is in full force and effect, and constitutes a valid and binding obligation of the District, enforceable in accordance with its terms.

(3) The Series 2024A Bonds are valid and legally binding general obligations of the District, for the payment of which the ad valorem taxing power of the District, not to exceed 30 mills per annum per dollar of assessed valuation of the taxable property within the District, is irrevocably pledged on a parity with the Outstanding Bonds and the Series 2024A Bonds and with any other Bonds issued on a parity pursuant to the Resolution.

(4) The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Series 2024A Bonds in order that interest on the Series 2024A Bonds not be included in gross income for federal income tax purposes. The failure of the District to meet these requirements may cause interest on the Series 2024A Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2024A Bonds. The District has full legal power and authority to comply with such covenants.

Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the following paragraph, interest on the Series 2024A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes. Furthermore, interest on the Series 2024A Bonds is not an item of tax preference 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 Series 2024A Bonds is not excluded from the determination of adjusted financial statement income.

In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Series 2024A Bonds in order that interest on the Series 2024A Bonds not be included in gross income for federal income tax purposes.

(5) The Series 2024A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220.

We express no opinion regarding other federal or state tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of the Series 2024A 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 opinions set forth herein are subject to state and federal laws relating to bankruptcy, insolvency, reorganization, moratorium and similar laws, and to equitable principles, affecting the enforcement of creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

We express no opinion herein with respect to any disclosure or offering document prepared or distributed in connection with the offering of the Series 2024A Bonds.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

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APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated _____, 2024 is executed and delivered by Central Florida Tourist Oversight District (the "District") 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 provide 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 District 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 District or anyone on the District'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.

SECTION 1. Definitions. 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), 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 described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the District 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) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Appendix A, with the 9-digit CUSIP numbers relating thereto.

"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 District 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 District pursuant to Section 9 hereof.

"Disclosure Representative" means the District's Chief Financial Officer, or the Controller's designee, or such other person as the District 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.

"Failure to File Event" means the District'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 shut-down 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.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"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.

"Obligated Person" means any person or entity, including the District, who or which is either generally or through an enterprise, fund, or account of such person or entity committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the District in connection with the Bonds, as listed on Exhibit A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"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 District 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 March 31st following the end of each fiscal year of the District, commencing with the fiscal year ending September 30, 2025. 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 Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail, with delivery confirmation) to remind the District 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 District 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 that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as

Exhibit B, 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 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first (1st) business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the District irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, 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 District are prepared but not available prior to the Annual Filing Date, the District shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, 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) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the District pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. "Principal and interest payment delinquencies;"
 - 2. "Non-Payment related defaults, if material;"
 - 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 - 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 - 5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
 7. "Modifications to rights of securities holders, if material;"
 8. "Bond calls, if material;"
 9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. "Rating changes;"
 12. "Tender offers;"
 13. "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;"
 16. "Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or 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 the financial obligation of the issuer or obligated person, any of which reflect financial difficulties."
- (v) 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, 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) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the District 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;"
 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;"
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the District 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. "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."

- (viii) provide the District 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 District 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) Any Information received by the Disclosure Dissemination Agent before 6:00 p.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 District, including the information provided in the Official Statement under the headings: "OUTSTANDING BONDS SECURED BY AD VALOREM TAXES," "AGGREGATE AD VALOREM DEBT SERVICE SCHEDULE," and the tables under the caption "THE DISTRICT – Taxation".

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement 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. Audited Financial Statements (if any) 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 District 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 District will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information 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:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) 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 an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or

liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material;
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties; and
17. Notice of any failure on the part of the District to meet the requirements of Section 3 hereof.

The District shall, in a timely manner not in excess of ten (10) 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 District desires to make, contain the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and identify the date the District desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the District 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 (2) business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the District determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (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 District desires to make, contain the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and identify the date the District desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the District 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 will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The District 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 Securities Exchange Act of 1934, may apply to the District, 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 District 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 District 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 District desires to make, contain the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and identify the date the District desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the District 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 will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The District 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 District desires to make, contain the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and identify the date the District desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the District as prescribed in this Section 7(b) 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 will 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 District 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 District 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 District 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 District 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. Termination of Reporting Obligation. The obligations of the District and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the District 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 9. Disclosure Dissemination Agent. The District has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The District may, upon thirty (30) 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 District or DAC, the District 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 District shall remain liable for payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent accruing prior to the effective date of termination. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the District.

SECTION 10. Remedies in Event of Default. In the event of a failure of the District 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 11. 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 District 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 District and shall not be deemed to be acting in any fiduciary capacity for the District, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the District'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 determine, or liability for failing to determine, whether the District has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the District at all times.

The obligations of the District 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 District.

(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 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Disclosure Dissemination Agent may amend this Disclosure Agreement, in writing, and any provision of this Disclosure Agreement may be waived in writing, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the District 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 District 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 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 twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the District. No such amendment shall become effective if the District shall, within ten (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 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Trustee of 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 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. 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 16. Public Records. IF THE DISCLOSURE DISSEMINATION AGENT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE DISCLOSURE DISSEMINATION AGENT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE DISTRICT'S CUSTODIAN OF PUBLIC RECORDS AT TELEPHONE NUMBER (407) 939-3240, EMAIL ADDRESS PUBLICRECORDS@OVERSIGHTDISTRICT.ORG, MAILING ADDRESS CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT, ATTN: PUBLIC RECORDS ADMINISTRATOR, P.O. BOX 690519, ORLANDO, FL 32869-0519.

(a) Disclosure Dissemination Agent shall:

- (i) Keep and maintain public records required by the District to perform the service.

- (ii) Upon request from the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- (iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the Disclosure Dissemination Agent does not transfer the records to the District.
- (iv) Upon completion of this Disclosure Agreement, transfer, at no cost, to the District all public records in possession of the Disclosure Dissemination Agent or keep and maintain public records required by the District to perform the service. If the Disclosure Dissemination Agent transfers all public records to the District upon completion of this Disclosure Agreement, the Disclosure Dissemination Agent shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Disclosure Dissemination Agent keeps and maintains public records upon completion of the contract, the contractor/consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

The Disclosure Dissemination Agent and the District have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

CENTRAL FLORIDA TOURIST OVERSIGHT
DISTRICT

By: _____
S.C. Kopelousos
District Administrator

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT
Obligated Person(s)	CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT
Name of Bond Issue:	CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT Ad Valorem Tax Bonds, Series 2024A

Date of Issuance: October _____, 2024

Date of Official Statement: _____, 2024

CUSIP Numbers:

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT

Obligated Person: CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT

Name of Bond Issue: CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT
Ad Valorem Tax Bonds, Series 2024A

Date of Issuance: _____, 2024

Date(s) of Disclosure Agreement: _____, 2024

CUSIP Number:

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the District and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The District has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
District

cc: CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT
Obligated Person

EXHIBIT C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will 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:

CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT

District'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):

1. ____ "Principal and interest payment delinquencies;"
2. ____ "Non-Payment related defaults, if material;"
3. ____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. ____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. ____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. ____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. ____ "Modifications to rights of securities holders, if material;"
8. ____ "Bond calls, if material;"
9. ____ "Defeasances;"
10. ____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. ____ "Rating changes;"
12. ____ "Tender offers;"
13. ____ "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;"
16. ____ "Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or 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 the financial obligation of the issuer or 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 District 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: _____

EXHIBIT C-2

VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____, 2024 between the District and DAC.

Issuer's and/or Other Obligated Person's Name:

CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this 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 District 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: _____

EXHIBIT C-3

VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of October __, 2024 between the District and DAC.

Issuer's and/or Other Obligated Person's Name:

CENTRAL FLORIDA TOURIST OVERSIGHT DISTRICT

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: ____

____ Description of Voluntary Financial Disclosure (Check One):

1. ____ "quarterly/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 District 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: _____

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APPENDIX E

GENERAL INFORMATION REGARDING TOURISM IN ORANGE AND OSCEOLA COUNTIES

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THE FOLLOWING INFORMATION IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL INFORMATION REGARDING TOURISM AND CERTAIN DEMOGRAPHIC INFORMATION IN THE DISTRICT'S SURROUNDING AREA. THE INFORMATION IN THIS APPENDIX E IS UNAUDITED AND HAS BEEN DERIVED SOLELY FROM THE SOURCES INDICATED.

Orange County, Florida

The following table shows the estimated number of arriving air visitors and hotel and motel units occupied for the last ten years.

**ORANGE COUNTY, FLORIDA
STATISTICAL DATA
TOURISM FOR ORANGE COUNTY
ESTIMATED NUMBER OF ARRIVING AIR VISITORS AND HOTELS / MOTELS
LAST TEN YEARS
(Unaudited)**

Year	Total Disembarked Air Visitors ⁽¹⁾	Licensed Hotels and Motels ⁽²⁾	Total Hotel and Motel Units ⁽²⁾
2023	28,078,671	340	100,599
2022	24,424,704	340	100,482
2021	17,138,032	328	98,568
2020	14,529,861	320	96,490
2019	24,962,079	308	93,792
2018	23,475,683	303	91,627
2017	21,872,810	301	91,170
2016	20,825,649	294	89,333
2015	18,981,831	286	87,717
2014	17,704,897	282	87,662

(1) Greater Orlando Aviation Authority, Office of Community Relations. Based on fiscal years ending September 30.

(2) State of Florida, Department of Business and Professional Regulation; as of June 30 each year.

Source: Comprehensive Annual Financial Report of Orange County, Florida for Fiscal Year Ended September 30, 2023.

The following table shows the principal employers in Orange County for fiscal years 2023 and 2014.

**ORANGE COUNTY, FLORIDA
STATISTICAL DATA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Employer	2023			2014		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽³⁾	Rank	Percentage of Total County Employment ⁽²⁾
Walt Disney World Co.	75,000	1	8.98%	70,000	1	10.23%
Advent Health/Florida Hospital	35,938	2	4.30	18,668	4	2.73
Universal Orlando Resort	28,000	3	3.35	19,000	3	2.78
Orlando Health	26,397	4	3.16	-	-	-
Orange County Public Schools	24,718	5	2.96	22,347	2	3.26
Lockheed Martin	14,547	6	1.74	7,000	8	1.02
University of Central Florida	13,078	7	1.57	10,854	6	1.59
Orange County Government (4)	12,025	8	1.44	10,416	7	1.52
Westgate Resorts	4,760	9	0.57	-	-	-
Marriott Vacations Worldwide, Inc	4,700	10	0.57	-	-	-
Orlando International Airport	-	-	-	18,000	5	2.63
Darden Restaurants, Inc	-	-	-	6,419	9	0.94
Consulate Health Care	-	-	-	5,000	10	0.73
Totals	<u>239,163</u>		<u>28.64</u>	<u>187,704</u>		<u>27.43%</u>

(1) Source: Orlando Business Journal: 2023 Book of Lists, Central Florida.

(2) This calculation uses the Employed Labor Force numbers reported for Orange County in the Demographic and Economic Statistics Table.

(3) Source: Orlando Business Journal: 2014 Book of Lists, Central Florida.

(4) Orange County Government numbers are adjusted upwards from original source information to include employees of the six constitutional officers, which are included in the primary government.

Source: Comprehensive Annual Financial Report of Orange County, Florida for Fiscal Year Ended September 30, 2023.

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Osceola County, Florida

The following table shows the estimated number of overnight visitors and mode of transportation used in Osceola County for the last ten years.

**OSCEOLA COUNTY, FLORIDA
TOURIST STATISTICAL DATA
ESTIMATED NUMBER OF OVERNIGHT VISITORS AND MODE OF TRANSPORTATION
LAST TEN YEARS (IN THOUSANDS)
(Unaudited)**

Year ⁽¹⁾	Air Visitors	Auto Visitors	Train/Bus Visitors	Total Visitors	% Change
2014	3,876	3,185	84	7,145	4.5%

Year	Room Nights	Occupancy	Total Economy Impact	Total Visitors	% Change
2015 ⁽²⁾	7,525	72.40%	\$4,546,247	6,100	N/A
2016 ⁽³⁾	7,149	73.20%	\$5,431,139	7,460	22%
2017 ⁽³⁾	7,545	75.60%	\$5,934,129	7,901	6%
2018 ⁽⁴⁾	10,216	62.20%	\$6,000,000	8,600	9%
2019	10,446	63.60%	\$5,300,000	9,200	7.0%
2020	6,500	45.70%	\$5,000,000	6,000	-34.8%
2021	7,678	50.08%	\$5,500,000	9,587	59.8%
2022	10,982	63.59%	\$9,800,000	10,843	13.1%
2023	10,952	64.78%	\$10,900,000	10,900	0.5%

Notes: (1) Data is on calendar year basis.

(2) Experience Kissimmee hired a new vendor for fiscal year 2015 that used different methodology in their calculations. Information about visitors by air, auto, or train/bus is not available.

(3) This data consists of 11 calendar months.

(4) After 2018 data is calculated on calendar year.

Source: Osceola County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2023.

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The following table shows the principal employers in Osceola County, Florida for fiscal years 2023 and 2014.

**OSCEOLA COUNTY, FLORIDA
STATISTICAL DATA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School District of Osceola County	7,300	1	7.85%	6,593	1	8.18%
Walt Disney Company - Osceola County Offices	3,565	2	3.83%	-	-	-
Adventist Health System	3,419	3	3.67%	3,700	2	4.59%
Osceola Regional Medical Center	1,700	4	1.83%	-	-	-
Osceola County Government	1,593	5	1.71%	1,400	6	1.74%
Buena Vista Construction Co.	1,296	6	1.39%	3,556	5	4.41%
McLane/Suneast Incorporated	1,270	7	1.37%	-	-	-
Lowes RDC	1,035	8	1.11%	900	9	1.12%
Jr. Davis Construction Co. Inc.	928	9	1.00%	-	-	-
Omni Orlando Resort at Champions Gate	831	10	0.89%	750	10	0.93%
Gaylord Palms Resort & Convention Center	-	-	-	1,553	4	1.93%
Florida Hospital Celebration & Kissimmee	-	-	-	2,050	8	2.54%
Wal-Mart Stores, INC	-	-	-	2,730	3	3.39%
Publix Supermarkets	-	-	-	1,350	7	1.68%
Total Largest Employers	22,937 ⁽¹⁾		24.65%	24,582		30.51%
Total All Other Employers	70,098			55,976		
Total Employment	93,035⁽²⁾			80,558⁽³⁾		

Notes: (1) Florida Department of Economic Opportunity (DEO)

(2) Florida Department of Economic Opportunity (DEO), Local Area Unemployment Statistics (LAUS)

(3) Osceola County ACFR – Fiscal Year 2014.

Source: Osceola County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2023.

Orlando-Kissimmee-Sanford MSA

The following schedule demonstrates individual year growth (for the last three fiscal years) in the Orlando-Kissimmee-Sanford MSA (the "MSA"), which includes Orange, Seminole, Osceola, and Lake Counties, and also three, five, and ten year average annual trends in the MSA.

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MSA ECONOMIC GROWTH
ACTUAL/ESTIMATES AND AVERAGE ANNUAL PERCENTAGE GROWTH
LAST THREE FISCAL YEARS, AND THREE, FIVE, AND TEN YEAR AVERAGES
(Unaudited)

	Fiscal Years					Average Annual % Growth		
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2019</u>	<u>2014</u>	<u>Last 3</u>	<u>Last 5</u>	<u>Last 10</u>
Population (in thousands)								
City of Orlando	326.9	321.9	314.5	291.8	255.6	3.4%	3.0%	2.7%
Orange County	1,492.9	1,481.3	1,429.9	1,386.1	1,228.0	2.3%	2.5%	2.6%
MSA	2,833.8	2,794.2	2,673.4	2,585.6	2,270.4	2.7%	2.9%	2.8%
Taxable Value (in billions)								
City of Orlando	\$46.5	\$41.0	\$35.7	\$30.7	\$18.7	11.2%	13.1%	12.7%
Orange County	\$203.5	\$181.6	\$161.1	\$130.5	\$84.1	13.1%	13.3%	12.3%
Dollar Value of Building Permits (in millions)								
City of Orlando(1)	\$2,405.4	\$1,829.5	\$1,546.1	\$2,351.9	\$1,352.7	(7.4)%	(0.1)%	8.7%
Building Permits - New Construction								
City of Orlando	1,112	1,901	1,551	1,235	1,313	18.0%	11.1%	12.0%
MSA Employment (in thousands)								
Selected Segments:								
Manufacturing & Construction	138.8	131.8	136.8	136.7	95.3	(1.2)%	2.3%	6.2%
Wholesale & Retail	206.4	202.1	200.9	197.0	179.4	0.9%	0.6%	2.5%
Service	813.8	752.3	678.5	756.0	610.3	(0.2)%	1.7%	3.2%
Government	126.9	125.6	129.7	130.1	117.6	(1.2)%	0.4%	0.8%
Other	153.8	146.7	129.9	121.2	102.4	7.0%	5.2%	5.4%
Total	<u>1,439.7</u>	<u>1,358.5</u>	<u>1,275.8</u>	<u>1,341.0</u>	<u>1,105.0</u>	0.4%	1.8%	3.3%
Sales Tax Revenue (in millions)								
City of Orlando	\$61.8	\$57.1	\$42.7	\$47.8	\$35.6	6.5%	7.3%	8.4%
Tourist Development Tax (in millions)								
Orange County	\$359.3	\$336.3	\$175.9	\$284.0	\$201.4	6.1%	6.4%	9.2%
Orlando International Airport Activity (in millions)								
Passengers	55.9	48.6	34.1	49.8	35.2	(0.8)%	2.3%	3.7%
Lbs. of Airfreight	437.9	511.2	476.0	513.4	344.6	(0.1)%	3.7%	4.7%

Source: City of Orlando, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2023.

The MSA, a leading tourist destination with approximately 74 million visitors in 2022. According to the U.S. Bureau of Labor Statistics, as of September, 2022, the unemployment rate in the MSA was 2.9% which is lower than the national unemployment rate of 3.5% for that same period.

Orlando International Airport

The following table shows historical domestic and international enplaned passenger information for the Orlando International Airport.

**ORLANDO INTERNATIONAL AIRPORT
HISTORICAL DOMESTIC, INTERNATIONAL AND TOTAL
ENPLANED PASSENGERS
Years Ended September 30,
(Unaudited)**

Fiscal Year	Domestic Enplaned Passengers (a)	Percent Change for Domestic Enplaned Passengers from Previous Years	International Enplaned Passengers (b)	Percent Change for International Enplaned Passengers from Previous Years	Total Enplaned Passengers (a+b=c)	Percent Change for Total Enplaned Passengers from Previous Year	International Enplaned Passengers as Percentage of Total Enplaned Passengers (b/c=d)
2014	15,477,675	0.05%	2,057,323	5.15%	17,534,998	0.62%	11.73%
2015	16,426,194	6.13	2,400,904	16.70	18,827,098	7.37	12.75
2016	17,978,587	9.45	2,758,469	14.89	20,737,056	10.14	13.30
2017	18,882,512	5.03	2,836,039	2.81	21,718,551	4.73	13.06
2018	20,224,240	7.11	3,158,033	11.35	23,382,273	7.66	13.51
2019	21,261,946	5.13	3,584,896	13.52	24,846,842	6.26	14.43
2020	12,971,025	(38.99)	1,567,101	(56.29)	14,538,126	(41.49)	10.78
2021	16,368,437	26.19	615,805	(60.70)	16,984,242	16.83	3.63
2022	21,836,197	33.40	2,384,735	287.25	24,220,932	42.61	9.85
2023	24,574,857	12.54	3,344,841	40.26	27,919,698	15.27	11.98

Source: Comprehensive Annual Financial Report of the Greater Orlando Aviation Authority for Fiscal Years Ended September 30, 2023 and 2022.

