NEW ISSUE BOOK ENTRY ONLY

RATINGS:
Moody’s: Aa3 (stable outlook)
Fitch: AA- (stable outlook)
S&P: AA- (stable outlook)
See “RATINGS” herein

INTEREST ON THE SERIES 2020A BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. See “TAX MATTERS” for a description of certain other tax consequences to the Series 2020A Bonds.

REEDY CREEK IMPROVEMENT DISTRICT
(FLORIDA)
(Located in Orange and Osceola Counties)

$338,025,000
AD VALOREM TAX REFUNDING BONDS,
SERIES 2020A (TAXABLE)

Dated: Date of Delivery
Due: as shown on inside cover

The Reedy Creek Improvement District (the “District”) Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable) (the “Series 2020A 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 2020A Bonds. The Series 2020A 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 2020A Bonds. For so long as any purchaser is the beneficial owner of a Series 2020A 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 2020A 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 2020A Bonds. See “Book-Entry Only System and Global Clearance Procedures” under “DESCRIPTION OF THE SERIES 2020A BONDS” herein. Interest on the Series 2020A Bonds is payable on each June 1 and December 1, commencing June 1, 2020, by U.S. Bank National Association, Orlando, Florida, as Paying Agent and Bond Registrar for the Series 2020A Bonds.

The Series 2020A Bonds are being issued by the District (i) to refund the District’s Ad Valorem Tax Bonds, Series 2013A maturing on and after June 1, 2024 and Ad Valorem Tax Refunding Bonds, Series 2013B maturing on June 1, 2024, and (ii) to pay the costs of issuance of the Series 2020A Bonds.

The Series 2020A 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 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 2020A Bonds are subject to optional and mandatory redemption prior to maturity as described in this Official Statement.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP/ISIN NUMBERS AND COMMON CODES 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 2020A 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 Edward G. Milgrim, Milgrim Law Group, Orlando, Florida, as 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. Dunlap & Associates, Inc., Orlando, Florida, is acting as municipal advisor to the District. The Series 2020A Bonds are expected to be available for delivery through the offices of DTC in New York, New York on or about February 27, 2020.

J.P. Morgan
Raymond James

BofA Securities
Dated: February 5, 2020
$338,025,000
Ad Valorem Tax Refunding Bonds
Series 2020A (Taxable)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
INITIAL CUSIP/ISIN NUMBERS AND COMMON CODES

$264,950,000 Serial Bonds

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<tr>
<th>Maturity (June 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Price</th>
<th>Yield</th>
<th>Initial CUSIP Number*</th>
<th>ISIN*</th>
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$73,075,000 – 2.731% Series 2020A Term Bond Due June 1, 2038 – Yield 2.731% – Price 100.00 –
CUSIP No. 758449SH6* - ISIN US758449SH60* - Common Code 211814101**

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

** The Common Codes are provided by Euroclear Bank S.A./N.V. Common Codes are provided for convenience and reference only. Neither the District nor the Underwriters are responsible for the selection or the use of these Common Codes and no representation is made as to their correctness on the Series 2020A Bonds or as included herein.
REEDY CREEK IMPROVEMENT DISTRICT
(FLORIDA)
(Located in Orange and Osceola Counties)
1900 Hotel Plaza Boulevard
Lake Buena Vista, Florida 32830-0170

BOARD OF SUPERVISORS
Laurence C. Hames, President
Donald R. Greer, Vice President
Wayne Schoolfield, Treasurer
Maximiano Brito
Jane Adams

DISTRICT ADMINISTRATOR
John H. Classe, Jr.

DEPUTY DISTRICT ADMINISTRATOR/COMPTROLLER
Ann G. Blakeslee

DISTRICT FINANCE MANAGER
Christopher M. Quinn

BOND COUNSEL
Greenberg Traurig, P.A.
Miami, Florida

MUNICIPAL ADVISOR
Dunlap & Associates, Inc.
Orlando, Florida

DISCLOSURE COUNSEL
Bryant Miller Olive P.A.
Orlando, Florida
No dealer, broker, salesman or other person has been authorized by Reedy Creek Improvement 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 2020A 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 2020A 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.


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 2020A 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. 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.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES TO “SERIES 2020A BONDS” OR “SECURITIES” MEAN THE DISTRICT’S AD VALOREM TAX REFUNDING BONDS, SERIES 2020A (TAXABLE) OFFERED HEREBY.

MINIMUM UNIT SALES

THE SERIES 2020A BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA (“EEA”)

THE SERIES 2020A BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES:

(A) “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF:

(I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”);

(II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR

(III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”).

CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SERIES 2020A BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES 2020A BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SERIES 2020A BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) OF THE PROSPECTUS

THE OFFER OF ANY SERIES 2020A BONDS WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN THE EEA, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A “QUALIFIED INVESTOR” AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN “QUALIFIED INVESTORS” AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION), SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER OR THE DISTRICT FOR ANY SUCH OFFER; OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION; PROVIDED THAT NO SUCH OFFER OF THE SERIES 2020A BONDS SHALL REQUIRE THE DISTRICT OR ANY UNDERWRITER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF SECURITIES TO THE PUBLIC” IN RELATION TO THE SERIES 2020A BONDS IN ANY MEMBER STATE OF THE EEA MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SERIES 2020A BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SERIES 2020A BONDS OR SUBSCRIBE FOR THE SERIES 2020A BONDS.

EACH SUBSCRIBER FOR OR PURCHASER OF THE SERIES 2020A BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OF THE EEA WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE PROSPECTUS REGULATION. THE DISTRICT AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”) AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION
OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE PURCHASERS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE SERIES 2020A BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS (AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CHAPTER 32) OF HONG KONG (THE “C(WUMP)O”)) IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571) OF HONG KONG (THE “SFO”). ACCORDINGLY, THE SERIES 2020A BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT, AND THIS OFFICIAL STATEMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN (A) TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO; OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O. IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SERIES 2020A BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO THE SERIES 2020A BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) ONLY TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE SERIES 2020A BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE “FIEA”). NEITHER THE SERIES 2020A BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-
OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE SERIES 2020A BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE SERIES 2020A BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA (“QIIs”) IN RELIANCE ON THE QIIs-ONLY PRIVATE PLACEMENT EXEMPTION AS SET FORTH IN ITEM 2(I), PARAGRAPH 3, ARTICLE 2 OF THE FIEA. A QII WHO PURCHASED OR OTHERWISE OBTAINED THE SERIES 2020A BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE SERIES 2020A BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

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relating to
REEDY CREEK IMPROVEMENT DISTRICT
(FLORIDA)
(Located in Orange and Osceola Counties)
$338,025,000
Ad Valorem Tax Refunding Bonds,
Series 2020A (Taxable)

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 Reedy Creek Improvement District (the “District”) and its Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable) (the “Series 2020A Bonds”).

Information has been added to this Official Statement under the Section entitled “PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS – Other Post Employment Benefit Plans” regarding Net OPEB Liability for Fiscal Year ended September 30, 2019.


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”). On December 18, 2019, the District adopted Resolution No. 612 (the “2019 Resolution”) supplementing the 1991 Resolution and providing for the issuance of bonds for the purpose of refunding the (i) Ad Valorem Tax Bonds, Series 2013A maturing on and after June 1, 2024 (the “Refunded Series 2013A Bonds”) and (ii) Ad Valorem Tax Refunding Bonds, Series 2013B maturing on June 1, 2024 (the “Refunded Series 2013B Bonds”) and, together with the Refunded Series 2013A Bonds, the “Refunded Series 2013 Bonds”). The 1991 Resolution, as amended, particularly by the 1995 Resolution, and as supplemented by the 2019 Resolution is referred to herein collectively as the “Bond Resolution.”

The Series 2020A Bonds are to be issued on a parity, and are to have an equal lien on the Ad Valorem Taxes collected by the District, with the Ad Valorem Tax Bonds, Series 2013A maturing June 1, 2020 through and including June 1, 2023 (the “Non-Refunded Series 2013A Bonds”), the Ad Valorem Tax Refunding Bonds, Series 2013B maturing June 1, 2020 through and including June 1, 2023 (the “Non-Refunded Series 2013B Bonds”), the Ad Valorem Tax Refunding Bonds, Series 2015A (the “Series 2015 Bonds”), the Ad Valorem Tax Bonds, Series 2016A (the “Series 2016 Bonds”) and the Ad Valorem Tax Bonds, Series 2017A (the “Series 2017 Bonds” and collectively with the Non-Refunded Series 2013A Bonds, the Non-Refunded Series 2013B Bonds, Series 2015 Bonds and the Series 2016 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 Series 2020A Bonds being issued,
and any subsequent series of Additional Bonds that may be issued and outstanding after the issuance of the Series 2020A 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 2020A 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 2020A Bonds, the documents authorizing and securing the Series 2020A 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 John H. Classe, Jr., District Administrator, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida 32830-0170 (telephone: 407-934-7480).

PURPOSE OF THE SERIES 2020A BONDS

The Series 2020A Bonds are being issued by the District (i) to refund the Refunded Series 2013 Bonds and (ii) to pay the costs of issuance of the Series 2020A Bonds.

PLAN OF REFUNDING

The proceeds derived from the sale of the Series 2020A Bonds, together with other available funds, sufficient to pay the principal of and interest on the Refunded Series 2013 Bonds as they become due and the redemption price of the Refunded Series 2013 Bonds on the redemption date thereof, will be deposited into an escrow deposit trust fund for the Refunded Series 2013 Bonds (the “Escrow Fund”) established pursuant to the terms of an Escrow Deposit Agreement to be dated as of the date of delivery of the Series 2020A Bonds (the “Escrow Agreement”) between the District and U.S. Bank National Association, as escrow agent (the “Escrow Agent”). The moneys deposited in the Escrow Fund established under the Escrow Agreement will be sufficient to pay the principal of and interest on the Refunded Series 2013 Bonds as they become due and the redemption price of the Refunded Series 2013 Bonds on the redemption date thereof. The Refunded Series 2013 Bonds will be called for redemption on June 1, 2023, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

The refunding of the Refunded Series 2013 Bonds is being undertaken to effect an interest cost savings to the District. Concurrently with the deposit of the moneys with the Escrow Agent pursuant to the Escrow Agreement, Bond Counsel will render its opinion to the effect that the Refunded Series 2013 Bonds are defeased and the obligations of the District with respect to the Refunded Series 2013 Bonds are completely discharged. Such opinion will be rendered in reliance upon the verification report of Causey Demgen & Moore, P.C. (the “Verification Agent”) described herein under the heading “VERIFICATION OF MATHEMATICAL COMPUTATIONS.” The Escrow Fund is pledged solely to the Refunded Series 2013 Bonds. Amounts remaining in the Escrow Fund after redemption of the Refunded Series 2013 Bonds will be distributed to the District and made available for use for any lawful purpose of the District.
ESTIMATED SOURCES AND USES OF FUNDS

Based upon current cost estimates, the District intends to apply the proceeds of the Series 2020A Bonds, together with other legally available funds, as follows:

<table>
<thead>
<tr>
<th>SOURCES:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Amount of the Bonds</td>
<td>$338,025,000.00</td>
</tr>
<tr>
<td>Other Funds</td>
<td>3,812,760.00</td>
</tr>
<tr>
<td>TOTAL SOURCES</td>
<td>$341,837,760.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USES:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit to Escrow Account</td>
<td>$340,099,471.84</td>
</tr>
<tr>
<td>Costs of Issuance(1)</td>
<td>1,738,288.16</td>
</tr>
<tr>
<td>TOTAL USES</td>
<td>$341,837,760.00</td>
</tr>
</tbody>
</table>

(1) Includes Underwriters’ discount, legal and municipal advisory fees and expenses and other fees and expenses associated with the issuance of the Series 2020A Bonds.
DESCRIPTION OF THE SERIES 2020A BONDS

General Description


The Series 2020A 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 2020A Bonds is payable semiannually on each June 1 and December 1 of each year (the “Interest Payment Dates”), commencing June 1, 2020. Principal of and interest on the Series 2020A Bonds are payable to the registered owner thereof, which initially will be a nominee of DTC.

Book-Entry Only System and Global Clearance Procedures

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 INFORMATION SET OUT BELOW IS SUBJECT TO ANY CHANGE IN OR REINTERPRETATION OF THE RULES, REGULATIONS AND PROCEDURES OF DTC, EUROCLEAR BANK S.A./N.V. AS OPERATOR OF THE EUROCLEAR SYSTEM (“EUROCLEAR”) OR CLEARSTREAM BANKING, S.A. (“CLEARSTREAM”) (DTC, EUROCLEAR AND CLEARSTREAM TOGETHER, THE “CLEARING SYSTEMS”) CURRENTLY IN EFFECT. THE INFORMATION IN THIS SECTION CONCERNING THE CLEARING SYSTEMS HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT NO REPRESENTATION IS MADE BY THE DISTRICT NOR THE UNDERWRITERS AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION IN THIS SECTION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF. INVESTORS WISHING TO USE THE FACILITIES OF ANY OF THE CLEARING SYSTEMS ARE ADVISED TO CONFIRM THE CONTINUED APPLICABILITY OF THE RULES, REGULATIONS AND PROCEDURES OF THE RELEVANT CLEARING SYSTEM. THE DISTRICT AND THE UNDERWRITERS WILL NOT HAVE ANY RESPONSIBILITY OR LIABILITY FOR ANY ASPECT OF THE RECORDS RELATING TO, OR PAYMENTS MADE ON ACCOUNT OF, BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2020A BONDS HELD THROUGH THE
Clearing Systems

**DTC Book Entry Only System.** DTC will act as securities depository for the Series 2020A Bonds. The Series 2020A 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 2020A Bond certificate will be issued for each maturity of the Series 2020A 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, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with Direct Participants, the “Direct and Indirect Participants” or the “Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2020A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2020A 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 2020A 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 2020A Bonds, except in the event that use of the book-entry system for the Series 2020A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020A 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 2020A 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 2020A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020A 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 Series 2020A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 Bond documents. For example, Beneficial Owners of Series 2020A Bonds may wish to ascertain that the nominee holding the Series 2020A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020A 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 2020A 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 2020A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments, on the Series 2020A 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 2020A 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 2020A 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 2020A 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.

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 2020A 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 2020A 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 2020A BONDS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2020A BONDS; OR (6) ANY OTHER MATTERS.


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.

Because DTC is treated as the owner of the Series 2020A 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 2020A 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 2020A Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal, premium, if any, and interest on the Series 2020A Bonds;
- giving notices of redemption and other matters with respect to the Series 2020A Bonds;
- registering transfers with respect to the Series 2020A Bonds; and
• the selection of Series 2020A Bonds for redemption.

**Euroclear and Clearstream.** Euroclear and Clearstream have advised as follows:

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

**Clearing and Settlement Procedures**

**General.** The Series 2020A Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such Series 2020A Bonds, the record holder will be DTC’s nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers’ securities accounts in Clearstream’s and Euroclear’s names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers’ securities accounts in the depositories’ names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by
delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

The District and the Underwriters will not impose any fees in respect of holding the Series 2020A Bonds; however, holders of book-entry interests in the Series 2020A Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

**Initial Settlement.** Interests in the Series 2020A Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Series 2020A Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Series 2020A Bonds will be credited to Euroclear and Clearstream participants’ securities clearance accounts on the business day following the date of delivery of the Series 2020A Bonds against payment (value as on the date of delivery of the Series 2020A Bonds). Participants acting on behalf of purchasers electing to hold book-entry interests in the Series 2020A Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC’s Same Day Funds Settlement system. Participants’ securities accounts will be credited with book-entry interests in the Series 2020A Bonds following confirmation of receipt of payment to us on the date of delivery of the Series 2020A Bonds.

**Secondary Market Trading.** Secondary market trades in the Series 2020A Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Series 2020A Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the Series 2020A Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Series 2020A Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

**Special Timing Considerations.** You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Series 2020A Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Series 2020A Bonds, or to receive or make a payment or delivery of 2020A Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

**Clearing Information.** The Underwriters expect that the Series 2020A Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers, common codes and CUSIP numbers, as applicable, for the Series 2020A Bonds are set out on the cover of this Official Statement.

**General.** None of Euroclear, Clearstream or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the District or the Underwriters nor any of their agents will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective Direct Participants or Indirect
Participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

**Make-Whole Optional Redemption**

The Series 2020A Bonds are subject to redemption prior to their respective maturity dates, at the option of the District, in whole or in part, at a redemption price equal to the greater of (1) or (2) below, plus in each case, accrued interest on such Series 2020A Bonds to be redeemed to but not including the redemption date:

1. 100% of the principal amount of the Series 2020A Bonds to be redeemed; or
2. The sum of the present value of the remaining scheduled payments of principal and interest to the stated maturity date of such Series 2020A Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2020A Bonds are to be redeemed, discounted to the date on which such Series 2020A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus 0 basis points for the Series 2020A Bonds maturing June 1, 2021 and June 1, 2022, plus 5 basis points for the Series 2020A Bonds maturing June 1, 2023 and June 1, 2024, plus 10 basis points for the Series 2020A Bonds maturing June 1, 2025 through and including June 1, 2030, plus 15 basis points for the Series 2020A Bonds maturing June 1, 2031 through and including June 1, 2035, and plus 10 basis points for the Series 2020A Bonds maturing June 1, 2038.

The “Treasury Rate” is, with respect to any redemption date for a particular Series 2020A Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity, excluding inflation indexed securities (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but no more than 45 calendar days, prior to the redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market date) most nearly equal to the period from the redemption date to the maturity date of the bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

See “Selection of Series 2020A Bonds to be Redeemed in Partial Redemptions” below for selection of less than all of a maturity of Series 2020A Bonds for redemption.

**Mandatory Redemption**

The Series 2020A Term Bonds maturing on June 1, 2038 shall be subject to mandatory redemption prior to maturity, at a redemption price equal to the principal amount thereof plus interest accrued to the
date of redemption, on June 1, 2036, and on each June 1 thereafter, from Amortization Installments deposited in the Sinking Fund, in the following principal amounts in the years specified:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amortization Installments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2036</td>
<td>$23,705,000</td>
</tr>
<tr>
<td>2037</td>
<td>24,355,000</td>
</tr>
<tr>
<td>2038*</td>
<td>25,015,000</td>
</tr>
</tbody>
</table>

*Maturity

Any Series 2020A Term Bond subject to mandatory redemption as provided herein may be purchased by the District prior to the forty-fifth (45th) day preceding the respective redemption date at a price (including any brokerage and other charges) not exceeding the principal amount thereof, plus accrued interest to the date of purchase. At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such applicable redemption date, the District may receive a credit against its mandatory redemption obligation for the applicable Series 2020A Term Bonds which prior to such date have been (i) purchased by the District and presented to the Registrar for cancellation or (ii) redeemed (otherwise than through the operation of the Sinking Fund) and canceled by the Registrar and not theretofore applied as a credit against any Sinking Fund redemption obligation. Each Series 2020A Term Bond so purchased, delivered or previously redeemed and cancelled shall be credited by the Paying Agent at 100% of the principal amount against the obligation of the District on such Sinking Fund redemption date. Any excess over such obligation shall be credited against applicable future Sinking Fund redemption obligations, or deposits with respect thereto, in chronological order, and the principal amount of such Series 2020A Term Bonds to be redeemed by operation of the mandatory Sinking Fund shall be accordingly reduced.

Selection of Series 2020A Bonds to be Redeemed in Partial Redemptions

If less than all of the Series 2020A Bonds shall be called for redemption, the Series 2020A Bonds maturities to be redeemed shall be selected, in multiples of $5,000, in such manner as the District in its discretion shall determine. If less than all of a maturity shall be called for redemption, except as described below with respect to a partial optional or mandatory redemption of the Series 2020A Term Bonds, the Series 2020A Bonds to be redeemed shall be selected by lot within such maturity. However, so long as the Series 2020A Bonds are held in book-entry form, the selection for redemption of such Series 2020A Term Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2020A Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

The District intends that redemption allocations to the Series 2020A Term Bonds made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the
District nor the Underwriters can provide any assurance that DTC, DTC’s direct and indirect participants or any other intermediary will allocate the redemption of Series 2020A Term Bonds on such basis.

In connection with any repayment of principal, including payments of scheduled mandatory sinking fund payments or optional redemptions, the Paying Agent and Registrar will direct DTC to make a pass-through distribution of principal to the holders of the Series 2020A Term Bonds. The table below reflects the current schedule of mandatory sinking fund redemptions applicable to the Series 2020A Term Bonds and the factors applicable to such redemption amounts and remaining balances of the Series 2020A Term Bonds, which balances are subject to change upon optional redemption of the Series 2020A Term Bonds. See “PRINCIPAL PAYDOWN FACTOR TABLE---PRO RATA PASS-THROUGH DISTRIBUTION OF PRINCIPAL” below.

For purposes of calculating the “pro rata pass-through distribution of principal,” “pro rata” means, for any amount of principal to be paid on the Series 2020A Term Bonds, the application of a fraction to each denomination of the Series 2020A Term Bonds where (a) the numerator of which is equal to the amount due to the Series 2020A Term Bond Holders on a payment date, and (b) the denominator of which is equal to the total original par amount of the Series 2020A Term Bonds.

If the Series 2020A Term Bonds are no longer registered in book-entry-only form, each Registered Owner will receive an amount of Series 2020A Term Bonds equal to the original face amount then beneficially held by that owner, registered in such Registered Owner’s name. Thereafter, any redemption of less than all of the Series 2020A Term Bonds will continue to be paid to the Registered Owners of such Series 2020A Term Bonds on a pro-rata basis, based on the portion of the original face amount of any such Series 2020A Term Bonds to be redeemed.

**PRINCIPAL PAYDOWN FACTOR TABLE**
PRO RATA PASS-THROUGH DISTRIBUTION OF PRINCIPAL

<table>
<thead>
<tr>
<th>Series 2020A Term Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Paydown Date</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>06/01/2036</td>
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<td>06/01/2037</td>
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<td>06/01/2038</td>
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<td>Total</td>
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**Notice of Redemption**

Notice of redemption of the Series 2020A 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 2020A Bonds to be redeemed at their respective addresses as they appear on the registration books of the Registrar.
With respect to the Series 2020A 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 2020A Bonds called for redemption, the redemption price, the date of the issue, the interest rate and the stated maturity date with respect to the Series 2020A 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.

(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.

(iii) Upon the payment of the redemption price of the Series 2020A 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 2020A 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 2020A 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 2020A 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.

Non-Presentment of Series 2020A Bonds

If any Series 2020A 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 Owner 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 Owner who shall thereafter be restricted exclusively to those moneys in trust, without liability for interest thereon, for the exclusive benefit of that owner who shall thereafter be restricted exclusively to those moneys for any claim of whatever nature on its part under the Bond Resolution.

Any moneys so held by the Registrar that remain unclaimed by the Owner of any Series 2020A 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 Series 2020A 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.
SECURITY FOR THE SERIES 2020A BONDS

Pledge of Ad Valorem Taxes

Payment of principal of and interest and premium, if any, on the Series 2020A Bonds is secured (equally and ratably with all other Bonds) by an irrevocable prior lien on the first proceeds collected by 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, 2019, the District levied Ad Valorem Taxes at the rate of 12.3996 mills, of which 5.4806 mills was for the payment of debt service on the Outstanding Bonds and 6.9190 mills was for the payment of the general operations of the District. For the Fiscal Year ending September 30, 2020, the District has set an Ad Valorem Tax rate of 12.2908 mills, of which 4.9677 mills was for the payment of debt service on Outstanding Bonds (other than the Series 2020A Bonds, but including the Refunded Series 2013 Bonds, the Non-Refunded Series 2013A Bonds, Non-Refunded Series 2013B Bonds, the Series 2015 Bonds, the Series 2016 Bonds and the Series 2017 Bonds) and 7.3231 mills was 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 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 2020A 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 collected, 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 2020A Bonds.

Covenant by the State of Florida to District

The State of Florida covenants in the Enabling Act to the holders of any bonds issued by the District 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, tolls, fares and other charges provided for in the Enabling 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 of the assets and properties of the District, its bonds and the interest thereon from taxation in Florida.

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 2020A 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 2020A Bonds, the District will deliver evidence of its satisfaction of the foregoing terms and conditions.

Bond Guaranty Agreement

In 2014, the District entered into a Bond Guaranty Agreement dated September 9, 2014 (the “2014 Bond Guaranty Agreement”). Pursuant to the 2014 Bond Guaranty Agreement, the District unconditionally guaranteed the full and prompt payment of debt service on certain bonds issued by Osceola County, Florida (the “2014 Osceola County Bonds”). The obligation of the District to make such payments was secured by a pledge of the ad valorem taxing power of the District, which pledge was expressly junior and subordinate to the pledge thereof in favor of the District’s Outstanding Bonds and any other obligations issued on a parity therewith. In January, 2020, Osceola County paid in full the 2014 Osceola County Bonds and the 2014 Bond Guaranty Agreement was terminated.

THE REEDY CREEK IMPROVEMENT DISTRICT

Description; Location

The District is a public corporation of the State of Florida and 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 7,146 acres (29%)
primarily owned by the District itself, 743 acres (3%) owned by the State of Florida and 426 acres owned by others) is primarily owned by affiliates of The Walt Disney Company. Walt Disney World® 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.

Government

The District is governed by a Board of Supervisors of five members. The Supervisors hold office for staggered terms of four years each. Elections of Supervisors are held every two years at the annual meeting of the landowners of the District, at which two or three Supervisors, as the case may be, are elected. Supervisors whose terms have expired continue to serve until their successors have been duly elected and administered their oath of office. The present members of the Board of Supervisors, their respective occupations and the respective dates on which their terms expire are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Occupation</th>
<th>Term Expires</th>
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<tbody>
<tr>
<td>Laurence C. Hames</td>
<td>Attorney, Laurence C. Hames, Esq. P.A.</td>
<td>May 2023</td>
</tr>
<tr>
<td>President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donald R. Greer</td>
<td>Retired, Former Asset Manager of the Magnolia Service Corp.</td>
<td>May 2021</td>
</tr>
<tr>
<td>Vice President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wayne Schoolfield</td>
<td>Owner, Schoolfield Properties, Inc.</td>
<td>May 2021</td>
</tr>
<tr>
<td>Treasurer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jane Adams</td>
<td>VP University Relations, University of Florida</td>
<td>May 2021</td>
</tr>
<tr>
<td>Maximiano Brito</td>
<td>Principal, Rhodes &amp; Brito, Architects</td>
<td>May 2023</td>
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The Enabling Act provides that at elections of Supervisors, each landowner is entitled to one vote for each acre of land (or major fraction thereof) owned by such landowner in the District. The Board of Supervisors has the power to call special meetings of the landowners and is required to do so upon the request of owners of not less than 25% of the acreage in the District.

Administration

Under the direction of the Board of Supervisors, a District Administrator acts as the chief administrative officer of the District.

John H. Classe, Jr. is the current District Administrator after joining the District in 2015. He also serves as Secretary to the Board of Supervisors. Prior to joining the District, Mr. Classe was involved in all aspects of planning, design, entitlements, permitting, government relations, project finance and community governance for real estate development projects, such as residential, multi-family, commercial, resort hotels and themed entertainment developments. For over 15 years, Mr. Classe provided consulting services to various affiliates of The Walt Disney Company and the projects developed thereby, including the Celebration master planned community. He also served as Chairman of the Board of Supervisors of the Urban Orlando Community Development District. Mr. Classe graduated from Auburn University with a degree in civil engineering and is a licensed professional engineer and real estate broker.
Ann G. Blakeslee is the Deputy District Administrator and has served in this position since 2010. She is responsible for certain of the day-to-day operations of the District and reports to Mr. Classe. Mrs. Blakeslee is also the Comptroller of the District, appointed by the Board of Supervisors. She is responsible for financial matters within the District and has served in such capacity for approximately seven years after serving as Assistant Comptroller for approximately twelve years. Mrs. Blakeslee graduated from Florida State University with a degree in accounting and is a Certified Public Accountant.

Christopher M. Quinn is the District Finance Manager and has served in this position since 2018. He is responsible for the oversight of financial operations for the District and performs functions to plan for, direct and control the District’s overall financial operations and financial reporting. Mr. Quinn reports to Mrs. Blakeslee. Prior to joining the District, Mr. Quinn spent 12 years working as a Finance Director between the cities of Gainesville, Florida and Palm Coast, Florida. Mr. Quinn has a degree in accounting from SUNY New Paltz and a masters degree in accountancy from the University of North Florida and is a Certified Public Accountant, Certified Fraud Examiner, Certified Government Finance Officer and Chartered Global Management Accountant.

Powers

Pursuant to the Enabling Act, the District was given, among others, the following powers:

(1) to acquire property, real, personal or mixed, within or without 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 District may condemn property outside the limits of the District under specified conditions relating to the use of the property for drainage canals and other drainage purposes; the powers of condemnation shall be exercised in the same manner as is now provided by the general laws of the State of Florida;

(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 and sewer systems; to regulate the use of sewers and the supply of water within the District; to prohibit or regulate the use 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, transmission lines and related facilities, gas mains and facilities of any nature for the production or distribution of natural gas, and to purchase 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, tollroads, 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 lease as lessor or lessee to or from any person, corporation, or body, public or private, any projects of the type that the District is authorized to undertake;

(9) to own, operate and maintain canals, levees, plants, pumping systems and other works for drainage purposes and irrigation works;

(10) to purchase electric power, natural gas and other sources of power for distribution within the District; and

(11) 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 powers and authorities within the confines of the City of Bay Lake, the City of Lake Buena Vista or any other municipality hereafter created lying wholly or partially within the District. In addition, the District has the power to conduct, maintain and operate its projects outside its geographical limits with the consent of the State of Florida or any municipality or political subdivision whose consent is required by law. Under the Enabling 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 land, buildings, persons and corporations within the District to use the drainage, flood control, water and sewer and waste collection and disposal facilities 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, tolls, 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 uniform for users of the same class, and may be based or computed on the amount of service furnished, the number of persons occupying the premises or any other factor affecting the use of the facilities furnished. The rates, fees and 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 valuation 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, 2019, 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 $12,612,004,043. The aggregate principal amount of outstanding ad valorem tax debt of the District as of September 30, 2019 was $739,225,000, which was approximately 5.86% of such assessed valuation as of January 1, 2019. Upon issuance of the Series 2020A Bonds in the aggregate principal amount of $338,025,000, the total principal amount of outstanding Bonds will be $775,980,000, which is approximately 6.15% of the assessed valuation as of January 1, 2019. 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.

**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, tolls, 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. The current outstanding principal balance of utility revenue bonds is $144,650,000.00.

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. Although all special assessments may be collected by the respective tax collectors of Orange and Osceola Counties or such other officer or agent as the District may designate, the District historically has elected to collect such special assessments itself.

The District has the power to issue bond anticipation notes to borrow money for the purposes for which bonds have been authorized. Such bond anticipation notes are payable from the proceeds of the Series 2020A Bonds when issued or may be retired from current revenues, taxes or assessments, but in such
event, a like amount of the Series 2020A Bonds authorized shall not be issued. 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

In accordance with Florida’s Comprehensive Planning Act of 1985, the District is required to prepare a comprehensive plan for submittal to the Florida Department of Economic Opportunity (“FDEO”). This plan provides for land uses within the District and establishes the basis for land development regulations to guide future development. The objective of the act is to require local government to ensure required infrastructure, including roads, potable and reuse water, sanitary sewer, solid waste and storm water management (drainage), for new development is put in place as development occurs, and to ensure environmental impacts are addressed. The current plan, referred to as the 2020 Comprehensive Plan, was approved by the District in 2014 and includes a detailed 5-year capital requirement plan and identifies funding sources for these requirements. A full copy of the 2020 Comprehensive Plan is available at http://www.rcid.org/doing-business/planning-development/2020-comp-plan/. The District is in the process of preparing a new 10-year Comprehensive Plan which it intends to submit to the FDEO in the first quarter of 2020.

Future Ad Valorem Tax Bond Financing Plans of the District

Other than the Series 2020A 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 Bond Resolution.

Description of Major Businesses in the District

Approximately 66% of the land in the District is owned by affiliates of The Walt Disney Company. 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, 2019.

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, live Disney character interaction, restaurants, refreshment areas and merchandise shops. Additionally, there are daily parades and a nighttime fireworks event.

Epcot®. Epcot® consists of two major themed areas: Future World area and World Showcase area. Future World area dramatizes certain historical developments and addresses the challenges facing the world today through pavilions devoted to showcasing science and technology innovations, communication, transportation, use of imagination, nature and food production, the ocean environment and space. World Showcase area presents a community of nations focusing on the culture, traditions and accomplishments of
people around the world. Countries represented with pavilions include Canada, China, France, Germany, Italy, Japan, Mexico, Morocco, Norway, the United Kingdom and the United States. Both areas feature themed attractions, restaurants and merchandise shops. Epcot also features a nighttime entertainment event. Epcot is in the midst of a multi-year transformation and expansion, which is scheduled to open in phases beginning in 2020.

**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®, which opened in August 2019, Sunset Boulevard and Toy Story Land, which opened in June 2018. The areas provide behind-the-scenes glimpses of Hollywood-style action through various shows and attractions and offer themed food service and merchandise facilities. 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 attraction centerpiece surrounded by five themed areas: Africa land, Asia land, DinoLand U.S.A.® area, and Discovery Island®, and Pandora – The World of Avatar area. Each themed area contains attractions, entertainment, restaurants and merchandise shops. The park features more than 300 species of live mammals, birds, reptiles and amphibians and 3,000 varieties of vegetation. The park also features a nighttime entertainment event.

**Hotels, Vacation Club Properties and Other Resort Facilities.** As of September 28, 2019, affiliates of The Walt Disney Company owned and operated 18 resort hotels and vacation club facilities at the Walt Disney World® Resort, with approximately 24,000 rooms and 3,200 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. An affiliate of The Walt Disney Company is constructing Reflections – A Disney Lakeside Lodge, which is a nature-inspired resort with more than 900 guest rooms and vacation club units opening in 2022. The Walt Disney Company also announced plans to build Star Wars: Galactic Starcruiser experience at Walt Disney World® Resort.

**Disney Springs® area is a 127-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.

Nine independently-operated hotels with approximately 6,000 guest 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 9,500-seat stadium, and an 8,000-seat venue and a 5,000 seat venue 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, water skiing, 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.
The Walt Disney Company has publicly announced several new projects contemplated to be constructed at Walt Disney World® Resort. See https://thewaltdisneycompany.com/disney-parks-experiences-and-products-reveals-next-generation-of-immersive-storytelling-in-disney-parks/ for more information on those projects.

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.

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.

Taxation

Ad Valorem Taxes. The Board of Supervisors of the District has the power, under the Enabling 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.
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, 2010 through 2020 (tax years 2009-2019). For information concerning total Ad Valorem Taxes collected, see “– Taxation - Collection of District Taxes”:

<table>
<thead>
<tr>
<th>Fiscal Year Ended September 30,</th>
<th>(1) Assessed Value of Property Within District ($ in thousands)</th>
<th>Debt Service Millage Rates (mills)</th>
<th>General Operating Millage Rates (mills)</th>
<th>(2) Tax Bill Amount ($ in thousands)</th>
<th>The Walt Disney Company Related %</th>
<th>Other %</th>
<th>Percent Collected %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$7,197,469</td>
<td>3.6247</td>
<td>6.7180</td>
<td>$74,441</td>
<td>88.8</td>
<td>11.2</td>
<td>99.99</td>
</tr>
<tr>
<td>2011</td>
<td>6,948,863</td>
<td>3.8609</td>
<td>7.0500</td>
<td>75,818</td>
<td>89.3</td>
<td>10.7</td>
<td>99.99</td>
</tr>
<tr>
<td>2012</td>
<td>7,101,269</td>
<td>3.6850</td>
<td>7.2740</td>
<td>81,018</td>
<td>89.8</td>
<td>10.2</td>
<td>99.99</td>
</tr>
<tr>
<td>2013</td>
<td>7,297,853</td>
<td>3.4813</td>
<td>7.6000</td>
<td>80,870</td>
<td>89.3</td>
<td>10.7</td>
<td>99.99</td>
</tr>
<tr>
<td>2014</td>
<td>7,714,277</td>
<td>4.3008</td>
<td>7.5045</td>
<td>91,069</td>
<td>89.1</td>
<td>10.9</td>
<td>99.99</td>
</tr>
<tr>
<td>2015</td>
<td>8,281,651</td>
<td>4.7131</td>
<td>7.8618</td>
<td>104,141</td>
<td>89.0</td>
<td>11.0</td>
<td>99.99</td>
</tr>
<tr>
<td>2016</td>
<td>9,328,586</td>
<td>4.9323</td>
<td>7.3388</td>
<td>114,472</td>
<td>85.6</td>
<td>14.4</td>
<td>99.99</td>
</tr>
<tr>
<td>2017</td>
<td>9,876,278</td>
<td>4.8993</td>
<td>7.5000</td>
<td>122,459</td>
<td>86.3</td>
<td>13.7</td>
<td>99.99</td>
</tr>
<tr>
<td>2018</td>
<td>10,617,333</td>
<td>5.0670</td>
<td>6.9630</td>
<td>127,727</td>
<td>86.1</td>
<td>13.9</td>
<td>99.99</td>
</tr>
<tr>
<td>2019</td>
<td>11,699,205</td>
<td>5.4806</td>
<td>6.9190</td>
<td>145,065</td>
<td>86.2</td>
<td>13.8</td>
<td>99.99</td>
</tr>
<tr>
<td>2020</td>
<td>12,625,711</td>
<td>4.9677</td>
<td>7.3231</td>
<td>155,180</td>
<td>86.7</td>
<td>13.3</td>
<td>n/a</td>
</tr>
</tbody>
</table>

(1) Assessed values in years 2016 through 2018 have been adjusted due to 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 Walt Disney Company.

(4) 2010-2019 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. Fiscal Year 2020 (tax year 2019) tax bills are due March 31, 2020.

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 2019 and 2020 (tax years 2018 and 2019, respectively), total assessed valuation of taxable property within the District in Orange County, based on the Certifications of Final Taxable Value, was $11,003,138,031 and $11,822,289,506, 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 2019 and 2020 (tax years 2018 and 2019, respectively), total assessed valuation of taxable property within the District in Osceola County, based on the Certifications of Final Taxable Value, was $696,067,366 and $803,421,136, 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 Walt Disney Company. 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, 2019 as set forth in the Certifications of Final Taxable Value.

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### Assessed Valuation of Major Taxpayers

**Total Gross Assessed Valuation**

**For Fiscal Year Ended September 30**

($ in thousands)

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Type of Business</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walt Disney Company and Affiliates(2)</td>
<td>Theme park /Resort</td>
<td>$7,986,982</td>
<td>$8,520,352</td>
<td>$9,140,798</td>
<td>$10,084,615</td>
<td>$10,947,826</td>
</tr>
<tr>
<td>Dolphin</td>
<td>Lodging</td>
<td>262,330</td>
<td>290,632</td>
<td>317,915</td>
<td>355,806</td>
<td>336,562</td>
</tr>
<tr>
<td>FS Orlando Hotel &amp; Golf(3)</td>
<td>Lodging/Sports</td>
<td>365,048</td>
<td>303,137</td>
<td>285,740</td>
<td>284,025</td>
<td>283,531</td>
</tr>
<tr>
<td>Swan</td>
<td>Lodging</td>
<td>115,712</td>
<td>129,319</td>
<td>140,246</td>
<td>152,395</td>
<td>162,970</td>
</tr>
<tr>
<td>Hilton</td>
<td>Lodging</td>
<td>85,987</td>
<td>93,317</td>
<td>101,371</td>
<td>111,094</td>
<td>120,675</td>
</tr>
<tr>
<td>Palace Resort &amp; Spa</td>
<td>Lodging</td>
<td>76,115</td>
<td>79,032</td>
<td>95,390</td>
<td>103,015</td>
<td>112,566</td>
</tr>
<tr>
<td>JL-FX Hotel Development, LLC</td>
<td>Lodging</td>
<td>4,613</td>
<td>11,786</td>
<td>50,519</td>
<td>51,140</td>
<td>51,924</td>
</tr>
<tr>
<td>Wyndham</td>
<td>Lodging</td>
<td>31,418</td>
<td>34,818</td>
<td>37,202</td>
<td>39,202</td>
<td>40,215</td>
</tr>
<tr>
<td>Sunbelt Rentals</td>
<td>Leasing</td>
<td>23,752</td>
<td>29,510</td>
<td>26,481</td>
<td>30,492</td>
<td>31,280</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Lodging</td>
<td>16,863</td>
<td>18,546</td>
<td>25,647</td>
<td>27,771</td>
<td>30,422</td>
</tr>
<tr>
<td>FL Solar</td>
<td>Utility</td>
<td>-</td>
<td>-</td>
<td>19,294</td>
<td>28,158</td>
<td></td>
</tr>
<tr>
<td>Planet Hollywood</td>
<td>Dining</td>
<td>9,884</td>
<td>9,589</td>
<td>9,570</td>
<td>26,379</td>
<td>27,704</td>
</tr>
<tr>
<td>B Resort and Spa</td>
<td>Lodging</td>
<td>20,264</td>
<td>21,146</td>
<td>22,773</td>
<td>24,096</td>
<td>25,622</td>
</tr>
<tr>
<td>Landry’s Restaurants, Inc.</td>
<td>Dining</td>
<td>20,329</td>
<td>20,130</td>
<td>20,925</td>
<td>22,752</td>
<td>24,653</td>
</tr>
<tr>
<td>Doubletree</td>
<td>Lodging</td>
<td>15,896</td>
<td>17,076</td>
<td>18,990</td>
<td>20,228</td>
<td>22,188</td>
</tr>
<tr>
<td>AMC Theatres</td>
<td>Entertainment</td>
<td>16,104</td>
<td>16,637</td>
<td>17,718</td>
<td>19,283</td>
<td>21,353</td>
</tr>
<tr>
<td>Best Western</td>
<td>Lodging</td>
<td>15,206</td>
<td>16,022</td>
<td>17,298</td>
<td>19,921</td>
<td>19,572</td>
</tr>
<tr>
<td>Smart City Telecommunications</td>
<td>Utility</td>
<td>21,326</td>
<td>16,907</td>
<td>19,479</td>
<td>19,323</td>
<td>19,015</td>
</tr>
<tr>
<td>Crown Castle Solutions Corp</td>
<td>Utility</td>
<td>32,488</td>
<td>26,628</td>
<td>25,346</td>
<td>23,193</td>
<td>18,691</td>
</tr>
<tr>
<td>Century Golf Partners</td>
<td>Sports/Recreation</td>
<td>15,820</td>
<td>15,796</td>
<td>15,492</td>
<td>17,329</td>
<td>17,489</td>
</tr>
<tr>
<td>Orlando Hotel Group</td>
<td>Lodging</td>
<td>-</td>
<td>5,374</td>
<td>13,434</td>
<td>14,777</td>
<td>14,777</td>
</tr>
<tr>
<td>AT&amp;T Mobility</td>
<td>Communications</td>
<td>21,982</td>
<td>22,093</td>
<td>15,923</td>
<td>15,427</td>
<td>14,338</td>
</tr>
<tr>
<td>Harvest Power Orlando</td>
<td>Utility</td>
<td>18,461</td>
<td>17,864</td>
<td>15,123</td>
<td>13,756</td>
<td>12,968</td>
</tr>
<tr>
<td>House of Blues</td>
<td>Entertainment</td>
<td>9,978</td>
<td>10,472</td>
<td>10,593</td>
<td>11,525</td>
<td>12,608</td>
</tr>
<tr>
<td>Hess Retail/Speedway LLC</td>
<td>Fuel/Convenience</td>
<td>7,262</td>
<td>7,898</td>
<td>8,611</td>
<td>9,361</td>
<td>10,993</td>
</tr>
<tr>
<td>Coca Cola Company</td>
<td>Entertainment</td>
<td>2,003</td>
<td>1,925</td>
<td>6,111</td>
<td>5,723</td>
<td>5,525</td>
</tr>
<tr>
<td>Others</td>
<td>Various</td>
<td>120,855</td>
<td>125,908</td>
<td>136,619</td>
<td>155,172</td>
<td>176,709</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>$9,328,586</td>
<td>$9,876,278</td>
<td>$10,617,333</td>
<td>$11,699,205</td>
<td>$12,625,711</td>
</tr>
</tbody>
</table>

(1) Based on Certifications of Final Taxable Value provided by Orange and Osceola Counties, as of January 1 of the previous year.

(2) This major taxpayer has filed suit challenging the assessed valuations for tax years 2015, 2016, 2017 and 2018. See “LITIGATION” herein.

(3) Valuations for 2016 through 2018 have been adjusted due to resolution of disputes with the Orange County Property Appraiser.

Source: District Tax Records

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**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, 2020.

<table>
<thead>
<tr>
<th>Governmental Unit</th>
<th>Millage</th>
<th>Total Millage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reedy Creek Improvement District:</td>
<td></td>
<td>12.2908</td>
</tr>
<tr>
<td>General Operating</td>
<td>7.3231</td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>4.9677</td>
<td></td>
</tr>
<tr>
<td>Total Millage</td>
<td>12.2908</td>
<td></td>
</tr>
<tr>
<td>City of Bay Lake (1)</td>
<td>1.7256</td>
<td></td>
</tr>
<tr>
<td>City of Lake Buena Vista (1)</td>
<td>1.6690</td>
<td></td>
</tr>
<tr>
<td>Orange County:</td>
<td></td>
<td>12.1980</td>
</tr>
<tr>
<td>Commission</td>
<td>4.4347</td>
<td></td>
</tr>
<tr>
<td>School</td>
<td>7.1090</td>
<td></td>
</tr>
<tr>
<td>South Florida Water Management District</td>
<td>0.2795</td>
<td></td>
</tr>
<tr>
<td>Library</td>
<td>0.3748</td>
<td></td>
</tr>
<tr>
<td>Total Millage</td>
<td>12.1980</td>
<td></td>
</tr>
<tr>
<td>Osceola County:</td>
<td></td>
<td>13.5195</td>
</tr>
<tr>
<td>Commission</td>
<td>6.7000</td>
<td></td>
</tr>
<tr>
<td>South Florida Water Management District</td>
<td>0.2795</td>
<td></td>
</tr>
<tr>
<td>School</td>
<td>6.2400</td>
<td></td>
</tr>
<tr>
<td>Library</td>
<td>0.3000</td>
<td></td>
</tr>
<tr>
<td>Total Millage</td>
<td>13.5195</td>
<td></td>
</tr>
</tbody>
</table>

(1) The City of Bay Lake and the City of Lake Buena Vista are located in Orange County.
Source: District 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. The District then collects its taxes in like manner as prescribed by law for the collection of county taxes.
The following table sets forth total District Ad Valorem Taxes collected for the Fiscal Years ended September 30, 2010 through 2019 (tax years 2009 through 2018) (for information concerning the total taxable assessed property within the District, see “- Taxation - Basis of Valuation” above):

### Collection of District Taxes

<table>
<thead>
<tr>
<th>Fiscal Year Ended September 30,</th>
<th>(1) Total Tax Levy ($ in thousands)</th>
<th>(1) Collections as a Percent of Total Tax Levy (%)</th>
<th>(1)(2) Adjustments and Discounts ($ in thousands)</th>
<th>Total Net Tax Collections ($ in thousands)</th>
<th>(3) Collections as a Percent of Net Tax Levy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$74,441</td>
<td>95.53%</td>
<td>$3,324</td>
<td>$71,117</td>
<td>99.99%</td>
</tr>
<tr>
<td>2011</td>
<td>75,818</td>
<td>96.03</td>
<td>3,012</td>
<td>72,806</td>
<td>99.99</td>
</tr>
<tr>
<td>2012</td>
<td>81,018</td>
<td>95.71</td>
<td>3,475</td>
<td>77,543</td>
<td>99.99</td>
</tr>
<tr>
<td>2013</td>
<td>80,870</td>
<td>95.84</td>
<td>3,363</td>
<td>77,507</td>
<td>99.99</td>
</tr>
<tr>
<td>2014</td>
<td>91,069</td>
<td>95.77</td>
<td>3,849</td>
<td>87,220</td>
<td>99.99</td>
</tr>
<tr>
<td>2015</td>
<td>104,141</td>
<td>96.03</td>
<td>4,132</td>
<td>100,009</td>
<td>99.99</td>
</tr>
<tr>
<td>2016</td>
<td>114,472</td>
<td>95.42</td>
<td>5,244</td>
<td>109,228</td>
<td>99.99</td>
</tr>
<tr>
<td>2017</td>
<td>122,459</td>
<td>96.05</td>
<td>4,832</td>
<td>117,627</td>
<td>99.99</td>
</tr>
<tr>
<td>2018</td>
<td>127,727</td>
<td>96.20</td>
<td>4,849</td>
<td>122,878</td>
<td>99.99</td>
</tr>
<tr>
<td>2019(4)</td>
<td>145,065</td>
<td>93.46</td>
<td>9,480</td>
<td>135,585</td>
<td>99.99</td>
</tr>
</tbody>
</table>

(1) Amounts in 2016 and 2017 have been adjusted due to resolution of certain assessed value disputes with the Orange County Property Appraiser. Further adjustments are anticipated in Fiscal Years 2016, 2017, 2018 and 2019 (tax years 2015, 2016, 2017 and 2018) due to remaining ongoing disputes with taxpayers and collections for such Fiscal Years are net of amounts that remain uncollected due to such ongoing disputes. See “LITIGATION” herein.

(2) Adjustments resulting from changes made in assessed value by the Orange and Osceola County Tax Assessors after taxes were levied.

(3) Net Tax Levy includes reductions for adjustments described in note (2) above and discounts for early payment.

(4) Unaudited.

Source: District Tax Records.

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The following table sets forth the gross Ad Valorem Tax revenues (based on the Certifications of Final Taxable Value) generated from each of the major taxpayers of the District for Fiscal Years ended September 30, 2016 through 2019 (unaudited) and September 30, 2020 (budgeted). For information concerning the assessed valuation for each of the major taxpayers of the District, see “- Taxation – Assessed Valuations; Description of Properties” above:

Gross Ad Valorem Tax Revenues by Major Taxpayer

<table>
<thead>
<tr>
<th>Major Taxpayer (1)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 (Budgeted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walt Disney Company and Affiliates</td>
<td>$98,009,055</td>
<td>$105,646,398</td>
<td>$109,963,794</td>
<td>$125,045,195</td>
<td>$134,557,535</td>
</tr>
<tr>
<td>Dolphin</td>
<td>3,219,080</td>
<td>3,603,639</td>
<td>3,824,522</td>
<td>4,411,848</td>
<td>4,136,619</td>
</tr>
<tr>
<td>FS Orlando Golf (2)</td>
<td>4,479,536</td>
<td>3,758,683</td>
<td>3,437,457</td>
<td>3,521,795</td>
<td>3,484,824</td>
</tr>
<tr>
<td>Swan</td>
<td>1,419,916</td>
<td>1,603,469</td>
<td>1,687,155</td>
<td>1,889,635</td>
<td>2,003,033</td>
</tr>
<tr>
<td>Hilton</td>
<td>1,055,160</td>
<td>1,157,068</td>
<td>1,219,493</td>
<td>1,377,521</td>
<td>1,483,196</td>
</tr>
<tr>
<td>Palace Resort &amp; Spa</td>
<td>934,013</td>
<td>979,942</td>
<td>1,147,544</td>
<td>1,277,350</td>
<td>1,383,527</td>
</tr>
<tr>
<td>JL-FX Hotel Development, LLC</td>
<td>56,601</td>
<td>146,136</td>
<td>607,743</td>
<td>634,115</td>
<td>638,182</td>
</tr>
<tr>
<td>Wyndham</td>
<td>385,536</td>
<td>431,719</td>
<td>447,540</td>
<td>486,089</td>
<td>494,277</td>
</tr>
<tr>
<td>Sunbelt Rentals</td>
<td>291,466</td>
<td>365,899</td>
<td>318,561</td>
<td>378,083</td>
<td>384,460</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>206,926</td>
<td>229,960</td>
<td>308,530</td>
<td>344,349</td>
<td>373,914</td>
</tr>
<tr>
<td>Planet Hollywood</td>
<td>121,285</td>
<td>118,897</td>
<td>115,125</td>
<td>327,091</td>
<td>340,499</td>
</tr>
<tr>
<td>B Resort and Spa</td>
<td>248,658</td>
<td>262,191</td>
<td>273,965</td>
<td>298,775</td>
<td>314,912</td>
</tr>
<tr>
<td>Duke Energy</td>
<td>146,122</td>
<td>170,302</td>
<td>264,874</td>
<td>298,971</td>
<td>434,813</td>
</tr>
<tr>
<td>Crown Castle Solutions Corp</td>
<td>398,665</td>
<td>330,166</td>
<td>304,914</td>
<td>287,586</td>
<td>229,727</td>
</tr>
<tr>
<td>Landry’s Restaurants, Inc.</td>
<td>249,460</td>
<td>249,603</td>
<td>251,734</td>
<td>282,112</td>
<td>303,010</td>
</tr>
<tr>
<td>Doubletree</td>
<td>195,066</td>
<td>219,545</td>
<td>228,453</td>
<td>250,816</td>
<td>272,703</td>
</tr>
<tr>
<td>Smart City Telecommunications</td>
<td>261,695</td>
<td>209,639</td>
<td>234,337</td>
<td>239,603</td>
<td>233,714</td>
</tr>
<tr>
<td>FL Solar</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>239,241</td>
<td>346,083</td>
</tr>
<tr>
<td>AMC Theatres</td>
<td>197,613</td>
<td>206,284</td>
<td>213,145</td>
<td>239,096</td>
<td>262,445</td>
</tr>
<tr>
<td>Best Western</td>
<td>186,597</td>
<td>198,663</td>
<td>208,096</td>
<td>222,217</td>
<td>240,559</td>
</tr>
<tr>
<td>Century Golf Partners</td>
<td>194,124</td>
<td>195,885</td>
<td>186,371</td>
<td>214,871</td>
<td>214,959</td>
</tr>
<tr>
<td>AT&amp;T Mobility</td>
<td>269,741</td>
<td>273,935</td>
<td>191,550</td>
<td>191,292</td>
<td>176,223</td>
</tr>
<tr>
<td>Harvest Power Orlando</td>
<td>226,537</td>
<td>221,501</td>
<td>181,933</td>
<td>170,563</td>
<td>181,627</td>
</tr>
<tr>
<td>Orlando Hotel Group</td>
<td>-</td>
<td>66,629</td>
<td>161,612</td>
<td>183,235</td>
<td>159,392</td>
</tr>
<tr>
<td>House of Blues</td>
<td>122,444</td>
<td>129,840</td>
<td>127,438</td>
<td>142,909</td>
<td>154,959</td>
</tr>
<tr>
<td>Speedway LLC/Hess Retail</td>
<td>89,115</td>
<td>97,925</td>
<td>103,590</td>
<td>116,076</td>
<td>135,112</td>
</tr>
<tr>
<td>Coca Cola Company</td>
<td>24,574</td>
<td>23,871</td>
<td>73,517</td>
<td>70,961</td>
<td>67,909</td>
</tr>
<tr>
<td>Others</td>
<td>1,483,024</td>
<td>1,561,170</td>
<td>1,643,522</td>
<td>1,924,073</td>
<td>2,171,897</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$114,472,009</td>
<td>$122,458,929</td>
<td>$127,726,515</td>
<td>$145,065,468</td>
<td>$155,180,110</td>
</tr>
</tbody>
</table>

(1) These taxpayers, other than Walt Disney Company and affiliates, pay Ad Valorem Taxes as lessees of property owned by affiliates of The Walt Disney Company. In the event these lessees fail to pay such Ad Valorem Taxes under their leases, the owners of the property would still be required under law to make such payment.

(2) Amounts in 2016 through 2018 have been adjusted due to the resolution of disputes with the Orange County Property Appraiser.

(3) Tax bills were mailed to property owners on or about November 1, 2019. Payments are due by March 31, 2020. See “THE REEDY CREEK IMPROVEMENT DISTRICT – Taxation – Ad Valorem Taxes” herein.

Source: District Comptroller's Office
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,

<table>
<thead>
<tr>
<th></th>
<th>Audited</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad Valorem Taxes - Net (1)</td>
<td>$110,004,108</td>
<td>$118,319,215</td>
<td>$124,156,492</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>3,616,705</td>
<td>4,680,245</td>
<td>5,902,035</td>
</tr>
<tr>
<td>Building Permits and Fees</td>
<td>3,509,678</td>
<td>5,342,138</td>
<td>6,837,551</td>
</tr>
<tr>
<td>Drainage Fees</td>
<td>360,080</td>
<td>385,979</td>
<td>163,154</td>
</tr>
<tr>
<td>Interest from Investments</td>
<td>256,444</td>
<td>516,442</td>
<td>1,259,064</td>
</tr>
<tr>
<td>Emergency Service Fees</td>
<td>349,424</td>
<td>306,355</td>
<td>310,595</td>
</tr>
<tr>
<td>Other</td>
<td>489,204</td>
<td>388,460</td>
<td>441,106</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$118,585,643</td>
<td>$129,938,834</td>
<td>$139,069,997</td>
</tr>
</tbody>
</table>

|                |       |       |       |
| **EXPENDITURES:** |      |       |       |
| Administrative | 4,949,473   | 5,494,801   | 6,680,696   |
| Human Resources | 786,501     | 843,682     | 1,005,300   |
| Information Systems & Technology | 2,303,480   | 2,884,165   | 3,738,952   |
| Property Management | 3,442,686   | 4,638,162   | 3,831,039   |
| Contracts & Risk Management | 819,093    | 998,027     | 1,411,457   |
| Building and Safety | 3,641,851   | 3,930,345   | 6,177,823   |
| Emergency Services | 30,604,470 | 30,796,803 | 39,928,479 |
| Water Control & Roadways | 10,910,014 | 14,391,953 | 15,637,544 |
| Planning and Engineering | 2,386,955 | 2,529,703 | 4,154,157 |
| Capital Outlay | 3,264,070   | 1,880,885   | 3,082,284   |
| Debt Service | 42,879,748  | 50,450,652  | 65,029,732  |
| **Total Expenditures** | $105,988,341 | $118,839,178 | $150,677,463 |

|                |       |       |       |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | $12,597,302 | $11,099,656 | $(11,607,466) |

|                |       |       |       |
| **Other Financing Sources (Uses):** |      |       |       |
| Bond Proceeds | -        | -      | 8,750,000    |
| Payments to Escrow Agents | -    | -     | -    |
| Lease Proceeds | 924,766 | -     | -    |
| Operating Transfers Out | (4,247,032) | (3,899,923) | (4,534,581) |
| **Total Other Financing Sources (Uses)** | $(3,322,266) | $(3,899,923) | $4,215,419 |

|                |       |       |       |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | $44,092,132 | $51,291,865 | $43,899,818 |

|                |       |       |       |
| Fund Balance, Beginning of Year | 34,817,096 | 44,092,132 | 51,291,865 |
| Fund Balance, End of Year (2) (3) | $44,092,132 | $51,291,865 | $43,899,818 |

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

(2) The District’s goal is to maintain an ending fund balance to provide adequate funds to operate the following year until taxes are collected. If in one year a major project or some large capital purchase is postponed, a deficiency in the next year’s operations is planned to reduce the fund balance to the desired level.

(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. Refer to the District’s Annual Financial Report for details.

Source: District Comptroller’s Office

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

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

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, 2019 were as follows for the Pension Plan: regular 8.47%; special risk (e.g. emergency services personnel) 25.48%; special risk administrative support 38.59%; senior management 25.41% and deferred retirement option program (DROP) 14.60%. The contribution rates by job class for the District’s Fiscal Year ended September 30, 2019 were as follows for the Investment Plan: regular 6.30%; special risk (e.g. emergency services personnel) 14.00%; special risk administrative support 7.95%; and senior management 7.67%.

Information regarding the District’s proportionate share of the FRS Pension Plan liability and related HIS Plan liability as of September 30, 2018 is 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, 2018 and the Required Supplementary Information which follows such Notes.

Other Post Employment Benefit Plans

The District provides health-related 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.

On September 27, 2018, the District established the VEBA Trust and funded the VEBA Trust with $11,000,000. 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, 2018 are included in Appendix A hereto – Note 11 in the Notes to Financial Statements of the District as of and
The following information has been added to this Official Statement under this subheading “– Other Post Employment Benefit Plans” regarding Net OPEB Liability for Fiscal Year ended September 30, 2019.

The District’s net OPEB liability for Fiscal Year ended September 30, 2019 is $64,636,124, an $18,463,525 increase over the Fiscal Year ended September 30, 2018. The increase was due primarily to a decrease in the assumed investment rate of return on investments in the OPEB trust from 4.19% at September 30, 2018 to 2.66% at September 30, 2019. For Fiscal Year 2019, the actuarial assumptions included an inflation rate of 2.50%, an overall payroll growth rate assumption of 3.25% and a long-term expected rate of return of 6.90%. The District contributed $1,000,000 to the VEBA Trust in Fiscal Year 2019.

OUTSTANDING BONDS SECURED BY AD VALOREM TAXES

The following table provides principal amounts of the District's Outstanding Bonds after issuance of the Series 2020A Bonds (not including the Series 2020A Bonds) secured by Ad Valorem Taxes:

<table>
<thead>
<tr>
<th>Series of Bonds</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2013A</td>
<td>$48,515,000</td>
</tr>
<tr>
<td>Series 2013B</td>
<td>17,280,000</td>
</tr>
<tr>
<td>Series 2015A</td>
<td>14,975,000</td>
</tr>
<tr>
<td>Series 2016A</td>
<td>163,845,000</td>
</tr>
<tr>
<td>Series 2017A</td>
<td>193,340,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$437,955,000</strong></td>
</tr>
</tbody>
</table>

Source: District Comptroller's Office

(1) Does not include the Refunded Series 2013 Bonds or the Series 2020A Bonds.
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:

<table>
<thead>
<tr>
<th>Fiscal Year Ended September 30</th>
<th>Outstanding Bond Debt Service</th>
<th>Series 2020A Bonds</th>
<th>Total Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Total</td>
</tr>
<tr>
<td>2020</td>
<td>$57,701,980</td>
<td>-</td>
<td>$1,994,511</td>
</tr>
<tr>
<td>2021</td>
<td>46,263,250</td>
<td>4,610,000</td>
<td>7,638,554</td>
</tr>
<tr>
<td>2022</td>
<td>46,263,050</td>
<td>4,680,000</td>
<td>7,571,110</td>
</tr>
<tr>
<td>2023</td>
<td>46,263,950</td>
<td>4,750,000</td>
<td>7,500,302</td>
</tr>
<tr>
<td>2024</td>
<td>27,752,950</td>
<td>23,330,000</td>
<td>7,426,724</td>
</tr>
<tr>
<td>2025</td>
<td>32,823,950</td>
<td>18,655,000</td>
<td>7,037,346</td>
</tr>
<tr>
<td>2026</td>
<td>32,820,450</td>
<td>18,985,000</td>
<td>6,707,340</td>
</tr>
<tr>
<td>2027</td>
<td>32,821,950</td>
<td>19,340,000</td>
<td>6,352,510</td>
</tr>
<tr>
<td>2028</td>
<td>32,815,950</td>
<td>19,725,000</td>
<td>5,971,705</td>
</tr>
<tr>
<td>2029</td>
<td>32,820,450</td>
<td>20,125,000</td>
<td>5,567,935</td>
</tr>
<tr>
<td>2030</td>
<td>32,818,750</td>
<td>20,560,000</td>
<td>5,135,851</td>
</tr>
<tr>
<td>2031</td>
<td>32,817,000</td>
<td>21,015,000</td>
<td>4,684,148</td>
</tr>
<tr>
<td>2032</td>
<td>32,821,400</td>
<td>21,495,000</td>
<td>4,201,433</td>
</tr>
<tr>
<td>2033</td>
<td>32,820,150</td>
<td>22,015,000</td>
<td>3,686,198</td>
</tr>
<tr>
<td>2034</td>
<td>32,823,900</td>
<td>22,550,000</td>
<td>3,147,491</td>
</tr>
<tr>
<td>2035</td>
<td>32,821,250</td>
<td>23,115,000</td>
<td>2,584,417</td>
</tr>
<tr>
<td>2036</td>
<td>32,821,850</td>
<td>23,705,000</td>
<td>1,995,678</td>
</tr>
<tr>
<td>2037</td>
<td>32,817,750</td>
<td>24,355,000</td>
<td>1,348,295</td>
</tr>
<tr>
<td>2038</td>
<td>0</td>
<td>25,015,000</td>
<td>683,160</td>
</tr>
<tr>
<td>Totals(1)</td>
<td>$650,909,980</td>
<td>$338,025,000</td>
<td>$91,234,707</td>
</tr>
</tbody>
</table>

(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 2020A 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 2020A 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.

Walt Disney Parks and Resorts U.S., Inc. (“WDP”), and Disney Vacation Development, Inc. (collectively with WDP, the “WDP and DVD Plaintiffs”) have filed forty-six lawsuits in the Circuit Court of the Ninth Judicial Circuit for Orange County, Florida naming the District, the property appraiser and tax collector of Orange County, Florida in their respective official capacities and the executive director of the Florida Department of Revenue in his official capacity, as defendants (collectively, the “Defendants”). The WDP and DVD Plaintiffs challenge the valuation of several commercial parcels, including, but not limited to, Disney’s Grand Floridian Resort & Spa, Disney’s Polynesian Village Resort, Disney’s Contemporary Resort, Disney’s Animal Kingdom Lodge, Disney’s Wilderness Lodge, the Disney Beach Club Resort, Disney’s Yacht Club Resort, Magic Kingdom, Disney’s Hollywood Studios, Disney’s Animal Kingdom, Disney’s Blizzard Beach Water Park, Epcot, Disney’s Typhoon Lagoon Water Park, Disney’s Port Orleans Resort, Disney’s Coronado Springs Resort, Disney’s Caribbean Beach Resort, Disney’s Pop Century Resort, Disney’s Art of Animation Resort, Disney’s Boardwalk Resort, Disney administrative offices, and vacant land (collectively, the “Disney Parcels”), and contest the legality, validity and methodology of the 2015, 2016, 2017 and 2018 ad valorem tax assessments on the Disney Parcels. The WDP and DVD Plaintiffs paid the assessments in full on the Disney Parcels. The WDP and DVD Plaintiffs initiated proceedings for review by the value adjustment board (“VAB”), as a condition precedent to filing suit. In its lawsuits, WDP and DVD Plaintiffs claim, depending on the respective Disney Parcels at issue, that despite any adjustments by the VAB, the value of each of the assessments on all of the Disney Parcels does not represent the just value of the Disney Parcels because it exceeds the fair market value thereof, that the Orange County property appraiser included the value of certain intangible property in the assessment in violation of law, that the Orange County property appraiser did not employ professionally accepted appraisal practices in reaching its valuation, or that the Orange County property appraiser’s valuation exceeded the maximum allowable yearly increase under Fla. Stat. § 193.1555, or some combination of the foregoing. WDP and DVD Plaintiffs have requested that the court set aside the 2015, 2016, 2017 and 2018 assessments and issue a new tax bill in said reassessed amounts. In July 2018, the trial court issued a ruling in one of the pending cases in favor of the WDP against the Orange County Property Appraiser’s 2015 valuation of Disney’s Yacht Club Resort and Disney’s Beach Club Resort, resulting in an adjustment of the just value from $337 million to $209 million, resulting in a reduction in the amount of ad valorem taxes due on such parcel for 2015. The Orange County Property Appraiser has appealed the trial court ruling. WDP has cross-appealed certain aspects of the ruling as well, and the ruling is stayed pending the outcome of the appeal. The District anticipates an adjustment to the tax collections for Fiscal Years 2015, 2016, 2017 and 2018 as a result of this action. In prior similar actions by a different property owner, the District was required to make a rebate to the taxpayer. While the District cannot predict the outcome of the pending cases, even in the event that the WDP and DVD Plaintiffs are successful and the assessed and/or market value of all or a portion of the Disney Parcels is adjusted downward and a rebate is due to the taxpayers, the District does not believe that any such adverse outcome will have a material adverse effect on the District’s finances or operations or on the District’s ability to pay debt service on the Series 2020A Bonds.
TAX MATTERS

In General

INTEREST ON THE SERIES 2020A BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. In general, prospective purchasers of the Series 2020A Bonds should consult their tax advisors regarding the federal, state, local, and foreign tax consequences of acquisition, ownership, and disposition of Series 2020A Bonds. For example, the legal defeasance of the Series 2020A Bonds may result in a deemed sale or exchange of the Series 2020A Bonds under certain circumstances, with concomitant tax consequences.

The following summary is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, a particular Owner of Series 2020A Bonds, and is generally limited to U.S. Owners. “U.S. Owners” are beneficial Owners of the Series 2020A Bonds that for U.S. federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state or the District of Columbia, and certain estates or trusts with specific connections to the United States. As used in this summary, the term “Non-U.S. Owner” means a beneficial Owner of Series 2020A Bonds that is not a U.S. Owner.

In particular, this summary does not address (a) special classes of taxpayers that are subject to special treatment under the federal income tax laws, such as S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the United States, broker-dealers, traders in securities, and tax-exempt organizations, (b) persons that own Series 2020A Bonds as a hedge against, or as obligations that are hedged against, currency risk, or that are part of a hedge, straddle, conversion, or other integrated transaction, or (d) persons whose functional currency is not the U.S. dollar. This summary also does not address the tax consequences to an Owner of Series 2020A Bonds held through a partnership or other pass-through entity treated as a partnership for federal income tax purposes. Partnerships holding Series 2020A Bonds, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of an investment in the Series 2020A Bonds, including their status as U.S. Owners.

Further, this discussion is limited to persons purchasing the Series 2020A Bonds for cash in this original offering at the respective prices indicated on the inside front cover of this Official Statement (the “issue prices”). Owners that purchase the Series 2020A Bonds at prices other than their respective issue prices or after their original execution and delivery should consult their tax advisors regarding other tax considerations, such as market discount, as to all of which Bond Counsel expresses no opinion. This discussion assumes that the Series 2020A Bonds will be held as capital assets within the meaning of Code Section 1221.

Certain U.S. Federal Income Tax Consequences to U.S. Owners

Interest. In general, interest paid or accrued on the Series 2020A Bonds will be taxable to a U.S. Owner as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for federal income tax purposes. Under recently-enacted legislation known as the Tax Cuts and Jobs Act, U.S. Owners that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements. This rule generally is effective for tax years
Beginning after December 31, 2017, (or, for debt securities issued with original issue discount, for tax years beginning after December 31, 2018). Accrual method U.S. Owners should consult their tax advisors regarding the potential applicability of this rule to their particular situation.

**Disposition of the Series 2020A Bonds.** Upon the sale, exchange, retirement, or other taxable disposition of a Series 2020A Bond, a U.S. Owner, in general, will recognize gain or loss equal to the difference between the amount realized from the sale, exchange, retirement, or other disposition and the Owner’s adjusted basis, or applicable portion of the adjusted basis, in the Series 2020A Bond. The Owner’s adjusted basis generally will equal the Owner’s cost of the Series 2020A Bond, reduced by any principal payments (and any other payments on the Series 2020A Bonds not treated as qualified stated interest). Any such gain or loss generally will be long-term capital gain or loss, provided that the Series 2020A Bonds have been held for more than one year at the time of disposition. Net long-term capital gain recognized by an individual U.S. Owner generally will be subject to tax at a lower rate than that for net short-term capital gain or ordinary income. The deductibility of capital losses is subject to limitations.

**Additional Tax on Net Investment Income.** An additional 3.8% tax is imposed on the “net investment income” of certain U.S. citizens and residents, and on the undistributed “net investment income” of certain estates and trusts. Among other items, “net investment income” generally includes gross income from interest and certain net gain from the sale, exchange, redemption, or other taxable disposition of a debt instrument that produces interest, minus certain deductions. A U.S. Owner that is an individual, estate, or trust should consult its tax advisor regarding the applicability of this additional tax.

**Information Reporting and Backup Withholding.** U.S. Bank National Association must report annually to the IRS and to each U.S. Owner any interest payable to the U.S. Owner, subject to certain exceptions. A non-corporate U.S. Owner of the Series 2020A Bonds may be subject to backup withholding (currently at a rate of 24%) with respect to “reportable payments,” which include interest paid on the Series 2020A Bonds and the gross proceeds of a sale, exchange, redemption, or retirement of the Series 2020A Bonds, unless the Owner provides an accurate taxpayer identification number and certifies on an IRS Form W-9, under penalties of perjury, that the Owner is not subject to backup withholding and otherwise complies with applicable requirements of the backup rules or otherwise establishes an exemption.

**Certain U.S. Federal Income Tax Consequences to Non-U.S. Owners**

**Interest.** Subject to the discussion below under “Application of Foreign Account Tax Compliance Act,” interest on any Series 2020A Bond owned by a Non-U.S. Owner is generally not subject to U.S. federal income or withholding tax, provided that:

- the Non-U.S. Owner does not own, actually or constructively, 10% or more of the total combined voting power of all classes of voting stock of the District, and is not a controlled foreign corporation related to the District, directly or indirectly, through stock ownership;
- the Non-U.S. Owner is not a bank receiving such interest in the manner described in Code Section 881(c)(3)(A); and
- the Non-U.S. Owner certifies on IRS Form W-8BEN or W-8BEN-E, under penalties of perjury, that it is not a United States person. Special certification rules apply to Bonds that are held through foreign intermediaries.
If, however, a Non-U.S. Owner is engaged in a trade or business in the United States, and if interest on the Series 2020A Bonds is effectively connected with the conduct of such trade or business (and, if an income tax treaty applies, the interest is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States), such interest will be subject to U.S. federal income tax in a manner similar to that for Series 2020A Bonds owned by a U.S. Owner, as described above, and, in the case of a Non-U.S. Owner that is a foreign corporation, may also be subject to an additional branch profits tax (currently imposed at a rate of 30%, or a lower applicable treaty rate) on its effectively connected earnings and profits, subject to adjustments. **Non-U.S. Owners should consult their tax advisors regarding the tax consequences of owning the Series 2020A Bonds.**

**Disposition of the Series 2020A Bonds.** Subject to the discussion below under “Application of Foreign Account Tax Compliance Act,” a Non-U.S. Owner generally will not be subject to U.S. federal income or withholding tax on any amount of gain recognized by the Non-U.S. Owner upon the sale, exchange, retirement, or other taxable disposition of a Series 2020A Bond unless:

- the gain is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Owner (and, if an income tax treaty applies, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Owner in the United States); or

- in the case of an individual, the Non-U.S. Owner is present in the United States for 183 days or more in the taxable year in which the sale, exchange, retirement, or other taxable disposition takes place and certain other conditions are met.

**Application of Foreign Account Tax Compliance Act.** The Foreign Account Tax Compliance Act (“FATCA”) generally imposes a 30% withholding tax on interest payments and gross proceeds from the sale of interest-bearing obligations for payments made after the relevant effective date to (i) certain foreign financial institutions that fail to certify their FATCA compliance and (ii) non-financial foreign entities if certain disclosure requirements related to direct and indirect United States shareholders and/or United States account holders are not satisfied.

Under applicable Treasury Regulations and administrative guidance, a 30% FATCA withholding tax generally will be imposed, subject to certain exceptions, on payments of interest on Series 2020A Bonds where such payments are made to persons described in the immediately preceding paragraph. While FATCA withholding would also have applied to payments of gross proceeds from the sale or other disposition of Series 2020A Bonds on or after January 1, 2019, recently proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

With respect to payments made to a “foreign financial institution” either as a beneficial owner or as an intermediary, the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a “FATCA Agreement”) or (ii) is required by and complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an “IGA”), in either case to, among other things, collect and provide to the United States or other relevant tax authorities certain information regarding U.S. account holders of such institution. With respect to payment made to a foreign entity that is not a financial institution (as a beneficial owner), the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such entity provides to the withholding agent a certification that such entity does not have any “substantial” U.S.
owner (generally, any specified U.S. person that owns, directly or indirectly, more than a specified percentage of such entity) or identifies its “substantial” U.S. owners.

If the Series 2020A Bonds are held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, subject to certain exceptions, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign institution) generally will be required to withhold the 30% FATCA tax on the payment of dividends or the items described above made to (i) a person (including an individual) that fails to comply with certain information requests, or (ii) a foreign financial institution that has not entered into (and is not otherwise subject to) a FATCA Agreement, and that is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA. Coordinating rules may limit duplicative withholding where the withholding described above under “Information Reporting and Backup Withholding” also applies.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments made on Series 2020A Bonds because of a failure by the investor (or an institution through which an investor holds the Series 2020A Bonds) to comply with FATCA, none of the District, any paying agent, or any person would, pursuant to the terms of the Series 2020A Bonds, be required to pay additional amounts with respect to any Series 2020A Bonds because of the deduction or withholding of such tax. **Non-U.S. Owners should consult their tax advisors regarding the application of FATCA to the ownership or disposition of Series 2020A Bonds.**

**FINANCIAL STATEMENTS**

The financial statements of the District as of and for the year ended September 30, 2018 (the “2018 Audited Financial Statements”), included in this Official Statement, have been audited by Ernst & Young LLP, independent certified public accountants (the “Auditor”), as stated in their report appearing in Appendix A hereto (the “Report”). The consent of the Auditor to include the Report in this Official Statement was not requested and such Report is provided only as a publicly available document. The Auditor has not been engaged to perform and has not performed, since the date of the Report, any procedures on the financial statements addressed in the Report. The Auditor also has not performed any procedures relating to this Official Statement.

The District anticipates that the financial statements of the District as of and for the year ended September 30, 2019 (the “2019 Audited Financial Statements”) are expected to be available February 26, 2020 prior to the issuance of the Series 2020A Bonds. Upon acceptance of the 2019 Audited Financial Statements by the Board of Supervisors of the District, this Official Statement will be supplemented to add the 2019 Audited Financial Statements as Appendix F hereto.

**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 2020A Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters (which includes the fees of Underwriters’ Counsel) are each contingent upon the issuance of the Series 2020A Bonds.
MUNICIPAL ADVISOR

Dunlap & Associates Inc., Orlando, 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 2020A 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 2020A Bonds. Dunlap & Associates, Inc. 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 2020A Bonds from the District at an aggregate purchase price equal to $336,842,913.52 (par of $338,025,000.00 and less underwriters’ discount of $1,182,086.48).

The Series 2020A Bonds may be offered and sold to certain dealers (including underwriters and other dealers depositing such Series 2020A 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.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Series 2020A Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings, at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2020A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any of the Series 2020A Bonds that such firm sells.

BofA Securities, Inc., an underwriter of the Series 2020A Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill”). As part of this arrangement, BofA Securities, Inc. may distribute securities to Merrill, which may in turn distribute such securities to investors through the financial advisor network of Merrill. As part of this arrangement, BofA Securities, Inc. may compensate Merrill as a dealer for their selling efforts with respect to the Series 2020A Bonds.

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.

**VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The accuracy of the mathematical computations of the adequacy of the cash or securities deposited to pay when due all principal of and interest on the Refunded Series 2013 Bonds will be verified for the District by the Verification Agent. Such verification will be based on certain information supplied to the Verification Agent by J.P. Morgan, as Co-Senior Managing Underwriter.

**RATINGS**

Moody’s Investors Service (“Moody’s”), Fitch Ratings (“Fitch”) and S&P have assigned their municipal bond ratings of “Aa3” (stable outlook), “AA-” (stable outlook), and “AA-” (stable outlook), respectively, to the Series 2020A 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 2020A Bonds.

**APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters incident to the validity of the Series 2020A 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 form attached hereto as Appendix C) will be delivered on the date of issuance of the Series 2020A Bonds. Certain legal matters will be passed on for the District by Edward G. Milgrim, Milgrim Law Group, 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 2020A Bondholders to provide certain financial information and operating data relating to the District and the Series 2020A 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 2020A 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 2020A Bonds. The District has retained the services of Digital Assurance Certification, L.L.C. (“DAC”) 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 2020A 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.

Under prior continuing disclosure undertakings, the District is obligated to file with the MSRB audited or, if unavailable, unaudited, financial statements for each fiscal year ended September 30, within 180 days from the end of its fiscal year. Neither the audited nor unaudited financial statements were available to meet the filing deadline for the fiscal year ended September 30, 2015 due to the unavailability of information from the State of Florida regarding the District’s pension obligations related to its participation in the Florida Retirement System. The District filed a notice of failure to file such audited financial statements with the MSRB prior to the filing deadline and filed such audited financial statements with the MSRB on May 26, 2016. In addition, while the District does not deem it to be a material failure, the District failed to provide updated information regarding direct and overlapping taxes which updates were filed on April 2, 2015. The District and DAC have implemented revised procedures to ensure that future Annual Reports will be filed no later than the March 31st following the end of the District’s fiscal year and, so long as such prior undertakings are in effect, include direct and overlapping taxes in such Annual Reports.

LEGALITY FOR INVESTMENT IN FLORIDA

The Enabling Act provides that the Series 2020A 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 2020A Bonds, the President or the Vice President of the Board of Supervisors of the District will furnish his certificate to the effect that, to the best of his 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 2020A 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.

CLIMATE CHANGE 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 the District. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage facilities that provide essential services to the major taxpayers in the District. The economic impacts resulting from such extreme weather events could include a loss of revenue and interruption of service of such major taxpayers.

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 Enabling 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 Reedy Creek Improvement District.

REEDY CREEK IMPROVEMENT DISTRICT

By:  /s/ Laurence C. Hames

President, Board of Supervisors
APPENDIX A

AUDITED FINANCIAL STATEMENTS OF REEDY CREEK IMPROVEMENT DISTRICT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
# REEDY CREEK IMPROVEMENT DISTRICT
## ANNUAL FINANCIAL REPORT
### Year Ended September 30, 2018

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Report of Independent Auditors

District Administrator, Deputy District Administrator, and
Board of Supervisors
Reedy Creek Improvement District
Lake Buena Vista, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Reedy Creek Improvement District (the District), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2018, 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 conformity with U.S. generally accepted accounting principles.

Adoption of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions

As discussed in FootNote 1 to the financial statements, the District changed its method of accounting for postemployment benefits other than pensions as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, effective October 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that Management’s Discussion and Analysis, Schedule Supporting Modified Approach for District Infrastructure Capital Assets, Other Post-Employment Benefits Schedule of Changes in the District’s Net OPEB Liability and Related Ratios, Other Post-Employment Benefits Schedule of District’s Contributions, Pension Plan Schedule of District’s Portionate Share of Net Pension Liability and Schedule of Contributions and HIS Plan Schedule of District’s Portionate Share of Net Pension Liability and Schedule of Contributions, on pages 4 – 11 and 62 – 69 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 which 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, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we also have issued our report dated February 1, 2019 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.

Ernst & Young LLP

February 1, 2019

REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Reedy Creek Improvement 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, 2018. 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 $323,521,562 (net position).
- The District’s total net position increased during the year by $24,621,786.
- The District’s total noncurrent liabilities increased by $221,527,906 during the year.
- As of September 30, 2018, the District’s governmental funds reported combined ending fund balances of $237,656,644, an increase of $65,720,623 in comparison with the prior year. Approximately 11% of this total amount is available for spending at the government’s discretion (unassigned fund balance).
- At September 30, 2018, unassigned fund balance for the general fund was $25,651,072, or 28% 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).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (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 12 – 13 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 14 – 18 of this report.

Proprietary funds. The District maintains one proprietary fund, the Utility Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses its enterprise fund to account for its eight utility operations. Proprietary funds provide the same type of information as the governmental fund financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 19 – 21 of this report.

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 22 – 23 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 can be found on pages 24 – 61 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 $323,521,562 at September 30, 2018.

District’s Net Position

<table>
<thead>
<tr>
<th></th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and noncurrent assets</td>
<td>2,081,653,415</td>
<td>2,073,608,393</td>
<td>4,155,261,808</td>
</tr>
<tr>
<td>Capital assets</td>
<td>805,680,792</td>
<td>805,625,816</td>
<td>1,611,306,608</td>
</tr>
<tr>
<td>Total assets</td>
<td>806,700,172</td>
<td>805,625,816</td>
<td>1,611,325,988</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>1,097,759,011</td>
<td>907,619,998</td>
<td>1,997,185,009</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>1,097,759,011</td>
<td>907,619,998</td>
<td>1,997,185,009</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,001,940,000</td>
<td>899,775,310</td>
<td>1,901,715,310</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>918,621,960</td>
<td>729,236,484</td>
<td>1,647,858,444</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>918,621,960</td>
<td>729,236,484</td>
<td>1,647,858,444</td>
</tr>
<tr>
<td>Total net position</td>
<td>100,049,221</td>
<td>107,732,594</td>
<td>207,781,815</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
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<td>2,081,653,415</td>
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<td>1,611,325,988</td>
<td>806,700,172</td>
</tr>
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<td>1,997,185,009</td>
<td>1,097,759,011</td>
</tr>
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<td>1,997,185,009</td>
<td>1,097,759,011</td>
<td>907,619,998</td>
<td>1,997,185,009</td>
<td>1,097,759,011</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,001,935,460</td>
<td>818,691,794</td>
<td>2,820,627,254</td>
<td>1,001,935,460</td>
<td>818,691,794</td>
<td>2,820,627,254</td>
<td>1,001,935,460</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>918,621,960</td>
<td>729,236,484</td>
<td>1,647,858,444</td>
<td>918,621,960</td>
<td>729,236,484</td>
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<td>918,621,960</td>
<td>729,236,484</td>
<td>1,647,858,444</td>
<td>918,621,960</td>
</tr>
<tr>
<td>Total net position</td>
<td>100,049,221</td>
<td>107,732,594</td>
<td>207,781,815</td>
<td>100,049,221</td>
<td>107,732,594</td>
<td>207,781,815</td>
<td>100,049,221</td>
</tr>
</tbody>
</table>

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 inflows 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 that 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 non-operating uses such as capital and debt service, and 3) 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 recording the District’s net pension liability with the implementation of GASB Statement No. 68, “Accounting and Financial Reporting for Pensions” (GASB No. 68) in fiscal year 2015 and recording the District’s net OPEB liability with the implementation of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (GASB No. 75) in fiscal year 2018. Other contributing factors include financing, with long-term bonds of the District, certain roadways that were subsequently donated to the State of Florida and long-term bonds issued in order to contribute to Osceola County’s refinancing of their Transportation Improvement Bonds (Osceola Parkway). The donated roadways are not assets of the District, however the remaining debt associated with the roadways is a liability of the District. The bonds are Ad Valorem Tax bonds, secured by an irrevocable lien on the ad valorem taxes collected by the District.
Charges for services increased due to additional permits issued in 2018 associated with various transportation projects and expansions within certain theme parks, which will continue through 2019. Intergovernmental revenues increased due to an increase in tolls received by Osceola Parkway. The District budgeted the Ad Valorem Tax increase for FY2018 due to an increase in assessed values. The loss on disposition of capital assets is due to retirement of several infrastructure assets in conjunction with the Epcot Interchange project.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Program revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>7,523,040</td>
<td>6,021,097</td>
<td>8,422,060</td>
<td>6,021,097</td>
<td>167,992,855</td>
<td>169,120,306</td>
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<tr>
<td>Intergovernmental</td>
<td>5,902,035</td>
<td>4,680,245</td>
<td>-</td>
<td>-</td>
<td>5,902,035</td>
<td>4,680,245</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>163,154</td>
<td>385,979</td>
<td>6,266,685</td>
<td>10,621,267</td>
<td>6,429,839</td>
<td>11,007,246</td>
</tr>
</tbody>
</table>

| Transportation | 18,431,587 | 18,231,746 | - | - | 18,431,587 | 18,231,746 |

| Total revenues | 143,179,976 | 131,369,822 | 175,704,405 | 180,477,009 | 318,884,381 | 311,846,831 |

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>14,490,456</td>
<td>15,002,278</td>
<td>-</td>
<td>-</td>
<td>14,490,456</td>
<td>15,002,278</td>
</tr>
<tr>
<td>Public Safety</td>
<td>46,899,794</td>
<td>44,123,622</td>
<td>-</td>
<td>-</td>
<td>46,899,794</td>
<td>44,123,622</td>
</tr>
<tr>
<td>Transportation</td>
<td>18,431,587</td>
<td>18,231,746</td>
<td>-</td>
<td>-</td>
<td>18,431,587</td>
<td>18,231,746</td>
</tr>
</tbody>
</table>

| Total expenses | 146,328,768 | 106,326,103 | 147,933,827 | 143,407,700 | 294,262,595 | 249,733,803 |

| Change in net position | 21,143,796 | 32,305,159 | 40,969,232 | 24,621,786 | 62,113,028 |

| Net position - beginning | 107,732,594 | 86,588,798 | 191,167,182 | 150,197,950 | 298,899,776 |

| Net position - ending | 100,049,221 | 107,732,594 | 223,472,341 | 191,167,182 | 323,521,562 | 298,899,776 |
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, 2018, the District’s governmental funds reported combined fund balances of $237,656,644. Approximately 11% 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, restricted or assigned. Restricted amounts are not available for general spending as those amounts have been reserved to pay for capital projects out of drainage impact fees or bond proceeds. Assigned amounts have been designated to cover the projected excess of expenditures over revenues in the fiscal year 2019 budget.

The general fund is the chief operating fund of the District. At September 30, 2018, unassigned fund balance of the general fund was $25,651,072, while total fund balance reached $43,239,822. 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 28% of the total general fund expenditures (including transfers), while total fund balance represents 48% of that same amount. During fiscal year 2018, the fund balance of the District’s general fund decreased by $4,856,584. This decrease was a net result of an increase in intergovernmental and building permit revenues that was more than offset by a $10 million contribution to establish an OPEB trust. In addition, overall expenditures were lower than originally budgeted.

The debt service fund has a total fund balance of $659,996, a decrease of $2,535,465 from the prior year. The decrease was due to additional debt service resulting from the issuance of ad valorem bonds in October 2017 for transportation and infrastructure projects.

The capital projects fund has a total fund balance of $193,756,826, an increase of $73,112,672 from the prior year. This increase was due to proceeds received from the 2017A ad valorem bonds to finance transportation improvements and the 2018-1 and 2018-2 utility revenue bonds to finance capital improvements for the utility system.

The debt service fund has a total fund balance of $1,029,134,778. Of this amount, $837,870,977 comprised of debt backed by the full faith and credit of the District and $191,263,801 is secured by the revenues generated by the District’s utilities. During the year, the District’s total long-term debt increased by $210,851,524 (26%) due to the issuance of the 2017A ad valorem bonds to finance transportation improvements and the 2018-1 and 2018-2 utility revenue bonds to finance capital improvements for the utility system.

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 8 of the financial statements.

Long-term debt. At September 30, 2018, the District had total long-term bonded debt outstanding of $1,029,134,778. Of this amount, $837,870,977 comprised of debt backed by the full faith and credit of the District and $191,263,801 is secured by the revenues generated by the District’s utilities. During the year, the District’s total long-term debt increased by $210,851,524 (26%) due to the issuance of the 2017A ad valorem bonds to finance transportation improvements and the 2018-1 and 2018-2 utility revenue bonds to finance capital improvements for the utility system.

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 8 of the financial statements.

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, 2018 amounted to $1,076,306,408, net of accumulated depreciation. This represents an increase of $126,936,938. The primary driver for the increase was ongoing capital projects as described above, as well as Osceola Parkway and Epcot Center Drive Interchange.

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

District’s Capital Assets

<table>
<thead>
<tr>
<th></th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$2,740,642</td>
<td>$2,740,642</td>
<td>$6,896,164</td>
</tr>
<tr>
<td>Buildings and system</td>
<td>167,517,105</td>
<td>168,444,409</td>
<td>20,056,549</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>6,801,793</td>
<td>6,726,054</td>
<td>112,447,963</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>381,597,868</td>
<td>326,085,956</td>
<td>-</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>247,228,384</td>
<td>193,924,545</td>
<td>41,498,872</td>
</tr>
<tr>
<td>Total</td>
<td>$905,885,792</td>
<td>$687,921,606</td>
<td>$270,420,616</td>
</tr>
</tbody>
</table>

Long-term debt. At September 30, 2018, the District had total long-term bonded debt outstanding of $1,029,134,778. Of this amount, $837,870,977 comprised of debt backed by the full faith and credit of the District and $191,263,801 is secured by the revenues generated by the District’s utilities. During the year, the District’s total long-term debt increased by $210,851,524 (26%) due to the issuance of the 2017A ad valorem bonds to finance transportation improvements and the 2018-1 and 2018-2 utility revenue bonds to finance capital improvements for the utility system.

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 8 of the financial statements.

District’s Outstanding Long-term Debt

<table>
<thead>
<tr>
<th></th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td>837,870,977</td>
<td>643,806,883</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$837,870,977</td>
<td>$643,806,883</td>
<td>$191,263,801</td>
</tr>
</tbody>
</table>

General Fund Budgetary Highlights

The District amended (increased) its budget by $10 million to account for amounts which were used to fund an OPEB VEBA trust in 2018. The OPEB contribution was expensed as labor in 2018 in the General Fund.
**REEDY CREEK IMPROVEMENT DISTRICT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED**

**Infrastructure Assets.** As demonstrated in the Required Supplementary Information on pages 62 – 65 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 Budgets and Rates**

- The unemployment rate of the Central Florida area is currently averaging 2.7%. This is less than both the state and national average unemployment rates of 3.4% and 3.7%, respectively.
- Fiscal year 2019 assessed values increased 8.2%. Millage rates increased overall by .3696 mills, primarily the result of an increase in debt service millage with the issuance of the District’s 2017A bonds in fiscal year 2019.
- Inflationary trends in the region compare to national indices.

**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 Reedy Creek Improvement District, Comptroller, 1900 Hotel Plaza Blvd., P.O. Box 10,170, Lake Buena Vista, Florida 32830.

---

**Governmental Activities**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$35,580,715</td>
</tr>
<tr>
<td>Cash and cash equivalents - restricted</td>
<td>$18,434,459</td>
</tr>
<tr>
<td>Investments</td>
<td>$179,500,075</td>
</tr>
<tr>
<td>Investments - restricted</td>
<td>$7,002,759</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$7,002,759</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>$7,002,759</td>
</tr>
<tr>
<td>Inventories</td>
<td>$17,928,032</td>
</tr>
<tr>
<td>Prepends</td>
<td>$519,471</td>
</tr>
<tr>
<td>Deposits</td>
<td>$2,347,610</td>
</tr>
<tr>
<td>Other assets</td>
<td>$397,433</td>
</tr>
<tr>
<td>Capital assets not being depreciated</td>
<td>$679,061,930</td>
</tr>
<tr>
<td>Capital assets, net of accumulated depreciation</td>
<td>$396,344,478</td>
</tr>
</tbody>
</table>

**Deferred Outflows of Resources**

- Accumulated decrease in fair value of derivative instruments: $4,095,437
- Loss on defeased debt due to refundings: $783,910
- Deferred outflow of resources related to pensions: $25,050,429

**Total Deferred Outflows of Resources**: $29,209,776

**Liabilities**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$27,320,580</td>
</tr>
<tr>
<td>Accounts payable from restricted assets</td>
<td>$783,910</td>
</tr>
<tr>
<td>Derivative fuel instruments</td>
<td>$4,095,437</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$1,653,304</td>
</tr>
<tr>
<td>Self insurance liability</td>
<td>$811,090</td>
</tr>
<tr>
<td>Capital leases</td>
<td>$811,090</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$4,095,437</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>$14,290,000</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td>$15,272,456</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$1,653,304</td>
</tr>
<tr>
<td>Self insurance liability</td>
<td>$811,090</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>$55,100,977</td>
</tr>
<tr>
<td>Net OPEB liability</td>
<td>$46,172,599</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$987,844,778</td>
</tr>
</tbody>
</table>

**Total Liabilities**: $1,226,306,356

**Deferred Inflows of Resources**

- Deferred fuel                                          | $1,120,468  |
- Deferred inflow of resources related to pensions        | $5,909,437  |
- Deferred inflow of resources related to OPEB            | $5,349,437  |

**Total Deferred Inflows of Resources**: $12,379,336

**Net Position**

- Net investment in capital assets: $363,078,328
- Capital projects: $4,095,046
- Debt service: $659,996
- Renewal and replacement: $4,354,387
- Emergency repairs: $500,000
- Unrestricted (deficit): $(49,721,195)

**Total Net Position**: $323,521,192

The accompanying notes are an integral part of these financial statements.
## REEDY CREEK IMPROVEMENT DISTRICT
### STATEMENT OF ACTIVITIES
For the Period Ended September 30, 2018

The accompanying notes are an integral part of these financial statements.
The accompanying notes are an integral part of these financial statements.
### REEDY CREEK IMPROVEMENT DISTRICT

#### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

**For the Period Ended September 30, 2018**

<table>
<thead>
<tr>
<th>Category</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad Valorem Taxes</td>
<td>$72,910,840</td>
<td>$72,910,840</td>
<td>$71,753,603</td>
<td>($1,157,237)</td>
</tr>
<tr>
<td>Intergovernmental Revenue</td>
<td>2,500,000</td>
<td>2,500,000</td>
<td>5,092,389</td>
<td>2,592,389</td>
</tr>
<tr>
<td>Emergency Services</td>
<td>-</td>
<td>-</td>
<td>310,595</td>
<td>310,595</td>
</tr>
<tr>
<td>Building Permits and Fees</td>
<td>4,200,000</td>
<td>4,200,000</td>
<td>6,837,551</td>
<td>2,637,551</td>
</tr>
<tr>
<td>Drainage Fees</td>
<td>-</td>
<td>-</td>
<td>163,154</td>
<td>163,154</td>
</tr>
<tr>
<td>Interest Income</td>
<td>175,000</td>
<td>175,000</td>
<td>988,921</td>
<td>813,921</td>
</tr>
<tr>
<td>Other</td>
<td>300,000</td>
<td>300,000</td>
<td>441,104</td>
<td>141,104</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>80,085,840</td>
<td>80,085,840</td>
<td>85,577,317</td>
<td>5,491,477</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL GOVERNMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>2,033,298</td>
<td>2,358,298</td>
<td>2,373,294</td>
<td>(14,996)</td>
</tr>
<tr>
<td>Operating</td>
<td>3,814,635</td>
<td>4,025,066</td>
<td>4,307,402</td>
<td>(281,716)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,848,133</td>
<td>6,383,364</td>
<td>6,680,706</td>
<td>(297,342)</td>
</tr>
<tr>
<td>Human Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>585,621</td>
<td>710,621</td>
<td>714,121</td>
<td>(2,500)</td>
</tr>
<tr>
<td>Operating</td>
<td>199,000</td>
<td>196,075</td>
<td>291,179</td>
<td>(92,104)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>784,621</td>
<td>906,696</td>
<td>1,005,300</td>
<td>(95,604)</td>
</tr>
<tr>
<td>Information Systems &amp; Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>1,794,828</td>
<td>2,144,828</td>
<td>2,136,130</td>
<td>8,698</td>
</tr>
<tr>
<td>Operating</td>
<td>1,253,425</td>
<td>1,614,865</td>
<td>1,602,822</td>
<td>12,043</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>1,980,900</td>
<td>2,406,524</td>
<td>1,644,470</td>
<td>1,122,054</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,029,153</td>
<td>5,166,217</td>
<td>3,903,422</td>
<td>1,262,795</td>
</tr>
<tr>
<td>Property Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>570,287</td>
<td>570,287</td>
<td>541,167</td>
<td>29,120</td>
</tr>
<tr>
<td>Operating</td>
<td>1,243,213</td>
<td>1,286,565</td>
<td>894,428</td>
<td>392,135</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>150,000</td>
<td>15,000</td>
<td>14,199</td>
<td>801</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,963,500</td>
<td>1,871,851</td>
<td>1,446,794</td>
<td>422,056</td>
</tr>
<tr>
<td>Contracts &amp; Risk Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>1,040,629</td>
<td>1,240,629</td>
<td>1,328,191</td>
<td>(87,562)</td>
</tr>
<tr>
<td>Operating</td>
<td>80,750</td>
<td>80,915</td>
<td>83,266</td>
<td>(2,311)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,121,379</td>
<td>1,321,544</td>
<td>1,411,457</td>
<td>(98,913)</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL GOVERNMENT</strong></td>
<td>14,748,786</td>
<td>15,653,291</td>
<td>14,450,569</td>
<td>2,022,622</td>
</tr>
<tr>
<td><strong>PUBLIC SAFETY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>4,587,448</td>
<td>5,712,448</td>
<td>5,688,734</td>
<td>23,714</td>
</tr>
<tr>
<td>Operating</td>
<td>683,100</td>
<td>683,700</td>
<td>489,089</td>
<td>194,611</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>260,000</td>
<td>260,000</td>
<td>70,265</td>
<td>189,735</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,530,548</td>
<td>6,656,148</td>
<td>6,348,088</td>
<td>208,060</td>
</tr>
<tr>
<td>Emergency Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>31,295,459</td>
<td>37,445,459</td>
<td>37,495,466</td>
<td>(50,007)</td>
</tr>
<tr>
<td>Operating</td>
<td>2,611,150</td>
<td>2,694,514</td>
<td>2,433,013</td>
<td>171,501</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>3,256,911</td>
<td>3,263,757</td>
<td>2,402,279</td>
<td>861,478</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37,163,520</td>
<td>43,313,730</td>
<td>42,330,758</td>
<td>982,972</td>
</tr>
</tbody>
</table>

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

### REEDY CREEK IMPROVEMENT DISTRICT

#### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

**For the Period Ended September 30, 2018**

<table>
<thead>
<tr>
<th>Category</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>266,082</td>
<td>266,082</td>
<td>263,963</td>
<td>2,119</td>
</tr>
<tr>
<td>Operating</td>
<td>1,881,551</td>
<td>2,480,116</td>
<td>2,006,431</td>
<td>473,685</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>782,600</td>
<td>731,200</td>
<td>202,521</td>
<td>529,679</td>
</tr>
<tr>
<td><strong>TOTAL PUBLIC SAFETY</strong></td>
<td>2,930,233</td>
<td>3,477,388</td>
<td>2,472,916</td>
<td>1,004,483</td>
</tr>
<tr>
<td><strong>PHYSICAL ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Control</td>
<td>45,924,301</td>
<td>53,447,276</td>
<td>51,051,761</td>
<td>2,395,515</td>
</tr>
</tbody>
</table>

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

For the Period Ended September 30, 2018

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
</tr>
<tr>
<td>Other Financing Sources &amp; Uses</td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(6,224,166)</td>
</tr>
<tr>
<td>Total Other Financing Uses</td>
<td>(6,224,166)</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses</td>
<td>(8,870,552)</td>
</tr>
<tr>
<td>Fund Balance, beginning of year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>48,096,406</td>
</tr>
<tr>
<td>Fund Balance, end of year</td>
<td>$43,239,822</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
OPERATING REVENUES
Utility sales $167,992,855
Total operating revenues $167,992,855

OPERATING EXPENSES
Purchased power and fuel 59,414,327
Labor support 33,938,858
Operating costs 17,025,579
Repairs and maintenance 8,164,038
Insurance 1,002,069
Depreciation 20,365,919
Total operating expenses 142,654,437
Operating income $25,338,418

NONOPERATING REVENUES (EXPENSES)
Interest and investment income 1,444,865
Interest expense (4,780,012)
Gain on retirement of plant assets and other inventory write-ups 6,878
Total nonoperating expenses, net (3,834,525)

Operating income $25,338,418
Total net position - beginning of the year $191,167,182
Increase in net position 32,305,159
Total net position - ending $223,472,341

CASH FLOWS FROM OPERATING ACTIVITIES
Receipts from customers $164,815,629
Payments to suppliers (88,163,183)
Payments for labor contract and management service agreement (30,620,482)
Payments to employees (3,262,232)
Net cash provided by operating activities $42,748,732

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
Transfers in 4,534,581

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
Proceeds from bonds 50,388,306
Payment of bond issue costs (506,256)
Purchases of capital assets (26,154,216)
Proceeds from sale of capital assets 298,150
Principal paid on bonds (32,075,000)
Interest paid on bonds (5,409,810)
Capital contributions 7,055,532
Net cash used by capital and related financing activities (6,403,294)

CASH FLOWS FROM INVESTING ACTIVITIES
Purchase of investments (54,445,307)
Proceeds from sales and maturities of investments 26,015,785
Net increase in cash and cash equivalents $13,841,575
Investment income 1,390,078
Net cash used by investing activities (27,039,444)
Net increase in cash and cash equivalents $13,841,575
balances - beginning of the year 52,490,689
balances - end of the year $66,332,264

Unrestricted $18,434,459
Restricted 47,897,805
Total net cash provided by operating activities $66,332,264

Reconciliation of operating income to net cash provided by operating activities
Operating income $25,338,418
Adjustments to reconcile operating income to net cash provided by operating activities:
Depreciation expense 20,365,919
Change in assets and liabilities:
Accounts receivable (1,374,732)
Inventories (1,550,552)
Prepaid items 29,080
Accounts payable and accrued liabilities 2,276,576
Due from other funds (532,483)
Unearned revenue (1,802,494)
Net cash provided by operating activities $42,748,732

The accompanying notes are an integral part of these financial statements.
### REEDY CREEK IMPROVEMENT DISTRICT
#### STATEMENT OF FIDUCIARY NET POSITION

**FIDICUARY FUND**

**September 30, 2018**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Other Post-Employment Benefits Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market fund investments</td>
<td>$11,002,399</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$11,002,399</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION</th>
<th>Other Post-Employment Benefits Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted for other postemployment benefits</td>
<td>$11,002,399</td>
</tr>
</tbody>
</table>

#### ADDITIONS:
- Employer contributions $12,521,768
- Net investment income $2,399
- Total Additions $12,524,167

#### DEDUCTIONS:
- Benefits paid on behalf of participants $1,521,768
- Net Increase in fiduciary net position $11,002,399
- Net position - October 1, 2017 -
- Net position, September 30, 2018 $11,002,399

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

Reedy Creek Improvement District (the "District") is a public corporation of the State of Florida created on May 12, 1967 by a special act of the legislature. 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 of the Laws of Florida, 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. The governing body of the District is a five-member Board of Supervisors elected to office for four-year terms by landowners of the District. 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, proprietary or enterprise fund and the fiduciary fund. All governmental funds and the enterprise 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.

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.

Additionally, the District reports the following fiduciary fund type:

- Other Post-Employment Benefits Trust Fund – Accounts for the receipt and disbursement of assets held in trust for eligible participants of other post-employment benefits of the District.
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

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, 2) operating contributions, and 3) 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 non-operating 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 enterprise 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 enterprise funds include 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, 2018 were 6.9630 for General Operating and 5.0670 for Debt Service.

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 demand accounts (interest and non-interest bearing), 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.

F. Inventories

Enterprise Fund inventories consist of materials, supplies and fuel. Materials and supplies inventories are only held for use and are valued at cost. Fuel oil inventories are accounted for at the lower of cost or market using the moving average cost method.

G. Restricted Assets

Certain assets in the Debt Service Fund, Capital Projects Fund and Enterprise Fund are restricted as to use by specific provisions of bond resolutions. Similarly, certain assets in the General Fund are also restricted by provisions of drainage 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, plants, 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 estimated fair 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 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

Repairs and maintenance are expensed when incurred. Additions, major renewals and replacements, which increase the useful lives of the assets, are capitalized.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 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.

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 unreserved 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 does not have a formal minimum fund balance policy.

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 Enterprise Fund.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(5) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(4) Budgets are legally adopted for the General Fund, Debt Service Fund and the Enterprise Fund.

(3) Prior to October 1, the budget is legally enacted through passage of an ordinance.

(2) Public hearings are conducted to obtain taxpayer comments.

(1) The District Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on October 1.
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. Implementation of New Accounting Standards

Effective October 1, 2017, the District implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits other than Pensions” (GASB No. 75), GASB Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” (GASB No. 74), and GASB Statement No. 85, “Omnibus 2017” (GASB No. 85). GASB No. 74 provides additional disclosure and supplementary information for the District’s other postemployment benefit plan. GASB No. 75 established standards for recognizing and measuring liabilities, deferred outflows and deferred inflows of resources, and expenditures related to OPEB. GASB No. 85 addresses, among other things, additional considerations related to OPEB such as recognition and measurement of expenditures and clarified certain required supplementary information. Also effective October 1, 2017, the District early implemented GASB Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period” (GASB No. 89). GASB No. 89 simplifies accounting for certain interest costs.

GASB Statement No. 86 – “Certain Debt Extinguishment Issues” was also effective for the District’s fiscal year 2018 but had no effect on the District’s financial statements.

R. Rates and Regulations

The District follows the accounting practices set forth in 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 liabilities consist of deferred fuel.

If the District no longer applied GASB No. 62 due to competition, regulatory changes, or other reasons, the District would make certain adjustments that would include the write-off of all or a portion of its regulatory assets and liabilities, the evaluation of utility plant, contracts and commitments, and the recognition, if necessary, of any losses to reflect market condition. Management believes that the District currently meets the criteria for continued application of GASB No. 62, but will continue to evaluate significant changes in the regulatory and competitive environment to assess the ability to continue to apply GASB No. 62.

S. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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 $860,657,819, net of accumulated depreciation of $54,772,027, or $805,885,792.

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences payable</td>
<td>$2,965,124</td>
</tr>
<tr>
<td>Self insurance liability</td>
<td>$3,034,529</td>
</tr>
<tr>
<td>Capital leases</td>
<td>$245,465</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$837,870,977</td>
</tr>
<tr>
<td>Deferred outflows - losses on defeased debt</td>
<td>$(454,109)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>$55,100,977</td>
</tr>
<tr>
<td>Deferred outflows - pensions</td>
<td>$25,060,429</td>
</tr>
<tr>
<td>Deferred inflows - pensions</td>
<td>$(5,909,415)</td>
</tr>
<tr>
<td>Net OPEB liability</td>
<td>$46,172,599</td>
</tr>
<tr>
<td>Deferred inflows - OPEB</td>
<td>$5,349,453</td>
</tr>
<tr>
<td>Net adjustment to reduce total fund balances</td>
<td>$931,133,941</td>
</tr>
</tbody>
</table>

R. Modifications

Net adjustment to reduce total fund balances - total governmental funds to arrive at net position of governmental activities $ 931,133,941
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 expense. The amount by which capital outlays exceeded depreciation in the current period is as follows:

<table>
<thead>
<tr>
<th>Capital outlay expenditures:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$178,669</td>
</tr>
<tr>
<td>Public safety</td>
<td>$2,675,065</td>
</tr>
<tr>
<td>Physical environment</td>
<td>$182,009</td>
</tr>
<tr>
<td>Transportation</td>
<td>$46,541</td>
</tr>
<tr>
<td>Capital projects</td>
<td>$152,340,754</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(8,521,657)</td>
</tr>
<tr>
<td><strong>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</strong></td>
<td>$146,901,381</td>
</tr>
</tbody>
</table>

2. Governmental funds report the payment of the bond and capital lease 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 | $6,897,816 |
   | Principal payments on bonds outstanding                      | 30,135,000 |
   | Accrued interest payable                                     | (2,753,703) |
   | Principal payments on leases                                 | 239,373 |
   | Bond Proceeds                                                | (231,241,829) |
   | **Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities** | (196,723,343) |

3. Decreases 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                                         | $(112,061) |
   | Workers compensation                                         | (358,469) |
   | Net OPEB liability                                           | 9,697,400 |
   | Pensions                                                    | (3,871,711) |
   | **Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities** | $5,355,159 |

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, 2018, the District held the following deposits and investments as categorized below:

| Investment Maturities (in years) | Investment in |  |
|----------------------------------|---------------|
|                                | Fair Value    | Less than 1 | 1 - 5 | More than 10 |  |
| Demand and certificate of deposits | $8,005,329    | $7,901,818  | 103,611 | -  |
| US Treasury Securities           | 135,127,546   | 90,877,522  | 43,869,192 | 380,832 |
| US Government Agency Securities  | 93,008,348    | 84,532,185  | 8,476,163 | -  |
| State and Local Government Securities | 49,716,463   | 13,478,253  | 21,959,968 | 14,278,242 |
| Money market funds               | 130,638,354   | 130,638,354 | -  | -  |
| **Totals**                       | $416,496,040  | $327,428,132 | 74,408,834 | $14,659,074 |

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 years maturities (with the exception of bond proceeds, described below); (2) requires the portfolio have no more than 15% in securities maturing in or having an average life of more than 5 years; (3) requires the portfolio have no more than 40% in securities maturing in or having an average life of more than 3 years; and (4) requires no more than 25% of the investment portfolio shall be of a non-liquid nature. Bond proceeds and reserve funds are managed in accordance with bond covenants and funding needs which could result in maturities longer than 7 years.
4. VALUATION ALLOWANCES

The District recognizes allowances for losses on accounts receivable and inventories. The allowance for receivables is based on an aging of receivables and includes accounts over 120 days. The Utility Fund recognized an allowance at September 30, 2018 in the amount of $14,690. The expense associated with this allowance is recognized as an offset to utility revenues.

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October 1, 2018</td>
<td>October 30, 2018</td>
<td></td>
<td>September 30, 2018</td>
</tr>
</tbody>
</table>

### Governmental Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capital Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$2,740,642</td>
<td>-</td>
<td>$2,740,642</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>183,824,545</td>
<td>152,340,754</td>
<td>247,228,384</td>
</tr>
<tr>
<td>Total Capital Assets, not being depreciated</td>
<td>326,085,956</td>
<td>84,416,990</td>
<td>181,502,566</td>
</tr>
<tr>
<td>Capital Assets, being depreciated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>191,573,765</td>
<td>4,672,778</td>
<td>196,246,543</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>31,679,794</td>
<td>3,029,431</td>
<td>34,709,225</td>
</tr>
<tr>
<td>Total Capital Assets, being depreciated</td>
<td>223,253,559</td>
<td>7,702,209</td>
<td>230,955,768</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>23,129,346</td>
<td>5,600,082</td>
<td>27,729,428</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>24,563,740</td>
<td>2,921,575</td>
<td>27,485,315</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>48,693,086</td>
<td>8,521,657</td>
<td>57,214,743</td>
</tr>
<tr>
<td>Total Capital Assets, being depreciated, net</td>
<td>175,170,463</td>
<td>(819,448)</td>
<td>174,351,015</td>
</tr>
</tbody>
</table>

### Business-type Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capital Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>326,085,956</td>
<td>26,288,715</td>
<td>352,374,671</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>223,253,559</td>
<td>84,416,990</td>
<td>307,670,549</td>
</tr>
<tr>
<td>Buildings</td>
<td>191,573,765</td>
<td>4,672,778</td>
<td>196,246,543</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>31,679,794</td>
<td>3,029,431</td>
<td>34,709,225</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>45,122,088</td>
<td>1,522,276</td>
<td>46,644,364</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>45,122,088</td>
<td>1,522,276</td>
<td>46,644,364</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>476,494,291</td>
<td>20,365,919</td>
<td>496,860,210</td>
</tr>
<tr>
<td>Total Capital Assets, being depreciated, net</td>
<td>223,544,247</td>
<td>(1,239,059)</td>
<td>222,305,188</td>
</tr>
</tbody>
</table>

During the year, the Enterprise Fund expensed interest costs totaling $4,780,012.

The District regularly reviews the feasibility of ongoing capital projects and may write-off immaterial amounts as needed.
6. LEASE OF ASSETS

Capital leases – Governmental activities

In fiscal years 2015 and 2016, the District entered into leasing agreements for 911 emergency communications equipment. The terms of the lease are such that the District is capitalizing them. This year, $634,218 was included in depreciation expense for 911 equipment.

The following is a schedule of future minimum lease payments of $251,589 for 911 equipment assets capitalized under lease agreements, and the present value of the minimum lease payments as of September 30, 2018:

<table>
<thead>
<tr>
<th>Fiscal Year Ending September 30</th>
<th>911 Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$251,589</td>
</tr>
</tbody>
</table>

| Total Minimum Lease Payments     | $251,589       |
| Less Amount Representing Interest| 6,184          |
| Present Value of Minimum Lease Payments | $245,405 |

7. INTERFUND RECEivable AND PAYABLE Balances AND TransfERS

Interfund receivable and payable balances as of September 30, 2018 are as follows:

<table>
<thead>
<tr>
<th>Interfund Receivables (Due from)</th>
<th>Interfund Payables (Due to)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$169,995</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$1,086,223</td>
</tr>
<tr>
<td>Utility Fund</td>
<td>$1,256,218</td>
</tr>
<tr>
<td></td>
<td>$1,256,218</td>
</tr>
</tbody>
</table>

Interfund transfers consisted of a transfer to the Utility Fund from the General Fund to subsidize the operations of Environmental Sciences. The transfers were as follows:

<table>
<thead>
<tr>
<th>Interfund Transfers In</th>
<th>Interfund Transfers Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$4,534,581</td>
</tr>
<tr>
<td>Utility Fund</td>
<td>$4,534,581</td>
</tr>
</tbody>
</table>

8. LONG – TERM DEBT

A. Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

<table>
<thead>
<tr>
<th>Governmental activities:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October 1, 2017</td>
<td></td>
<td></td>
<td>September 30, 2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>October 1, 2017</td>
<td></td>
<td></td>
<td>September 30, 2018</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds:</td>
<td>$12,955,000</td>
<td>-$</td>
<td>(6,390,000)</td>
<td>$6,565,000</td>
<td>$6,565,000</td>
</tr>
<tr>
<td>2013A Ad Valorem Refunding</td>
<td>344,960,000</td>
<td>-</td>
<td></td>
<td>344,960,000</td>
<td></td>
</tr>
<tr>
<td>2013B Ad Valorem Refunding</td>
<td>29,765,000</td>
<td>-</td>
<td>(3,755,000)</td>
<td>26,010,000</td>
<td>3,905,000</td>
</tr>
<tr>
<td>2015A Ad Valorem Refunding</td>
<td>32,035,000</td>
<td>-</td>
<td>(11,240,000)</td>
<td>21,295,000</td>
<td>6,320,000</td>
</tr>
<tr>
<td>2016A Ad Valorem</td>
<td>165,500,000</td>
<td>-</td>
<td></td>
<td>165,500,000</td>
<td>1,655,000</td>
</tr>
<tr>
<td>2017A Bond Anticipation Note</td>
<td>8,750,000</td>
<td>-</td>
<td>(8,750,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017A Ad Valorem</td>
<td>-</td>
<td>$199,375,000</td>
<td>-</td>
<td>198,375,000</td>
<td>6,035,000</td>
</tr>
<tr>
<td>Deferred amounts:</td>
<td>48,431,883</td>
<td>31,866,829</td>
<td>(7,132,735)</td>
<td>74,165,977</td>
<td>-</td>
</tr>
<tr>
<td>Total long-term bonds payable:</td>
<td>643,896,883</td>
<td>231,241,829</td>
<td>(37,267,735)</td>
<td>837,870,977</td>
<td>24,480,000</td>
</tr>
<tr>
<td>Compensated absences:</td>
<td>2,901,499</td>
<td>111,340</td>
<td>-</td>
<td>3,012,839</td>
<td>1,653,304</td>
</tr>
<tr>
<td>Capital leases:</td>
<td>484,778</td>
<td>-</td>
<td>(239,373)</td>
<td>245,405</td>
<td>245,405</td>
</tr>
<tr>
<td>Self insurance liability:</td>
<td>5,095,998</td>
<td>313,364</td>
<td>-</td>
<td>3,409,622</td>
<td>811,090</td>
</tr>
<tr>
<td>Net pension liability:</td>
<td>50,203,614</td>
<td>34,808,312</td>
<td>(29,910,949)</td>
<td>55,100,977</td>
<td>-</td>
</tr>
<tr>
<td>Net OPEB obligation:</td>
<td>30,657,000</td>
<td>-</td>
<td>(30,657,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net OPEB liability:</td>
<td>30,657,000</td>
<td>$61,219,452</td>
<td>(15,046,853)</td>
<td>46,172,599</td>
<td>-</td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td>$731,239,372</td>
<td>$837,870,977</td>
<td>($37,267,735)</td>
<td>$945,811,759</td>
<td>21,189,799</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business-type activities:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Bonds:</td>
<td>$1,200,000</td>
<td>-</td>
<td>-</td>
<td>$1,200,000</td>
<td>-</td>
</tr>
<tr>
<td>2011-1 Utility Refunding</td>
<td>30,000,000</td>
<td>-</td>
<td>30,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2013-1 Utility Refunding</td>
<td>50,765,000</td>
<td>-</td>
<td>(3,860,000)</td>
<td>46,905,000</td>
<td>4,055,000</td>
</tr>
<tr>
<td>2013-2 Utility Refunding</td>
<td>40,400,000</td>
<td>-</td>
<td>(27,495,000)</td>
<td>12,905,000</td>
<td>12,015,000</td>
</tr>
<tr>
<td>2015-1 Utility</td>
<td>30,080,000</td>
<td>-</td>
<td>-</td>
<td>30,080,000</td>
<td>-</td>
</tr>
<tr>
<td>2015-2 Utility Refunding</td>
<td>16,260,000</td>
<td>-</td>
<td>(720,000)</td>
<td>15,540,000</td>
<td>740,000</td>
</tr>
<tr>
<td>2018-1 Utility</td>
<td>-</td>
<td>28,230,000</td>
<td>-</td>
<td>28,230,000</td>
<td>-</td>
</tr>
<tr>
<td>2018-2 Utility</td>
<td>-</td>
<td>19,750,000</td>
<td>-</td>
<td>19,750,000</td>
<td>-</td>
</tr>
<tr>
<td>Deferred amounts:</td>
<td>5,681,371</td>
<td>4,408,307</td>
<td>(2,435,877)</td>
<td>8,653,001</td>
<td>-</td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td>$174,386,371</td>
<td>$837,870,977</td>
<td>($37,267,735)</td>
<td>$191,263,607</td>
<td>16,810,000</td>
</tr>
</tbody>
</table>
A. Changes in long-term liabilities – Continued

General Obligation Bonds Payable

2011A Ad Valorem Tax Refunding Bonds – In April 2011, the District issued $47,715,000 Ad Valorem Refunding Bonds at an interest rate of 2.75%. The proceeds were used for the advance refunding of the 2001A Ad Valorem Tax Bonds.

2013A Ad Valorem Tax Bonds – In September 2013, the District issued $344,960,000 Ad Valorem Tax Bonds at interest rates of 4.5% to 5.25%, interest only until June 2020. The proceeds will be used to finance the costs to design, construct, equip and improve roadways and parking facilities within and outside the District.

2013B Ad Valorem Tax Refunding Bonds – In September 2013, the District issued $40,950,000 Ad Valorem Refunding Bonds at interest rates of 4.0% to 5.0%. The proceeds were used for the advance refunding of the 2004A and 2004B Ad Valorem Tax Bonds maturing on and after June 1, 2015.

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 are being 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 are being used to finance additional transportation projects and were also used to retire the District’s 2017 Bond Anticipation Note.

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

2011-1 Utilities Revenue Refunding Bonds – In August 2011, the District issued $1,200,000 Utilities Revenue Refunding Bonds at an interest rate of 2.93%, interest only due until October 2019. The proceeds were used for the advance refunding of the 1997-1 Utilities Revenue Bonds outstanding after October 1, 2010.

2011-2 Utilities Revenue Bonds – In December 2011, the District issued $30,000,000 Utilities Revenue Bonds at an interest rate of 3.49%, interest only due until October 2020. The proceeds are being used to pay for construction and acquisition of improvements to the utility systems.

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.

2013-2 Utilities Revenue Refunding Bonds – In July 2013, the District issued $111,595,000 Utilities Revenue Refunding Bonds at an interest rate of 1.710%. The proceeds were used for the advance refunding of the 2003-2 Utilities Revenue Bonds.

2015-1 Utilities Revenue Bonds – In March 2015, the District issued $30,080,000 Utilities Revenue Bonds at an interest rate of 1.83%, interest only due until October 2020. The proceeds are being used to pay for construction and acquisition of improvements to the utility systems.

2015-2 Utilities Revenue Refunding Bonds – In July 2015, the District issued $20,300,000 Utilities Revenue Refunding Bonds at interest rates of 3.0% to 5.0%. The proceeds were used to refund the 2005-2 Utilities Revenue Refunding Bonds.

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.

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 Enterprise Fund.
8. LONG – TERM DEBT – Continued

A. Changes in long-term liabilities – Continued

(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.

B. Annual Debt Service Requirements

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

<table>
<thead>
<tr>
<th>Year Ended September 30,</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$24,480,000</td>
<td>$37,070,862</td>
</tr>
<tr>
<td>2020</td>
<td>$25,520,000</td>
<td>$35,994,740</td>
</tr>
<tr>
<td>2021</td>
<td>$26,755,000</td>
<td>$34,759,290</td>
</tr>
<tr>
<td>2022</td>
<td>$28,075,000</td>
<td>$33,439,090</td>
</tr>
<tr>
<td>2023</td>
<td>$29,420,000</td>
<td>$32,094,990</td>
</tr>
<tr>
<td>2024-2028</td>
<td>$170,605,000</td>
<td>$136,960,170</td>
</tr>
<tr>
<td>2029-2033</td>
<td>$217,175,000</td>
<td>$90,386,388</td>
</tr>
<tr>
<td>2034-2038</td>
<td>$241,675,000</td>
<td>$33,068,250</td>
</tr>
<tr>
<td>Total</td>
<td>$763,705,000</td>
<td>$431,773,780</td>
</tr>
</tbody>
</table>

Current portion (24,480,000)
Deferred amounts:
Discount/Premium 74,165,977
Long-term bonds payable $813,390,977

8. LONG – TERM DEBT – Continued

A. Annual Debt Service Requirements – Continued

<table>
<thead>
<tr>
<th>Year Ended September 30,</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$16,810,000</td>
<td>$6,376,795</td>
</tr>
<tr>
<td>2020</td>
<td>$21,150,000</td>
<td>$6,237,291</td>
</tr>
<tr>
<td>2021</td>
<td>$24,900,000</td>
<td>$5,369,042</td>
</tr>
<tr>
<td>2022</td>
<td>$25,630,000</td>
<td>$4,617,442</td>
</tr>
<tr>
<td>2023</td>
<td>$15,650,000</td>
<td>$3,902,729</td>
</tr>
<tr>
<td>2024-2028</td>
<td>$55,275,000</td>
<td>$9,901,231</td>
</tr>
<tr>
<td>2029-2033</td>
<td>$9,025,000</td>
<td>$7,14,375</td>
</tr>
<tr>
<td>2034-2038</td>
<td>$11,510,000</td>
<td>$2,159,250</td>
</tr>
<tr>
<td>2039</td>
<td>$2,660,000</td>
<td>$68,500</td>
</tr>
<tr>
<td>Total</td>
<td>$182,610,000</td>
<td>$43,344,655</td>
</tr>
</tbody>
</table>

Current portion (16,810,000)
Deferred amounts:
Discount/Premium 8,653,801
Long-term bonds payable $174,453,801

9. TRANSACTIONS WITH PRINCIPAL LANDOWNERS

During fiscal 2018, 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 $2,039,971.
(2) The operation and maintenance of various District water control facilities amounted to $381,286.
(3) The maintenance of certain right of ways and District property within the District amounted to $128,850.
(4) Services provided to construction projects amounted to $79,088.

At September 30, 2018, the General Fund included accounts payable of $594,209 and accounts receivable of $65,083, and the Capital Projects Fund included accounts payable of $3,832 and accounts receivable of $51,590, 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 85% of the total taxable assessed value within the District for the year ended September 30, 2018.
9. TRANSACTIONS WITH PRINCIPAL LANDOWNERS – Continued

Enterprise Fund

(1) Financial and other administrative services amounted to $150,767.
(2) The management and construction of various capital improvements amounted to $1,108,703.
(3) The District has a labor services agreement totaling $30,371,016, which includes operation and maintenance of the utility system and planned work expenses. In addition, the District incurred $3,348,888 in labor for capital improvements and $3,911 in labor for mosquito control.

At September 30, 2018 the Enterprise Fund had accounts receivable of $15,171,618 and accounts payable of $7,729,495 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 80% of total utility revenues for the year ended September 30, 2018.

10. RETIREMENT SYSTEM

General Information - All full-time employees of the District participate in the FRS, administered by the State of Florida (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 State of Florida 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

10. RETIREMENT SYSTEM – Continued

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:

<table>
<thead>
<tr>
<th>Class</th>
<th>Enrolled prior to July 1, 2011</th>
<th>Vested 6 years</th>
<th>Normal retirement age</th>
<th>Retirement benefit</th>
<th>Enrolled on or after July 1, 2011</th>
<th>Vested 6 years</th>
<th>Normal retirement age</th>
<th>Retirement benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>8 years</td>
<td>6 years</td>
<td>earlier of 35 years of credited service or attainment of age 65</td>
<td>1% of average final compensation for each year of credited service</td>
<td>8 years</td>
<td>6 years</td>
<td>earlier of 30 years of credited service or attainment of age 65</td>
<td>1% of average final compensation for each year of credited service</td>
</tr>
<tr>
<td>Sensor/Management</td>
<td>8 years</td>
<td>6 years</td>
<td>earlier of 35 years of credited service or attainment of age 65</td>
<td>1% of average final compensation for each year of credited service</td>
<td>8 years</td>
<td>6 years</td>
<td>earlier of 30 years of credited service or attainment of age 65</td>
<td>1% of average final compensation for each year of credited service</td>
</tr>
<tr>
<td>Special Risk</td>
<td>8 years</td>
<td>6 years</td>
<td>earlier of 35 years of credited service or attainment of age 65</td>
<td>1% of average final compensation for each year of credited service</td>
<td>8 years</td>
<td>6 years</td>
<td>earlier of 30 years of credited service or attainment of age 65</td>
<td>1% of average final compensation for each year of credited service</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>8 years</td>
<td>6 years</td>
<td>earlier of 35 years of credited service or attainment of age 65</td>
<td>1% of average final compensation for each year of credited service</td>
<td>8 years</td>
<td>6 years</td>
<td>earlier of 30 years of credited service or attainment of age 65</td>
<td>1% of average final compensation for each year of credited service</td>
</tr>
</tbody>
</table>

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 five percent 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 DROP (Deferred Retirement Option Program), which effectively allows them to work with a FRS employer for up to 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROD 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 14.72% of covered employee payroll during the year. The District’s contributions to FRS for the year ended September 30, 2018 were $4,642,954. Employee contributions to FRS for the year ended September 30, 2018 were $875,536. Contributions made and accrued were equal to the required contributions for each year.
10. RETIREMENT SYSTEM – Continued

Pension Plan – Continued

The FRS has numerous classes of membership (of which District employees qualify in five classes) with descriptions and employer contribution rates in effect at September 30, 2018 as follows:

- **Regular Class** - Members not qualifying for other classes (8.26%).
- **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 (24.50%).
- **Special Risk Administrative Support Class** – Special risk employees who are transferred or reassigned to a non-special risk position (34.98%).
- **Senior Management Service Class** - Qualifying member of senior management (24.06%).
- **Deferred Retirement Option Program (DROP)** – Participating members of the program, not to exceed 60 months (14.03%).

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At September 30, 2018, the District reported a liability of $44,950,699 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The District’s proportion of the net pension liability was based on historical employer contributions. At June 30, 2018, the District’s proportionate share was .14924%, which was an increase of .01074% from its proportionate share measured as of June 30, 2017.

For the year ended September 30, 2018, the District recognized pension expense of $7,757,800. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$3,808,000</td>
<td>$1,138,213</td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>14,687,702</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on Pension Plan investments</td>
<td>-</td>
<td>3,472,990</td>
</tr>
<tr>
<td>Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions</td>
<td>2,879,793</td>
<td>1,176,375</td>
</tr>
<tr>
<td>District Pension Plan contributions subsequent to the measurement date</td>
<td>1,080,123</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$22,455,818</td>
<td>$4,787,578</td>
</tr>
</tbody>
</table>

The deferred outflows of resources related to the Pension Plan, totaling $1,080,123 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 2019. 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:

- Inflation: 2.60%
- Salary increases: 3.25% average, including inflation
- Investment rate of return: 7.00% net of pension plan investment expense and inflation

**Actuarial Assumptions** – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

- Inflation: 2.60%
- Salary increases: 3.25% average, including inflation
- Investment rate of return: 7.00% net of pension plan investment expense and inflation

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

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 7.00% consists of two building block components: 1) a real (in excess of inflation) return of 4.40%, consistent with the currently articulated real return target in the current Florida State Board of Administration’s investment policy, and 2) a long-term average annual inflation assumption of 2.60% as adopted 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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation (1)</th>
<th>Annual Arithmetic Return</th>
<th>Annual Geometric Return</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1.0%</td>
<td>2.9%</td>
<td>2.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>18.0%</td>
<td>4.4%</td>
<td>4.3%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>54.0%</td>
<td>7.6%</td>
<td>6.3%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>11.0%</td>
<td>6.6%</td>
<td>6.2%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>10.0%</td>
<td>10.7%</td>
<td>7.8%</td>
<td>26.5%</td>
</tr>
<tr>
<td>Strategic Investments</td>
<td>6.0%</td>
<td>6.0%</td>
<td>5.7%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Assumed Inflation - Mean 2.6% 1.9%

(1) As outlined in the Pension Plan’s investment policy
10. RETIREMENT SYSTEM – Continued

Pension Plan – Continued

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. 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 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

<table>
<thead>
<tr>
<th>Percentage Change</th>
<th>Discount Rate</th>
<th>District’s proportionate share of the net pension liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease</td>
<td>(0.00%)</td>
<td>$82,036,912 $44,950,699 $14,148,408</td>
</tr>
<tr>
<td>1% Increase</td>
<td>(8.00%)</td>
<td></td>
</tr>
</tbody>
</table>

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 Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2018, the District reported a payable in the amount of $533,120 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2018.

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, 2018, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 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, 2018, the HIS contribution was 1.66%. 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the District reported a liability of $10,150,278 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, 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 2017-18 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District’s proportionate share was .09590%, which was an increase of .00952% percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the District recognized pension expense of $971,752. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$155,396</td>
<td>$17,245</td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>1,128,836</td>
<td>1,073,172</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on HIS Plan investments</td>
<td>6,127</td>
<td>-</td>
</tr>
<tr>
<td>Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions</td>
<td>1,176,806</td>
<td>31,420</td>
</tr>
<tr>
<td>District HIS contributions subsequent to the measurement date</td>
<td>127,646</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,594,811</strong></td>
<td><strong>$1,121,837</strong></td>
</tr>
</tbody>
</table>

The deferred outflows of resources related to the HIS Plan, totaling $127,646 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in fiscal year 2019. 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$939,603</td>
</tr>
<tr>
<td>2020</td>
<td>936,127</td>
</tr>
<tr>
<td>2021</td>
<td>655,820</td>
</tr>
<tr>
<td>2022</td>
<td>147,300</td>
</tr>
<tr>
<td>2023</td>
<td>(914,333)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>(419,189)</td>
</tr>
</tbody>
</table>
10. RETIREMENT SYSTEM – Continued

HIS Plan – Continued

Actuarial Assumptions – The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.60%
- Salary increases: 3.25% average, including inflation
- Municipal bond rate: 3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 3.87%. 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 3.87%, 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 (2.87%) or one percentage point higher (4.87%) than the current rate:

<table>
<thead>
<tr>
<th>Change in Discount Rate</th>
<th>District’s Proportionate Share of Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease</td>
<td>$11,560,571</td>
</tr>
<tr>
<td>1% Increase</td>
<td>$10,150,278</td>
</tr>
<tr>
<td>2.87%</td>
<td>$8,974,716</td>
</tr>
</tbody>
</table>

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 Comprehensive Annual Financial Report.

Payables to the HIS Plan - At September 30, 2018, the District reported a payable in the amount of $50,152 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

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 Comprehensive Annual Financial Report.

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 of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2017-18 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, and Senior Management Service class 7.67%.

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 the 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 will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member 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.
11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description - The District provides OPEB through the 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.

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. Benefits are currently paid through operations and a VEBA Trust was established and funded in fiscal year 2018 to cover future benefits. The Trustee is US Bank.

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, 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.

Employees covered by benefit terms – At September 30, 2018, the following employees were covered by the benefit terms:

- Inactive employees or beneficiaries currently receiving benefit payments: 115
- Inactive employees entitled to but not yet receiving benefit payments: 3
- Active employees: 379

Contributions – Contributions to the VEBA Trust are not codified or mandated but the District’s funding strategy is to contribute $1 million to the VEBA Trust per year for the next five years. Initial funding of the VEBA Trust in 2018 was $11 million, representing $1 million for fiscal year 2018 and $10 million that was set-aside in fiscal years 2010 through 2017. The District is paying current funding of the VEBA Trust in 2018 was $11 million, representing $1 million for fiscal year 2018 and $10 million that was set-aside in fiscal years 2010 through 2017.

Survivor income plan - The District also has a Survivor Income Plan for retirees that have met certain requirements during employment with the District. This benefit provides an equivalent of two times the participant’s final annual base salary at retirement to their designated beneficiary upon their death. To qualify for this benefit they must have reached the position of manager, director or administrator and be age 62 with 10 years (7 years for directors and administrators) of service or 25 years of service with no age requirement. The District has purchased certain life insurance policies that can, but are not required to be used to fund these obligations. The District currently has three retirees that meet these eligibility requirements. Benefit payments, if any, are paid from the general fund.

Investments

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 is 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. There is no target allocation by asset class but rather diversification restrictions, at the time of purchase (excluding U.S. Treasury Obligations and U.S. Agency Obligations), as follows:

- No more than 10% of the portfolio may be invested with any one issuer
- No more than 15% of the portfolio may be invested with any one bank
- No more than 25% of the portfolio may be invested with any one industry

The weighted average duration of the portfolio may not exceed 8 years and the portfolio shall be fully invested at all times. The Trustee’s performance is measured against a composite benchmark, which consists of Bloomberg Barclays’s 1-5 year Government index and Bloomberg Barclays US Treasury Intermediate index.

Custodial Credit Risk – The District’s investments are held by the Trustee in the District’s name.

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.

The District funded the VEBA Trust on September 27, 2018. At September 30, 2018 the VEBA Trust was invested 100% in a money market fund, First American Government Obligations Fund (FAGOF), with an arithmetic rate of return of 3.28%. Money market funds are valued at their most current NAV. Money market funds typically invest only in highly liquid cash and cash equivalent securities that have high credit ratings. There are no redemption or deposit restrictions related to these money market funds. This fund aims to maintain NAV of $1 per share. The FAGOF has a AAAm rating with Standard & Poor’s. At September 30, 2018, the FAGOF weighted-average maturity was 0.9 months and the FAGOF portfolio allocation was as follows:

<table>
<thead>
<tr>
<th>Portfolio Allocation</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Agency Debt</td>
<td>48.4%</td>
</tr>
<tr>
<td>U.S. Government Agency Repurchase Agreements</td>
<td>6.1%</td>
</tr>
<tr>
<td>U.S. Treasury Debt</td>
<td>1.1%</td>
</tr>
<tr>
<td>U.S. Treasury Repurchase Agreements</td>
<td>42.7%</td>
</tr>
<tr>
<td>Investment Companies</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
</tr>
</tbody>
</table>
11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – Continued

Net OPEB Liability

The District’s net OPEB liability was measured as of September 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the September 30, 2018 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation: 2.5 percent
- Salary increases: 3.5 percent, including inflation
- Investment rate of return: 3.62 percent (as of October 1, 2017); 4.19 percent (as of September 30, 2018), 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 .5 percent per year until reaching the ultimate trend rate.
  
<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Select</th>
<th>Ultimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Medicare Medical and Rx Benefits</td>
<td>7.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Medicare Benefits</td>
<td>6.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Stop Loss Fees</td>
<td>7.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Administrative Fees</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Dental</td>
<td>4.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Vision</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Mortality rates were based on the RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis.

The discount rate (long-term expected rate of return) was determined based on a crossover analysis, using the Bond Buyer 20 Bond GO index and the District’s investment vehicle. The discount rate used to measure the total OPEB liability was 4.19%. The projection of cash flows used to determine this discount rate assumed the District contributes $1 million to the trust annually until 2021. Based on these contributions, the OPEB plan’s fiduciary net position was projected to be available to make payments until 2026 (the crossover point) for current active and inactive employees. The long term expected rate of return for the trust (3.28%) is applied to payments through 2026. The discount rate applied to all payments after 2026 is 4.24% and represents the Bond Buyer 20 Bond GO index as of September 30, 2018.

Changes in Net OPEB Liability

<table>
<thead>
<tr>
<th>Plan</th>
<th>Total OPEB Liability</th>
<th>Fiduciary Net Position</th>
<th>Net OPEB Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a)</td>
<td>(b)</td>
<td>(a) - (b)</td>
</tr>
<tr>
<td>Balances at October 1, 2017</td>
<td>$61,219,452</td>
<td>$ -</td>
<td>$61,219,452</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>1,088,805</td>
<td>-</td>
<td>1,088,805</td>
</tr>
<tr>
<td>Interest</td>
<td>2,234,169</td>
<td>-</td>
<td>2,234,169</td>
</tr>
<tr>
<td>Changes in assumptions or other inputs</td>
<td>(5,845,660)</td>
<td>-</td>
<td>(5,845,660)</td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>- 12,521,768</td>
<td>(12,521,768)</td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>- 2,399</td>
<td>(2,399)</td>
<td></td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(1,521,768)</td>
<td>(1,521,768)</td>
<td></td>
</tr>
<tr>
<td>Net changes</td>
<td>(4,044,454)</td>
<td>11,002,399</td>
<td>(15,046,853)</td>
</tr>
<tr>
<td>Balances at September 30, 2018</td>
<td>$57,174,998</td>
<td>$11,002,399</td>
<td>$46,172,599</td>
</tr>
</tbody>
</table>

Plan fiduciary net position as a percentage of the total OPEB liability: 19.2%

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 (3.19%) or one percentage point higher (5.19%) than the current discount rate (rounded to the nearest thousand):

<table>
<thead>
<tr>
<th>1% Decrease</th>
<th>Discount Rate</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3.19%)</td>
<td>(4.19%)</td>
<td>(5.19%)</td>
</tr>
<tr>
<td>Net OPEB liability (asset)</td>
<td>$57,254,000</td>
<td>$46,173,000</td>
</tr>
</tbody>
</table>

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 (6.0% decreasing to 2.0%) or one percentage point higher (8.0% decreasing to 4.0%) than the current healthcare cost trend rates (rounded to the nearest thousand):

<table>
<thead>
<tr>
<th>1% Decrease</th>
<th>Cost Trend</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>(6.0%)</td>
<td>(7.0%)</td>
<td>(8.0%)</td>
</tr>
<tr>
<td>Net OPEB liability (asset)</td>
<td>$37,065,000</td>
<td>$46,173,000</td>
</tr>
</tbody>
</table>

Changes of assumptions or other inputs. Beginning of year total OPEB liability was calculated using a rollback approach in the transition year to GASB 75. The total OPEB liability as of October 1, 2017 assumed a discount rate of 3.62%. The discount rate used at September 30, 2018 was 4.19%. The change in discount rate was due to market rate changes and represents a $5.8 million decrease in the liability.
11. 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, 2018, the District recognized OPEB expense of $2,839,718. At September 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change of assumptions</td>
<td>$ -</td>
<td>$ 5,349,453</td>
</tr>
<tr>
<td>Total</td>
<td>$ -</td>
<td>$ 5,349,453</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Fiscal Year Ending September 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ (496,026)</td>
</tr>
<tr>
<td>2020</td>
<td>$ (496,026)</td>
</tr>
<tr>
<td>2021</td>
<td>$ (496,026)</td>
</tr>
<tr>
<td>2022</td>
<td>$ (496,026)</td>
</tr>
<tr>
<td>2023</td>
<td>$ (496,208)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$ (2,869,141)</td>
</tr>
</tbody>
</table>

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to theft, damage to and destruction of assets, torts, injuries to employees and natural disasters for which the District is self-insured and carries excess commercial insurance. The District retains risk up to a maximum of $1,000,000 for each worker’s compensation claim, $250,000 for each liability claim, $100,000 for most property damage claims, and $50,000 for criminal acts. The District purchases commercial insurance for claims in excess of risk retained. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2016, 2017 and 2018.

12. RISK MANAGEMENT – Continued

The District has established an Owner Controlled Insurance Program (OCIP) in connection with significant capital projects. The program will cease upon completion of the projects, estimated to be in 2020. The program provides associated General Liability and Workers Compensation coverage to eligible participants. The program is fully insured by purchased primary and excess liability insurance and is administered by a third party.

13. 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 $3,920,087 in settlement losses was recognized in fuel expense.

The following is a summary of the derivative fuel instruments of the Utility Fund as of September 30, 2018 which have been deemed effective and are recorded as deferred outflows.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Fair Value at September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Deferred outflows</td>
<td>$ 4,859,575$ (764,138)</td>
</tr>
<tr>
<td>Change in fair value</td>
<td>$ 4,095,437</td>
</tr>
<tr>
<td>Notional</td>
<td>18,343,766 MBTU</td>
</tr>
<tr>
<td>Maturity</td>
<td>FY 2019 - 2022</td>
</tr>
</tbody>
</table>

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.
14. 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 quoted prices in active markets for those securities. Level 2 investments were valued using quoted prices for similar assets in active markets, which were based on S&P pricing for municipal securities. Money market funds are valued at their most current NAV. Money market funds typically invest only in highly liquid cash and cash equivalent securities that have high credit ratings. There are no redemption or deposit restrictions related to these money market funds and the funds aim to maintain NAV of $1 per share. Cash and cash equivalents are carried at cost, which approximates fair value.

<table>
<thead>
<tr>
<th>Investments Measured at Fair Value</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury and Government Agency Securities</td>
<td>$228,135,894</td>
</tr>
<tr>
<td>State and Local Government Securities</td>
<td>$49,716,463</td>
</tr>
<tr>
<td>Total Investments at Fair Value</td>
<td>$277,852,357</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments Measured at NAV</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market Funds</td>
<td>$130,638,354</td>
</tr>
<tr>
<td>Total Investments Measured at Fair Value</td>
<td>$408,490,711</td>
</tr>
</tbody>
</table>

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 and 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 have been categorized as Level 2 inputs.

15. NET POSITION AND FUND BALANCE REPORTING

The Statement of Net Position for Governmental activities reflects a negative unrestricted net position of $101,076,839 primarily due to the District’s net pension liability and net OPEB liability, both of which amount to a combined $101 million. Also contributing is the financing, with long-term bonds of the District, certain roadways that were subsequently donated to the State of Florida and long-term bonds that were issued in order to contribute to Osceola County’s refinancing of their Transportation Improvement Bonds (Osceola Parkway). The roadways are not assets of the District, however the remaining debt, amounting to $34,498,486 at September 30, 2018, associated with the roadways is a liability of the District. All of the bonds are Ad Valorem Tax bonds secured by an irrevocable lien on the ad valorem taxes collected by the District.

Governmental Fund Balances

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

- General Fund - Funds restricted for capital projects by contracts with developers of property, outside of the District, for ongoing maintenance of the District’s drainage system.
- 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.

As of September 30, 2018, the District’s Board of Supervisors authorized a budget of approximately $415 million for current or in-process major transportation and other construction projects. Executed construction commitments associated with these projects approximated $302 million and of this amount, approximately $247 million was spent as of September 30, 2018.

16. COMMITMENTS AND CONTINGENCIES

Construction

As of September 30, 2018, the District’s Board of Supervisors authorized a budget of approximately $415 million for current or in-process major transportation and other construction projects. Executed construction commitments associated with these projects approximated $302 million and of this amount, approximately $247 million was spent as of September 30, 2018.

Purchased Power and Gas

The District has entered into Purchase Power Agreements (PPA) with public and private entities throughout Florida for the purchase and sale of power at wholesale rates, and associated transmission service. Some of the PPAs require the District to pay reservation charges for capacity. The District’s budgeted minimum commitment for fiscal year 2018 reservation charges under the agreements was approximately $9,974,800. There are no requirements for the District to sell wholesale power or reserve capacity for wholesale sales. Initial terms of the agreements expire in fiscal years 2019, 2020, 2021 and 2024, with various provisions for renewal or cancellation by both parties.

On September 13, 2015, the District entered into a Service Agreement for Network Integration Transmission Service with Duke Energy for the period January 1, 2016 through December 31, 2020. The District’s budgeted transmission commitment for fiscal year 2018 under the agreement was approximately $8,027,305.
16. COMMITMENTS AND CONTINGENCIES – Continued

On May 27, 2015, the District entered into a Purchase Power Agreement with Duke Energy for the purchase of solar energy. The agreement is for a term of 15 years with a total commitment of the District to purchase approximately 109,000 MWh at a rate of $68.95/MWh, or approximately $7,515,550.

Similarly, the District is obligated to purchase minimum pipeline capacity to transport natural gas under two agreements with Florida Gas Transmission Company ("FGTCl"), and a gas transportation and supply agreement dated January 25, 2012 with Peoples Gas System (PGS). Minimum payments for natural gas under these agreements were budgeted at approximately $3,623,424 for fiscal year 2018. The terms of the FGTCl agreements expire in the year 2025, and the term of the PGS agreement expires in the year 2026.

The District has entered into forward contracts for specified periods of time to purchase natural gas at either specified prices in the future or prices that fluctuate within ceiling and floor amounts. The District enters into these contracts to help plan its natural gas costs for the year and to protect itself against an increase in the market price of the commodity. It is possible that 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 committed to buy. This would reduce or increase the value of the contracts. The District would have options with respect to holding the forward contracts. The District is also exposed to the failure of the counterparty to fulfill the contracts. The terms of the contracts included provisions for recovering the cost in excess of the guaranteed price from the counterparty should the District have to procure natural gas on the open market.

Harvest Power Agreements

In December 2011, the District entered into a lease agreement with Harvest Power Orlando, LLC to provide District-owned land to Harvest Power for the construction and operation of an anaerobic digestion facility, which converts organic waste into electrical energy and fertilizer. The term of the lease is for 20 years. In addition to the lease, the District entered into the following project agreements with Harvest Power:

- "Waste Supply Agreement" describes the process, quality and amounts of organic waste to be provided to Harvest Power, operational requirements related to the facility, and fees to be paid to Harvest Power to accept and process the District's organic waste.
- "Power Purchase Agreement" describes the sale of electrical energy to the District and the fees to be paid to Harvest Power to purchase the energy.
- "Effluent Pre-Treatment Agreement" describes the quality and delivery of liquid effluent produced from the digestion facility to the District for treatment at the District's waste water treatment plant, and the compensation to be paid to the District by Harvest Power.

Concurrency Management Agreement

On December 7, 1995, pursuant to a Concurrency Management Agreement dated February 28, 1994, between the District and Osceola County, the District issued the 1995C Ad Valorem Tax Bonds, in order to fund certain road improvements and interchanges in the vicinity of U.S. Route 192, World Drive and Interstate 4. The Bonds were subsequently refunded by the District’s 2005B Bonds, however, the refunding did not affect the terms of the original agreement.

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16. COMMITMENTS AND CONTINGENCIES – Continued

Osceola County agreed to participate in such financing by reimbursing the District for a portion of the debt service on the Bonds. However, such payments by Osceola County are not pledged to collateralize the District’s Ad Valorem Tax Bonds. The District expects to receive from Osceola County approximately $20,800,000 in total to be paid in various annual installments over the term of the bonds. The maximum annual payments are calculated based on growth in certain areas of the County affected by the improvements and are subject to annual appropriation by the County.

The District records the annual payments as Intergovernmental Revenue when received from the County. Osceola County paid to the District $819,646 during the fiscal year.

Osceola Parkway Agreement

In July of 1992, Osceola County issued $149,999,313 Osceola County, Florida Transportation Improvement Bonds ("the Prior Osceola Bonds") for the construction of the Osceola Parkway, a toll road constructed to improve the transportation systems in certain areas of Osceola County and the District. In connection with the issuance of the bonds, the District entered into a Bond Guarantee Agreement which required the District to make certain funds available for debt service on the bonds if operations of the toll road were insufficient to meet scheduled debt service. Amounts paid by the District were to be reimbursed to the District by Osceola County. This obligation was junior and subordinate to all outstanding Ad Valorem Tax Bonds of the District.

In 2003 the District wrote off $23,368,613 in amounts previously advanced and recorded as receivables from Osceola County under the Bond Guarantee Agreement in connection with its entrance into the transactions described below.

In January 2004, the District entered into an Amended and Restated Bond Guarantee Agreement in connection with the issuance of the Reedy Creek Improvement District Series 2004A Ad Valorem Tax Bonds ("2004A Bonds") in the amount of $63,520,000. These bonds were issued to refinance, together with proceeds from $110,935,000 Osceola County Transportation Improvement Refunding Bonds ("Refunded Bonds"), the Prior Osceola Bonds.

In September 2013, the District issued the 2013B Ad Valorem Tax Refunding Bonds in the amount of $40,950,000. These bonds were issued to refinance, in part, the 2004A Bonds.

In September 2014, Osceola County issued $80,100,000 Osceola County, Florida Transportation Improvement Refunding Bonds ("the 2014 Bonds") to refinance the Refunded Bonds. The District entered into a new Bond Guarantee Agreement. The District’s obligation to make payments required by the Bond Guarantee Agreement is subordinate to all outstanding Ad Valorem Tax Bonds of the District. Osceola County has agreed to repay from excess toll revenues, if any, when they become available, the 1) debt service of the District’s 2013B Ad Valorem Tax Refunding Bonds, 2) any guarantee payments that are required, along with 3) accrued interest. These payments will terminate upon the earlier of repayment in full or April 1, 2034. The related agreements have been authorized by the District’s Board of Supervisors and the County’s Board of County Commissioners. The District received $5,082,389 from Osceola County during fiscal year 2018.
16. COMMITMENTS AND CONTINGENCIES – Continued

A. 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 are made to them upon receipt of 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 through June 30, 2020. The agreement, as amended, requires the District to contribute 18.2% of the total costs until June 30, 2020. As of September 30, 2018, the District has paid $859,953 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 Second Amendment approved in August 2015, the Water Coop became the contract manager and the District’s payments are made to them. The agreement, as amended, requires the District to contribute $394,279 for this work. As of September 30, 2018, the District has paid $392,460.

In December 2014, the District entered into a cost sharing agreement with the City of St. Cloud, TWA and Orange and Polk Counties to jointly share in the cost of monitoring Reedy Creek water level data near Loughman Station in Osceola County. The City of St. Cloud is the contract manager and the District’s payments are made to them. The District’s share is set at $3,603.60 annually. As of September 30, 2018, the District has paid $10,888 for this work.

In March 2015, the District entered into an agreement with the City of St. Cloud, TWA, and Orange and Polk Counties to jointly participate in regional cooperation for a central Florida impacts monitoring program. The Orange County is the contract manager and the District’s payments are made to them. The agreement requires the District to contribute up to $76,179 for this effort. As of September 30, 2018, the District has paid $12,259.

B. Litigation and Other Claims
Various suits and claims arising in the ordinary course of operations are pending against the District. Several suits involve FS Orlando, LLC and FS Orlando Golf, LLC (“Plaintiffs”) naming the Orange County Property Appraiser, the Orange County Tax Collector, the Florida Department of Revenue and the District as defendants. The Plaintiffs challenge the Orange County Property Appraiser’s valuation of three commercial parcels within the District, known collectively as the Four Seasons property, contesting the legality and validity of the 2015, 2016 and 2017 ad valorem tax assessments on the property. The Plaintiffs claim that the assessed values and market values of the Four Seasons property exceed just value and have been unlawfully over-assessed, and they have requested the court set aside the 2015, 2016 and 2017 assessments and resulting taxes to the extent they exceed the just and fair market value of such property. They have requested a refund of taxes paid in excess of the amount that would be owed on adjusted values. Because the District collects ad valorem taxes based upon the Orange County Property Appraiser’s assessed value, the District is named as a nominal defendant in the lawsuits. While the District anticipates an adjustment to the tax collections for fiscal year 2015, 2016 and 2017, we cannot predict the outcome of any of these cases.

17. RESTATEMENT
The District restated its 2017 ending net position in governmental activities with the implementation of GASB No. 75. Net position was restated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position October 1, 2017, previously reported</td>
<td>$138,296,046</td>
</tr>
<tr>
<td>Net position adjustment due to implementation of GASB 75</td>
<td>(30,562,452)</td>
</tr>
<tr>
<td>Net position October 1, 2017, restated</td>
<td>$107,733,594</td>
</tr>
</tbody>
</table>
REEDY CREEK IMPROVEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT INFRASTRUCTURE CAPITAL ASSETS
Year Ended September 30, 2018

1. Election to use Modified Approach

The District has elected to use the “Modified Approach” as defined by GASB Statement 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) annual or bi-annual (depending on the asset) condition assessment that is summarized using a numerical measurement scale; 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. We continually maintain the pavement by way of crack sealing, patching and applying preservative treatments as well as structural overlay work when warranted. This preventative maintenance substantially extends the useful life of asphaltic pavement and ensures the comfort and ride-ability of the network.

In an effort to ensure the quality of the District’s roadway network, the District performs an annual physical condition assessment of the public streets/roadways within its jurisdiction. The physical condition assessment was performed using the Road Manager Condition Evaluation test method. All 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. Ratings of 80 and above indicate the road is in excellent condition and no improvements are required; 60-79 are classified as good/satisfactory and a rating of 59 or below indicates poor condition. Currently, the majority of roads within the District have a PCI in excess of 80, a small percentage have a PCI rating that indicates surface work would be advisable, and less than 7% of the roads have a PCI of 59 or below.

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. Due to capital improvement projects within the District during 2018, no major roadway repairs were completed. Work previously identified is now scheduled for completion in fiscal year 2019.

In addition to major asphalt refurbishment, the District continued with routine maintenance and repairs throughout the roadway system. The 2018 work encompassed routine repairs of asphalt, shoulder protection as well as repair and replacement of guardrail and totaled $416,315.

Maintenance and Preservation Costs - Budget and Actual

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Costs</th>
<th>Actual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>$2,000,000</td>
<td>$2,620,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>1,644,673</td>
<td>35,000</td>
</tr>
<tr>
<td>Water Control Structures</td>
<td>1,903,000</td>
<td>1,448,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>416,315</td>
<td>635,227</td>
</tr>
<tr>
<td>Bridges</td>
<td>98,647</td>
<td>30,852</td>
</tr>
<tr>
<td>Water Control Structures</td>
<td>970,573</td>
<td>462,913</td>
</tr>
</tbody>
</table>
2. Basis for Condition Assessments and Targeted Condition Level – Continued

B. Bridges

There are currently 53 bridges within the District and all are inspected bi-annually by a Florida licensed Structural Engineer. Using the Florida Department of Transportation (FDOT) reporting system, the bridge deck, super-structure, substructure, and channel configuration are rated Excellent, Good or Poor. 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 four years, the District has again experienced major infrastructure expansion with an additional 18 bridges being placed into service. Preservation and maintenance of the bridges is an on-going activity resulting in the bridges being classified as either Excellent or Good condition.

Within recent years it has become apparent that the high volume of bus traffic along the District roadways was causing excess deterioration of the armor joints within the bridge decks. Although this deterioration was not critical and yielded no safety issues, it was an ongoing and costly maintenance issue. In an attempt to reduce these costs, a test program was implemented to find a better alternative for protecting these bridge joints. In 2008, the District began replacing failing armor joints with a new expansion joint system, which was better suited to withstand the types of traffic experienced within the District’s roadway system. The program has greatly reduced maintenance efforts, decreased maintenance costs, and is expected to extend the useful life of the bridge joints.

Eleven of the oldest bridges within the District were constructed utilizing a method of construction that is now obsolete. The construction method results in excessive cracking and spalling of the bridge deck. Although temporary repairs can be made to decelerate the damage, the only effective and permanent repair method for this condition is to replace the structure deck. Within the past three years, seven of these bridges were removed from service or underwent full deck replacement. At the conclusion of fiscal year 2018, four bridges remain that were constructed in this manner. The District has previously instituted enhanced monitoring of these bridges and will continue to do so until full deck replacement of the remaining structures is complete.

In fiscal year 2018, nine new bridges were constructed. Based on inspection results/recommendations, miscellaneous bridge repairs were completed at a cost of $98,647.

C. Water Control Structures

The Master Drainage System within the District is comprised of 66 river miles of canals and waterway. It incorporates 22 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 two 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 these structures began in the late 1980’s, thus many are approaching 50 years old. Despite their age, all are in working order and generally in good condition.

Structures are classified by their overall condition and are listed as Excellent, Good or Poor condition. This rating is generated by the annual inspection and condition assessment report. This 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, but must be scheduled & budgeted in a future year. Priority 2 repairs are those that can be addressed as routine monthly 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.

During fiscal year 2018, one Priority 1 repair was completed. Structure 410-B was rehabilitated and routine maintenance was conducted on the structures, levees and canals throughout the water control system. This work totaled $973,573.
### Other Postemployment Benefits - Year Ended September 30, 2018

#### Schedule of Changes in the District's Net OPEB Liability and Related Ratios - Fiscal Year 2018 *

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB liability</td>
<td>$1,088,805</td>
</tr>
<tr>
<td>Service cost</td>
<td>$2,234,169</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>(-5,845,660)</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>$1,521,768</td>
</tr>
<tr>
<td>Net change in total OPEB liability</td>
<td>(-4,044,454)</td>
</tr>
<tr>
<td>Total OPEB liability - 10/1/17</td>
<td>$61,219,452</td>
</tr>
<tr>
<td>Total OPEB liability - 9/30/18</td>
<td>$57,174,998</td>
</tr>
</tbody>
</table>

#### Plan Fiduciary Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - employer</td>
<td>$12,521,768</td>
</tr>
<tr>
<td>Net investment income</td>
<td>$2,399</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(-1,521,768)</td>
</tr>
<tr>
<td>Net change in plan fiduciary net position</td>
<td>$11,002,399</td>
</tr>
</tbody>
</table>

#### District's Net OPEB Liability as a Percentage of Covered-Employee Payroll

- $11,002,399
- 19.24%

### Schedule of District Contributions - Fiscal Year 2018 *

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$3,580,651</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>12,521,768</td>
</tr>
<tr>
<td>Contribution deficiency</td>
<td>$8,941,117</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$26,678,408</td>
</tr>
</tbody>
</table>

#### Notes to Schedule

- **Valuation Date:** September 30, 2018
- **Methods and assumptions used to determine contribution rates:**
  - Actuarial cost method: Entry Age Normal based on level percentage of projected salary in fiscal year 2018; Projected Unit Credit method used in all other years.
  - Amortization method: Experience/Assumptions gains and losses amortized over closed 11.9 years. Investment gains and losses amortized over 5 years.
  - 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 $1 million to the VEBA Trust per year for the next five years. Initial funding of the VEBA Trust in 2018 was $11 million plus benefits paid during 2018.
  - Inflation: 2.5 percent
  - Healthcare cost trend rates: 7 percent initial, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent
  - Salary increases: 3.5 percent, average
  - Investment rate of return: 3.62 percent (BOY); 4.19 percent (EOY)
  - Retirement age: Based on the 2017 Florida Retirement System Actuarial Valuation
  - Mortality: RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis
Pension Plan

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

<table>
<thead>
<tr>
<th>Florida Retirement System</th>
<th>Year Ended September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCID's proportion of the net pension liability (asset)</td>
<td>$10,150,278</td>
</tr>
<tr>
<td>RCID's proportionate share of the net pension liability</td>
<td>2.15%</td>
</tr>
<tr>
<td>RCID's covered-employee payroll</td>
<td>31,337,271</td>
</tr>
<tr>
<td>RCID's proportionate share of the net pension liability as a percentage of its covered employee payroll</td>
<td>44.44%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total plan liability</td>
<td>84.26%</td>
</tr>
</tbody>
</table>

* Amounts presented for each fiscal year were determined as of June 30. 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 the information becomes available.

Changes in assumptions

From 2017 to 2018, there were no changes in actuarial assumptions. The inflation rate is assumed at 2.60% and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return decreased from 7.10% in 2017 to 7.00% in 2018.

Changes in benefit terms

Effective July 1, 2011, employees were required to contribute 3% of their annual earnings on a pretax basis. At the same time, FRS reduced the employer contribution amounts. This accounts for the reduction in contributions as a percentage of covered employee payroll in 2012. Effective July 1, 2013, the legislature required employers to pay the full unfunded actuarial liability (UAL) contribution recommended by the actuary for all membership classes and DROP participants. For the two prior fiscal years, the legislature required only a portion of the UAL rate recommended by the actuary. This accounts for the increase in contributions in 2014.

HIS Plan

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

<table>
<thead>
<tr>
<th>Florida Retirement System</th>
<th>Year Ended September 30, 2018</th>
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</thead>
<tbody>
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</tbody>
</table>

* Amounts presented for each fiscal year were determined as of June 30. 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 the information becomes available.

Changes in assumptions

The municipal rate used to determine total pension liability increased from 3.58% in 2017 to 3.87% in 2018.

Changes in benefit terms

The District is not aware of any changes in benefit terms during the periods noted.
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

District Administrator, Deputy District Administrator, and
The Board of Supervisors
Reedy Creek Improvement District
Lake Buena Vista, Florida

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Reedy Creek Improvement District (the District) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated February 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 1, 2019
Report of Independent Auditors on Compliance

Board of Supervisors
Reedy Creek Improvement District
Lake Buena Vista, Florida

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Reedy Creek Improvement District (the District) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report, with unmodified opinions thereon, dated February 1, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with terms, covenants, provisions, or conditions of Sections 4.01-4.03, 5.01-5.17 and 6.01-6.02 of the Trust Indenture dated November 1, 1987, as amended and supplemented, with Sun Bank d.b.a. SunTrust, National Association (the Trustee), who assigned their rights and duties to US Bank, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District’s compliance with the above-referenced terms, covenants, provisions, or conditions of Sections 4.01-4.03, 5.01-5.17 and 6.01-6.02 of the Trust Indenture dated November 1, 1987, as amended and supplemented, with Sun Bank d.b.a. SunTrust, National Association (the Trustee), who assigned their rights and duties to US Bank, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Supervisors, management of the District, and the Trustee and is not intended to be and should not be used by anyone other than these specified parties.

February 1, 2019

Ernst & Young LLP

Report of Independent Auditors on Compliance

The Board of Supervisors
Reedy Creek Improvement District
Lake Buena Vista, Florida

We have examined management’s assertion that Reedy Creek Improvement District (the District) complied with Section 218.415, Florida Statutes, requiring the adoption of an investment policy that includes all of the requirements listed in Sections 218.415(1) through (15), Florida Statutes, and that the District’s investments were authorized by law and in accordance with its investment policy for the year ended September 30, 2018 as required by Section 218.415(17), Florida Statutes. Management is responsible for the District’s compliance with those requirements. Our responsibility is to express an opinion on management’s assertion about the District’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management’s assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District’s compliance with specified requirements.

In our opinion, management’s assertion that the District complied with the aforementioned requirements for the year ended September 30, 2018 is fairly stated, in all material respects.

This report is intended solely for the information and use of the District and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

February 1, 2019

Ernst & Young LLP
Report of Independent Auditors
on Applying Agreed-Upon Procedures

District Administrator, Deputy District Administrator, and Board of Supervisors
Reedy Creek Improvement District
Lake Buena Vista, Florida

We have performed the procedure enumerated below, which was agreed to by the management of the Reedy Creek Improvement District (the District), solely to assist you in evaluating management’s assertion that the District’s annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1), Florida Statutes, is in agreement with the annual audited financial statements for the District’s September 30, 2018 fiscal year end. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedure
We compared the financial information included in the District’s annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1), Florida Statutes, as of and for the year ended September 30, 2018 to the District’s annual audited financial statements for the 2018 fiscal year end.

Findings
We noted the financial information included in the District’s annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1), Florida Statutes, as of and for the year ended September 30, 2018 agreed with the District’s annual audited financial statements for the September 30, 2018 fiscal year end.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management’s assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

February 1, 2019

Ernst & Young LLP
Report of Independent Auditors
on Applying Agreed-Upon Procedures

District Administrator, Deputy District Administrator, and Board of Supervisors
Reedy Creek Improvement District
Lake Buena Vista, Florida

We have performed the procedures enumerated below, which were agreed to by the management of Reedy Creek Improvement District (the District), solely to assist you in evaluating management’s assertion that the District did not meet any of the indicators of financial emergency as enumerated in Section 218.503(1), Florida Statutes, as of or for the year ended September 30, 2018. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures

1. We read Section 218.503 (1), Florida Statutes, to identify the conditions for determining whether the District met any of the conditions of financial emergency as defined below:
   a. Failure within the same fiscal year in which due to pay short term loans or failure to make bond debt service or other long-term debt payments when due, as a result of lack of funds.
   b. Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of lack of funds.
   c. Failure to transfer at the appropriate time, taxes withheld on the income of employees, due to lack of funds.
   d. Failure to transfer at the appropriate time, employer and employer contributions for federal social security, and pension, retirement or benefit plan of an employee, due to lack of funds.
   e. Failure for one pay period to pay wages and salaries owed to employees or retirement benefits owed to former employees.

2. We inquired of management of the District whether any of the conditions of financial emergency listed above in 1 (a) through (e) occurred during the fiscal year ended September 30, 2018.

3. We read the minutes of the meetings of the District Board of Supervisors for the fiscal year ended September 30, 2018 and through the date of this Report to determine whether there was any discussion of whether any of the conditions of financial emergency listed in 1(a) through (e) above occurred.

4. We selected a sample of debt service payments for all bond and other long-term debt agreements during the District’s fiscal year ended September 30, 2018 to determine whether payments were being made when due. As part of our debt procedures, we confirmed 100% of the debt service payments (for each of the bonds outstanding) and verified the timeliness of debt service payments on a sample basis, noting no exceptions.

5. We selected a sample of income tax withholding payments, including FICA, made during the 2018 fiscal year to determine whether payments were being made when due. As part of our payroll tests of transactions, we verified the FICA deductions for 25 individuals during the year. As part of our testing, we verified the deductions were appropriate and traced the payment of the withholding taxes including employer and employee share of FICA for our selections and determined they were paid timely.

6. We selected a sample of contributions made to the District’s pension plan during the District’s fiscal year ended September 30, 2018 to determine whether payments were being made when due. As part of our payroll tests of transactions, we verified the FRS deductions for 25 individuals with FRS contributions during the year. As part of our testing, we verified the deductions were appropriate and traced the payment of the employer and employee contributions for each month containing our selections and determined they were paid to the Florida Retirement System timely.

7. We selected a sample of payrolls paid during the District’s fiscal year 2018 to determine whether payments to employees were being made when due. As part of our payroll procedures, we selected 25 employees. As part of our testing procedures, we obtained the payroll register for the respective pay period, identified our selection on the report, and agreed the total per the payroll register to the disbursement on the District’s bank account, without exception, in order to verify that the payment was timely made.

Findings

We noted no exceptions based on the procedures performed as indicated above that would qualify as a condition of financial emergency pursuant to Section 218.503 (1), Florida Statutes, for the District during the 2018 fiscal year.
We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management’s assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of District Administrator, Deputy District Administrator, and Board of Supervisors and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

February 1, 2019

Report of Independent Auditors on Applying Agreed-Upon Procedures

To the Board of Supervisors and Management of Reedy Creek Improvement District:

We have performed the procedures enumerated below, which were agreed to by the management of Reedy Creek Improvement District (the District), solely to assist you in evaluating management’s assertion that the District does not meet any of the indicators of deteriorating financial condition as enumerated in Section 218.39.5(b), Florida Statutes, as of September 30, 2018. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2018, and determined whether there were any individual governmental funds with a total fund balance deficit as of September 30, 2018. We also compared the total fund balance for the general fund as of September 30, 2018, as reported in the 2018 audited financial statements, to the total fund balance of the general fund as of September 30, 2017, as reported in the District’s audited financial statements as of and for the year ended September 30, 2017.

Finding

We noted no individual governmental funds with a total fund balance deficit as of September 30, 2018. We also noted that the total fund balance for the general fund decreased during the year ended September 30, 2018.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2018, and determined whether there were any individual governmental funds with a fund balance deficit in that portion of fund balance not classified as restricted, committed, or nonspendable as of September 30, 2018.
Finding

We noted no individual governmental funds with a fund balance deficit in that portion of fund balance not classified as restricted, committed, or nonspendable as of September 30, 2018.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2018, and determined whether there were any individual proprietary funds with a total net position deficit as of September 30, 2018.

Finding

We noted no individual proprietary funds with a total net position deficit as of September 30, 2018.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2018, and determined whether there was a total net position deficit in the governmental activities as reported in the entity-wide financial statements as of September 30, 2018.

Finding

We noted no total net position deficit in the governmental activities reported in the entity-wide financial statements as of September 30, 2018.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2018, and determined whether there was a total net position deficit in the business-type activities reported in the entity-wide financial statements as of September 30, 2018.

Finding

We noted no total net position deficit in the business-type activities reported in the entity-wide financial statements as of September 30, 2018.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2018, and determined whether there was an unrestricted net position deficit in the governmental activities reported in the entity-wide financial statements as of September 30, 2018.

Finding

We noted no unrestricted net position deficit of approximately $101 Million was noted in the governmental activities reported in the entity-wide financial statements as of September 30, 2018.

Procedure

With respect to the noted deficit in unrestricted net position in the governmental activities entity-wide financial statements as of September 30, 2018, we inquired of responsible District officials as to causes for the noted deficit and whether such deficit was an indicator of deteriorating financial condition.

Finding

Responsible District officials stated that the unrestricted net position deficit in the governmental activities entity-wide financial statements is not considered to be an indicator of deteriorating financial condition, and the reported deficit is due primarily to the financing, with long-term debt of the District, of certain roadways that were subsequently donated to the State of Florida, long-term bonds of the District that were issued to contribute proceeds to Osceola County in connection with the refinancing of the Osceola County Transportation Improvement Bonds, and the net pension liability and net other post-employment benefits (OPEB) liability. District officials further stated that the related roadways are not assets of the District and are not reported in the District’s entity-wide financial statements; however, the outstanding debt associated with the roadways is a liability of the District and reported as a reduction to unrestricted net position pursuant to generally accepted accounting principles. District officials also noted that the non-capital debt is secured by an irrevocable lien on the ad valorem taxes collected by the District.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management’s assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, the Board of Supervisors and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

February 1, 2019

Ernst & Young LLP

A member firm of Ernst & Young Global Limited
Management Letter and State Reporting Requirements

District Administrator, Deputy District Administrator, and
The Board of Supervisors
Reedy Creek Improvement District
Lake Buena Vista, Florida

In planning and performing our audit of the basic financial statements of Reedy Creek Improvement District (the District) as of and for the year ended September 30, 2018, in accordance with auditing standards generally accepted in the United States and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we noted the following matters:

Finding 2018-001

During our audit, we noted that the District exceeded its approved investment allocation for money market funds as per its investment policy during the year and as of September 30, 2018. District policy limits the allocation to 75%. We noted the District had 81% and 80% of its total investment portfolio allocated to money market funds at July 31, 2018 and August 30, 2018, respectively. This is not in compliance with the District’s allocation policy.

Management’s response:

The District’s Investment Policy guidelines are too restrictive if monitored on a monthly basis. The market conditions were volatile. With interest rates expected to rise in September, a conservative stance was taken by leaving funds in the money market investments. These conditions resulted in the portfolio not meeting the restrictive thresholds of the Investment Policy. Management will request approval from the Board of Supervisors that the Investment Policy be amended to increase the thresholds.

Finding 2018-002

District policy requires the District Comptroller annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products. During our audit, we noted that the District Comptroller completed continuing education requirements as of January 3, 2019, which is subsequent to the fiscal year ended September 30, 2018. This is not in compliance with the District’s Investment Management Policy.

Management’s response:

The District’s Investment Policy guidelines stipulate the continuing education requirement only for the District Comptroller. Management will request approval from the Board of Supervisors that the Investment Policy be amended to require Deputy District Administrator/Comptroller or designee responsible for making investment decisions to comply with the continuing education requirements.

Other Required Disclosures

Report on the Financial Statements

We have audited the basic financial statements of the District as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated February 1, 2019.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.
Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, and Report of Independent Auditors on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General (collectively, the Reports). Disclosures in those Reports, which are dated February 1, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine if corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no prior year matters reported.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District has included such disclosures in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to if the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. See our separate Report of Independent Auditors on Applying Agreed-Upon Procedures dated February 1, 2019.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures that were agreed to by management of the District. See our separate Report of Independent Auditors on Applying Agreed-Upon Procedures dated February 1, 2019, for our procedures and findings.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, see Finding 2018-001 and 2018-002 above.

Annual Financial Report

Management of the District has advised that the District is required to file an annual financial report, as defined in Section 218.32(1)(a), Florida Statutes, with the Florida Department of Financial Services. See our separate Report of Independent Auditors on Applying Agreed-Upon Procedures dated February 1, 2019.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. See our Reports identified under “Other Reports” section above.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the District Administrator, Deputy District Administrator, The Board of Supervisors, the Florida Auditor General, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

February 1, 2019
APPENDIX B

BOND RESOLUTION

[Exhibits intentionally omitted]
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REEDY CREEK IMPROVEMENT DISTRICT AD VALOREM
TAX BONDS AMENDED AND RESTATEO 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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Effective Date

RESOLUTION NO. 245

A RESOLUTION OF THE REDDY CREEK IMPROVEMENT DISTRICT SUPPLEMENTING, AMENDING AND RESTATING A RESOLUTION ADOPTED BY THE DISTRICT ON APRIL 4, 1972 PROCEEDING 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:


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 purchaser thereof to the Valuation Date next preceding the date of computation or the date of computation if a Valuation Date, such interest to accrue 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 Accrued Value as of the immediately succeeding Valuation Date, calculated based on the assumption that Accrued 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 15A 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: (1) the principal amount of all Current Interest Bonds then outstanding and (2) the Accrued Value of 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 Accrued 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 Accrued 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 proposed to be issued shall be deemed to be the higher of (a) the initial rate of interest 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 July of each year and ending on the last day of June of each 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 15C 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 Ready 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 registered owner of any outstanding registered Bond or Bonds registered in his name.

"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 accrued thereon to the maturity date thereof, as determined by reference to the accrued 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 Accrued 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 Tax Sinking Fund created pursuant to Section 15F 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 for 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
costs of various public purposes.

**Anticipation Notes**

Engineers' II, dated April 1, 1968, presented to the Board following rejection, reclamatation, and water control improvements pursuant to a design and report of James M. Montgomery, Consulting Engineers, Inc., dated April 1, 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 sanitary sewer system 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, not exceeding Twenty Million Dollars ($20,000,000.00).
B-7

banks be subsequently determined payable in lawful money of the United States of America through of Manhattan, City deposited in the U.S. mails, postage prepaid, by the

principal or redemption price, becomes due in whole or in part, either at stated maturity or by redemption, or a check for interest in unashed, and in sufficient money for the purpose of paying that principal, redemption price or interest accrued on deposit with the Registrar and available for such purpose, all liability of the District to that Holder for that payment shall thenceforth 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 hereon, 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 money so held by the Register that remain unclaimed by the Holder of any Bond for a period of five 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 each series; the projects to be financed with the proceeds thereof; the date and terms of maturity

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<th>AMOUNT</th>
<th>YEAR</th>
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<td>1992</td>
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<td>1994</td>
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<td>1,260,000</td>
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<tr>
<td>1988</td>
<td>615,000</td>
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</tbody>
</table>

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 "K" 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 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 person in whose names such Bonds are registered at the close of business on a special record date for the payment of any 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 later 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; or on deposit with the Registrar and available for such purpose, all liability of the District to that Holder for that payment shall thenceforth 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 money so held by the Register that remain unclaimed by the Holder of any Bond for a period of five 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 rates, 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
for any formula for accrual upon redemption not
consistent 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 accretion installment, if any, for each 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 President or facsimile signature of the President on 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 therein, 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 held 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 issued as registered Bonds without coupons,
of any authorized denomination, and substantially in the
form of the definitive Bonds but with such omissions,
ininsertions, and variations as may be appropriate for
temporary Bonds, all as may be determined by the District.
Temporary Bonds may contain such references 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 practically as
practicable the District shall execute and shall furnish
definitive Bonds and thereupon temporary Bonds may be
exchanged for definitive Bonds without charge
at the principal office of the Registrar, and the Registrar
shall authenticate and deliver in exchange for temporary
Bonds a like aggregate principal amount of
definitive Bonds or 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 registra-
tion 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 date the same 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 converted into a coupon Bond upon presentation thereof to the Registrar, together with an instrument requesting such conversion 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 presentation, the Registrar shall execute and in due form as shall be satisfactory to the Registrar. Any 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 conversions of any Series 1972 Bond as registered and any 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 shall 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 signatures 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 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.

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 an 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 each Bond, 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 be mutilated, destroyed, stolen or lost, the District may in its discretion issue and deliver a new Bond, with all unexpired
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 thereof 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 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, (i) shall be filed with the Paying Agent, and (ii) 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 hereinafter 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;
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 of 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

$10,000,000 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, reclama-
tion and water control improvements, and to finance the cost
of construction and acquisition of additional drainage, reclama-
tion and water control improvements, and $9,560,000
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

(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
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 constitution-
al 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 hereto and attested and counter-
signed 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__, Ready Creek Improvement District, Orange and Osceola Counties, Florida, will pay to the bearer at ________________, Florida, 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 hereunto the coupons representing
the interest to become due thereafter on this bond to the date of maturity and the interest, if any, not thereafter paid and shall make notation in the registration blank below, whether this bond is registered as to principal alone or in payee 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 Accrued Value of Capital Appreciation Bonds) shall be secured forthwith equally and ratably by an irrevocably 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 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 Deposits Sinking Fund" (herein called "Sinking
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Additional Bonds under the terms, limitations and conditions hereinbefore provided make the payments required above for the principal of and outstanding, plus the amount of interest then due any thereafter to purpose provided in this resolution, the equal to the aggregate principal amount of Bonds then deficiencies for prior Fiscal Years. Such annual payments any for the Bond Service Requirement for all 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 than 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 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 Investments 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 hereinbefore 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 Bonds 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 two 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 proceeding 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 1986, as amended, applicable, and contained in Section 103 and Part IV of Subchapter B of Chapter I 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 151F above in the manner and at the times required by a subsequent resolution adopted by the Board with respect to each 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 Amount 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 151F 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 31, 1972 shall be deposited in the Sinking Fund.
D. 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 or 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 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 immediately necessary for or are not applied to the payment of such costs, then the unapplied proceeds shall be deposited in the Winking Fund.

Any moneys 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 issued 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 Paying Agent are made by the District for any lawful purpose; otherwise this resolution shall be, continue and remain in full force and effect. Expect 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 PROJECTS. 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 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 any Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the terms of the Bonds, or in the manner of collecting or applying the proceeds of any Bond issued hereunder to the extent that the payment of or in connection with any Bond or the unsatisfied balance of any Bond Obligation shall not be made when the same shall become due and payable; or

(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 received 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 receiver 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 proceeding 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 circumstance payable from the Ad Valorem Taxes; or

(f) the entry of a final judgement 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 on 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 prevent 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 clause (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 at least a majority in principal amount of the Bond Obligation.
be 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 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 2A 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 proceeding 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 statute 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 by appointment of 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 any holder of Bonds or any Bondholder for the account of any default shall have been discontinued or abandoned for any reason or shall have been dismissed adversely to the Default Trustee or such holder, 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 rights, remedies and powers of the Default Trustee shall cease 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 BONDHOLDERS. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the collection of any part of the Bond Obligation 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 Bondholders 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 proceeds 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 Bondholders 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 or the interest on the Bonds, as the case may be, as the same shall 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:

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 or the interest on the Bonds, as the case may be, and as the same shall become due and payable, such sums, 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:
provisions of this section, such funds shall be applied at the amount of such funds available for application and the sole discretion shall determine, having due regard to the application in the future; the setting aside of such funds, the application of such funds. Whenever such discretion in likelihood of additional funds becoming available for such in trust for the proper purpose, shall constitute proper Amount or redemption price of any Bonds which call for redemption, in the order of their due Capital Appreciation Bonds, the unpaid Maturity 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.

(l) If the principal (or with respect to Capital Appreciation Bonds, the Maturity Amount) of 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 or 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 differences 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 or 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.

6. SUBROGATION. Notwithstanding anything in this resolution to the contrary, 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 or 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 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 thereby 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 shall not become 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 from its boundaries an area of taxable property, without regard to the assessed value thereof, if the District provokes 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
D. The District agrees to notify Moody's Investors Services, Inc. and Standard & Poor's Corporation of the occurrence of any contract or exclusion pursuant to this Section.

SECTION 25. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the provisions, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of 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 herewith.

SECTION 26. SALE OF BONDS. The Bonds shall be 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 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 of the Bonds issued hereunder.

SECTION 28. CONTROLLING LAW: MEMBERS OF CONSTITUING BODY OF DISTRICT NOT LIABLE. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall 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 Bonds 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 two-thirds of the Bonds Obligation Outstanding.
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 1992A, 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 AMEND THE SALE OF SUCH BONDS ON A NEGOTIATED BASIS TO MERRILL LYNCH & CO., LEHMAN BROTHERS INC., MORGAN STANLEY & CO. INC., Paine Webber Incorporated, Ward Bradstreet & 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 THE BANK, NATIONAL ASSOCIATION TO ACT ASRegistrar, 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 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
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 "A" (the "Preliminary Official Statement") 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 Board; 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 "B" (the "Registrar and 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 Company substantially in the form attached hereto as Exhibit "E" (the "Letter of Representations"); and

WHEREAS, because of the current conditions existing in the market for securities similar to the 1995A Bonds, the Board finds 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 Purchaser to purchase the 1995A 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 amend Section 15F of the Bond Resolution in order to make modifications thereto to conform to the current requirements of the Internal Revenue Code of 1986, as amended, which modifications shall be immaterial to the holders of all Bonds (as those terms are used in the Bond Resolution) outstanding under the Bond Resolution; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the issuance of 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 capitalised 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.


"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.
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 or equipping 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 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 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, taken 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 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 taxpayers of the District is tourism and the provision of recreation and entertainment and the construction and operation of a sports stadium, arena, tennis facilities, gymnasiums, track and field facilities, athletic fields and other sports facilities and related office, administrative and parking facilities and bonds, will 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 a portion of the cost of the Building and the Series A Facilities.

D. The District shall not use more than the net proceeds from $60,000,000 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 expedited 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 prior 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 215.64, 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 and, 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 from time to time subject to such modifications thereto 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 pursuant to the provisions of this Resolution and any subsequent resolutions adopted by the Board in connection with the 1995A Bonds and prior to the issuance thereof, the 1995A Bonds of the District to be known as "Reedy Creek Improvement District, Ad Valorem Tax Bonds, Series 1995A" are hereby authorized to be issued in an aggregate principal amount not exceeding $60,000,000 to finance the Costs of the Building and the Series A Facilities, with the exact principal 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 Code.

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 date or dates thereof, the interest rate or 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 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 "YIC") for the 1995A Bonds exceed 6.6% or (iv) the interest rates exceed the maximum rates permitted by applicable law.

B. The 1995A Bonds shall bear interest from the 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 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 bear interest at the rate or rates 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 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.

SECTION 8. Redemption Provisions. The 1995A 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 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.

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 set forth the name and address of the Paying Agent, a contract person with the Paying Agent and his or her telephone number, theCUSIP 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.

(i) Each notice of redemption shall set forth the name and address of the Paying Agent, a contract person with the Paying Agent and his or her telephone number, theCUSIP 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 "Roedy Creek Improvement District Ad Valorem Tax Bonds, Series 1995A Building Construction Account" (hereinafter referred to as the "Building Construction Account") and the "Roedy 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, respecttively, 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:

(1) 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 may be based upon certificates satisfactory to it provided by a consulting engineer or engineers or construction manager or managers);

(2) that the obligation was properly incurred and is a 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, 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 Accounts to pay any Rebate Amount in the case of a transfer or 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 accounts 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 Counsel)
Counsel 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 on such 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 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 applicable Construction Account to pay the Cost of the Building or the Series A Facilities, as the case may be, 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 1995A Bonds, apply such earnings to pay operating costs of the Building or Series A Facilities, as the case may be.

B. 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 "Ready Creek Improvement District Ad Valorem Tax Bonds, Series 1995A Rebate Account" (hereinafter referred to as the "Series 1995A 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 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 money 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) 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 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 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 Bonding Fund, established and administered by the District pursuant to the Bond Resolution, an amount equal to the accrued interest on the 1995A Bonds received by the District as part of the proceeds of the sale of the 1995A Bonds, which amount shall be used on the first interest payment date for the payment of interest due on the 1995A Bonds; and

(2) There shall next be paid into the Bonding 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 be used to pay capitalization interest on the 1995A Bonds; and

(3) There shall next be paid into the Rebate 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 capitalization interest on the 1995A Bonds.

SECTION 12. Form of 1995A Bonds. The 1995A Bonds shall be in substantially the form provided in Exhibit IV of this Resolution, subject to such changes, omissions and insertions and such filling in of blanks as may be approved subject to such changes, omissions and insertions and such filling in of blanks herein as may be approved 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 the Resolution, 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 in 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.
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 initial 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 "E" and amends and restates the use and distribution of a Preliminary Official Statement by the Original Pururcher 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 repositories, within 180 days of the end of each Fiscal Year, a complete copy of the District's audited general purpose financial statements for such Fiscal Year.

(B) So long as any of the 1995A Bonds remain outstanding, the District will also in good faith endeavor to provide one or more nationally recognized municipal securities information repositories notice of the occurrence of any of the following events 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 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 any disclosure obligations beyond those imposed 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:

F. COMPLIANCE WITH TAX REQUIREMENTS; REBATE FUND. The District hereby covenants and agrees, for the benefit of the Holders of bonds issued under the bond Resolution, 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 1992 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;

(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 for 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; and

(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 on having made all determinations and calculations of the Rebate Amount for each Series of Bonds other than the Series 1992 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 monies 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 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 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 if, in the opinion of the parties hereto, 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 Non-liable. All covenants, stipulations, obligations and agreements of the District continued in this Resolution shall be to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided: Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be to be a covenant, stipulation, obligation or agreement of 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.

REDEY CREEK IMPROVEMENT DISTRICT

President, Board of Supervisors

Secretary to Board of Supervisors

(SEAL)
RESOLUTION NO. 612

A RESOLUTION OF 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, INITIALLY 2020A] (TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING $350,000,000 (THE "REFUNDING BONDS"), IN ONE OR MORE SERIES, TO PROVIDE FOR THE ADVANCE REFUNDING OF ALL OR A PORTION OF THE DISTRICT'S AD VALOREM TAX BONDS, SERIES 2013A AND AD VALOREM TAX REFUNDING BONDS, SERIES 2013B, MATURING ON OR AFTER JUNE 1, 2024 (INDIVIDUALLY AND/OR COLLECTIVELY, THE "REFUNDED BONDS"); DELEGATING TO THE PRESIDENT, THE SECRETARY, THE DISTRICT ADMINISTRATOR, THE DEPUTY DISTRICT ADMINISTRATOR AND THE DISTRICT COMPTROLLER THE AUTHORIZATION TO AWARD THE SALE OF EACH SUCH SERIES OF REFUNDING 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 2020A BONDS; APPROVING THE FORM AND CONTENT OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO THE REFUNDING BONDS AS ESCROW AGENT WITH RESPECT TO THE REFUNDING BONDS AND AS ESCROW AGENT WITH RESPECT TO THE REFUNDED BONDS; APPROVING THE FORM AND CONTENT OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A Registrar Agreement and a Disclosure Dissemination Agent Agreement 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 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, as a result of a decline in interest rates the District now desires to issue Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds (TAXABLE) ("Refunding Bonds") in one or more series and at one or more times, the first of which shall be designated "Series 2020A (Taxable)" in an aggregate principal amount not exceeding $350,000,000, pursuant to 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 Ad Valorem Tax Bonds, Series 2013A and/or Ad Valorem Tax Refunding Bonds, Series 2013B, maturing on or after June 1, 2024 (the "Refunded Bonds"), as more particularly described in Exhibit A attached hereto; and

WHEREAS, the Board wishes to approve the form of and authorize the execution and delivery by the District 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 and delivery by the District, 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 each substantially in the form of Exhibit B 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 with respect 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 and delivery by the District of one or more Registrar and Paying Agent Agreements, each in substantially the form of Exhibit D attached hereto (the "Paying Agent Agreements") and to appoint U.S. Bank National Association to act as the register 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, each substantially in the form 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 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:

"2013A Bonds" means the $344,960,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2013A, of which $344,960,000 remains Outstanding.

"2013B Bonds" means the $40,950,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2013B, of which $22,105,000 remains Outstanding.

"2015A Bonds" means the $50,925,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2015A, of which $14,975,000 remains Outstanding.

"2016A Bonds" means the $165,500,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2016A, of which $163,845,000 remains Outstanding.

"2017A Bonds" means the $199,375,000 aggregate principal amount Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2017A, of which $193,340,000 remains Outstanding.

"Closing Date" means the respective date of issuance of each series of the Refunding Bonds.

"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 one or more Escrow Deposit Agreements with respect to the Refunded Bonds, the proposed form of which is 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 Refunding 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.

"Refunded Bonds" means the 2013A Bonds and/or the 2013B Bonds, maturing on or after June 1, 2024 which are to be refunded hereunder.

"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. No series of the Refunding Bonds will be issued until all conditions relating to the issuance of Refunding 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
interest of the District interest thereon will not be excludable from the gross income of the Holders thereof for federal income tax purposes.

the following reasons, as to which specific findings are hereby made:

(i) Due to the volatility of the municipal market, including the market for taxable securities such as the Refunding 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 of the Refunded Bonds 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 one or more series of 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 the related 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. Unless rated by a nationally recognized rating service in any one of the three highest classifications, the rate of interest borne by the Refunding Bonds shall not exceed the maximum interest rate established pursuant to the terms of Section 159.829(1)(d), 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 the 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 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. No series of the Refunding Bonds shall mature later than the maturity date of the related Refunded Bonds.

N. 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 is issued at a lower net average interest cost rate than the related Refunded Bonds.

P. Unless rated by a nationally recognized rating service in any one of the three highest classifications, 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 159.829(1)(d), 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 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 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 Bonds, (iii) the calling of the Refunded Bonds prior to their dates of maturity as set forth in the related Escrow Deposit Agreement, and (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 each Escrow Deposit Agreement. The District hereby elects to call and redeem the Refunded Bonds in accordance with the terms of the Escrow Deposit Agreement as approved by the President, Secretary, District Administrator, Deputy District Administrator or 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 Bonds, and the 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, Refunding Bonds of the District to be known as "Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series [To be Designated, initially 2020A (Taxable)]" are hereby authorized to be issued in an aggregate principal amount not exceeding $350,000,000, in one or more series, to provide for the refunding of all or a portion of the Refunded Bonds, and the payment of the costs of issuance of each series of 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 aggregate principal amount of the Refunding Bonds exceed $350,000,000, (ii) the purchase price of each series of Refunding Bonds be less than 98% of the face amount thereof (the "Minimum Purchase Price"), (iii) the present value of the total savings anticipated to accrue to the District upon each refunding the Refunded Bonds be less than 5.00% of the aggregate principal amount of the 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(s), 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 and delivery of the related Purchase Contract. The principal of each series of the Refunding Bonds shall be payable in annual 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 and delivery thereof to be conclusive evidence of such approval.

Each series of 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:

The 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. Disbursement 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 District.

The Refunding Bonds shall initially be issued in the form of one fully registered 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.

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; and (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 twenty (20) days and not more than sixty (60) days before the redemption date.

Notwithstanding the above, so long as the Refunding Bonds are held in a book-entry only system maintained by DTC, such notice of redemption shall only be sent to DTC or its designee.

SECTION 10. Funds and Accounts. [Reserved.]

SECTION 11. Application of Proceeds of Refunding Bonds. The proceeds from the sale of Refunding Bonds shall be applied by the District as follows:

(i) Upon issuance of each series of the Refunding Bonds there shall be paid to the Escrow Agent an amount to be provided in the related Escrow Deposit Agreement for the defeasance of the related Refunded Bonds; and

(ii) The balance of the proceeds from the sale of each series of the Refunding Bonds shall be paid to the District and used to pay the costs of issuing the related series of Refunding Bonds.

SECTION 12. Form of Refunding Bonds. The Refunding Bonds shall be in substantially the form of Exhibit B hereto, subject to such changes, omissions and insertions and such filling of blanks as the officers executing the same shall, in accordance with the terms of this Resolution, approve, such execution and delivery to be conclusive evidence of such approval.

SECTION 13. Approval of a Purchase Contract for Refunding Bonds. The form of a Purchase Contract for the Refunding Bonds, substantially in the form presented herein 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 and delivery to the Underwriters 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 is hereby authorized to accept one or more offers of the Underwriters to purchase Refunding Bonds in an aggregate principal amount not exceeding $350,000,000, at a rate or rates not to exceed the maximum rate allowed by law and at a purchase price of not less
than the Minimum Purchase Price, upon the terms and conditions set forth in the Purchase Contract, and, so long as the present value of the total savings to accrue to the District upon refunding the Refunded Bonds shall be not less than 5.00% of the aggregate principal amount of the Refunded 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 and deliver 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 accordance with the terms of this Resolution, may approve, such execution and delivery 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 Refunding Bonds. The President or Vice President is hereby authorized to execute and deliver, on behalf of the Board, a final Official Statement relating to Refunding Bonds with such changes, omissions and insertions from the form of Preliminary Official Statement as the officer executing the same may, in accordance with the terms of this Resolution, 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 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 of the Board are hereby authorized to execute and deliver, on behalf of the Board, the Escrow Deposit Agreement, substantially in the form attached hereto with such changes, omissions and insertions, including, without limitation, the filling of blanks therein and attachment of schedules thereto, as they, in accordance with the terms of this Resolution, may approve, such execution and delivery 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 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 automatically replaced with acceptable language.

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 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 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 present or future member, agent or employee of the Board or the District in his or her individual capacity 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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APPENDIX C

FORM OF BOND COUNSEL OPINION
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On the date of issuance of the Series 2020A Bonds in definitive form, Greenberg Traurig, P.A., Bond Counsel, expects to be able to render its approving opinion in substantially the following form:

__________, 2020

Reedy Creek Improvement District
1900 Hotel Plaza Boulevard
Lake Buena Vista, Florida 32830

Re: Reedy Creek Improvement District (Florida)
Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Reedy Creek Improvement District (the “District”), of Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2020A (the “Series 2020A Bonds”) in the aggregate principal amount of $338,025,000.

All terms used herein in capitalized form and not otherwise defined herein shall have the same meaning as ascribed to them under Resolution No. 245 adopted by the District on November 15, 1991, as amended by Resolution No. 313 adopted by the District on April 21, 1995 and Resolution No. 612 adopted by the District on December 18, 2019 (collectively, the “Bond Resolution”).

The Series 2020A Bonds are dated as of their date of issuance and have been issued in fully registered form. The Series 2020A Bonds have been issued to (i) to refund the District’s Ad Valorem Tax Bonds, Series 2013A maturing on and after June 1, 2024 and the Ad Valorem Tax Refunding Bonds, Series 2013B maturing on June 1, 2024 and (ii) pay the costs of issuance of the Series 2020A Bonds. The Series 2020A Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the Bond Resolution and the Official Statement relating to the Series 2020A Bonds dated February 5, 2020.

Pursuant to the Bond Resolution, the principal of, premium, if any, and interest on the Series 2020A 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 2020A Bonds on a parity with the District’s outstanding Ad Valorem Tax Bonds, Series 2013A not refunded with proceeds of the Series 2020A Bonds (the “Non-Refunded Series 2013A Bonds”), the Ad Valorem Tax Refunding Bonds, Series 2013B not refunded with proceeds of the Series 2020A Bonds (the “Non-Refunded Series 2013B Bonds”), the Ad Valorem Tax Refunding Bonds, Series 2015A (the “Series 2015 Bonds”), the Ad Valorem Tax Bonds,
Series 2016A (the “Series 2016 Bonds”) and the Ad Valorem Tax Bonds, Series 2017A (the “Series 2017 Bonds” and collectively with the Non-Refunded Series 2013A Bonds, the Non-Refunded Series 2013B Bonds, the Series 2015 Bonds and the Series 2016 Bonds, the “Outstanding Bonds”), and with any other Bonds issued on a parity pursuant to the Bond Resolution.

In rendering the opinions set forth below, we have examined certified copies of the legal proceedings, including the Bond 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 2020A Bonds.

In addition to the foregoing, we have examined and relied upon the opinion of Edward G. Milgrim, Milgrim Law Group, Special 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 Bond Resolution, to issue the Series 2020A Bonds and to perform its obligations thereunder.

2. The Bond 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 2020A 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 with any other Bonds issued on a parity pursuant to the Bond Resolution.

4. Interest on the Series 2020A is not excludable from gross income for federal income tax purposes.
Except as expressly stated above, we express no opinion as to any federal or state tax consequences of the ownership of, receipt of interest on, or disposition of, the Series 2020A Bonds.

This opinion is qualified to the extent that the enforceability of the Series 2020A Bonds and the Resolution may be limited by general principles of equity which may permit the exercise of judicial discretion, and by bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors’ right generally, now or hereafter in effect.

We express no opinion herein with respect to any disclosure or offering document prepared or distributed in connection with the offering of the Series 2020A Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

GREENBERG TRAURIG, P.A.
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APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT
DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated February 27, 2020 is executed and delivered by Reedy Creek Improvement 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 Comptroller, or his or her 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 shutdown of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"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)(I) through (e)(vi)(II) 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)(I) through (e)(vii)(IX) 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, 2019. 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 REEDY CREEK IMPROVEMENT 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. Modifi cations 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@RCID.ORG, MAILING ADDRESS REEDY CREEK IMPROVEMENT DISTRICT, ATTN: PUBLIC RECORDS ADMINISTRATOR, P.O. BOX 10170, LAKE BUENA VISTA, FL 32830.

(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: _______________________________________

REEDY CREEK IMPROVEMENT DISTRICT

By: _______________________________________
John H. Classe, Jr.
District Administrator
EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: REEDY CREEK IMPROVEMENT DISTRICT
Obligated Person(s): Reedy Creek Improvement District
Name of Bond Issue: Reedy Creek Improvement District (Florida)
Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable)

Date of Issuance: February 27, 2020
Date of Official Statement: February 5, 2020

CUSIP Numbers:
758449RS3
758449RT1
758449RU8
758449RV6
758449RW4
758449RX2
758449RY0
758449RZ7
758449SA1
758449SB9
758449SC7
758449SD5
758449SE3
758449SF0
758449SG8
758449SH6
EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: REEDY CREEK IMPROVEMENT DISTRICT
Obligated Person: REEDY CREEK IMPROVEMENT DISTRICT

Name of Bond Issue: Reedy Creek Improvement District (Florida)
Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable)

Date of Issuance: February 27, 2020

Date(s) of Disclosure Agreement: February 27, 2020

CUSIP Number: 758449

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: Reedy Creek Improvement 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:

Reedy Creek Improvement District

District’s Six-Digit CUSIP Number: 758449

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 February 27, 2020 between the District and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Reedy Creek Improvement District

Issuer’s Six-Digit CUSIP Number: 758449

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 February 27, 2020 between the District and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Reedy Creek Improvement District

Issuer’s Six-Digit CUSIP Number: 758449

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: ________________
APPENDIX E

GENERAL INFORMATION REGARDING TOURISM
IN ORANGE AND OSCEOLA COUNTIES
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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Disembarked Air Visitors⁽¹⁾</th>
<th>Licensed Hotels and Motels⁽²⁾</th>
<th>Total Hotel and Motel Units⁽²⁾</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>23,475,683</td>
<td>303</td>
<td>91,627</td>
</tr>
<tr>
<td>2017</td>
<td>21,872,810</td>
<td>301</td>
<td>91,170</td>
</tr>
<tr>
<td>2016</td>
<td>20,825,649</td>
<td>294</td>
<td>89,333</td>
</tr>
<tr>
<td>2015</td>
<td>18,981,831</td>
<td>286</td>
<td>87,717</td>
</tr>
<tr>
<td>2014</td>
<td>17,704,897</td>
<td>282</td>
<td>87,662</td>
</tr>
<tr>
<td>2013</td>
<td>17,393,070</td>
<td>280</td>
<td>86,571</td>
</tr>
<tr>
<td>2012</td>
<td>17,636,397</td>
<td>277</td>
<td>86,007</td>
</tr>
<tr>
<td>2011</td>
<td>17,782,615</td>
<td>275</td>
<td>83,529</td>
</tr>
<tr>
<td>2010</td>
<td>17,157,601</td>
<td>276</td>
<td>83,021</td>
</tr>
<tr>
<td>2009</td>
<td>16,849,421</td>
<td>265</td>
<td>78,472</td>
</tr>
</tbody>
</table>

⁽¹⁾ Greater Orlando Aviation Authority, Office of Community Relations Information through 2008 is based on the calendar year. Information for 2009 through 2018 is based on the fiscal year.

⁽²⁾ State of Florida, Department of Business and Professional Regulation; as of June 30 each year.

The following table shows the principal employers in Orange County for fiscal years 2018 and 2009.

**ORANGE COUNTY, FLORIDA**  
**STATISTICAL DATA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(Unaudited)

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employees(^{(1)})</th>
<th>Rank</th>
<th>Percentage of Total County Employment(^{(2)})</th>
<th>Employees(^{(3)})</th>
<th>Rank</th>
<th>Percentage of Total County Employment(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walt Disney World Co.</td>
<td>74,200</td>
<td>1</td>
<td>9.99%</td>
<td>60,200</td>
<td>1</td>
<td>11.29%</td>
</tr>
<tr>
<td>Florida Hospital/Adventist Health System</td>
<td>28,959</td>
<td>2</td>
<td>3.90%</td>
<td>16,000</td>
<td>3</td>
<td>3.00%</td>
</tr>
<tr>
<td>Universal Orlando Resort</td>
<td>25,000</td>
<td>3</td>
<td>3.37%</td>
<td>13,000</td>
<td>5</td>
<td>2.44%</td>
</tr>
<tr>
<td>Orange County Public Schools</td>
<td>24,629</td>
<td>4</td>
<td>3.32%</td>
<td>22,000</td>
<td>2</td>
<td>4.13%</td>
</tr>
<tr>
<td>Orlando Health</td>
<td>23,000</td>
<td>5</td>
<td>3.10%</td>
<td>13,000</td>
<td>4</td>
<td>2.44%</td>
</tr>
<tr>
<td>Orange County Government(^{(4)})</td>
<td>10,905</td>
<td>6</td>
<td>1.47%</td>
<td>10,320</td>
<td>6</td>
<td>1.94%</td>
</tr>
<tr>
<td>University of Central Florida</td>
<td>9,476</td>
<td>7</td>
<td>1.28%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lockheed Martin</td>
<td>9,000</td>
<td>8</td>
<td>1.21%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Resource Employment Solutions LLC</td>
<td>8,280</td>
<td>9</td>
<td>1.11%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Darden Restaurants, Inc.</td>
<td>6,137</td>
<td>10</td>
<td>0.83%</td>
<td>6,500</td>
<td>8</td>
<td>1.22%</td>
</tr>
<tr>
<td>SeaWorld Orlando</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,290</td>
<td>7</td>
<td>1.37%</td>
</tr>
<tr>
<td>Westgate Resorts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,000</td>
<td>9</td>
<td>0.94%</td>
</tr>
<tr>
<td>Siemens Energy Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,500</td>
<td>10</td>
<td>0.66%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>219,586</strong></td>
<td></td>
<td><strong>29.58%</strong></td>
<td><strong>156,810</strong></td>
<td></td>
<td><strong>29.43%</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Source: Orlando Business Journal: 2019 Book of Lists, Central Florida: Orlando Health Website  
\(^{(2)}\) This calculation uses the Employed Labor Force numbers reported for Orange County in the Demographic and Economic Statistics Table.  
\(^{(4)}\) 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.  
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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Air Visitors</th>
<th>Auto Visitors</th>
<th>Train/Bus Visitors</th>
<th>Total Visitors</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3,296</td>
<td>2,003</td>
<td>62</td>
<td>5,361</td>
<td>N/A</td>
</tr>
<tr>
<td>2010</td>
<td>3,297</td>
<td>2,004</td>
<td>57</td>
<td>5,358</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2011</td>
<td>3,555</td>
<td>2,395</td>
<td>73</td>
<td>6,023</td>
<td>12.4%</td>
</tr>
<tr>
<td>2012</td>
<td>3,746</td>
<td>2,676</td>
<td>77</td>
<td>6,499</td>
<td>7.9%</td>
</tr>
<tr>
<td>2013</td>
<td>3,709</td>
<td>3,047</td>
<td>81</td>
<td>6,837</td>
<td>5.2%</td>
</tr>
<tr>
<td>2014</td>
<td>3,876</td>
<td>3,185</td>
<td>84</td>
<td>7,145</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Room Nights</th>
<th>Occupancy</th>
<th>Economy Impact</th>
<th>Total Visitors</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>7,525</td>
<td>72.40%</td>
<td>$4,546,247</td>
<td>6,100</td>
<td>N/A</td>
</tr>
<tr>
<td>2016</td>
<td>7,149</td>
<td>73.20%</td>
<td>$5,431,139</td>
<td>7,460</td>
<td>22%</td>
</tr>
<tr>
<td>2017</td>
<td>7,545</td>
<td>75.60%</td>
<td>$5,934,129</td>
<td>7,901</td>
<td>6%</td>
</tr>
<tr>
<td>2018</td>
<td>10,216</td>
<td>62.20%</td>
<td>$6,000,000</td>
<td>8,600</td>
<td>9%</td>
</tr>
</tbody>
</table>

**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 in 2016.


[Remainder of Page Intentionally Left Blank]
The following table shows the principal employers in Osceola County, Florida for fiscal years 2018 and 2009.

### OSCEOLA COUNTY, FLORIDA
#### STATISTICAL DATA
#### PRINCIPAL EMPLOYERS
#### CURRENT YEAR AND NINE YEARS AGO
   (Unaudited)

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employees</th>
<th>Rank</th>
<th>Percentage of Total County Employment</th>
<th>Employees</th>
<th>Rank</th>
<th>Percentage of Total County Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Osceola County Public Schools</td>
<td>8,832</td>
<td>1</td>
<td>9.85%</td>
<td>6,132</td>
<td>1</td>
<td>8.60%</td>
</tr>
<tr>
<td>Orange Lake Resorts &amp; Holiday Inn Club Vacation</td>
<td>4,500</td>
<td>2</td>
<td>5.02%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Walt Disney Company</td>
<td>3,700</td>
<td>3</td>
<td>4.13%</td>
<td>3,700</td>
<td>2</td>
<td>5.19%</td>
</tr>
<tr>
<td>Osceola Regional Medical Center</td>
<td>2,200</td>
<td>4</td>
<td>2.45%</td>
<td>1,357</td>
<td>7</td>
<td>1.90%</td>
</tr>
<tr>
<td>Florida Hospital Celebration Healthcare</td>
<td>1,648</td>
<td>5</td>
<td>1.84%</td>
<td>1,300</td>
<td>9</td>
<td>1.82%</td>
</tr>
<tr>
<td>Gaylord Palms Resort &amp; Convention Center</td>
<td>1,594</td>
<td>6</td>
<td>1.78%</td>
<td>1,445</td>
<td>6</td>
<td>2.03%</td>
</tr>
<tr>
<td>Westgate Vacation Villas</td>
<td>1,500</td>
<td>7</td>
<td>1.67%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Osceola County Government</td>
<td>1,399</td>
<td>8</td>
<td>1.56%</td>
<td>2,506</td>
<td>4</td>
<td>3.52%</td>
</tr>
<tr>
<td>Valencia Collage</td>
<td>1,213</td>
<td>9</td>
<td>1.35%</td>
<td>506</td>
<td>14</td>
<td>0.71%</td>
</tr>
<tr>
<td>Wilson Resort Management</td>
<td>1,200</td>
<td>10</td>
<td>1.34%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Largest Employers</td>
<td>27,786</td>
<td></td>
<td>30.99%</td>
<td>16,946</td>
<td></td>
<td>23.77%</td>
</tr>
<tr>
<td>Total All Other Employers</td>
<td>61,878</td>
<td></td>
<td></td>
<td>54,344</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Employment</td>
<td>89,664</td>
<td></td>
<td></td>
<td>71,290</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


**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.
### MSA Economic Growth

**Actual/Estimates and Average Annual Percentage Growth**

**Last Three Fiscal Years, and Three, Five, and Ten Year Averages**

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Years</th>
<th>Average Annual % Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Population (in thousands)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Orlando</td>
<td>285.1</td>
<td>279.8</td>
</tr>
<tr>
<td>Orange County</td>
<td>1,349.6</td>
<td>1,313.9</td>
</tr>
<tr>
<td>MSA</td>
<td>2,508.6</td>
<td>2,438.0</td>
</tr>
<tr>
<td><strong>Taxable Value (in billions)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Orlando</td>
<td>$30.9</td>
<td>$24.8</td>
</tr>
<tr>
<td>Orange County</td>
<td>$131.0</td>
<td>$109.2</td>
</tr>
<tr>
<td><strong>Dollar Value of Building Permits (in millions)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Orlando(1)</td>
<td>$2,002.7</td>
<td>$1,836.5</td>
</tr>
<tr>
<td>Building Permits - New Construction</td>
<td>1,273</td>
<td>1,222</td>
</tr>
<tr>
<td><strong>MSA Employment (in thousands)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selected Segments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing &amp; Construction</td>
<td>128.5</td>
<td>118.4</td>
</tr>
<tr>
<td>Wholesale &amp; Retail</td>
<td>195.5</td>
<td>196.1</td>
</tr>
<tr>
<td>Service</td>
<td>725.5</td>
<td>694.1</td>
</tr>
<tr>
<td>Government</td>
<td>125.1</td>
<td>123.3</td>
</tr>
<tr>
<td>Other</td>
<td>119.2</td>
<td>116.6</td>
</tr>
<tr>
<td>Total</td>
<td>1,293.8</td>
<td>1,248.5</td>
</tr>
<tr>
<td><strong>Sales Tax Revenue (in millions)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Orlando</td>
<td>$46.1</td>
<td>$41.8</td>
</tr>
<tr>
<td><strong>Tourist Development Tax (in millions)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange County</td>
<td>$276.8</td>
<td>$254.9</td>
</tr>
<tr>
<td><strong>Orlando International Airport Activity (in millions)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passengers</td>
<td>46.9</td>
<td>43.6</td>
</tr>
<tr>
<td>Lbs. of Airfreight</td>
<td>493.4</td>
<td>432.2</td>
</tr>
</tbody>
</table>

(1) Values relating to building permits have been estimated in fiscal year 2018.

The MSA, a leading tourist destination with approximately 74 million visitors in 2018. According to the U.S. Bureau of Labor Statistics, as of September, 2019, the unemployment rate in the MSA was 2.8% 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.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Domestic Enplaned Passengers (a)</th>
<th>Percent Change for Domestic Enplaned Passengers from Previous Years</th>
<th>International Enplaned Passengers (b)</th>
<th>Percent Change for International Enplaned Passengers from Previous Years</th>
<th>Total Enplaned Passengers (a+b=c)</th>
<th>Percent Change for Total Enplaned Passengers from Previous Year</th>
<th>International Enplaned Passengers as Percentage of Total Enplaned Passengers (b/c=d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>15,373,029</td>
<td>(9.15)%</td>
<td>1,425,573</td>
<td>8.18%</td>
<td>16,798,602</td>
<td>(7.89)%</td>
<td>8.49%</td>
</tr>
<tr>
<td>2010</td>
<td>15,535,522</td>
<td>1.06</td>
<td>1,595,574</td>
<td>11.93</td>
<td>17,131,096</td>
<td>1.98</td>
<td>9.31</td>
</tr>
<tr>
<td>2011</td>
<td>16,080,029</td>
<td>3.50</td>
<td>1,692,020</td>
<td>6.04</td>
<td>17,772,049</td>
<td>3.74</td>
<td>9.52</td>
</tr>
<tr>
<td>2012</td>
<td>15,870,366</td>
<td>(1.30)%</td>
<td>1,859,675</td>
<td>9.91</td>
<td>17,730,041</td>
<td>(0.24)</td>
<td>10.49</td>
</tr>
<tr>
<td>2013</td>
<td>15,470,690</td>
<td>(2.52)%</td>
<td>1,956,577</td>
<td>5.21</td>
<td>17,427,267</td>
<td>(1.71)</td>
<td>11.23</td>
</tr>
<tr>
<td>2014</td>
<td>15,477,675</td>
<td>0.05</td>
<td>2,057,323</td>
<td>5.15</td>
<td>17,534,998</td>
<td>0.62</td>
<td>11.73</td>
</tr>
<tr>
<td>2015</td>
<td>16,426,194</td>
<td>6.13</td>
<td>2,400,904</td>
<td>16.70</td>
<td>18,827,098</td>
<td>7.37</td>
<td>12.75</td>
</tr>
<tr>
<td>2016</td>
<td>17,978,587</td>
<td>9.45</td>
<td>2,758,469</td>
<td>14.89</td>
<td>20,737,056</td>
<td>10.14</td>
<td>13.30</td>
</tr>
<tr>
<td>2017</td>
<td>18,882,512</td>
<td>5.03</td>
<td>2,836,039</td>
<td>2.81</td>
<td>21,718,551</td>
<td>4.73</td>
<td>13.06</td>
</tr>
<tr>
<td>2018</td>
<td>20,224,240</td>
<td>7.11</td>
<td>3,158,033</td>
<td>11.35</td>
<td>23,382,273</td>
<td>7.66</td>
<td>13.51</td>
</tr>
</tbody>
</table>
