

STATEMENT RE SPECIAL LEGISLATIVE SESSION

On April 20, 2022 in a special legislative session called by Governor Ron DeSantis, the Florida Senate passed a bill (S 4C), providing for the dissolution, effective June 1, 2023, of any independent special district established by special act of the Florida legislature prior to the effective date of the current Florida Constitution, which was November 5, 1968. The Florida House of Representatives is expected to vote on an identical bill (HB 3C, and collectively with S 4C, the “Bill”) today which, if passed by the House, is expected to be signed into law by the Governor at the end of the special session on April 22, 2022. Reedy Creek Improvement District (“Reedy Creek” or the “District”) was established as a public corporation of the State by Chapter 67-764 Laws of Florida, effective May 12, 1967 (the “Reedy Creek Act”). Pursuant to the Bill Reedy Creek will be scheduled for dissolution on June 1, 2023. The Bill further provides that any special districts dissolved as a result of the Bill (including the District) may be reestablished on or after June 1, 2023 pursuant to the requirements and limitations of Florida’s Uniform Special District Accountability Act, which provides, among other things, that unless otherwise provided by law, the dissolution of a special district government shall transfer title to all of its property to the local general purpose government, which shall also assume all indebtedness of the preexisting special district.

In the Reedy Creek Act the State of Florida has pledged to the holders of any bonds issued by the District:

(1) that it will not limit or alter the rights of the District (a) 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 Reedy Creek Act, and (b) to fulfill the terms of any agreement made with the holders of any bonds or other obligations of the District; and (2) that it will not in any way impair the rights or remedies of the holders, and that it will not modify in

any way the exemption from taxation provided in the Reedy Creek Act, until all such bonds together with interest thereon, and all costs and expenses in connection with any act or proceeding by or on behalf of such holders, are fully met and discharged.

In light of the State of Florida's pledge to the District's bondholders, Reedy Creek expects to explore its options while continuing its present operations, including levying and collecting its ad valorem taxes and collecting its utility revenues, paying debt service on its ad valorem tax bonds and utility revenue bonds, complying with its bond covenants and operating and maintaining its properties.