

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2026A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes. Interest on the Series 2026A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the federal alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), the interest on the Series 2026A Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2026A Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes, and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2026A Bonds.

**CENTRAL FLORIDA TOURISM
OVERSIGHT DISTRICT**

**(successor to Reedy Creek Improvement District)
(Located in Orange and Osceola Counties)**



\$124,755,000

**AD VALOREM TAX REFUNDING BONDS,
SERIES 2026A**

Dated: Date of Delivery

Due: June 1, as shown on inside cover

The Central Florida Tourism Oversight District (the "District") is issuing its Ad Valorem Tax Refunding Bonds, Series 2026A (the "Series 2026A Bonds") as fully registered bonds initially issued to and registered in the name of Cede & Co., as nominee for The Depository Trust Company Brooklyn, New York ("DTC"), which will act as securities depository for the Series 2026A Bonds. The Series 2026A 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 2026A Bonds. For so long as any purchaser is the beneficial owner of a Series 2026A 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 2026A 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 2026A Bonds. See "Book-Entry Only System" under "DESCRIPTION OF THE SERIES 2026A BONDS" herein. Interest on the Series 2026A Bonds is payable on each June 1 and December 1, commencing December 1, 2026, by U.S. Bank Trust Company, National Association, Orlando, Florida, as the initial Paying Agent and Registrar for the Series 2026A Bonds.

The Series 2026A Bonds are being issued by the District to (i) refund all of the District's outstanding Ad Valorem Tax Bonds, Series 2016A, maturing on and after June 1, 2027, and (ii) pay costs of issuance of the Series 2026A Bonds.

The Series 2026A Bonds and interest thereon are payable from and secured equally and ratably with other Outstanding Bonds under the Bond Resolution (as such terms are defined herein), by an irrevocable prior lien on and a pledge of the first proceeds collected by the respective tax collectors of Orange and Osceola Counties and remitted to the District from ad valorem taxes levied at a rate not exceeding 30 mills on the dollar per annum on the assessed value of all taxable property in the District, the majority of which property is owned by the Walt Disney Company and its affiliates. See "SECURITY FOR THE BONDS" herein.

The Series 2026A Bonds are not subject to redemption prior to maturity.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP NUMBERS ARE SET FORTH ON THE 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 2026A Bonds are offered for delivery when, as and if issued and received by the underwriter, subject to the approval of legality by Greenberg Traurig, P.A., Miami, Florida, the District's Bond Counsel. Certain legal matters will be passed upon by Roy K. Payne, Esq., Orlando, Florida, as General Counsel to the District and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Disclosure Counsel to the District. The Series 2026A Bonds are expected to be available for delivery through the offices of DTC in Brooklyn, New York on or about June 17, 2026.

BofA Securities, Inc.

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

**\$124,755,000
Ad Valorem Tax Refunding Bonds,
Series 2026A**

Maturity (June 1)	Principal Amount	Interest Rate	Price	Yield	Initial CUSIP Number *
2027	\$10,160,000	5.00%	102.297	2.55%	153480AW8
2028	10,390,000	5.00	104.545	2.60	153480AX6
2029	10,915,000	5.00	106.637	2.65	153480AY4
2030	11,455,000	5.00	108.455	2.73	153480AZ1
2031	12,030,000	5.00	110.015	2.82	153480BA5
2032	12,635,000	5.00	111.409	2.90	153480BB3
2033	13,265,000	5.00	112.603	2.98	153480BC1
2034	13,930,000	5.00	113.756	3.04	153480BD9
2035	14,620,000	5.00	114.504	3.13	153480BE7
2036	15,355,000	5.00	115.241	3.20	153480BF4

* Initial CUSIP® numbers have been assigned to the Series 2026A Bonds by an organization not affiliated with the District and are included for the convenience of the owners of the Series 2026A Bonds only at the time of the initial issuance of the Series 2026A Bonds. CUSIP® is a registered trademark of the American Bankers Association. None of the District nor their agents or counsel is responsible for the selection, use or accuracy of the CUSIP® numbers nor is any representation made as to their correctness with respect to the Series 2026A Bonds as included herein or at any time in the future. The CUSIP® number for a specific maturity is subject to being changed after the initial issuance of the Series 2026A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026A Bonds.

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

1900 Hotel Plaza Boulevard
Lake Buena Vista, Florida 32830

BOARD OF SUPERVISORS

Alexis Yarbrough, Chair
John Gilbert
Scott Workman
David Woods
Matt Ravenscroft

DISTRICT ADMINISTRATOR

S.C. Kopelousos

DISTRICT CHIEF FINANCIAL OFFICER

Susan Higginbotham, C.P.A.

DISTRICT GENERAL COUNSEL

Roy K. Payne, Esq.

BOND COUNSEL

Greenberg Traurig, P.A.
Miami, Florida

DISCLOSURE COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

No dealer, broker, salesman or other person has been authorized by the District 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 2026A 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 The Depository Trust Company 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 2026A 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.

UPON ISSUANCE, THE SERIES 2026A BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR WILL THE HEREINAFTER DESCRIBED BOND RESOLUTION BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2026A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2026A BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE SERIES 2026A BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED OR RECOMMENDED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY NOR HAS THE SECURITIES EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE DISTRICT AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2026A 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.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE DISTRICT, THE BOND RESOLUTION, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE ORDER AND PLACEMENT OF INFORMATION IN THIS OFFICIAL STATEMENT, INCLUDING THE COVER PAGE, THE INSIDE COVER PAGE AND THE APPENDICES ATTACHED HERETO, ARE NOT AN INDICATION OF RELEVANCE, MATERIALITY OR RELATIVE IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE COVER PAGE, THE INSIDE COVER PAGE AND APPENDICES ATTACHED HERETO, SHOULD BE READ IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTION IN THIS OFFICIAL STATEMENT.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "anticipate," "intend," "project," "forecast," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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Appendix B	Bond Resolution
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Appendix D	Form of Disclosure Dissemination Agent Agreement
Appendix E	General Information Regarding Tourism in Orange and Osceola Counties

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OFFICIAL STATEMENT
relating to

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

\$124,755,000
AD VALOREM TAX REFUNDING BONDS,
SERIES 2026A

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the cover page, inside cover page, and the Appendices hereto, is to furnish certain information in connection with the sale by the Central Florida Tourism Oversight District (the "District"), successor to Reedy Creek Improvement District ("Reedy Creek"), of its Ad Valorem Tax Refunding Bonds, Series 2026A (the "Series 2026A Bonds"). Capitalized terms not otherwise expressly defined herein shall have the meanings ascribed thereto in the hereinafter defined Bond Resolution. See "Appendix B - Bond Resolution" attached hereto.

The District is a Florida local government entity, created in 1967 by a Special Act of the Florida Legislature, the purpose of which is to support and administer certain aspects of economic development and tourism within District boundaries. In April 2022, the Governor of Florida (the "Governor") signed Senate Bill 4-C into law dissolving Reedy Creek effective June 1, 2023. In February 2023, the Governor signed House Bill 9-B which provided that Reedy Creek was not dissolved, ratified the continued existence of Reedy Creek and, among other matters, renamed Reedy Creek the Central Florida Tourism Oversight District. House Bill 9-B provided for certain other changes to the original legislation that established Reedy Creek. See "CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT" herein.

The District is located in Orange and Osceola Counties in central Florida. It encompasses approximately 25,000 acres and currently services 18 landowners, including the Walt Disney Company (the "WDC") and its affiliates. The *Walt Disney World*® Resort (the "WDW Resort") is located within the territorial boundaries of the District. The District is governed by a five-member Board of Supervisors (the "Board") appointed by the Governor and confirmed by the Florida Senate. See "CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT" herein for more information about the District.

The Series 2026A Bonds are being issued pursuant to the Constitution and laws of the State of Florida (the "State"), particularly Chapter 2023-5, Laws of Florida, as amended and other applicable provisions of law (collectively, the "Act") and the Bond Resolution. See "CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT – Powers" herein.

The Board of Supervisors of the District (the "Board") 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 April 24, 2026, the District adopted Resolution No. 683 (the "2026 Resolution") authorizing the issuance of the Series 2026A Bonds. The 1991 Resolution, as amended and supplemented, particularly as amended by the 1995 Resolution and supplemented by the 2026 Resolution, is referred to herein collectively as the "Bond Resolution." See "Appendix B - Bond Resolution" attached hereto.

The Series 2026A Bonds are being issued by the District to (i) refund all of the District's outstanding Ad Valorem Tax Bonds, Series 2016A (the "Series 2016A Bonds"), maturing on and after June 1, 2027 (the "Refunded Bonds"), and (ii) to pay costs of issuance of the Series 2026A Bonds. See "PLAN OF REFUNDING" herein.

The Series 2026A Bonds are to be issued on parity, and are to have an equal lien on the Ad Valorem Taxes collected by the respective tax collectors of Orange and Osceola County's and remitted to the District, with the District's outstanding Ad Valorem Tax Bonds, Series 2017A, Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable) and Ad Valorem Tax Bonds, Series 2024A (collectively, the "Outstanding Bonds"), and with any subsequent series of Additional Bonds issued pursuant to the Bond Resolution. The Outstanding Bonds, together with the Series 2026A Bonds and any subsequent series of Additional Bonds that may be issued pursuant to the Bond Resolution, are hereinafter collectively referred to as the "Bonds." See "SECURITY FOR THE BONDS" herein.

The Series 2026A Bonds are not subject to redemption prior to maturity.

This Introductory Statement is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover page and the appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement, including the cover page, the inside cover page and the appendices attached hereto, and of the documents summarized or described herein. The offering of the Series 2026A Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this Introductory Statement from this Official Statement or to otherwise use it without the entire Official Statement, including the cover page, the inside cover page and the appendices attached hereto.

This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement, including the cover page, the inside cover page and the appendices attached hereto, contains brief descriptions of, among other matters, the District, the Series 2026A Bonds, the security and sources of payment for the Series 2026A Bonds and the Bond Resolution. Such descriptions and information do not

purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2026A Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. A copy of the Bond Resolution (without exhibits) is attached as Appendix B hereto. Copies of other documents referred to herein may be obtained from Roy K. Payne, Esq., District General Counsel, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida 32830 (telephone 407-222-4120).

PLAN OF REFUNDING

The Refunded Bonds are expected to be called for redemption on June 30, 2026 (the "Redemption Date") at a redemption price equal to 100% of the principal amount of the Refunded Bonds plus accrued interest to the redemption date. Simultaneously with the delivery of the Series 2026A Bonds, the District will deposit a portion of the proceeds of the Series 2026A Bonds in an escrow fund (the "Escrow Fund") with U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent") pursuant to an Escrow Deposit Agreement (the "Escrow Deposit Agreement") to be held in cash or applied to the purchase of certain United States Treasury Obligations (the "Escrow Securities"), which together with interest earnings thereon and any cash deposit therein, will be sufficient to pay the principal of, and interest on, the Refunded Bonds to the Redemption Date. Bond Counsel will render their opinion to the effect that, assuming the deposit and application of such proceeds in accordance with the terms of the Escrow Deposit Agreement provision having been made for the payment of the Refunded Bonds, the Refunded Bonds will be deemed to be paid and will no longer be outstanding under the Bond Resolution. Such opinions will be rendered in reliance upon the verification report of Causey Public Finance, LLC, Denver, Colorado, independent certified public accountants, described under the heading "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

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ESTIMATED SOURCES AND USES OF FUNDS

The District intends to apply the proceeds of the Series 2026A Bonds and other legally available moneys as follows:

Sources of Funds

Proceeds of Series 2026A Bonds	\$124,755,000.00
Plus Original Issue Premium	<u>13,093,620.25</u>
Total Sources	<u><u>\$137,848,620.25</u></u>

Uses of Funds

Deposit to the Escrow Fund ⁽¹⁾	\$137,396,911.80
Costs of Issuance ⁽²⁾	<u>451,708.45</u>
Total Uses	<u><u>\$137,848,620.25</u></u>

⁽¹⁾ To be applied to refund the Refunded Bonds. See "PLAN OF REFUNDING" herein.

⁽²⁾ Includes the underwriter's discount, rating agency fees, legal fees and expenses and other costs of issuance.

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OUTSTANDING BONDS SECURED BY AD VALOREM TAXES

The following table provides principal amounts of the District's Outstanding Bonds, excluding the Series 2026A Bonds, secured by Ad Valorem Taxes, as of October 1, 2025:

<u>Series of Bonds</u>	<u>Principal Amount Outstanding</u>
Series 2016A Bonds ⁽¹⁾	\$147,515,000
Series 2017A Bonds	150,220,000
Series 2020A Bonds	282,000,000
Series 2024A Bonds	94,215,000
Total	<u><u>\$673,950,000</u></u>

(1) The Series 2016A Bonds maturing after June 1, 2026 are to be refunded in connection with the issuance of the Series 2026A Bonds.

Source: District Annual Financial Report for the Fiscal Year ended September 30, 2025.

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AGGREGATE AD VALOREM DEBT SERVICE SCHEDULE

The following table sets forth the debt service for the Outstanding Bonds and the Series 2026A Bonds. Amounts have been rounded to the nearest dollar.

Fiscal Year Ended September 30	Outstanding Bonds Debt Service ⁽¹⁾	Series 2026A Bonds			Total Debt Service
		Principal	Interest	Total	
2026	\$66,308,540				\$66,308,540
2027	48,900,960	\$10,160,000	\$5,960,517	\$16,120,517	65,021,477
2028	48,902,155	10,390,000	5,729,750	16,119,750	65,021,905
2029	48,895,135	10,915,000	5,210,250	16,125,250	65,020,385
2030	48,903,051	11,455,000	4,664,500	16,119,500	65,022,551
2031	48,907,598	12,030,000	4,091,750	16,121,750	65,029,348
2032	48,904,283	12,635,000	3,490,250	16,125,250	65,029,533
2033	48,906,298	13,265,000	2,858,500	16,123,500	65,029,798
2034	48,909,341	13,930,000	2,195,250	16,125,250	65,034,591
2035	48,908,817	14,620,000	1,498,750	16,118,750	65,027,567
2036	48,908,428	15,355,000	767,750	16,122,750	65,031,178
2037	66,315,295				66,315,295
2038	33,493,659				33,493,659
2039	7,793,500				7,793,500
2040	7,797,750				7,797,750
2041	7,797,250				7,797,250
2042	7,796,500				7,796,500
2043	7,794,750				7,794,750
2044	7,796,250				7,796,250
Totals	\$701,939,560	\$124,755,000	\$36,467,267	\$161,222,267	\$863,161,827

⁽¹⁾ Includes all of the Series 2016A Bonds debt service for Fiscal Year 2026 but does not include debt service on the Refunded Bonds for subsequent Fiscal Years.

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DESCRIPTION OF THE SERIES 2026A BONDS

General Description

The Series 2026A Bonds are being issued as a single fully-registered Bond for each maturity, registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). See "Book-Entry Only System" below. U.S. Bank Trust Company National Association, Orlando, Florida, shall serve as the initial Paying Agent and Registrar for the Series 2026A Bonds.

The Series 2026A 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 2026A Bonds is payable semiannually on each June 1 and December 1 of each year (the "Interest Payment Dates"), commencing December 1, 2026. Principal of and interest on the Series 2026A Bonds are payable to the registered owner thereof, which initially will be Cede & Co., a nominee of DTC.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT BELIEVES TO BE RELIABLE, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2026A Bonds. The Series 2026A 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 bond certificate will be issued for each maturity of the Series 2026A Bonds, 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 (the "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 (the "Indirect Participants" and together with the Direct Participants, "Participants"). DTC has a S&P Global Ratings' rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026A 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 2026A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026A Bonds, except in the event that use of the book-entry system for the Series 2026A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026A 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 Series 2026A 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 2026A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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 made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026A

Bonds, such as defaults and proposed amendments to the Series 2026A Bond documents. For example, Beneficial Owners of Series 2026A Bonds may wish to ascertain that the nominee holding the Series 2026A 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 Paying Agent and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026A 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 the Series 2026A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest on the Series 2026A 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 distributions, and 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 for the Series 2026A Bonds. 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026A Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026A Bonds 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, and if a successor securities depository is not obtained, Series 2026A Bonds are required to be printed and delivered.

Registration, Transfer and Exchange of Series 2026A Bonds

So long as the Series 2026A Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to registration and transfer and exchange of beneficial

ownership interests in the Series 2026A Bonds will not apply with respect to the Series 2026A Bonds, and the registration and transfer of beneficial ownership interests in the Series 2026A Bonds will be governed by the rules and procedures of DTC as generally described under "DESCRIPTION OF THE SERIES 2026A BONDS - Book-Entry Only System," above.

The registration of a Series 2026A Bond may be transferred upon the registration books upon delivery thereof to the principal office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of the Series 2026A Bond or by its attorney-in-fact or legal representative, containing written instructions as to the details of transfer of the Series 2026A Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Series 2026A Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Bond Resolution 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 Series 2026A Bond or Bonds of the same 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 owner of such Series 2026A Bond for the registration of every transfer or exchange of a Series 2026A 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 Series 2026A Bond shall be delivered.

Redemption Provisions

The Series 2026A Bonds shall not be subject to redemption prior to maturity.

SECURITY FOR THE BONDS

Pledge of Ad Valorem Taxes; Certain Covenants of the District

Payment of principal of and interest on the Series 2026A Bonds is secured (equally and ratably with all other Bonds) by an irrevocable prior lien on the first proceeds collected by the respective tax collectors of Orange County and Osceola County and remitted to the District from Ad Valorem Taxes levied at a rate not exceeding 30 mills on the dollar per annum on the assessed value of all taxable property in the District. Pursuant to the Bond Resolution, the District has irrevocably pledged such funds to the payment of the principal and interest on the Bonds and for any and all other required payments with respect to the Bonds.

The District covenants in the Bond Resolution to diligently enforce its right to receive the Ad Valorem Taxes to the extent lawful and to not take any action that will

impair or adversely affect its rights to levy, collect and receive the Ad Valorem Taxes as provided in the Bond Resolution or impair or adversely affect in any manner the pledge of the Ad Valorem Taxes made in the Bond Resolution, in each case, that would impair the rights of the Bondholders to receive payment for the Bonds. Pursuant to the Bond Resolution, the District is 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 the Bond Resolution for payment of the Bonds.

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

For the Fiscal Year ended September 30, 2025, the District levied Ad Valorem Taxes at the rate of 13.0830 mills, of which 4.1700 mills was for the payment of debt service on the Outstanding Bonds and 8.9130 mills was for the payment of the general operations of the District. For the Fiscal Year ending September 30, 2026, the District has set an Ad Valorem Tax rate of 12.4236 mills, of which 3.8400 mills is for the payment of debt service on Outstanding Bonds (inclusive of the Series 2026A Bonds) and 8.5836 mills is for the payment of the general operations of the District.

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 2026A Bonds and any other Bonds then Outstanding under the Bond Resolution during each Fiscal Year. Sinking Fund deposit requirements in a particular Fiscal Year shall be satisfied from the Ad Valorem Taxes collected in such Fiscal Year. See " – Disposition of Ad Valorem Taxes – Flow of Funds" below.

Disposition of Ad Valorem Taxes – Flow of Funds

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

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

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

(2) Upon the issuance by the District of any Additional Bonds under the terms, limitations and conditions provided in the Bond Resolution, the payments into the Sinking Fund shall be increased in such amounts as are necessary to make the payments set forth in paragraph (1) above for the principal of and interest on such Additional Bonds, on the same basis as provided with respect to the outstanding Bonds.

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

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

Excess proceeds of Ad Valorem Taxes in the Ad Valorem Taxes Fund are immediately transferred to the District's 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 2026A Bonds.

Covenant by the State of Florida to the District

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

connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. See "CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT -- Creation of the District and Restatement and Amendment of Enabling Legislation" herein for a description of the Act and other matters related thereto.

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. 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 2026A Bonds and the Outstanding Bonds, except Additional Bonds as hereinafter described.

Additional Bonds

Additional Bonds may be issued by the District on parity with the Outstanding Bonds and the Series 2026A Bonds subject to the following terms and conditions:

(1) There shall have been filed with the Board 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 2026A Bonds, the District will deliver evidence of its satisfaction of the foregoing terms and conditions.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

Location

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

The District is intersected diagonally (northeast to southwest) by U.S. Interstate Highway No. 4 and midway (east to west) by U.S. Route 192. Approximately 66% of the land in the District is owned by the Walt Disney Company (as previously defined, the "WDC") and its affiliates. Approximately 7,124 acres (29%) are owned by the District itself, 743 acres (3%) are owned by the State and 356 (2%) acres are owned by others. The *Walt Disney World*® Resort (as previously defined, the "WDW Resort"), which was first opened to the public on October 1, 1971, is located within the territorial boundaries of the District. See "- Description of Major Business in the District" below and "INVESTMENT CONSIDERATIONS – Concentration of Land Ownership" herein.

Creation of the District and Restatement and Amendment of Enabling Legislation

The District was originally established in 1967 pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967, effective May 12, 1967, as amended (the "1967 Act") as a public corporation of the State. On April 22, 2022, the Governor signed into law Senate Bill 4-C, which was passed by the Florida Senate on April 20, 2022, during a special legislative session, and by vote of the Florida House on April 21, 2022 (the "2022 Bill"). The 2022 Bill dissolved 6 independent special districts, including the Reedy Creek Improvement District (as previously defined, "Reedy Creek"), which were established by a special act prior to November 5, 1968 and which had not been reestablished, ratified or otherwise reconstituted thereafter, effective June 1, 2023. On February 27, 2023, prior to the effective date of the 2022 Bill, the Governor signed into law House Bill 9-B, which was approved by the Florida Senate on February 10, 2023, and by the Florida House on February 9, 2023, during a special legislative session and codified as Chapter 2023-5, Laws of Florida (the "Act"). The Act provides that the District was not dissolved as of June 1, 2023 and ratified and confirmed the continued existence of Reedy Creek under a new name,

the Central Florida Tourism Oversight District. The Act also made significant amendments to the 1967 Act. The Act is the operating legislation of the District.

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

- replacement of the landowner elected Board of Supervisors by a Board of Supervisors (as previously defined, the "Board") appointed exclusively by the Governor, subject to State Senate confirmation;
- imposition of limitations on appointments designed to ensure independence of the Board from operators of any theme park or entertainment complex;
- removal of the power of the Board to amend the boundaries of the District without a special act of the State legislature;
- removal of the power of the Board to exercise extraterritorial eminent domain powers, own and operate airport facilities, certain types of recreational facilities (such as stadiums, civic center and convention halls) and "novel and experimental" facilities (such as a nuclear fission power plant).

The Act provides that all legal and financial documents and agreements of the District, even though executed under the name "Reedy Creek Improvement District," continue to be effective and binding on the District.

Following the enactment of the Act, and the transition of the prior governing body to the newly appointed Board of Supervisors, the District became aware of a discrepancy in the District's reporting of the W-2 income and wages of District employees and retirees in the years 2021 through 2023. As a result, the District submitted a voluntary closing agreement with the Internal Revenue Service ("IRS") and has budgeted approximately \$2 million to fund any obligation. The District currently does not know when this matter will be resolved but does not anticipate that the final determination will have a material adverse effect on its ability to pay debt service on the Series 2026A Bonds and the Outstanding Bonds.

Governance

The District is governed by the Board consisting of five members appointed by the Governor and confirmed by the Florida Senate. The Board is headed by the Chair who is appointed by the Governor. Board members hold office for a term of four years each. Members may not serve more than three consecutive terms. All members must be Florida residents and consideration is given for members from a broad range of fields including experience in accounting, business management, construction, cybersecurity or data privacy, engineering, environmental sciences, financial management, infrastructure management, land use, permitting, public administration, public safety, transportation, or

utility operations and management. The present members of the Board are listed on page (i) hereof.

Administration

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

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

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

Powers

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

(1) to acquire property, real, personal or mixed, within its territorial limits, to encumber any property acquired by the District, and to mortgage, hold, manage, control, convey, lease, sell, grant or otherwise dispose of the same;

(2) to exercise the right and power of eminent domain within the limits of the District to condemn real property or mixed property which the Board deems necessary for the use of any of the projects of the District; the power of eminent domain shall be exercised as provided by general law;

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

(4) to own, operate and maintain water systems, reclaimed water systems and sewer systems; to regulate the use of sewers and the supply of potable water and nonpotable

water within the District; to prohibit or regulate the use and maintenance of other sanitary structures and to prescribe methods of sewage treatment;

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

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

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

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

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

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

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

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

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

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

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

Ad Valorem Taxes, Maintenance Taxes and Utility Taxes. The Board 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 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 the Property Appraisers of Orange and Osceola Counties. However, in addition to the ad valorem tax of 30 mills on the dollar per annum, the Board 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 utility 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, 2025, as certified by the Property Appraisers of Orange and Osceola Counties pursuant to the respective Certifications of Final Taxable Value, is \$17,833,970,715. The aggregate principal amount of outstanding ad valorem tax bonds of the District as of October 1, 2025 was \$673,950,000 (including the Refunded Bonds), which was approximately 3.78% of such assessed valuation as of January 1, 2025. Upon the issuance of the Series 2026A Bonds in the aggregate principal amount of \$124,755,000, the total principal amount of outstanding Bonds (excluding the Refunded Bonds) will be \$620,625,000, which is approximately 3.48% of the assessed valuation as of January 1, 2025.

Other than refunding bonds that achieve debt service savings, ad valorem tax bonds must be approved at an election in accordance with the applicable provisions of the Constitution and laws of the State. The District may pledge its full faith and credit for the principal, interest and reserve charges, if any, on such ad valorem tax bonds and for any reserve or other funds provided therefor, and may unconditionally and irrevocably pledge itself to levy ad valorem taxes on all taxable property in the District, to the extent necessary for the payment thereof, subject, however, to the limitations on the total amount of ad valorem taxes that may be levied in any one year as specified in the Act.

Other Borrowings Including Revenue Bonds; Authorization. The District has the power to issue revenue bonds from time to time without limitation as to amount. Such revenue bonds may be secured by or payable from the gross or net pledge of the revenues to be derived from any project or combination of projects, from the rates, fees, fares or other charges to be collected from the users of any project or projects, from any revenue-producing undertaking or activity of the District, or from any other source or pledged security. The Board may combine projects for revenue bonds financing and pledge to the payment of revenue bonds two or more sources of revenue. Currently, the District's utilities revenue bonds are outstanding in the aggregate principal amount of \$262,710,000. Such bonds are secured by and payable principally from the net revenues derived from the operation of the District's various utilities systems.

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. To date, the District has not levied a utility service tax nor issued any such bonds.

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 may issue assessment bonds payable out of such assessments when collected. To date, the District has not issued any such assessment bonds. Any special assessments are collected by the respective tax collectors of Orange and Osceola Counties and are remitted to the District.

The District has the power to issue bond anticipation notes to borrow money for the purposes for which bonds have been authorized. The District has issued bond anticipation notes previously but there are none outstanding currently.

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 may determine. To date, the District has not incurred any such loans.

Comprehensive Plan

In accordance with Florida Statutes Chapter 163, Part II, Community Planning Act, the District is required to update its Comprehensive Plan at a minimum every seven years to reflect changes to Florida Statutes and/or local conditions. The Comprehensive Plan provides the basis for future decisions regarding land use, development, conservation and infrastructure. The current plan, referred to as the 2045 Comprehensive Plan, was approved by the District in September 2025 and is currently in use. A full copy of the 2045 Comprehensive Plan is available at <https://www.oversightdistrict.org/wp-content/uploads/2026/01/2045-CFTOD-Comprehensive-Plan.pdf>.

Future Ad Valorem Tax Bond Financing Plans of the District

Ad Valorem Tax Bonds. The District has not authorized the issuance of any future additional Ad Valorem Tax Bonds nor has it sought voter approval for the issuance of such Bonds. However, the District may authorize and issue additional Ad Valorem Tax Bonds, subject to voter approval by referendum, in the future. The District has identified certain transportation capital improvements for which it may pursue the issuance of Ad Valorem tax Bonds in the future.

Utilities Revenue Bonds. The District could authorize the issuance of additional utilities revenue bonds in the future but has not identified additional needs for any such financing at this time.

Description of Major Businesses in the District

As noted previously, approximately 66% of the land in the District is owned by the WDC and its affiliates. 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, 2025.

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

The WDW Resort is marketed through a variety of international, national and local advertising and promotional activities. A number of attractions and restaurants in the theme parks are sponsored or operated by other companies under multi-year agreements.

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

Epcot®. *Epcot®* consists of four major themed areas: *World Showcase, World Celebration, World Nature* and *World Discovery*. All areas feature themed attractions, restaurants, merchandise shops and entertainment experiences. Countries represented with pavilions include Canada, China, France, Germany, Italy, Japan, Mexico, Morocco, Norway, the United Kingdom and the United States. CommuniCore Hall and Plaza opened in June 2024, completing a multi-year transformation at *Epcot®*.

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

Disney's Animal Kingdom®. *Disney's Animal Kingdom®* consists of a 145-foot tall Tree of Life centerpiece surrounded by five themed areas: *Africa, Asia, DinoLand U.S.A.®, Discovery Island®* and *Pandora – The World of Avatar*. Each area contains themed attractions, restaurants, merchandise shops and entertainment experiences. The park features more than 300 species of live mammals, birds, reptiles and amphibians and approximately 3,000 varieties of vegetation. *DinoLand U.S.A.®* area will be rethemed and in 2027, is planned to open as *Tropical Americas*, which will feature themed attractions, restaurants, merchandise shops and entertainment experiences.

Hotels, Vacation Club Properties and Other Resort Facilities. As of September 27, 2025, WDC owned and operated 18 resort hotels and vacation club properties at the WDW Resort, with approximately 23,000 rooms and 3,900 vacation club units. Resort facilities include 500,000 square feet of conference meeting space and Disney's Fort Wilderness camping and recreational area, which offers approximately 800 campsites.

Disney Springs®. *Disney Springs®* is an approximately 120-acre themed retail, dining and entertainment complex and consists of four areas: *Marketplace, The Landing, Town Center* and *West Side*. These areas are home to approximately 150 venues including the World of Disney retail store, which includes approximately 38,000 square feet of retail space. Most of the offerings at Disney Springs are operated by third parties that pay rent to the WDC.

Ten independently-operated hotels with approximately 7,000 rooms are situated in the District on property leased from the WDC.

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

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

Facilities Serving the WDW Resort and Major Businesses within the District. The District provides utility services to the WDW Resort and other major businesses within the District.

Affiliates of the WDC provide transportation systems throughout the WDW Resort, including a monorail system, surface transportation and water transportation.

The foregoing information under this subheading "Description of Major Businesses in the District" regarding the WDC and the WDW Resort has been obtained from the 10-K filing of the WDC with the SEC as of November 13, 2025. Neither the underwriter, nor the District, its counsel nor the District's Disclosure Counsel has performed any independent investigation of the information and does not guarantee the accuracy or completeness of such information and does not make any representations as to the continued accuracy of such information after the date of such 10-K. See "Certain Information on the Walt Disney Company and Subsidiaries" below.

New and Ongoing Projects at the Walt Disney World Resort

The WDC has publicly announced several new projects contemplated to be constructed at the WDW Resort. See <https://disneyexperiences.com/expansions/#walt-disney-world-resort> for more information on those projects.

Certain Information on the Walt Disney Company and Affiliates. The common stock of the WDC is listed for trading on the New York Stock Exchange. The WDC is subject to the information requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and in accordance therewith files reports, proxy statements and other information with 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 WDC 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 WDC and its affiliates. **All documents subsequently filed by WDC pursuant to the requirements of the Exchange Act after the date of this Official Statement should be available for inspection in the same manner as described above.**

Taxation

Ad Valorem Taxes. The Board of the District has the power, under the Act, to levy and assess an ad valorem tax on all taxable real and tangible personal property in the District, to provide for sinking or other funds in connection therewith, and to defray the cost of District projects and activities. Such taxes are in addition to any county or municipal ad valorem taxes. See " - Powers - *Ad Valorem Taxes, Maintenance Taxes and Utility Taxes*" above.

The Board 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. 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 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 Fiscal Years 2001 to 2006, such rolled back millage rates were determined after first reducing Fiscal Year 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 and not with regard to debt service millage.

Exemptions from Ad Valorem Taxation. The State Constitution provides that all property owned by a local government and used exclusively by it for governmental or public purposes shall be exempt from taxation. Real property used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may also be exempted by general law from taxation.

In addition to other general exemptions, the State Constitution also provides for a homestead exemption for residential property. 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 general homestead exemption of up to \$50,000 (subject to certain adjustments). In addition to the general homestead exemption, there are several additional homestead exemptions for residential property, including but not limited to those for certain active duty military and veterans, disabled veterans, disabled first responders, and certain disabled persons.

All of the taxable property located in the District is commercial. None is homestead residential property.

Other Legislative Proposals. In the past several legislative sessions, proposals 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 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 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.

See also "INVESTMENT CONSIDERATIONS - Property Tax Reform" herein for information concerning property tax reform legislation recently adopted in a special legislative session that began June 1, 2026.

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 of each year 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.

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The table below sets forth total taxable assessed property values 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, 2017 through 2026 (tax years 2016-2025). For information concerning total Ad Valorem Taxes collected, see " – Taxation - *Collection of District Taxes.*"

**Taxable Assessed Property
Fiscal Years 2017-2026**

Fiscal Year Ended September 30,	(1) Assessed Value of Property Within District (\$ in thousands)	Debt Service Millage Rates (mills)	General Operating Millage Rates (mills)	(2) Tax Bill Amount (\$ in thousands)	Percentage of Tax Roll		
					The Walt Disney Company Related (% of Tax Roll)	(3) Other (% of Tax Roll)	(4) Percent Collected %
2017	\$9,876,278	4.8993	7.5000	\$122,459	86.30%	13.70%	99.99%
2018	10,617,333	5.0670	6.9630	127,727	86.10	13.90	99.99
2019	11,699,205	5.4806	6.9190	145,065	86.20	13.80	99.99
2020	12,625,711	4.9677	7.3231	155,180	86.70	13.30	99.99
2021	13,187,381	4.2962	6.8467	146,946	86.60	13.40	99.99
2022	12,432,754	4.9100	8.6641	168,763	87.70	12.30	99.99
2023	13,429,727	4.6400	9.2600	186,673	86.30	13.70	99.99
2024	15,252,970	3.9600	8.9900	197,526	86.80	13.20	99.99
2025	16,344,491	4.1700	8.9130	213,835	86.70	13.30	99.99
2026	17,833,971	3.8400	8.5836	221,562	87.00	13.00	n/a

(1) Assessed values in years 2017 through 2021, as applicable, 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 WDC.

(4) Percentages are net of adjustments resulting from changes made in assessed values by the Orange County and Osceola County Property Appraisers after taxes were levied, and/or discounts for early payment.

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 2025 and 2026 (tax years 2024 and 2025, respectively), total assessed valuation of taxable property within the District in Orange County, based on the Certifications of Final Taxable Value, was \$15,472,261,452 and \$16,900,526,033, 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 2025 and 2026 (tax years 2024 and 2025, respectively), total assessed valuation of taxable property within the District in Osceola County, based on the Certifications of Final Taxable Value, was \$872,229,089 and \$933,444,682, respectively.

The following table 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 the WDC and its affiliates. 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, 2025 as set forth in the Certifications of Final Taxable Value.

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

Taxpayer	Type of Business	2022	2023	2024	2025	2026
Walt Disney Company and Affiliates	Theme Park / Resort	\$10,907,179	\$11,592,335	\$13,240,045	\$14,172,790	\$15,518,409
HHR FS Orlando Hotel & Golf	Lodging / Sports	314,425	364,474	400,201	439,907	465,182
Dolphin	Lodging	294,249	318,771	351,435	381,820	415,356
Swan	Lodging	128,956	140,381	154,125	169,331	184,316
Palace Resort & Spa	Lodging	118,571	128,961	141,930	153,989	164,099
Hilton	Lodging	106,217	114,472	121,484	130,914	139,736
Swan Reserve	Lodging	-	114,775	113,965	124,065	130,965
Orlando Hotel Group	Lodging	32,360	101,334	106,011	106,535	103,985
Wyndham	Lodging	46,760	50,747	54,723	59,221	64,475
Drury Hotels	Lodging	22,998	24,457	45,766	55,101	59,106
JL-FX Hotel Development, LLC	Lodging	41,733	45,282	49,066	47,706	56,761
Duke Energy	Utility	42,001	42,836	44,250	46,522	49,779
Holiday Inn	Lodging	27,206	30,081	33,565	36,673	40,094
B Resort	Lodging	30,179	32,297	35,181	36,667	39,118
Doubletree	Lodging	21,936	23,827	27,453	30,155	31,611
Landry's Restaurants, Inc.	Dining	21,371	22,809	25,108	27,116	30,207
Sunbelt Rentals	Leasing	18,954	19,637	28,332	26,178	30,032
FL Solar	Utility	18,036	18,498	21,817	21,362	21,676
Century Golf Partners	Sports / Recreation	18,001	18,357	18,663	18,968	20,867
AMC Theatres	Entertainment	14,833	14,511	18,019	18,000	18,884
Smart City Telecommunications	Utility	19,197	16,361	17,897	17,742	17,983
House of Blues	Entertainment	11,194	12,003	13,121	14,290	15,636
Crown Castle Solutions Corporation	Utility Fuel /	15,330	19,064	17,414	16,902	14,065
Hess Retail/Speedway LLC	Convenience	11,337	12,011	12,315	12,648	13,583
Advent Health	Healthcare	-	-	-	-	12,362
AT&T Mobility	Communications	11,187	9,813	10,307	10,973	10,496
Others		138,544	141,633	150,777	168,916	165,188
Total		\$12,432,754	\$13,429,727	\$15,252,970	\$16,344,491	\$17,833,971

(1) As of January 1 of the previous year.
Source: District Tax Records.

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The District has prepared and provided the following historical Summary Statement of Revenues, Expenditures and Changes in Fund Balance of the General and Debt Service Funds for general information purposes. The Bonds are only secured by and payable from the Ad Valorem Taxes as provided in the Bond Resolution and described herein.

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

	2022	2023	2024	2025	Budget 2026 (5)
Revenues:					
Ad valorem taxes - net (1)	\$161,996,588	\$179,283,918	\$189,469,297	\$203,480,296	\$212,219,765
Intergovernmental	446,263	-	-	-	-
Building permits and fees	3,107,627	3,476,522	6,167,382	7,367,316	6,135,000
Drainage fees	441,953	64,553	2,248,977	610,460	-
Interest and investment income	(1,645,846)	4,081,352	7,263,890	6,753,213	1,600,000
Emergency services	85,025	81,730	128,038	157,330	-
Other	726,064	625,253	639,144	424,505	200,000
Total Revenues	\$165,157,674	\$187,613,328	\$205,916,728	\$218,793,120	\$220,154,765
Expenditures/Expenses:					
Administrative (2)	\$11,233,633	\$17,128,866	\$15,788,559	\$12,280,812	\$14,739,711
Information Systems & Technology	4,698,490	4,943,425	5,028,819	5,149,635	9,214,917
Property Management	4,103,642	5,403,304	4,880,513	4,444,767	7,356,274
Environmental Sciences	4,714,662	5,440,773	5,524,150	5,341,626	6,517,494
Building & Safety	5,839,426	5,475,280	5,535,620	6,730,200	8,620,389
Emergency Services	36,953,789	44,052,012	48,815,084	51,644,221	57,527,478
Water Control & Roadways	28,298,887	32,713,195	30,343,871	30,433,769	45,531,427
Planning & Engineering	3,562,755	3,568,445	4,260,053	7,023,430	9,694,115
Capital Outlay	2,074,139	7,185,755	6,669,959	8,527,820	5,834,104
Debt service	58,522,024	59,058,346	59,094,427	68,262,848	66,686,812
Total	\$160,001,447	\$184,969,401	\$185,941,055	\$199,839,128	\$231,722,721
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$5,156,227	\$2,643,927	\$19,975,673	\$18,953,992	(\$11,567,956)
Other financing sources					
Insurance recoveries	\$565,055	-	-	-	-
Lease proceeds	-	\$701,815	\$921,739	\$3,829,275	-
Total	\$565,055	\$701,815	\$921,739	\$3,829,275	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$5,721,282	\$3,345,742	\$20,897,412	\$22,783,267	(\$11,567,956)
Fund Balance, Beginning of Year	38,008,788	43,730,070	47,075,812	67,973,224	90,756,491
Fund Balance, End of Year (3)(4)	\$43,730,070	\$47,075,812	\$67,973,224	\$90,756,491	\$79,188,535

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

(2) Human Resources was combined with Administration in Fiscal Year 2024; prior years were restated to reflect the change.

(3) The District's Fund Balance Policy requires unassigned general fund balance to be budgeted to equal at least two months of budgeted general fund operating expenses. The Policy further requires the District to assign \$2,000,000 for emergency use. If in one year a major project or large capital purchase is postponed, a deficiency in the next year's operating budget is planned to reduce fund balance to a desired level.

(4) Consists of the combined fund balances 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 Annual Financial Report for details.

(5) Interest and investment income is budgeted conservatively each year and actual results may exceed budget. With respect to expenditures and expenses, certain budgeted operating projects not completed in a given year are generally deferred to a subsequent year.

Source: District Finance Office

Direct and Overlapping Taxes. The following table identifies governmental units authorized to levy ad valorem taxes on taxable real and tangible personal property in the District and the millage levied for Fiscal Year ending September 30, 2026.

Governmental Unit	Millage	Total Millage
Central Florida Tourism Oversight District:		
General Operating	8.5836	
Debt Service	3.8400	12.4236
City of Bay Lake (1)		2.2250
City of Lake Buena Vista (1)		2.6193
Orange County:		
Commission	4.4347	
School	6.4490	
South Florida Water Management District	0.2301	
Library	0.3748	11.4886
Osceola County:		
Commission	6.7000	
School	5.3060	
South Florida Water Management District	0.2301	
Library	0.3000	12.5361

(1) The Cities of Bay Lake and Lake Buena Vista are located in Orange County.

Source: District Fiscal Year 2026 Budget, City of Bay Lake, City of Lake Buena Vista, Orange County and Osceola County

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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 Tax Collectors of Orange and Osceola Counties collect taxes in like manner as prescribed by law for the collection of local government taxes, and remit those monies to the District.

The following table sets forth total District Ad Valorem Taxes collected for the Fiscal Years ended September 30, 2016 through 2025 (tax years 2015 through 2024) (for information concerning the total taxable assessed property within the District, see "- Taxation - Basis of Valuation" above):

Collection of District Taxes

Fiscal Year Ended September 30,	(1) Total Tax Levy (\$ in thousands)	(1) Collections (% of Total Tax Levy)	(1)(2) Adjustments and Discounts (\$ in thousands)	Total Net Tax Collections (\$ in thousands)	(3) Collections (% of Net Tax Levy)
2016	\$114,472	95.42%	\$5,244	\$109,228	99.99%
2017	122,459	96.05	4,832	117,627	99.99
2018	127,727	96.20	4,849	122,878	99.99
2019	145,065	93.46	9,480	135,585	99.99
2020	155,180	95.67	6,719	148,461	99.99
2021	146,946	94.87	7,536	139,410	99.99
2022	168,763	95.99	6,766	161,997	99.99
2023	186,673	96.04	7,389	179,284	99.99
2024	197,526	95.92	8,057	189,469	99.99
2025	213,835	95.16	10,355	203,480	99.99

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- (1) Amounts in years 2017 and 2021, as applicable, have been adjusted to reflect the resolution of certain valuation disputes with the Orange County Property Appraiser.
 - (2) Adjustments resulting from changes made in assessed values by the Orange County and Osceola County Property Appraisers after taxes were levied.
 - (3) Net Tax Levy includes reductions for adjustments described in (2) and discounts for early payment.

Source: District Tax Records

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Tourism

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

Investment Policy

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

Debt Management Policy

The District maintains a debt policy in accordance with the Internal Revenue Code, Florida Statutes and the Local District Charter. The debt policy sets forth the parameters for issuing debt and managing outstanding debt, including the timing and purpose for which debt may be issued, types and amounts of permissible debt, the method of sale that may be used and structural features that may be incorporated. Adherence to the debt policy helps to ensure that the District maintains a sound debt position and that credit quality is protected. The District's debt policy is reviewed annually, and any amendments would be approved by the District's Board of Supervisors. The current debt policy was adopted by the District on March 24, 2022.

Fund Balance Policy

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

fund balance. The District's fund balance policy was adopted by the District on July 26, 2023.

PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS

Pension Plans

All full-time employees of the District participate in the Florida Retirement System (the "FRS"), administered by the State. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan and the Retiree Health Insurance Subsidy. Employees elect participation in either the FRS Pension Plan or the defined contribution plan, which is administered by the State Board of Administration. 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 State Legislature.

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 by writing to the State, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida, 32315-9000, or from the website: www.dms.myflorida.com/workforce_operations/retirement/publications.

See Note 10 to the audited financial statements of the District attached hereto as Appendix A for additional information concerning the FRS and the District's pension plans as of the dates set forth therein.

Other Post Employment Benefit Plans

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

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

See Note 11 to the audited financial statements of the District attached hereto as APPENDIX A for additional information concerning the OPEB Plan as of the dates set forth therein.

LITIGATION

From time to time, some taxpayers in the District have filed lawsuits challenging the valuation of commercial parcels located in the District and/or contesting the legality, validity and methodology of ad valorem property assessments made by the Orange County or Osceola County Property Appraiser, as the case may be, on the parcels. Some of these challenges have resulted in downward adjustments to assessed valuations in certain years that reduced the amount of taxes owed resulting in refunds due to certain taxpayers. Currently, lawsuits seeking refunds involving various hotels, theme parks, administrative parcels, vacant land, service parcels, and other properties are pending, some of which challenge valuations for the 2015 through 2024 tax years. The District cannot predict whether these challenges or future similar challenges will result in refunds to taxpayers, or the timing of when such challenges will be resolved. However, in Fiscal Years 2023, 2024 and 2025, the District budgeted \$5,000,000, \$6,000,000 and \$6,500,000, respectively, to fund potential financial obligations arising from property appraiser settlements and/or judgments entered by courts establishing the valuations after trial. The District increased the budgeted amount for such refunds to \$7,500,000 in Fiscal Year 2026.

The largest refund paid by the District in any given year was just under \$6,000,000 in Fiscal Year 2021 as a result of a decrease in assessed valuations of approximately \$516 million over a six-year period following settlements by the property appraiser. The second largest refund paid by the District was approximately \$3,500,000 in Fiscal Year 2019. The District continues to monitor the ongoing challenges and the committed fund balance attributable to such potential refunds as appropriate. See Tables entitled "Taxable Assessed Property" and "Assessed Valuation of Major Taxpayers" under "THE DISTRICT-Taxation" herein.

INVESTMENT CONSIDERATIONS

General

The purchase of the Series 2026A Bonds involves a degree of risk, as is the case with all investments. Each prospective investor in the Series 2026A Bonds should consider carefully the information set forth in this section along with all of the other information provided in this Official Statement before deciding whether to invest in the Series 2026A Bonds. The following disclosure is not meant to be an exhaustive list of the risks and other factors that should be considered in connection with the purchase of the Series 2026A Bonds and does not necessarily reflect the likelihood that a particular event will occur, or

the relative importance of the various risks and other factors. There can be no assurance that other risk factors will not arise and become material in the future. Certain factors that could affect the District's ability to perform its obligations under the Bond Resolution, including the timely payment of principal of and interest on the Series 2026A Bonds, include, but are not necessarily limited to, the following:

Potential Ratings Changes

There is no assurance that the ratings assigned to the Series 2026A Bonds by the rating agencies will continue for any given period of time or that any of them will not be lowered or withdrawn entirely by any rating agency, if in such rating agency's judgment, circumstances warrant. A downgrade, change in or withdrawal of any rating on the Series 2026A Bonds may have an adverse effect on the market price of the Series 2026A Bonds.

Limited Remedies

In the event of a default in the payment of principal of and interest on the Series 2026A Bonds, the remedies of the owners of the Series 2026A Bonds are limited under the Bond Resolution and may be further limited under Florida law.

Tourism Industry; Economic Conditions

The largest taxpayers in the District are corporations who operate primarily in the tourism industry. The ability of such taxpayers to pay Ad Valorem Taxes could be affected adversely by the level of tourism within the District and surrounding areas. Tourism can be impacted by various factors, including but not limited to, general economic conditions and trends, federal and State legislative initiatives that impact international and domestic travel, tourism, lodging and other matters, public health emergencies, hurricanes and tropical storms and other environmental conditions, competition from other tourist destinations and other factors. It is not possible to predict the levels of tourism that will occur within the District and surrounding areas during the period the Series 2026A Bonds are Outstanding.

The United States has been experiencing increased levels of inflation which have had an impact on the cost of goods and services that could influence discretionary expenditures by consumers, including tourism expenditures. Additionally, general economic policy, including tariff policies, that may be in effect from time to time now or in the future may have significant adverse impacts on economic conditions in the United States and international economies that could negatively influence consumer spending and tourism levels.

The value of real property in the District and the ability of the taxpayers in the District to pay Ad Valorem Taxes may be affected by changes in general economic

conditions, fluctuations in the real estate market, decline in tourism and other factors beyond the control of the taxpayers or the District.

See Appendix E attached hereto for general information concerning the tourism industry in central Florida.

Concentration of Land Ownership in the District

It is expected that the WDC and its affiliates will continue to own, either directly or indirectly, the majority of the real property within the District that is subject to ad valorem taxation. In the event of future severe financial difficulties of the WDC and/or its affiliates or any other significant property owner within the District, or in the unlikely event of the institution of bankruptcy or similar proceedings with respect to the WDC and/or its affiliates or any other significant property owner, the timely collection of Ad Valorem Taxes could be negatively impacted which may adversely affect the District's ability to pay scheduled debt service on the Series 2026A Bonds and the Outstanding Parity Bonds.

Landowner Challenge of Assessed Valuation

State law provides both administrative and judicial procedures whereby a taxpayer may contest the assessed valuation of his or her property determined by the local property appraiser. If the individual property owner believes that its property has not been appraised at just value, the owner may (1) request an informal conference with the applicable property appraiser to resolve the issue, (2) file a petition with the clerk of the applicable County value adjustment board, or (3) appeal to the Circuit Court within sixty (60) days of the certification for collection of the tax roll or within sixty (60) days of the issuance of a final decision by the value adjustment board. A petitioner before the value adjustment board who challenges the assessed value of property must pay all non-ad valorem assessments and make a partial payment of at least 75% of the ad valorem taxes due, less any applicable discount, before the taxes become delinquent. Before any judicial action to contest a valuation assessment may be brought, the taxpayer shall pay to the tax collector not less than the amount of the tax which the taxpayer admits in good faith to be owing. During any such proceeding, all procedures for the collection of the unpaid taxes are suspended until the petition or suit is resolved. Over the years, several property owners have filed petitions challenging assessed valuations. If a challenger is successful the District may be obligated to repay any overpayment that may be determined. The District has established a reserve to fund potential payment obligations that may result from successful challenges to assessed valuations. See "LITIGATION" herein for a brief description of challenges of the assessed valuation of property in the District by landowners in the District.

Cybersecurity

The District and businesses operating in the District, rely on a technological environment to conduct operations. As such, they are vulnerable to cybersecurity threats

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

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

Natural Disasters; Extreme Weather and Climate Change

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 communities including the District. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change, generally discussed in the paragraph following), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage District assets and local infrastructure that provides essential services to the businesses within the District. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs. Tourism could also be greatly impacted by hurricanes, tropical storms and other extreme weather storm events.

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels may rise, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures. Sea levels may continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. The District is unable to predict whether sea level rise or other impacts of climate change will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the District or the businesses within the District. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and State levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the District. Additionally, climate change could have an adverse impact on tourism within the District.

The District is located in the central part of the State. The District has not experienced any material damage to property or infrastructure as a result of any recent hurricane or storm event nor has the District suffered any adverse financial impact as a result of a hurricane or storm event that would affect its ability to pay debt service on the Series 2026A Bonds and the Outstanding Bonds. To date, tourism levels within the District have not been materially affected by any hurricane or storm event.

Public Health Concerns

The outbreak of the COVID-19 pandemic in March 2020 generally had a disruptive financial impact on local, State and national economies around the country, including without limitation fueling inflation and creating supply chain issues. Tourism within the District was materially and adversely impacted by the pandemic. There can be no guarantee that State and/or local shut-downs or closures similar to those implemented in 2020 will not happen in the future as a result of another international, national or localized outbreak of a highly contagious, epidemic or pandemic disease. It is possible the United States, including the State and the District, may experience increased COVID-19 cases, hospitalizations, and deaths as a result of current or future variants, or may experience a new viral pandemic, which could, in turn, impact State and local government finances.

Property Tax Reform

In recent years, the Florida Legislature has considered a number of proposals for property tax reform, primarily focused on residential homestead properties, aimed at reducing property taxes for Florida property owners. On May 27, 2026, Governor DeSantis called a special legislative session starting on June 1, 2026, to address property tax reform. On June 2, 2026, legislation proposing a ballot initiative for an amendment to the Florida Constitution to increase the residential homestead exemption for all property tax levies (other than school district levies), reduce the maximum amount by which annual property assessments can increase each year for non-homestead property from 10% to 5%, amend the method used to determine the maximum millage rate that may be levied pursuant to a majority vote of a local government governing body, and limit the types of expenditures counties and cities can make from ad valorem tax revenues, was passed by both chambers of the State Legislature. This legislation will not be final until it has been reviewed and approved by the Governor which is expected. If approved by the Governor, the proposed Florida Constitutional amendment will be subject to a state-wide referendum in the November 2026 general election and will require the support of at least 60% of the voters participating in the election to become law.

It is possible that legal challenges to the referendum ballot question or questions will be filed. It is unknown at this time whether any such challenges will be successful in keeping the measure from the November 3, 2026, general election ballot. There can be no assurance that if the measure is on the November general election ballot it will be approved by 60% of voters participating in the election.

All of the taxable property within the District is commercial. None is homestead residential property. Accordingly, the proposed increases to the residential homestead property exemption set forth in the adopted legislation should not adversely affect the District's level of Ad Valorem Tax collections. The provisions of the adopted legislation that reduce the maximum amount by which annual property assessments can increase each year for non-homestead property from 10% to 5% and the change in methodology regarding the maximum millage that can be imposed could potentially impact the level of Ad Valorem Taxes adversely; provided, however, the District retains the ability to increase its ad valorem tax millage up to 30 mils in accordance with applicable law. The District currently does not expect the adopted legislation, if it was to become law, to impair its ability to pay the Series 2026A Bonds or the other Outstanding Bonds, all of which have been approved by referendum and are secured by the Ad Valorem Taxes as provided in the Bond Resolution. See "SECURITY FOR THE BONDS" herein.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Series 2026A Bonds in order that the interest on the Series 2026A Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Series 2026A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026A Bonds. The District has covenanted in the Bond Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2026A Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2026A Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Series 2026A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that the Series 2026A Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes, and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2026A Bonds. Prospective purchasers of the Series 2026A Bonds should consult with their own tax advisors as to the status of interest on the Series 2026A Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2026A Bonds will be based on and will assume the accuracy of certain representations and certifications of the District, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2026A Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2026A Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2026A Bonds, or the ownership or disposition of the Series 2026A Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2026A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2026A Bonds, (iii) the inclusion of the interest on the Series 2026A Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2026A Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year (v) the inclusion of interest on the Series 2026A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Series 2026A Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Series 2026A Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2026A Bonds. Prospective purchasers of the Series 2026A Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's

professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Premium

Certain of the Series 2026A Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity), or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

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

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2026A Bonds, adversely affect the market price or marketability of the Series 2026A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2026A Bonds. Prospective purchasers of the Series 2026A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable

corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Series 2026A Bonds.

Information Reporting and Backup Withholding

Interest paid on bonds such as the Series 2026A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2026A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Series 2026A Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2026A Bonds and proceeds from the sale of the Series 2026A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Series 2026A Bonds. This withholding generally applies if the owner of the Series 2026A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2026A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

FINANCIAL STATEMENTS

The financial statements of the District as of and for the Fiscal Year ended September 30, 2025, included in this Official Statement, have been audited by Cherry Bekaert 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 was 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.

CONTINGENT FEES

The District has retained Bond Counsel and Disclosure Counsel with respect to the authorization, sale, execution and delivery of the Series 2026A Bonds. Payment of the fees of such professionals are each contingent upon the issuance of the Series 2026A Bonds.

UNDERWRITING

The Series 2026A Bonds are being purchased by BofA Securities, Inc. (the "Underwriter") at an aggregate purchase price of \$137,719,691.33 (principal amount of \$124,755,000.00, plus bond premium of \$13,093,620.25, and less underwriter's discount of \$128,928.92).

The Series 2026A Bonds may be offered and sold to certain dealers (including underwriters and other dealers depositing such Series 2026A 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 Underwriter.

RATINGS

S&P Global Ratings and Fitch Ratings have assigned their municipal bond ratings of "AA-" (stable outlook) and "AA-" (stable outlook), respectively, to the Series 2026A Bonds. Certain information and materials with respect to the District and the Series 2026A Bonds 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 2026A Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the validity and issuance of the Series 2026A Bonds are subject to the approving opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel, whose approving opinion (in the proposed form attached hereto as Appendix C) will be delivered concurrently with the issuance of the Series 2026A Bonds. Bond Counsel has not undertaken to verify and therefore expresses no opinion as to the accuracy, completeness or sufficiency of any of the information or statements contained in this

Official Statement or any exhibits, schedules or appendices hereto, except that Bond Counsel will render an opinion to the District at closing that it has reviewed the information in certain sections of this Official Statement and to the extent such statements purport to summarize certain provisions of the Bond Resolution or the Series 2026A Bonds, such statements are accurate summaries of the provisions of the Bond Resolution or the Series 2026A Bonds purported to be summarized. Bond Counsel will also state that it has reviewed the information under the caption "TAX MATTERS" and that the statements contained therein are accurate.

Certain other legal matters will be passed upon for the District by Roy K. Payne, Esq., General Counsel for the District and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel.

The proposed text of the legal opinion of Bond Counsel is attached hereto as Appendix C. The actual legal opinion to be delivered may vary from the text of Appendix C, if necessary, to reflect facts and law on the date of delivery of the Series 2026A Bonds. The opinion will speak only as of its date and subsequent distribution of such opinion by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of such opinion Bond Counsel has affirmed its opinion.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2026A Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction. Such opinions will speak only as of their date and subsequent distribution of such opinions by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of such opinions the opinion givers have affirmed their opinions.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Series 2026A Bondholders to provide certain financial information and operating data relating to the District and the Series 2026A 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 2026A 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 2026A Bonds. The District has retained the services of Digital Assurance Certification, L.L.C. as its Disclosure Dissemination Agent to provide information notices to the MSRB. These covenants have been made in order to assist the underwriter in complying with the Rule. With respect to the Series 2026A 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.

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.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the arithmetic computations showing the adequacy of the maturing principal of and interest on the Escrow Securities, if any, to be acquired with a portion of the proceeds of the Series 2026A Bonds, together with other legally available funds, to pay the principal of, and interest on, the Refunded Bonds, as described under "PLAN OF REFUNDING" above have been verified by Causey Public Finance, LLC, Denver, Colorado.

CERTIFICATION CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2026A Bonds, the Chair of the Board of the District will furnish a certificate to the effect that, to the best of her knowledge, the Official Statement (other than information contained therein concerning DTC and its Book-entry only system) did not, as of its date and does not as of the date of delivery of the Series 2026A Bonds, contain any untrue statement of a material fact or omit to state a material

fact which is necessary in order to make the statements contained herein, in the light of the circumstances in which they are made, not misleading.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2026A Bonds, the security for and the source for repayment for the Series 2026A Bonds and the rights and obligations of the holders of the Series 2026A Bonds. Copies of such documents may be obtained as specified in the final paragraph under "INTRODUCTORY STATEMENT" herein.

The appendices attached hereto are integral parts of this Official Statement and should be read in their entirety together with all other parts of this Official Statement.

Any statements made in this Official Statement involving matters of opinion or of estimates, forecasts, or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates, forecasts, projections or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2026A Bonds.

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

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

By: */s/ Alexis Yarbrough*
Chair, Board of Supervisors

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APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF
CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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Lake Buena Vista, Florida

ANNUAL FINANCIAL REPORT

Year Ended September 30, 2025

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

BOARD OF SUPERVISORS

**ALEXIS YARBROUGH, CHAIR
JOHN GILBERT
MATT RAVENSCROFT
DAVID WOODS
SCOTT WORKMAN**

DISTRICT ADMINISTRATOR

STEPHANIE KOPELOUSOS

CHIEF FINANCIAL OFFICER

SUSAN G. HIGGINBOTHAM, CPA

INDEPENDENT AUDITOR

**Cherry Bekaert LLP
Orlando, Florida**

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
ANNUAL FINANCIAL REPORT
Year Ended September 30, 2025

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ANNUAL FINANCIAL REPORT
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Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Central Florida Tourism Oversight District (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
March 18, 2026

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Central Florida Tourism Oversight District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2025. 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 \$832,854,026 (net position).
- The District's total net position increased during the year by \$107,722,079.
- The District's total noncurrent liabilities increased by \$6,205,523 during the year.
- As of September 30, 2025, the District's governmental funds reported combined ending fund balances of \$204,565,956, an increase of \$76,305,182 in comparison with the prior year. Approximately 26% of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At September 30, 2025, unassigned fund balance for the general fund was \$53,489,970, or 40% of total general fund expenditures.

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.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (continued)

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, public safety, physical environment, transportation and debt service. The business-type activities of the District include the following utility operations: 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. The government-wide financial statements can be found on pages 13-16 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 17-23 of this report.

Proprietary fund. Proprietary funds report the same functions presented as business-type activities in the government-wide financial statements. The District maintains a proprietary fund, the Utility Fund, which is an enterprise fund that accounts for eight utility operations. The Utility Fund provides the same type of information as the government-wide financial statements, only in more detail. The Utility Fund financial statements can be found on pages 24-28 of this report.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (continued)

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 31 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 \$832,854,026 at September 30, 2025.

District's Net Position

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Current and noncurrent assets	\$ 226,934,416	\$ 147,765,271	\$ 228,557,309	\$ 219,358,507	\$ 455,491,725	\$ 367,123,778
Capital assets	1,061,062,519	1,004,099,820	315,228,986	306,287,987	1,376,291,505	1,310,387,807
Total assets	<u>1,287,996,935</u>	<u>1,151,865,091</u>	<u>543,786,295</u>	<u>525,646,494</u>	<u>1,831,783,230</u>	<u>1,677,511,585</u>
Deferred outflows of resources	43,077,039	63,832,086	542,920	-	43,619,959	63,832,086
Current liabilities*	74,008,088	66,979,405	48,871,028	46,344,090	122,879,116	113,323,495
Noncurrent liabilities	784,627,988	754,567,523	96,458,856	120,313,798	881,086,844	874,881,321
Total liabilities	<u>858,636,076</u>	<u>821,546,928</u>	<u>145,329,884</u>	<u>166,657,888</u>	<u>1,003,965,960</u>	<u>988,204,816</u>
Deferred inflows of resources	27,941,156	27,957,837	10,642,047	4,783,892	38,583,203	32,741,729
Net position:						
Net investment in capital assets	473,904,932	434,480,956	228,600,252	206,300,548	702,505,184	640,781,504
Restricted						
Debt service	3,646,814	3,780,807	46,225,965	49,528,752	49,872,779	53,309,559
Renewal and replacement	-	-	5,214,496	5,002,358	5,214,496	5,002,358
Emergency repairs	-	-	500,000	500,000	500,000	500,000
	3,646,814	3,780,807	51,940,461	55,031,110	55,587,275	58,811,917
Unrestricted (deficit)	<u>(33,055,004)</u>	<u>(67,334,530)</u>	<u>107,816,571</u>	<u>92,873,056</u>	<u>74,761,567</u>	<u>25,538,526</u>
	<u>\$ 444,496,742</u>	<u>\$ 370,927,233</u>	<u>\$ 388,357,284</u>	<u>\$ 354,204,714</u>	<u>\$ 832,854,026</u>	<u>\$ 725,131,947</u>

*includes current liabilities payable from restricted assets

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

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

Governmental activities. Governmental activities reflect negative unrestricted net position balances primarily due to the District's net pension liability and net OPEB liability. The District recognized a decrease in the proportionate share of the Florida Retirement System (FRS) pension liability as of the measurement date. The District also recognized an approximate 25% decrease in its OPEB liability as of September 30, 2025.

Charges for services increased with additional permit activity. The increase in ad valorem tax revenues is primarily the result of an increase in assessed values from the prior year. Interest and investment income was higher due to favorable market conditions and unrealized gains on investments. Decreases in general government expenses were primarily due to significant reductions in legal fees. Increases in physical environment expenses were due to increased labor and operating costs to support ongoing projects.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

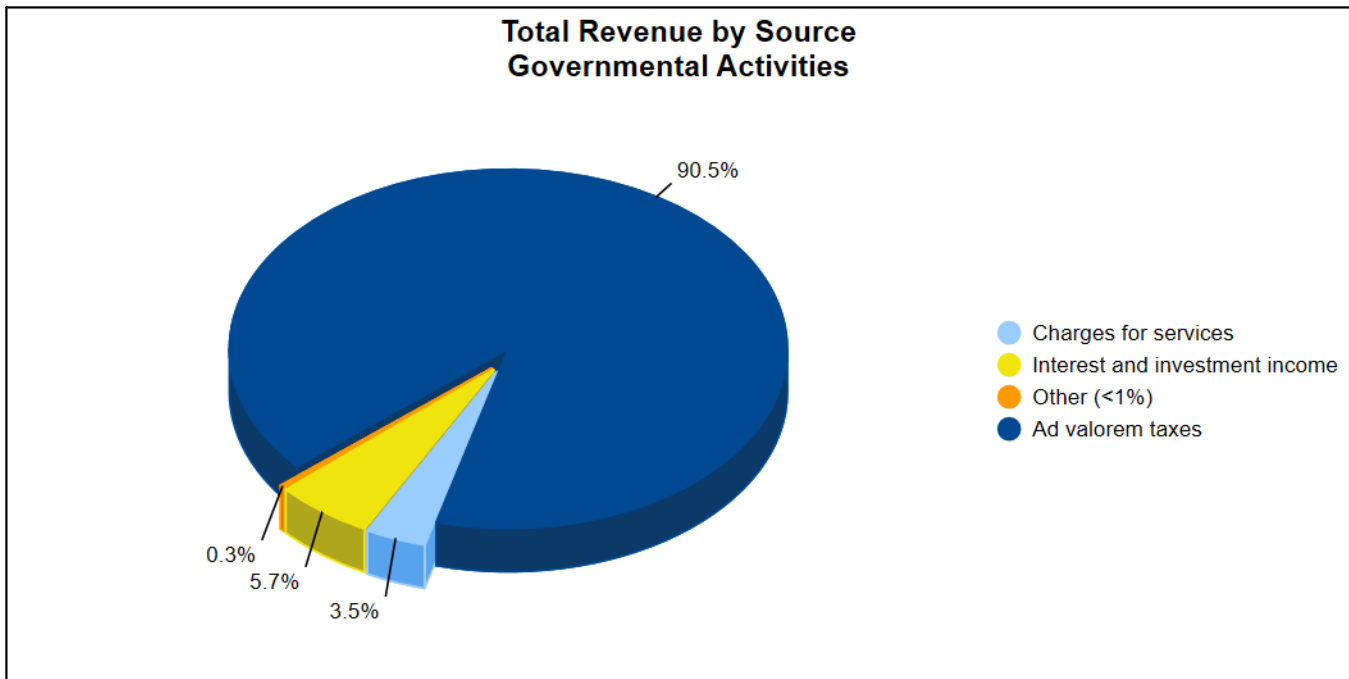
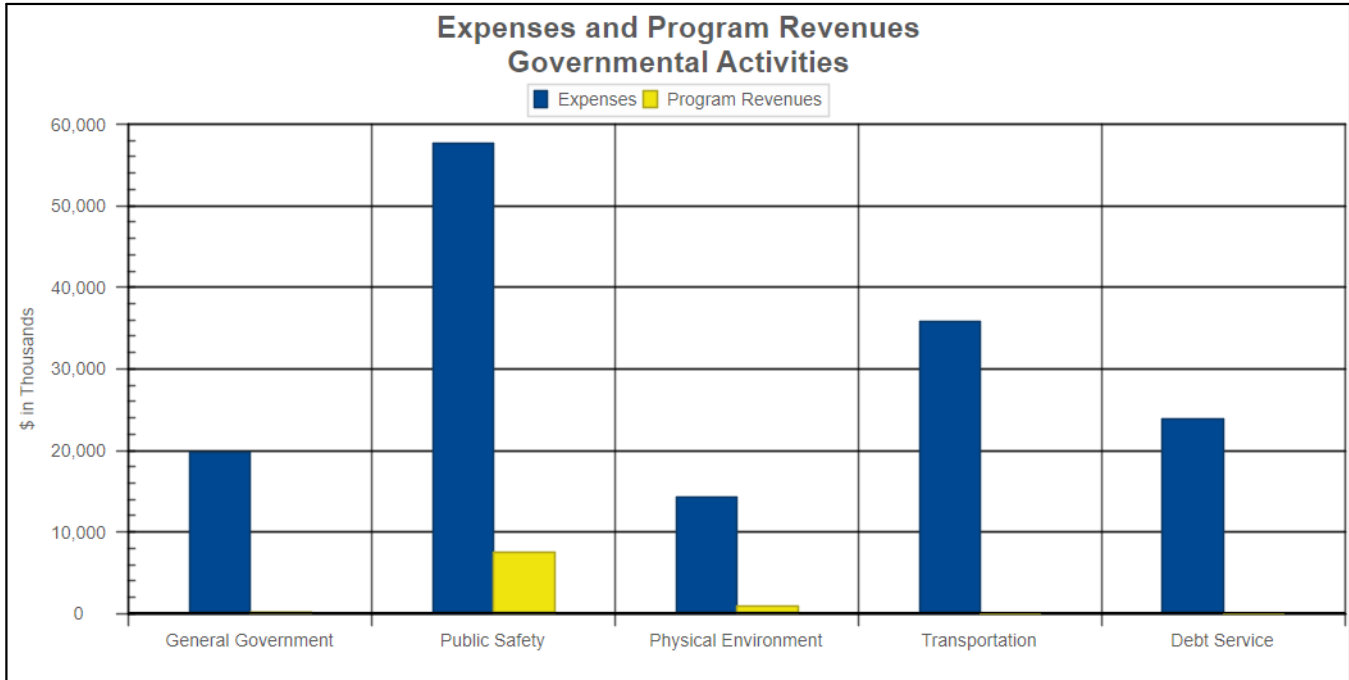
District's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 7,883,331	\$ 6,904,562	\$ 197,802,880	\$ 186,241,542	\$ 205,686,211	\$ 193,146,104
Capital contributions	610,460	2,248,977	2,411,384	134,339	3,021,844	2,383,316
Total program revenues	<u>8,493,791</u>	<u>9,153,539</u>	<u>200,214,264</u>	<u>186,375,881</u>	<u>208,708,055</u>	<u>195,529,420</u>
General revenues:						
Ad valorem taxes - net	203,480,296	189,469,297	-	-	203,480,296	189,469,297
Interest and investment gain	12,818,391	11,574,061	5,753,998	9,170,170	18,572,389	20,744,231
Nonoperating revenue	-	-	338,380	-	338,380	-
Gain on disposal of capital assets	65,820	5,367	-	-	65,820	5,367
Total general revenues	<u>216,364,507</u>	<u>201,048,725</u>	<u>6,092,378</u>	<u>9,170,170</u>	<u>222,456,885</u>	<u>210,218,895</u>
Total revenues	<u>224,858,298</u>	<u>210,202,264</u>	<u>206,306,642</u>	<u>195,546,051</u>	<u>431,164,940</u>	<u>405,748,315</u>
Expenses:						
General government	19,752,030	24,672,743	-	-	19,752,030	24,672,743
Public safety	57,685,083	58,837,378	-	-	57,685,083	58,837,378
Physical environment	14,229,541	12,480,809	-	-	14,229,541	12,480,809
Transportation	35,842,815	35,819,276	-	-	35,842,815	35,819,276
Utility operations	-	-	169,453,470	155,352,474	169,453,470	155,352,474
Interest on debt	23,779,320	20,378,669	2,700,602	3,211,392	26,479,922	23,590,061
Total expenses	<u>151,288,789</u>	<u>152,188,875</u>	<u>172,154,072</u>	<u>158,563,866</u>	<u>323,442,861</u>	<u>310,752,741</u>
Increases in net position before transfers	73,569,509	58,013,389	34,152,570	36,982,185	107,722,079	94,995,574
Transfer in / (out)	-	26,000,000	-	(26,000,000)	-	-
Change in net position	73,569,509	84,013,389	34,152,570	10,982,185	107,722,079	94,995,574
Net position - beginning	<u>370,927,233</u>	<u>286,913,844</u>	<u>354,204,714</u>	<u>343,222,529</u>	<u>725,131,947</u>	<u>630,136,373</u>
Net position - ending	<u>\$ 444,496,742</u>	<u>\$ 370,927,233</u>	<u>\$ 388,357,284</u>	<u>\$ 354,204,714</u>	<u>\$ 832,854,026</u>	<u>\$ 725,131,947</u>

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

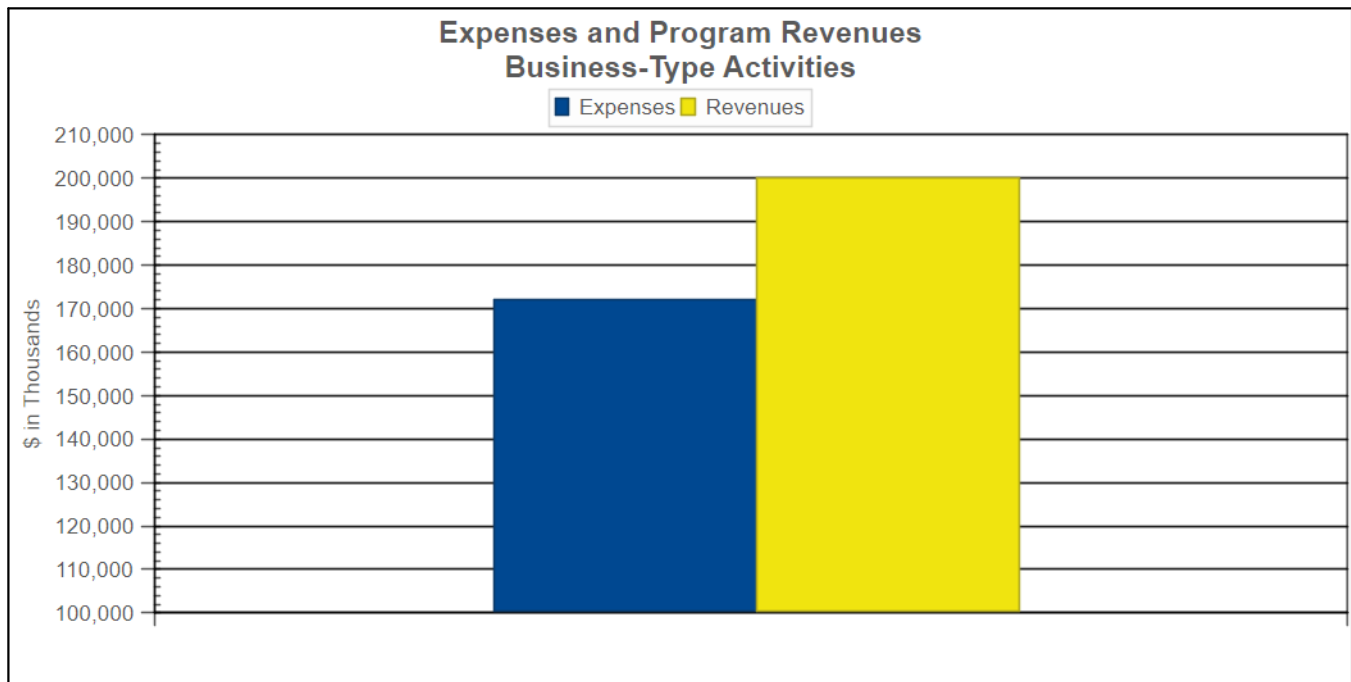


CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

Business-type activities. Assets and net position increased as a result of increases in utility rates, to support cost demands and a rate stabilization fund for future equipment replacements. Liabilities decreased with the paydown of utility system debt. Charges for services were higher with the increase in utility rates from the prior year. Operating expenses increased in fiscal year 2025 primarily due to increased purchased power and fuel and labor support costs with service expansions.



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.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds (continued)

As of September 30, 2025, the District's governmental funds reported combined fund balances of \$204,565,956. Approximately 26% of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, committed, restricted or assigned. Restricted amounts are not available for general spending as those amounts have been reserved to pay for capital projects from bond proceeds and debt service payments. Committed amounts are set-aside to pay for projects from drainage fees or property appraiser settlements as directed by the Board of Supervisors. Assigned amounts have also been designated by the Board of Supervisors for emergency reserves, equipment purchases and to cover the projected excess of expenditures over revenues in the fiscal year 2026 budget appropriation.

The general fund is the chief operating fund of the District. At September 30, 2025, unassigned fund balance of the general fund was \$53,489,970, while total fund balance reached \$87,109,677. 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 40% of the total general fund expenditures, while total fund balance represents 66% of that same amount. Although the District budgeted a drawdown of \$8,649,282 in the general fund in FY2025, fund balance in the District's general fund increased \$22,917,260. Interest income and investment gains and charges for services from drainage and building fees resulted in revenues exceeding budget. Various roadway and drainage improvement projects were also rolled forward for anticipated completion in fiscal year 2026, which also contributed to the increase in fund balance.

The debt service fund has a total fund balance of \$3,646,814, a decrease of \$133,993 from the prior year, which was a budgeted decrease.

The capital projects fund has a total fund balance of \$113,809,465, an increase of \$53,521,915 from the prior year. The increase was due to the issuance of the 2024A series bonds to fund additional transportation improvement projects.

Proprietary fund. At September 30, 2025, the unrestricted net position of the Utility Fund amounted to \$107,816,571, an increase of \$14,943,515 from the prior year. The increase is due to increases in utility rates and the paydown of long-term debt. The restricted net position amounted to \$51,940,461, the bulk of which is restricted for debt service.

General Fund Budgetary Highlights

The District amended its budget by adding \$480,000 in operating expenses in fiscal year 2025. The expenditures related to drainage projects and funds were to be sourced from drainage reserves.

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, 2025 amounted to \$1,376,291,505, net of accumulated depreciation and amortization. This represents an increase of \$65,903,698. The primary driver for the increase was ongoing capital projects as described above.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (continued)

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

District's Capital Assets

(net of depreciation and amortization)

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 2,992,490	\$ 2,992,490	\$ 6,896,164	\$ 6,896,164	\$ 9,888,654	\$ 9,888,654
Buildings	221,940,871	230,594,433	16,504,604	17,890,987	238,445,475	248,485,420
Improvements other than buildings	-	-	145,775,182	136,054,891	145,775,182	136,054,891
Machinery and equipment	9,388,628	7,185,451	128,805,890	117,786,572	138,194,518	124,972,023
Infrastructure	699,603,398	699,603,398	-	-	699,603,398	699,603,398
Right-to-use subscription and lease assets	1,976,617	1,269,222	483,893	698,957	2,460,510	1,968,179
Construction in progress	125,160,515	62,454,826	16,763,253	26,960,416	141,923,768	89,415,242
Total	\$ 1,061,062,519	\$ 1,004,099,820	\$ 315,228,986	\$ 306,287,987	\$ 1,376,291,505	\$ 1,310,387,807

Long-term debt. At September 30, 2025, the District had total long-term bonded debt outstanding of \$832,069,793. Of this amount, \$712,607,336 was comprised of debt backed by the full faith and credit of the District and \$119,462,457 was secured by the revenues generated by the District's utilities. During fiscal 2025, the District's total long-term debt increased by \$40,864,683 (5%) with the issuance of additional ad valorem debt and paydown of utility revenue debt.

The District has received ratings of "AA-" from Standard & Poor's, "AA-" from Fitch and "Aa3" from Moody's for the Ad Valorem Tax general obligation bonds and ratings of "A" from Standard & 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

General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 712,607,336	\$ 648,735,144	\$ -	\$ -	\$ 712,607,336	\$ 648,735,144
Revenue bonds and notes from direct borrowings	-	-	119,462,457	142,469,966	119,462,457	142,469,966
Total	\$ 712,607,336	\$ 648,735,144	\$ 119,462,457	\$ 142,469,966	\$ 832,069,793	\$ 791,205,110

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (continued)

Infrastructure Assets. As demonstrated in the Required Supplementary Information on pages 75-81 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 any roadways and bridges rated as either poor or fair condition. The current conditions of the remaining assets are within the established levels maintained by the District.

Economic Factors and Next Year's Budget and Rates

Assessed property values underlying the District's fiscal year 2026 budget and millage rate determination reflect the impact of any Orange County Property Appraiser revaluations of property value assessments, if any.

- The unemployment rate of the Central Florida area is currently averaging 4.8%. This is more than the state average of 4.2% and the national unemployment average of 4.4%.
- Fiscal year 2026 assessed values increased 8.9%. Millage rates decreased overall by 0.6594.
- Inflationary trends in the region compare to national indices.

Subsequent Events

In November 2025, the District issued \$169.43 million par amount of utility revenue bonds to provide financing for various capital improvements to or for the system, including chilled water and hot water, electric, wastewater and potable water utilities. The bonds were issued in maturities from 2029 through 2045 at interest rates ranging from 4.098% to 5.107%.

Requests for Information

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION

September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 50,704,124	\$ 48,952,602	\$ 99,656,726
Cash and cash equivalents - restricted	49,620,283	47,059,406	96,679,689
Investments	43,687,421	51,439,569	95,126,990
Investments - restricted	76,212,243	41,077,126	117,289,369
Accounts receivable, net	208,374	25,812,538	26,020,912
Due from other governments	1,095,585	-	1,095,585
Internal balances	(406,970)	406,970	-
Inventories	-	13,306,098	13,306,098
Prepays	157,692	480,000	637,692
Deposits	2,523,964	-	2,523,964
Other assets	3,131,700	23,000	3,154,700
Capital assets not being depreciated	827,756,403	23,659,417	851,415,820
Capital assets, net of accumulated depreciation	233,306,116	291,569,569	524,875,685
Total assets	1,287,996,935	543,786,295	1,831,783,230
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of derivative instruments	-	542,920	542,920
Loss on defeased debt due to refundings	14,902,878	-	14,902,878
Deferred outflow of resources related to pensions	19,630,632	-	19,630,632
Deferred outflow of resources related to OPEB	8,543,529	-	8,543,529
Total deferred outflows of resources	43,077,039	542,920	43,619,959
LIABILITIES			
Accounts payable and accrued liabilities	11,333,156	21,962,159	33,295,315
Accounts payable from restricted assets	8,361,566	1,364,940	9,726,506
Derivative fuel instruments	-	542,920	542,920
Compensated absences	2,151,811	-	2,151,811
Self insurance liability	1,269,348	-	1,269,348

(Continued)

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

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION

September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Subscription liability	\$ 256,243	\$ 221,433	\$ 477,676
Lease liability	273,677	-	273,677
Financed purchases	849,795	-	849,795
Bonds and notes payable	41,040,000	23,241,000	64,281,000
Accrued interest payable	8,472,492	1,538,576	10,011,068
Noncurrent liabilities:			
Compensated absences	1,983,112	-	1,983,112
Self insurance liability	5,469,620	-	5,469,620
Subscription liability	509,560	237,399	746,959
Lease liability	844,185	-	844,185
Financed purchases	892,653	-	892,653
Net pension liability	58,865,443	-	58,865,443
Net OPEB liability	44,496,079	-	44,496,079
Bonds and notes payable	671,567,336	96,221,457	767,788,793
Total	858,636,076	145,329,884	1,003,965,960
DEFERRED INFLOWS OF RESOURCES			
Deferred fuel cost	-	10,642,047	10,642,047
Deferred inflow of resources related to pensions	12,677,707	-	12,677,707
Deferred inflow of resources related to OPEB	15,263,449	-	15,263,449
Total deferred inflows of resources	27,941,156	10,642,047	38,583,203
NET POSITION			
Net investment in capital assets	473,904,932	228,600,252	702,505,184
Restricted for:			
Debt service	3,646,814	46,225,965	49,872,779
Renewal and replacement	-	5,214,496	5,214,496
Emergency repairs	-	500,000	500,000
Unrestricted (deficit)	(33,055,004)	107,816,571	74,761,567
Total net position	\$ 444,496,742	\$ 388,357,284	\$ 832,854,026

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF ACTIVITIES

For the Period Ended September 30, 2025

	Total	Total Business-type Activities	Total Governmental Activities
Expenses:			
Labor	\$ 101,882,780	\$ 36,667,853	\$ 65,214,927
Operating expenses	160,405,595	109,857,897	50,547,698
Depreciation and amortization	34,674,564	22,927,720	11,746,844
Interest on debt	26,479,922	2,700,602	23,779,320
Total expenses	323,442,861	172,154,072	151,288,789
Program revenues:			
Charges for services	205,686,211	197,802,880	7,883,331
Capital contributions	3,021,844	2,411,384	610,460
Total program revenues	208,708,055	200,214,264	8,493,791
Net program expense (revenue)	114,734,806	(28,060,192)	142,794,998
General revenues:			
Ad valorem taxes	203,480,296	-	203,480,296
Interest and investment income	18,572,389	5,753,998	12,818,391
Nonoperating revenues	338,380	338,380	-
Gain on disposal of capital assets	65,820	-	65,820
Total general revenues	222,456,885	6,092,378	216,364,507
Change in net position	107,722,079	34,152,570	73,569,509
Total net position - beginning	725,131,947	354,204,714	370,927,233
Total net position - ending	\$ 832,854,026	\$ 388,357,284	\$ 444,496,742

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

Governmental Activities Expenses by Function

General Government	Public Safety	Physical Environment	Transportation	Debt Service
\$ 7,856,856	\$ 48,316,587	\$ 8,062,371	\$ 979,113	\$ -
10,480,775	7,191,126	5,840,343	27,035,454	-
1,414,399	2,177,370	326,827	7,828,248	-
-	-	-	-	23,779,320
19,752,030	57,685,083	14,229,541	35,842,815	23,779,320
96,111	7,524,646	262,574	-	-
-	-	610,460	-	-
96,111	7,524,646	873,034	-	-
<u>\$ 19,655,919</u>	<u>\$ 50,160,437</u>	<u>\$ 13,356,507</u>	<u>\$ 35,842,815</u>	<u>\$ 23,779,320</u>

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 50,704,124	\$ 1,755,362	\$ 47,864,921	\$ 100,324,407
Investments	43,687,421	1,542,613	74,669,630	119,899,664
Accounts receivable, net	208,374	-	-	208,374
Due from other funds	108,326	-	-	108,326
Due from other governments	746,746	348,839	-	1,095,585
Other assets	2,989,314	-	-	2,989,314
Prepays	157,692	-	-	157,692
Total assets	<u>\$ 98,601,997</u>	<u>\$ 3,646,814</u>	<u>\$ 122,534,551</u>	<u>\$ 224,783,362</u>
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	\$ 11,340,544	\$ -	\$ 8,361,566	\$ 19,702,110
Due to other funds	151,776	-	363,520	515,296
Total liabilities	<u>11,492,320</u>	<u>-</u>	<u>8,725,086</u>	<u>20,217,406</u>
Fund balances:				
Nonspendable:				
Prepays	157,692	-	-	157,692
Other assets	2,989,314	-	-	2,989,314
Committed:				
Drainage system	7,420,205	-	-	7,420,205
Property appraiser disputes	6,500,000	-	-	6,500,000
Restricted:				
Capital projects	-	-	113,809,465	113,809,465
Debt service	-	3,646,814	-	3,646,814
Assigned:				
Emergency reserves	2,000,000	-	-	2,000,000
Equipment purchases	2,984,540	-	-	2,984,540
2026 budget appropriation	11,567,956	-	-	11,567,956
Unassigned	53,489,970	-	-	53,489,970
Total fund balances	<u>87,109,677</u>	<u>3,646,814</u>	<u>113,809,465</u>	<u>\$ 204,565,956</u>
Total liabilities and fund balances	<u>\$ 98,601,997</u>	<u>\$ 3,646,814</u>	<u>\$ 122,534,551</u>	

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION

September 30, 2025

Fund Balances - Total Governmental Funds	\$ 204,565,956
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Accrued interest payable on bonds not currently due is not reported in the funds.	(8,465,102)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,063,586,483
Some liabilities, deferred outflows of resources and deferred inflows of resources, including those related to bonds payable, pensions, OPEB and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(815,190,595)</u>
Net position of governmental activities	<u>\$ 444,496,742</u>

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

For the Period Ended September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES				
Ad valorem taxes	\$ 138,055,506	\$ 65,424,790	\$ -	\$ 203,480,296
Emergency services	157,330	-	-	157,330
Building permits and fees	7,367,316	-	-	7,367,316
Drainage fees	610,460	-	-	610,460
Interest and investment income	5,457,389	1,295,824	6,065,178	12,818,391
Other	424,505	-	-	424,505
Total revenues	<u>152,072,506</u>	<u>66,720,614</u>	<u>6,065,178</u>	<u>224,858,298</u>
EXPENDITURES				
CURRENT:				
General government	18,866,171	-	-	18,866,171
Public safety	61,106,517	-	-	61,106,517
Physical environment	14,935,751	-	-	14,935,751
Transportation	28,140,021	-	-	28,140,021
Capital outlay	8,527,820	-	62,705,688	71,233,508
DEBT SERVICE:				
Principal	1,364,244	41,810,000	-	43,174,244
Interest	43,997	24,703,963	615,543	25,363,503
Fees and other charges	-	340,644	-	340,644
Total expenditures	<u>132,984,521</u>	<u>66,854,607</u>	<u>63,321,231</u>	<u>263,160,359</u>
Excess (deficiency) of revenues over (under) expenditures	19,087,985	(133,993)	(57,256,053)	(38,302,061)
OTHER FINANCING SOURCES				
Bond proceeds	-	-	110,777,968	110,777,968
Lease proceeds	3,829,275	-	-	3,829,275
Total other financing sources	<u>3,829,275</u>	<u>-</u>	<u>110,777,968</u>	<u>114,607,243</u>
Net change in fund balances	22,917,260	(133,993)	53,521,915	76,305,182
Fund Balances, beginning of year	<u>64,192,417</u>	<u>3,780,807</u>	<u>60,287,550</u>	<u>128,260,774</u>
Fund Balances, end of year	<u>\$ 87,109,677</u>	<u>\$ 3,646,814</u>	<u>\$ 113,809,465</u>	<u>\$ 204,565,956</u>

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

For the Period Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 76,305,182

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period. 59,486,663

Governmental funds report the payment of bond principal and interest when the current financial resources are available and payments are due and they report the payment of issuance costs, premiums, discounts, and similar items when debt is first issued. However, on the statement of activities, interest is accrued. (67,427,783)

Increases and decreases in other liabilities, deferred outflows of resources and deferred inflows of resources reported as expenses in the statement of activities not requiring the use of current financial resources in governmental funds. 5,205,447

Change in net position of governmental activities \$ 73,569,509

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

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

GENERAL FUND

For the Period Ended September 30, 2025

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Ad valorem taxes	\$139,815,403	\$139,815,403	\$ 138,055,506	\$ (1,759,897)
Emergency services	-	-	157,330	157,330
Building permits and fees	5,750,000	5,750,000	7,367,316	1,617,316
Drainage fees	-	-	610,460	610,460
Interest and investment income	725,000	725,000	5,457,389	4,732,389
Other	325,000	325,000	424,505	99,505
Total revenues	<u>146,615,403</u>	<u>146,615,403</u>	<u>152,072,506</u>	<u>5,457,103</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Administrative:				
Labor	6,488,725	6,488,725	6,039,845	448,880
Operating	<u>10,749,165</u>	<u>8,525,473</u>	<u>6,240,967</u>	<u>2,284,506</u>
	<u>17,237,890</u>	<u>15,014,198</u>	<u>12,280,812</u>	<u>2,733,386</u>
Information Systems & Technology:				
Labor	2,566,857	2,566,857	2,156,024	410,833
Operating	3,994,925	3,934,600	2,993,611	940,989
Capital outlay	<u>434,700</u>	<u>688,700</u>	<u>1,245,169</u>	<u>(556,469)</u>
	<u>6,996,482</u>	<u>7,190,157</u>	<u>6,394,804</u>	<u>795,353</u>
Facilities Operations & Maintenance:				
Labor	946,370	946,370	667,692	278,678
Operating	1,712,330	1,697,330	768,032	929,298
Capital outlay	<u>205,000</u>	<u>205,000</u>	<u>920,481</u>	<u>(715,481)</u>
	<u>2,863,700</u>	<u>2,848,700</u>	<u>2,356,205</u>	<u>492,495</u>
TOTAL GENERAL GOVERNMENT	<u>27,098,072</u>	<u>25,053,055</u>	<u>21,031,821</u>	<u>4,021,234</u>

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

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

GENERAL FUND

For the Period Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
PUBLIC SAFETY				
Building & Safety:				
Labor	6,739,390	6,739,390	5,906,553	832,837
Operating	1,052,125	1,052,125	823,647	228,478
Capital outlay	75,000	75,000	74,275	725
	<u>7,866,515</u>	<u>7,866,515</u>	<u>6,804,475</u>	<u>1,062,040</u>
Emergency Services:				
Labor	47,338,523	47,338,523	47,518,426	(179,903)
Operating	5,042,778	4,814,878	4,125,795	689,083
Capital outlay	4,408,670	4,416,570	5,589,679	(1,173,109)
	<u>56,789,971</u>	<u>56,569,971</u>	<u>57,233,900</u>	<u>(663,929)</u>
Facilities Operations & Maintenance:				
Labor	503,033	503,033	490,412	12,621
Operating	2,241,848	2,641,848	2,241,684	400,164
Capital outlay	290,000	290,000	328,682	(38,682)
	<u>3,034,881</u>	<u>3,434,881</u>	<u>3,060,778</u>	<u>374,103</u>
TOTAL PUBLIC SAFETY	<u>67,691,367</u>	<u>67,871,367</u>	<u>67,099,153</u>	<u>772,214</u>
PHYSICAL ENVIRONMENT				
Environmental Sciences:				
Labor	4,555,243	4,555,243	4,092,423	462,820
Operating	2,496,050	2,478,875	1,249,203	1,229,672
Capital outlay	25,500	46,000	36,332	9,668
	<u>7,076,793</u>	<u>7,080,118</u>	<u>5,377,958</u>	<u>1,702,160</u>
Planning & Engineering:				
Labor	5,426,072	5,426,072	5,002,985	423,087
Operating	3,370,265	3,370,265	2,020,445	1,349,820
	<u>8,796,337</u>	<u>8,796,337</u>	<u>7,023,430</u>	<u>1,772,907</u>
Water Control:				
Operating	5,425,000	5,905,000	2,293,748	3,611,252

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

GENERAL FUND

For the Period Ended September 30, 2025

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Facilities Operations & Maintenance:				
Operating	368,298	368,298	276,947	91,351
Capital outlay	<u>120,000</u>	<u>135,000</u>	<u>211,529</u>	<u>(76,529)</u>
	<u>488,298</u>	<u>503,298</u>	<u>488,476</u>	<u>14,822</u>
TOTAL PHYSICAL ENVIRONMENT	<u>21,786,428</u>	<u>22,284,753</u>	<u>15,183,612</u>	<u>7,101,141</u>
 TRANSPORTATION				
Roadway Maintenance:				
Labor	497,255	497,255	246,937	250,318
Operating	27,028,993	26,718,993	18,212,055	8,506,938
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>43,302</u>	<u>16,698</u>
	<u>27,586,248</u>	<u>27,276,248</u>	<u>18,502,294</u>	<u>8,773,954</u>
Parking Facilities:				
Labor	974,470	974,470	857,630	116,840
Operating	9,598,100	11,719,792	8,823,399	2,896,393
Capital outlay	<u>50,000</u>	<u>85,000</u>	<u>78,371</u>	<u>6,629</u>
	<u>10,622,570</u>	<u>12,779,262</u>	<u>9,759,400</u>	<u>3,019,862</u>
TOTAL TRANSPORTATION	<u>38,208,818</u>	<u>40,055,510</u>	<u>28,261,694</u>	<u>11,793,816</u>
 DEBT SERVICE				
Principal	-	-	1,364,244	(1,364,244)
Interest	<u>-</u>	<u>-</u>	<u>43,997</u>	<u>(43,997)</u>
TOTAL DEBT SERVICE	<u>-</u>	<u>-</u>	<u>1,408,241</u>	<u>(1,408,241)</u>
 Total expenditures	<u>154,784,685</u>	<u>155,264,685</u>	<u>132,984,521</u>	<u>22,280,164</u>
Excess (deficiency) of revenues over (under) expenditures	(8,169,282)	(8,649,282)	19,087,985	27,737,267
 OTHER FINANCING SOURCES				
Lease proceeds	<u>-</u>	<u>-</u>	<u>3,829,275</u>	<u>3,829,275</u>
Net change in fund balance	<u>\$ (8,169,282)</u>	<u>\$ (8,649,282)</u>	22,917,260	<u>\$ 31,566,542</u>
Fund Balance, beginning of year			<u>64,192,417</u>	
Fund Balance, end of year			<u>\$ 87,109,677</u>	

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

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION UTILITY FUND

September 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 48,952,602
Investments	16,097,663
Accounts receivable, net	25,812,538
Due from other funds	515,296
Inventories	13,306,098
Prepays	480,000

Restricted assets:

Cash and cash equivalents	47,059,406
Investments	17,524,695

Total current assets	<u>169,748,298</u>
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Noncurrent assets:

Investments	35,341,906
Restricted investments	23,552,431

Capital assets:

Land	6,896,164
Construction in progress	16,763,253
Buildings	67,345,692
Improvements other than buildings	336,250,326
Machinery and equipment	504,587,398
Right-to-use subscription assets	1,075,319
Less accumulated depreciation/amortization	<u>(617,689,166)</u>

Total capital assets	315,228,986
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Other assets	<u>23,000</u>
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Total noncurrent assets	<u>374,146,323</u>
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Total assets

<u>543,894,621</u>

DEFERRED OUTFLOWS OF RESOURCES

Accumulated decrease in the fair value of derivative instruments	<u>542,920</u>
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The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF NET POSITION UTILITY FUND

September 30, 2025

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	21,962,159
Derivative fuel instruments	542,920
Subscription liabilities	221,433
Due to other funds	<u>108,326</u>
Total current liabilities	<u>22,834,838</u>

Current liabilities payable from restricted assets:

Bonds and notes payable	23,241,000
Accrued interest payable	1,538,576
Contracts and retainage payable	<u>1,364,940</u>
Total current liabilities payable from restricted assets	<u>26,144,516</u>

Long-term liabilities:

Bonds and notes payable	96,221,457
Subscription liabilities	<u>237,399</u>
Total long-term liabilities	<u>96,458,856</u>

Total liabilities

145,438,210

DEFERRED INFLOWS OF RESOURCES

Deferred fuel cost	<u>10,642,047</u>
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NET POSITION

Net investment in capital assets	228,600,252
Restricted for debt service	46,225,965
Restricted for renewal and replacement	5,214,496
Restricted for emergency repairs	500,000
Unrestricted	<u>107,816,571</u>
Total net position	<u><u>\$ 388,357,284</u></u>

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION UTILITY FUND

For the Period Ended September 30, 2025

OPERATING REVENUES

Utility sales	\$ 197,802,880
Total operating revenues	<u>197,802,880</u>

OPERATING EXPENSES

Purchased power and fuel	72,034,002
Labor support	36,667,853
Operating costs	19,499,394
Taxes	3,195,436
Repairs and maintenance	13,641,621
Insurance	1,487,444
Depreciation and amortization	<u>22,927,720</u>
Total operating expenses	<u>169,453,470</u>
Operating income	<u>28,349,410</u>

NONOPERATING REVENUES (EXPENSES)

Interest and investment income	5,753,998
Interest expense	(2,700,602)
Gain on retirement of plant assets	<u>338,380</u>
Total nonoperating revenues, net	<u>3,391,776</u>

Income before contributions	31,741,186
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Capital contributions	<u>2,411,384</u>
Increase in net position	34,152,570

Total net position - beginning	<u>354,204,714</u>
Total net position - ending	<u>\$ 388,357,284</u>

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

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF CASH FLOWS UTILITY FUND

For the Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 199,632,906
Payments to suppliers	(107,456,023)
Payments for labor contract and management service agreement	<u>(31,794,219)</u>
Net cash provided (used) by operating activities	<u>60,382,664</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(29,518,908)
Proceeds from sale of capital assets	338,380
Principal paid on bonds	(22,615,000)
Interest paid on bonds	(3,397,101)
Capital contributions	<u>2,411,384</u>
Net cash provided (used) by capital and related financing activities	<u>(52,781,245)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(104,120,857)
Proceeds from sales and maturities of investments	134,664,199
Interest and investment loss	<u>5,753,998</u>
Net cash provided (used) by investing activities	<u>36,297,340</u>
Net increase in cash and cash equivalents	43,898,759
Balances - beginning of the year	<u>52,113,249</u>
Balances - end of the year	<u>\$ 96,012,008</u>

Unrestricted	\$ 48,952,602
Restricted	<u>47,059,406</u>
	<u>\$ 96,012,008</u>

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF CASH FLOWS UTILITY FUND

For the Year Ended September 30, 2025

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 28,349,410
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	22,927,720
Change in assets, liabilities and deferred inflows and outflows of resources:	
Accounts receivable	1,830,026
Inventories	(247,536)
Accounts payable, accrued liabilities and subscription liabilities	761,128
Due to other funds	2,304
Deferred fuel instruments	<u>6,759,612</u>
Net cash provided by operating activities	<u>\$ 60,382,664</u>

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

September 30, 2025

**Other Post-
Employment
Benefits Trust**

ASSETS

Trust investments	\$ 20,563,317
Total Assets	<u>20,563,317</u>

FIDUCIARY NET POSITION

Restricted for other postemployment benefits	<u>\$ 20,563,317</u>
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The accompanying notes are an integral part of these financial statements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

For the Period Ended September 30, 2025

	<u>Other Post- Employment Benefit Trust</u>
ADDITIONS:	
Employer contributions	\$ 3,453,956
Net investment gain	
Investment gain	785,613
Investment expense	<u>(16,910)</u>
Total net investment gain	<u>768,703</u>
Total Additions	4,222,659
DEDUCTIONS:	
Benefits paid on behalf of participants	<u>2,437,046</u>
Net increase in fiduciary net position	1,785,613
Fiduciary net position - October 1, 2024	<u>18,777,704</u>
Fiduciary net position - September 30, 2025	<u><u>\$ 20,563,317</u></u>

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Central Florida Tourism Oversight District (the "District") was established by Chapter 2023-5, Laws of Florida ("new act") effective February 27, 2023. The new act reenacted, amended and repealed Chapter 67-764 Laws of Florida, which created Reedy Creek Improvement District ("RCID"), a State of Florida ("State") public corporation, on May 12, 1967. The new act ratified and confirmed the continued existence of RCID under the District's new name and provided legislative intent concerning the District's authority to generate revenue and pay outstanding indebtedness, without interruption, pursuant to transitional provisions of the Florida Constitution for pre-1968 special districts. The new act retains the District's necessary authority related to taxation and the issuance of bonds.

The new act incorporates a number of changes to the District's charter, the most significant of which included the following:

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

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Reporting Entity - Continued

The accompanying financial statements present the financial position and changes in financial position of the applicable fund types governed by the Board of Supervisors of the District in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). 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 restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

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

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

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Additionally, the District reports the following fiduciary fund type:

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary fund are charges to customers for sales and services. The District also recognizes as operating revenue connection fees which are to recover the expense of connecting new customers to the system. Operating expenses for the proprietary fund includes the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating 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, 2025 were 8.9130 for General Operating and 4.1700 for Debt Service.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Cash, Cash Equivalents and Investments

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

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

Investments are stated at fair value based upon quoted market prices or matrix pricing for certain fixed income securities. Investments are further explained in Notes 3, 11 and 14, Deposits and Investments, Other Postemployment Benefits and Fair Value Measurements, respectively.

F. Inventories

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

G. Restricted Assets

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

H. Capital Assets

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

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Capital Assets - Continued

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

Buildings and land improvements	30-50 years
Improvements, including utility distribution and collection systems	30-50 years
Machinery and equipment	3-30 years
Right-to-use subscription and lease assets	Life of contract

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

I. Deferred Amount on Refunding

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

J. Compensated Absences

In the government-wide financial statements, compensated absences are recorded as a liability when the benefits are earned. The current portion is the amount accrued during the year that would normally be liquidated with available, expendable resources in the next fiscal year. The District recognizes costs of paid time off accrued as a liability for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash. In the fund statements, expenditures are recognized when payments are due to the employee.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. Fund Balances

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

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

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

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

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

Unassigned - All amounts not included in other spendable classifications.

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

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

L. Budgets and Budgetary Accounting

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

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Budgets and Budgetary Accounting - Continued

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

M. Forward Contracts

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

N. Derivative Instruments

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

O. Pensions

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

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

Q. Rates and Regulations

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

R. Use of Estimates

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

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

- (1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount represents the total capital assets of governmental activities of \$1,191,253,307, net of accumulated depreciation and amortization of \$130,190,788, or \$1,061,062,519.
- (2) Some liabilities, including bonds payable, other long-term liabilities, and deferred outflows of resources and deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this difference are shown below:

Compensated absences payable	\$ 4,134,923
Self insurance liability	6,596,584
Subscription and lease liabilities	3,626,113
Bonds payable	712,607,336
Deferred outflows - losses on defeased debt	(14,902,878)
Net pension liability	58,865,443
Deferred outflows - pensions	(19,630,632)
Deferred inflows - pensions	12,677,707
Net OPEB liability	44,496,079
Deferred outflows - OPEB	(8,543,529)
Deferred inflows - OPEB	15,263,449
	<hr/>
Net adjustment to reduce total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 815,190,595</u>

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

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

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

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

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

Capital outlay expenditures:	
General fund	
General government	\$ 2,165,650
Public safety	5,992,636
Physical environment	247,861
Transportation	121,672
Capital projects	62,705,688
Depreciation and amortization expense	<u>(11,746,844)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 59,486,663</u>

- (2) Governmental funds report the payment of bond principal and interest when the current financial resources are available and payments are due, and they report the payment of issuance costs, premiums, discounts, and similar items when debt is first issued. However, on the statement of activities interest is accrued and certain bond related costs are deferred and amortized. The details of the difference are as follows:

Net changes of deferred loss, bond costs, discount and premium	\$ 2,741,521
Principal payments on bonds outstanding	41,810,000
Accrued interest payable	(1,201,336)
Bond proceeds	<u>(110,777,968)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (67,427,783)</u>

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

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

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

(3) 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	\$ (330,964)
Self insurance	(618,318)
Subscription and lease liabilities	(2,465,030)
Net OPEB liability	3,744,394
Pensions	<u>4,875,365</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,205,447</u>

3. DEPOSITS AND INVESTMENTS

The District is authorized to invest in securities as described in its investment policy and in its bond resolutions. As of September 30, 2025, the District held the following deposits and investments as categorized below:

	Fair Value	Investment maturities (in years)	
		Less than 1	1 - 5
Demand deposits	\$ 41,860,541	\$ 41,860,541	\$ -
U.S. Treasury securities	201,229,023	122,767,334	78,461,689
U.S. Government agency securities	8,722,037	3,277,454	5,444,583
Supranationals	2,465,299	1,428,828	1,036,471
Money market mutual funds	<u>154,475,874</u>	<u>154,475,874</u>	<u>-</u>
Totals	<u>\$ 408,752,774</u>	<u>\$ 323,810,031</u>	<u>\$ 84,942,743</u>

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

3. DEPOSITS AND INVESTMENTS - CONTINUED

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

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

The District's investment policy requires that all investments be held by a third party custodian and held in the District's name. As of September 30, 2025, all District investments are held in a bank's trust department in the District's name.

Concentration of Credit Risk - At September 30, 2025, there were no issuers with which the District held investments exceeding 5% of the total investment portfolio.

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

Statement of Net Position Classifications:	
Restricted cash and cash equivalents	\$ 96,679,689
Restricted investments	<u>117,289,369</u>
	<u>\$ 213,969,058</u>

4. VALUATION ALLOWANCES

The District recognizes allowances for losses on accounts receivable based on an aging of receivables and includes accounts over 120 days. The Utility Fund recognized an allowance at September 30, 2025 in the amount of \$2,082. The expense associated with this allowance is recognized as an offset to utility revenues.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

	Beginning Balance October 1, 2024	Increases	Decreases	Ending Balance September 30, 2025
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 2,992,490	\$ -	\$ -	\$ 2,992,490
Construction in progress	62,454,826	62,705,689	-	125,160,515
Infrastructure	699,603,398	-	-	699,603,398
Total capital assets not being depreciated	765,050,714	62,705,689	-	827,756,403
Capital assets being depreciated/amortized				
Buildings	309,671,028	132,826	-	309,803,854
Machinery and equipment	46,728,955	4,711,786	(443,830)	50,996,911
Right-to-use subscription assets	931,734	426,332	(67,221)	1,290,845
Right-to-use lease assets	672,384	732,910	-	1,405,294
Total capital assets being depreciated/amortized	358,004,101	6,003,854	(511,051)	363,496,904
Less accumulated depreciation/amortization for:				
Buildings	79,076,595	8,786,388	-	87,862,983
Machinery and equipment	39,543,504	2,508,609	(443,830)	41,608,283
Right-to-use subscription assets	273,283	215,980	(67,221)	422,042
Right-to-use lease assets	61,613	235,867	-	297,480
Total accumulated depreciation/amortization	118,954,995	11,746,844	(511,051)	130,190,788
Total capital assets being depreciated/amortized, net	239,049,106	(5,742,990)	-	233,306,116
Governmental activities capital assets, net	\$ 1,004,099,820	\$ 56,962,699	\$ -	\$ 1,061,062,519

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

5. CAPITAL ASSETS - CONTINUED

	Beginning Balance October 1, 2024	Increases	Decreases	Ending Balance September 30, 2025
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 6,896,164	\$ -	\$ -	\$ 6,896,164
Construction in progress	26,960,416	29,464,550	(39,661,713)	16,763,253
Total capital assets not being depreciated	<u>33,856,580</u>	<u>29,464,550</u>	<u>(39,661,713)</u>	<u>23,659,417</u>
Capital assets being depreciated/amortized				
Buildings	67,345,692	-	-	67,345,692
Improvements other than buildings	319,743,529	16,506,797	-	336,250,326
Machinery and equipment	481,249,733	25,559,085	(2,221,420)	504,587,398
Right-to-use subscription assets	1,075,319	-	-	1,075,319
Total capital assets being depreciated/amortized	<u>869,414,273</u>	<u>42,065,882</u>	<u>(2,221,420)</u>	<u>909,258,735</u>
Less accumulated depreciation/amortization for:				
Buildings	49,454,705	1,386,383	-	50,841,088
Improvements other than buildings	183,688,638	6,786,506	-	190,475,144
Machinery and equipment	363,463,161	14,539,767	(2,221,420)	375,781,508
Accumulated amortization	376,362	215,064	-	591,426
Total accumulated depreciation/amortization	<u>596,982,866</u>	<u>22,927,720</u>	<u>(2,221,420)</u>	<u>617,689,166</u>
Total capital assets being depreciated/amortized, net	<u>272,431,407</u>	<u>19,138,162</u>	<u>-</u>	<u>291,569,569</u>
Business-type activities capital assets, net	<u>\$ 306,287,987</u>	<u>\$ 48,602,712</u>	<u>\$ (39,661,713)</u>	<u>\$ 315,228,986</u>

The District regularly reviews the feasibility of ongoing capital projects. During the year, the District wrote off \$55,210 in Utility Fund projects.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

6. FINANCED PURCHASES

Governmental activities

In fiscal year 2025, the District entered into leasing agreements for emergency communications equipment. The terms of the leases are such that the District is capitalizing them as financed purchases. This year, \$154,903 was included in depreciation expense for the equipment.

The following is a schedule of future minimum lease payments of \$1,875,353 for 911 equipment assets capitalized under the lease agreements, and the present value of the minimum lease payments as of September 30, 2025:

Fiscal Year Ending September 30	Communications Equipment
2026	\$ 937,676
2027	937,677
Total Minimum Lease Payments	1,875,353
Less Amount Representing Interest	132,905
Present Value of Minimum Lease Payments	\$ 1,742,448

7. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances between funds results mainly from the time lag between the dates that the goods and services were provided or the expenditure occurs, the recording of the transaction and the date the payment between the funds are made. Interfund receivable and payable balances as of September 30, 2025 are as follows:

	Interfund Receivables (Due from)	Interfund Payables (Due to)
General Fund	\$ 108,326	\$ 151,776
Capital Projects Fund	-	363,520
Utility Fund	515,296	108,326
	\$ 623,622	\$ 623,622

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

8. LONG-TERM DEBT

A. Changes in long-term liabilities

	Beginning Balance October 1, 2024	Additions	Reductions	Ending Balance September 30, 2025	Due within one year
Governmental activities:					
General Obligation Bonds:					
2015A Ad Valorem Refunding	\$ 7,225,000	\$ -	\$ (7,225,000)	\$ -	\$ -
2016A Ad Valorem	150,270,000	-	(2,755,000)	147,515,000	10,475,000
2017A Ad Valorem	158,310,000	-	(8,090,000)	150,220,000	8,495,000
2020A Ad Valorem Refunding	300,655,000	-	(18,655,000)	282,000,000	18,985,000
2024A Ad Valorem	-	99,300,000	(5,085,000)	94,215,000	3,085,000
Deferred amounts:					
Discount/Premium	32,275,144	11,477,968	(5,095,776)	38,657,336	-
Total long-term general obligations	<u>648,735,144</u>	<u>110,777,968</u>	<u>(46,905,776)</u>	<u>712,607,336</u>	<u>41,040,000</u>
Compensated absences	3,803,959	330,964	-	4,134,923	2,151,811
Financed purchases	-	2,670,032	(927,584)	1,742,448	849,795
Self insurance liability	6,150,125	588,843	-	6,738,968	1,269,348
Subscription liabilities	547,899	424,557	(206,653)	765,803	256,243
Lease liabilities	613,184	723,596	(218,918)	1,117,862	273,677
Net pension liability	71,179,716	27,667,680	(39,981,953)	58,865,443	-
Net OPEB liability	59,185,676	-	(14,689,597)	44,496,079	-
Long-term liabilities	<u>\$ 790,215,703</u>	<u>\$ 143,183,640</u>	<u>\$(102,930,481)</u>	<u>\$ 830,468,862</u>	<u>\$ 45,840,874</u>
Business-type activities:					
Revenue Bonds:					
2013-1 Utility Refunding	\$ 14,935,000	\$ -	\$ (7,285,000)	\$ 7,650,000	\$ 7,650,000
2018-1 Utility	26,230,000	-	-	26,230,000	-
2018-2 Utility	10,200,000	-	(5,015,000)	5,185,000	5,185,000
Deferred amounts:					
Discount/Premium	3,333,966	-	(392,509)	2,941,457	-
Total long-term bonds payable	<u>54,698,966</u>	<u>-</u>	<u>(12,692,509)</u>	<u>42,006,457</u>	<u>12,835,000</u>
Notes from Direct Borrowings:					
2021-1 Utility	34,595,000	-	(50,000)	34,545,000	1,000,000
2021-2 Utility	42,605,000	-	(5,000,000)	37,605,000	4,100,000
2021-4 Utility	10,571,000	-	(5,265,000)	5,306,000	5,306,000
Total direct borrowings	<u>87,771,000</u>	<u>-</u>	<u>(10,315,000)</u>	<u>77,456,000</u>	<u>10,406,000</u>
Subscription liability	664,920	-	(206,088)	458,832	221,433
Long-term liabilities	<u>\$ 143,134,886</u>	<u>\$ -</u>	<u>\$(23,213,597)</u>	<u>\$ 119,921,289</u>	<u>\$ 23,462,433</u>

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

8. LONG-TERM DEBT - CONTINUED

General Obligation Bonds Payable

2015A Ad Valorem Tax Refunding Bonds - In April 2015, the District issued \$50,925,000 Ad Valorem Refunding Bonds at interest rates of 2.0% to 5.0%. The proceeds were used for the current refunding of the 2005A and 2005B Ad Valorem Tax Bonds maturing on and after June 1, 2015. The bonds fully matured in fiscal year 2025.

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

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

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

2024A Ad Valorem Tax Bonds - In October 2024, the District issued \$99,300,000 Ad Valorem Tax Bonds at interest rates of 5.0%. The proceeds were used to finance additional transportation projects and represent remaining ad valorem tax bond issuance capacity approved by the Board of Supervisors in 2013 through 2016. The bonds mature in 2026 through 2044.

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

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

Revenue Bonds Payable

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

8. LONG-TERM DEBT - CONTINUED

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

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

Notes from Direct Borrowings

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

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

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

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

8. LONG-TERM DEBT - CONTINUED

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

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

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

8. LONG-TERM DEBT - CONTINUED

B. Annual Debt Service Requirements

Annual requirements to amortize principal and interest of all bonds outstanding as follows:

Governmental activities:

Year Ended September 30,	General Obligation Bonds	
	Principal	Interest
2026	\$ 41,040,000	\$ 25,268,540
2027	42,500,000	23,810,960
2028	44,035,000	22,272,155
2029	45,655,000	20,652,885
2030	47,245,000	19,065,601
2031-2035	263,805,000	67,774,637
2036-2040	162,025,000	19,693,233
2041-2044	27,645,000	3,539,750
Total	\$ 673,950,000	\$ 202,077,761
Current portion	(41,040,000)	
Deferred amounts:		
Discount/Premium	38,657,336	
Long-term bonds payable	\$ 671,567,336	

Business-type activities:

Year Ended September 30,	Revenue Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2026	\$ 12,835,000	\$ 1,595,173	\$ 10,406,000	\$ 1,119,187
2027	1,480,000	1,274,500	19,005,000	934,150
2028	1,555,000	1,198,625	16,320,000	666,646
2029	1,635,000	1,118,875	12,180,000	434,496
2030	1,715,000	1,035,125	2,115,000	317,985
2031-2035	9,950,000	3,766,250	11,120,000	1,027,270
2036-2039	9,895,000	1,019,875	6,310,000	122,464
Total	\$ 39,065,000	\$ 11,008,423	\$ 77,456,000	\$ 4,622,198
Current portion	(12,835,000)		(10,406,000)	
Deferred amounts:				
Discount/Premium	2,941,457		-	
Long-term bonds payable	\$ 29,171,457		\$ 67,050,000	

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

8. LONG-TERM DEBT - CONTINUED

C. Subscription-Based Information Technology Arrangements

The District has entered into subscription-based information technology arrangements (SBITAs) for asset, energy, emergency and practice management, and procurement software for a period of one to five years and an incremental borrowing rate of 3.98% to 2.64%. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception.

Future payments under the SBITA agreements are as follows:

Year Ended September 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2026	\$ 256,243	\$ 13,792	\$ 221,433	\$ 18,598	\$ 510,066
2027	241,843	15,610	237,399	9,623	504,475
2028	121,012	7,126	-	-	128,138
2029	146,705	3,905	-	-	150,610
Total	<u>\$ 765,803</u>	<u>\$ 40,433</u>	<u>\$ 458,832</u>	<u>\$ 28,221</u>	<u>\$ 1,293,289</u>

For the year ended September 30, 2025, the District had \$80,359 of SBITAs with variable payments that were based on user seats. The District had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability. The District had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

D. Lease Liabilities

The District has entered into multiple lease arrangements for vehicles for a period of five years and an incremental borrowing rate of 2.64% to 2.86%. The leases have been recorded at the present value of the future contract payments as of the date of their inception.

Future payments under the lease agreements are as follows:

Year Ended September 30	Governmental Activities		
	Principal	Interest	Total
2026	\$ 273,677	\$ 26,316	\$ 299,993
2027	280,988	19,005	299,993
2028	288,495	11,498	299,993
2029	229,188	4,129	233,317
2030	45,514	413	45,927
Total	<u>\$ 1,117,862</u>	<u>\$ 61,361</u>	<u>\$ 1,179,223</u>

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

9. TRANSACTIONS WITH PRINCIPAL LANDOWNERS

During fiscal year 2025, 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) Administrative services amounted to \$33,894, which included technology services and service awards and celebrations for years of service.
- (2) Maintenance of various District water control facilities amounted to \$416,048, which included aquatic weed control.
- (3) Maintenance of certain roadways and District property within the District amounted to \$5,224, which included minor roadway repairs and street sweeping.
- (4) Maintenance of certain building and fleet functions within the District amounted to \$37,306, including generators, fire alarm panels and vehicle branding.
- (5) Construction project management labor and expense associated with various capital improvements amounted to \$761,020.

At September 30, 2025, the General Fund included accounts payable of \$251,188 and accounts receivable of \$15,955 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 87% of the total taxable assessed value within the District for the year ended September 30, 2025.

The District entered into an agreement February 2, 2023 with Walt Disney Parks and Resorts U.S., Inc. ("WDPR") and Palm Hospitality Company, for the District to purchase land from each party in order to construct a 4-lane divided rural roadway and other improvements connecting portions of the public roadway of World Drive described as the Northern portion and Southern portion. The agreement states the District will pay Palm Hospitality \$600,000 and WDPR \$12,272,000, plus 10% contingency. As of September 30, 2025, the District made payments of \$600,000 to Palm Hospitality and \$9,827,550 to WDPR.

Utility Fund

- (1) Construction project management labor and expense associated with various capital improvements amounted to \$2,532,148.
- (2) In fiscal year 2025, the Operational Services Fee Cap within the District's labor services agreement with Reedy Creek Energy Services (see Note 16 for additional details) was \$36,157,921. Total payments under this contract included operation and maintenance of the utility system of \$35,272,307 and planned work projects of \$336,134.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

9. TRANSACTIONS WITH PRINCIPAL LANDOWNERS - CONTINUED

Utility Fund - Continued

At September 30, 2025, the Utility Fund had accounts receivable of \$19,746,394 and accounts payable of \$6,942,518 with Walt Disney World Co. and other wholly-owned subsidiaries of The Walt Disney Company.

The District provides utility services to Walt Disney World Co. and other associated companies within its service area. Revenues from services provided to these companies were 84% of total utility revenues for the year ended September 30, 2025.

10. RETIREMENT SYSTEM

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

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

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

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:

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

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

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

10. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

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 22.50% of covered employee payroll during the year. The District's contributions to FRS for the year ended September 30, 2025 were \$10,147,902. Employee contributions to FRS for the year ended September 30, 2025 were \$1,240,043. Contributions made and accrued were equal to the required contributions for each year.

The FRS has numerous classes of membership (of which District employees qualify in five classes) with descriptions and employer contribution rates in effect during the year ended September 30, 2025 as follows:

Regular Class - Members not qualifying for other classes (13.63% from 10/1/2024 through 6/30/2025 and 14.03% from 7/1/2025 through 9/30/2025).

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 (32.79% from 10/1/2024 through 6/30/2025 and 35.19% from 7/1/2025 through 9/30/2025).

Special Risk Administrative Support Class - Special risk employees who are transferred or reassigned to a non-special risk position (39.82% from 10/1/2024 through 6/30/2025 and 39.48% from 7/1/2025 through 9/30/2025).

Senior Management Service Class - Qualifying member of senior management (34.52% from 10/1/2024 through 6/30/2025 and 33.24% from 7/1/2025 through 9/30/2025).

Deferred Retirement Option Program (DROP) - Participating members of the program, not to exceed 96 months (21.13% from 10/1/2024 through 6/30/2025 and 22.02% from 7/1/2025 through 9/30/2025).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2025, the District reported a liability of \$46,340,263 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The District's proportion of the net pension liability was based on historical employer contributions. At June 30, 2025, the District's proportionate share was 0.14932%, which was an increase of 0.00219% from its proportionate share measured as of June 30, 2024.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

10. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

For the year ended September 30, 2025, the District recognized a decrease in the pension liability primarily due to investment gains and resulting pension fund asset appreciation experienced by FRS. The District recognized pension expense in the amount of \$4,898,727. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,949,628	\$ -
Change of assumptions	5,381,308	-
Net difference between projected and actual earnings on Pension Plan investments	-	7,736,974
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	5,035,323	1,359,272
District Pension Plan contributions subsequent to the measurement date	2,523,357	-
Total	\$ 17,889,616	\$ 9,096,246

The deferred outflows of resources related to the Pension Plan, totaling \$2,523,357 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 2026. 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:

Fiscal Year Ending September 30,	Amount
2026	\$ 8,110,106
2027	46,173
2028	(749,007)
2029	(1,137,259)

Actuarial Assumptions - The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.40%
- Salary increases: 3.50% average, including inflation
- Investment rate of return: 6.70% net of pension plan investment expense and inflation

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023. Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

10. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2024 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:

Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	3.2 %	3.2 %	1.1 %
Fixed Income	29.0	5.5	5.4	4.0
Global Equity	45.0	8.5	6.9	18.3
Real Estate	12.0	8.4	7.1	16.8
Private Equity	11.0	12.4	8.8	28.4
Strategic Investments	2.0	6.5	6.1	8.7
Assumed Inflation - Mean			2.4 %	1.5 %

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

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

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

	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability (asset)	\$ 90,942,051	\$ 46,340,263	\$ 8,946,769

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

10. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

Payables to the Pension Plan - At September 30, 2025, the District reported a payable in the amount of \$1,124,158 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2025.

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, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. At September 30, 2025, the HIS contribution was 2.0%. The District contributed 100% of its statutorily required contributions for the current year. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$902,184 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2025, the District reported a liability of \$12,525,180 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025, 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 2024-2025 fiscal year contributions relative to the 2024-2025 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.09772%, which was an increase of 0.00263% from its proportionate share measured as of June 30, 2024.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

10. RETIREMENT SYSTEM - CONTINUED

HIS Plan - Continued

For the fiscal year ended September 30, 2025, the District recognized pension expense of \$389,538. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 74,768	\$ 19,868
Change of assumptions	110,862	3,029,520
Net difference between projected and actual earnings on HIS Plan investments	-	10,425
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	1,323,395	521,648
District HIS contributions subsequent to the measurement date	231,991	-
Total	\$ 1,741,016	\$ 3,581,461

The deferred outflows of resources related to the HIS Plan, totaling \$231,991 and resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as an increase to the net pension liability in fiscal year 2026. 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
2026	\$ (535,538)
2027	(570,051)
2028	(451,567)
2029	(296,177)
2030	(219,103)

Actuarial Assumptions - The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.40%
- Salary increases: 3.50% average, including inflation
- Municipal bond rate: 5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

10. RETIREMENT SYSTEM - CONTINUED

HIS Plan - Continued

Discount Rate - The discount rate used to measure the total pension liability was 5.20%. 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 5.20%, 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 (4.20%) or one percentage point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
District's proportionate share of the HIS pension liability	\$ 14,124,157	\$ 12,525,180	\$ 11,184,147

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

Payables to the HIS Plan - At September 30, 2025, the District reported a payable in the amount of \$87,690 for outstanding contributions to the HIS Plan required for fiscal year ended September 30, 2025.

Investment Plan

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

10. RETIREMENT SYSTEM - CONTINUED

Investment Plan - Continued

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

Costs to administer the Investment Plan, including the FRS Financial Guidance Program, are funded through employer contributions of 0.06% of payroll and by forfeited benefits of plan members. Allocations to investment member's accounts during the 2024-2025 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular 11.30%, Special Risk 19.00%, Special Risk Administrative Support 12.95%, and Senior Management Service 12.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee regains control over their account. If the employee does not return within the 5-year period, the employee forfeits the accumulated account balance. For fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes these amounts, if any, would be immaterial to the District.

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

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

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

Benefits provided - The VEBA Plan provides healthcare benefits for eligible retirees and their dependents enrolled in District-sponsored plans. Benefits are provided through a third party insurer. To qualify for this benefit, non-union employees must have 20 years of service with the District and be age 62 to obtain paid coverage for themselves and their eligible dependent, certain executive positions must have 7 years of service and be age 62, and union employees must have 20 years of service with the District and be age 55 to obtain paid coverage for themselves. For employees hired after March 1, 2013, retirees may elect to continue coverage for themselves and their eligible dependents at the full, unsubsidized cost to the District for the elected coverage. The VEBA Plan also provides death benefits for certain retirees, equivalent of two times the participant's final annual base salary at retirement to their designated beneficiary. To qualify for this benefit, they must be designated or key employees as outlined by the plan and be age 62 with 10 years (7 years for executive positions) of service, or 25 years with no age requirement. The District currently has 11 retirees that meet the eligibility requirements.

Employees covered by benefit terms - At September 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	138
Inactive employees entitled to but not yet receiving benefit payments	33
Active employees	386

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

General Information about the OPEB Plan - Continued

Contributions - Contributions to the VEBA Trust are not codified or mandated but the District's funding strategy is to contribute a minimum of \$1 million to the VEBA Trust per year. The District is paying current benefits as they come due from operations. For the year ended September 30, 2025, the District's contribution rate was 9.4% of covered-employee payroll. Employees are not required to contribute to the Plan. However, retirees reimburse the District for their elected health coverage at the District's cost in instances where they are not entitled to all or a portion of the subsidy.

Investments

Rate of Return - For the year ended September 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 4.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

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

Concentration of Credit Risk - At September 30, 2025, there was one issuer with which the District held investments exceeding 5% of the total investment portfolio. The issuer was Federal Home Loan Bank (16.37%).

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Investments - Continued

	2025			
	Total Fair Value	Level 1	Level 2	Level 3
Investments Measured at Fair Value				
U.S. Treasury and Government Agency Securities	\$ 19,052,805	\$ -	\$ 19,052,805	\$ -
Supranational	674,544	-	674,544	-
Total Investments at Fair Value	\$ 19,727,349	\$ -	\$ 19,727,349	\$ -
Investments Measured at Amortized Cost				
Money Market Funds	\$ 835,968			
Total Investments	\$ 20,563,317			

Long-Term Expected Rate of Return

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

Best estimates of geometric real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2025 are summarized in the following table:

	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	100.00 %	4.90 %
Total	100.00 %	

Net OPEB Liability

The District's net OPEB liability was measured as of September 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Net OPEB Liability - Continued

Actuarial Assumptions - The total OPEB liability in the September 30, 2025 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation 2.50%
- Salary increases 3.50%, including inflation
- Investment rate of return 4.90%, including inflation
- Healthcare cost trend rates The table below are annual trends based on the current trend study and are applied on a select and ultimate basis. Select trends are reduced .25% per year until reaching the ultimate trend rate.

Expense Type	Fiscal Years		
	2026	2027	2028+
Pre-65 Medical	7.8 %	7.5 %	6.1 %
Post-65 Medical	6.8	6.6	5.7
Dental	4.0	4.0	4.0
Vision	3.0	3.0	3.0

Mortality assumptions were based on table PUB-2010 with projections scale MP-2021. Retirement and turnover assumptions are consistent with the assumptions used in the actuarial valuation of the Florida Retirement System as of July 1, 2024.

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

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at October 1, 2024	\$ 77,963,380	\$ 18,777,704	\$ 59,185,676
Changes for the year:			
Service cost	1,084,039	-	1,084,039
Interest	2,965,281	-	2,965,281
Changes in assumptions	(14,516,258)	-	(14,516,258)
Contributions - employer	-	3,453,956	(3,453,956)
Net investment gain	-	768,703	(768,703)
Benefit payments	(2,437,046)	(2,437,046)	-
Net changes	(12,903,984)	1,785,613	(14,689,597)
Balances at September 30, 2025	\$ 65,059,396	\$ 20,563,317	\$ 44,496,079
Plan fiduciary net position as a percentage of total OPEB liability			31.6%

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.90%) or one percentage point higher (5.90%) than the current discount rate (rounded to the nearest thousand):

	1% Decrease (3.90%)	Discount Rate (4.90%)	1% Increase (5.90%)
Net OPEB liability	\$ 54,934,079	\$ 44,496,079	\$ 36,007,957

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 (6.8% decreasing to 4.7%) or one percentage point higher (8.8% decreasing to 6.7%) than the current healthcare cost trend rates (rounded to the nearest thousand):

	1% Decrease (6.8% decreasing to 4.7%)	Healthcare Cost Trend Rates (7.8% decreasing to 5.7%)	1% Increase (8.8% decreasing to 6.7%)
Net OPEB liability	\$ 36,162,323	\$ 44,496,079	\$ 55,228,051

Changes of assumptions or other inputs. Beginning of year total OPEB liability was calculated using an assumed discount rate of 3.81%. The discount rate used at September 30, 2025 was 4.90%.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

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, 2025, the District recognized OPEB expense of \$(290,438). At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual demographic experience	\$ 865,718	\$ 3,327,395
Change of assumptions	7,677,811	11,929,654
Net difference between projected and actual investment performance	-	6,400
Total	\$ 8,543,529	\$ 15,263,449

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

Fiscal Year Ending September 30,	Amount
2026	\$ (3,594,478)
2027	(2,757,356)
2028	101,452
2029	(471,978)
2030	2,440

12. RISK MANAGEMENT

The District is self-insured and carries excess commercial insurance due to exposure to certain risks of loss related to theft, damage to and destruction of assets, torts, injuries to employees and natural disasters. The District retains risk up to a maximum of \$1,000,000 for each workers' compensation and employer's liability claim, \$250,000 for each liability claim, \$100,000 for most property damage claims, \$50,000 for crime/theft losses and \$100,000 for cyber liabilities. The District purchases commercial insurance for certain exposures in excess of risk retained with commercially reasonable limits, sublimits, terms and conditions. There have been no material claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2023, 2024 and 2025.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

12. RISK MANAGEMENT - CONTINUED

Liabilities are reported when it is probable that a material loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimate for claims that have been incurred but not reported. The self-insurance liability of \$6,738,968 at September 30, 2025 is based on an actuarial review of claims pending and past experience. Changes in the claims liability amount during fiscal years 2025 and 2024 are as follows:

	Year Ended September 30,	
	2025	2024
Self insurance liability beginning balance	\$ 6,150,125	\$ 5,945,920
Claims and changes in estimates	1,549,078	1,801,178
Claims payments	(960,235)	(1,596,973)
Self insurance liability ending balance	\$ 6,738,968	\$ 6,150,125

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 \$1,349,639 in settlement gains was recognized in fuel expense.

The following is a summary of the derivative fuel instruments of the Utility Fund as of September 30, 2025 which have been deemed effective and are recorded as deferred outflows.

Classification	Fair Value at September 30,				Notional	Maturity
	2024	Change in fair value	2025			
Deferred outflows/(inflows)	\$ (178,671)	\$ 721,591	\$ 542,920		10,583,434 MMBTUs	FY2026 - 2029

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

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

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

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

		2025			
		Total	Level 1	Level 2	Level 3
Investments Measured at Fair Value					
U.S. Treasury and Government Agency Securities	\$	209,951,060	\$ -	\$ 209,951,060	\$ -
Supranational		2,465,299	-	2,465,299	-
Total Investments at Fair Value		\$ 212,416,359	\$ -	\$ 212,416,359	\$ -
Cash Equivalents Measured at Amortized Cost					
Money Market Funds	\$	154,475,874			
Total	\$	366,892,233			

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

15. NET POSITION AND FUND BALANCE REPORTING

The Statement of Net Position for governmental activities reflects a negative unrestricted net position of \$33,055,004. This is primarily due to the District's net pension liability and net OPEB liability, including related deferred inflows and deferred outflows of resources, all of which amount to a combined \$103 million.

Governmental Fund Balances

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

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

Assigned amounts in the general fund represent monies designated for emergency reserves, certain equipment purchases and budget appropriations, as needed. Committed amounts in the general fund represent certain fees specifically set aside by action of the Board of Supervisors to be used solely to maintain the integrity of the drainage system. Also included are amounts set aside due to property appraiser disputes. Note 16 discusses these disputes in more detail.

16. COMMITMENTS AND CONTINGENCIES

Construction

As of September 30, 2025, the District's Board of Supervisors authorized a budget of approximately \$184.2 million for current or in-process major transportation and other construction projects. Executed construction commitments associated with these projects approximated \$164.1 million and of this amount, approximately \$125.2 million was spent as of September 30, 2025.

Purchased Power and Gas

The District has entered into Purchase Power Agreements ("PPA") with Investor Owned Utilities (IOUs), private solar developers and municipal entities throughout Florida for the purchase and sale of power at wholesale rates, and associated transmission service. In general, except for solar PPAs, purchase PPAs require the counterparty to pay reservation charges for capacity to reserve the right to call on such capacity as needed. The District's budgeted minimum commitment for fiscal year 2025 reservation charges under its agreements was estimated at \$7,578,680. There are no requirements for the District to sell wholesale power or reserve capacity for wholesale sales. One of the District's wholesale agreements expired on December 31, 2024 and was replaced by an agreement with a different counterparty, which expires on December 31, 2029. There are various provisions for renewal or cancellation by the District and the respective counterparty in the agreements.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

16. COMMITMENTS AND CONTINGENCIES - CONTINUED

Purchased Power and Gas - Continued

On April 1, 2023, the District entered into a Service Agreement for Network Integration Transmission Service ("NITS") with Duke Energy for the period April 1, 2023 through March 31, 2028. The Service Agreement will automatically renew for successive five-year terms unless terminated. The District's budgeted transmission commitment for fiscal year 2025 under the NITS agreement was estimated at \$11,188,842.

On May 27, 2015, the District entered into a Purchase Power Agreement with Duke Energy for the purchase of solar energy from the "Mickey Solar" array. The agreement is for a term of 15 years with a total commitment to purchase energy of approximately \$7,515,550. The annual cost for fiscal year 2025 was estimated at \$549,532.

On October 9, 2017, the District entered into a Purchase Power Agreement with Origis Energy for the purchase of solar energy from the FL Solar 5, LLC facility. The agreement is for a term of 17 years with the option to extend the term up to 20 years. For the 17-year term, the District is committed to purchase energy of approximately \$89,547,848. The annual cost for fiscal year 2025 was estimated at \$3,417,082.

On February 24, 2021, the District entered into a third Purchase Power Agreement to purchase solar energy from Bell Ridge Solar, LLC for a 20-year term. On March 23, 2022, based on mutual agreement of the parties the First Amendment to the original PPA with Bell Ridge Solar, LLC for the purchase of solar energy was executed. The term of the original agreement of 20 years equates to a total commitment to purchase energy of approximately \$125,634,409. The annual cost for fiscal year 2025 is estimated at \$6,358,331.

On April 24, 2024, the District entered into a fourth Purchase Power Agreement to purchase solar energy from Bronson Solar, LLC for a 20-year term from the commercial operation date of September 2025. The District is committed to purchase energy of approximately \$167,894,592. The cost for fiscal year 2025 was immaterial as the facility was only operational for two weeks prior to year end.

The District is obligated to purchase pipeline capacity to transport natural gas under two transportation and supply agreements with Florida Gas Transmission Company ("FGT"), dated December 1991 and October 1993, respectively. The terms of the FGT agreements expire in 2035; however, the District has contractual rollover rights for 10-year increments. Minimum reservation payments under these agreements were budgeted at approximately \$2,878,497 for fiscal year 2025.

The District has a backup natural gas interconnection agreement with Peoples Gas System ("PGS"). The term of the PGS agreement expires in 2028 unless extended by the District. The District is in conversations with PGS to extend the existing agreement. Minimum payments under this agreement were budgeted at approximately \$477,600 for fiscal year 2025.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

16. COMMITMENTS AND CONTINGENCIES - CONTINUED

Purchased Power and Gas - Continued

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

Labor Services Agreement

The District entered into a Fourth Amendment to the Amended and Restated Labor Services Agreement ("LSA") with Reedy Creek Energy Services (RCES), to furnish all labor and services necessary to operate, maintain, repair, renew and administer a solid waste collection and disposal system, a wastewater system, a potable water system, a natural gas distribution system, an electric generation and distribution system, a chilled water system, and a hot water system (collectively the "utility systems"). The agreement expires on September 30, 2028. The maximum amount billable under the LSA (Operating Services Fee Cap) in fiscal year 2025 was \$36,157,921. The Operational Services Fee Cap for fiscal year 2026 is \$40,997,281.

STOPR Agreements

In September 2007, the District entered into a Cost Sharing and Permit Compliance Coordination agreement with the City of St. Cloud, Tohopekaliga Water Authority ("TWA"), and Orange and Polk Counties to jointly perform permit compliance monitoring activities as required by the Water Use Permits issued by the South Florida Water Management District. Between 2010 and June 2016, Orange County was the contract manager and the District's payments were made to Orange County upon receipt of an invoice. In March 2016, the District executed an amendment to the original agreement that (1) made TWA the contract manager and (2) extended the term of the agreement. The agreement is in its seventh amendment and expires June 30, 2030. As amended, it requires the District to contribute 18.2% of the total cost of all monitoring. As of September 30, 2025, the District has paid \$1,586,462 for these efforts.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2025

16. COMMITMENTS AND CONTINGENCIES - CONTINUED

STOPR Agreements - Continued

As part of the STOPR group, the District also entered into an entry and access agreement with The Nature Conservancy ("TNC") to access portions of property owned by TNC, known as the Disney Wilderness Preserve, for the purpose of environmental monitoring, as required by the Water Use Permit conditions of all STOPR members. This access agreement has an annual fee of \$150 and expires on December 31, 2029.

Litigation and Other Claims

Various suits and claims arising in the ordinary course of operations are pending against the District. Management believes the ultimate disposition of such matters, including the cases described below, will not materially affect the financial position of the District, the results of its operations, or the District's ability to pay debt service on existing outstanding bonds. In addition, neither the creation, organization or existence of the District is being contested in any of the pending lawsuits.

Some taxpayers in the District have filed lawsuits challenging the valuation of commercial parcels located in the District and/or contesting the legality, validity and methodology of ad valorem assessments made by the Property Appraiser on the parcels. Some of these lawsuits have been resolved through settlement, resulting in downward adjustments to assessed valuations in certain years that reduced the amount of taxes owed, resulting in District refunds to certain taxpayers. The District cannot predict whether future similar lawsuits will occur, whether those lawsuits will result in future refunds or the timing of future settlements or final judgments. In fiscal year 2025, the District budgeted \$6.5 million to fund potential financial obligations arising from property appraiser settlements. In fiscal year 2025, the District paid \$1,787,866 in settlements. In fiscal year 2026, the District has budgeted \$7.5 million for potential future obligations. The largest settlement paid by the District in any given year was just under \$6 million in fiscal year 2021, resulting in decreased assessed valuations of approximately \$516 million over a 6-year period. The District continues to monitor the ongoing lawsuits and the committed fund balance attributable to such potential settlements and/or final judgments, as appropriate.

Three lawsuits involving Walt Disney Parks and Resorts, U.S., Inc. ("WDPR") and the District were settled in fiscal year 2024. As stipulated in the settlement agreement, the District agreed, among other things, to update the Comprehensive Plan during fiscal year 2025. The District's Board approved the 2045 Comprehensive Plan in September 2025, which is currently in use.

17. SUBSEQUENT EVENT

Issuance of Utility Revenue Bonds

In November 2025, the District issued \$169.43 million par amount of utility revenue bonds to provide financing for various capital improvements to or for the system, including chilled water and hot water, electric, wastewater and potable water utilities. The bonds were issued in maturities from 2029 through 2045 at interest rates ranging from 4.098% to 5.107%.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

Year Ended September 30, 2025

Roadways

(Note 2. A.)

Fiscal Year	Percentage of Roadways		
	Excellent	Good/Satisfactory	Poor
2025	79 %	11 %	10 %
2024*	69 %	19 %	12 %
2023	67 %	26 %	7 %
2022	69 %	25 %	6 %
2021	70 %	23 %	7 %

* Rating category modified in 2024; see further explanation below.

Bridges

(Note 2. B.)

Fiscal Year	Number of Bridges by Category				
	Excellent	Good	Fair	Poor	Total
2025	13	48	3	-	64
2024	14	50	-	-	64
2023	14	49	1	-	63
2022	58	2	N/A	-	60
2021	50	3	N/A	-	53

Water Control Structures

(Note 2. C.)

Fiscal Year	Number of Structures by Category				
	Excellent	Good	Fair	Poor	Total
2025	14	11	-	-	25
2024	14	11	-	-	25
2023	13	11	-	-	24
2022	17	7	N/A	-	24
2021	18	6	N/A	-	24

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
SCHEDULES SUPPORTING MODIFIED APPROACH FOR DISTRICT
INFRASTRUCTURE CAPITAL ASSETS

Year Ended September 30, 2025

Fiscal Year	Budgeted Costs			Actual Costs		
	Roads	Bridges	Water Control Structures	Roads	Bridges	Water Control Structures
2026	\$ 12,332,000	\$ 1,250,000	\$ 6,795,000	\$ -	\$ -	\$ -
2025	10,505,000	725,000	4,685,000	7,112,479	613,897	1,024,214
2024	11,786,243	1,100,000	4,789,508	7,084,810	892,920	1,358,447
2023	14,129,000	830,000	1,900,000	10,105,448	36,049	977,659
2022	12,238,876	4,285,000	1,760,000	2,626,838	3,547,250	847,977
2021	6,607,600	3,220,400	1,025,000	3,713,650	1,588,609	450,492

1. ELECTION TO USE MODIFIED APPROACH

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

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL

A. Roads

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

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

Year Ended September 30, 2025

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

A. Roads - Continued

Using the PCI Index, the following conditions were defined:

<u>Condition</u>	<u>PCI Rating (2024 and After)</u>	<u>PCI Rating (2023 and Prior)</u>
Excellent	70 - 100	80 - 100
Good/Satisfactory	55 - 69	60 - 79
Poor	0 - 54	1 - 59

In fiscal year 2024, the District adjusted the PCI rating categories above to more closely align itself with the Florida Department of Transportation ("FDOT"). The District partnered with FDOT in fiscal year 2024 to complete the inspections, which resulted in the adjusted ratings noted above.

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

The District has elected to maintain roads within the system at a minimum of 80% rated in excellent or good/satisfactory condition. As of the date of this report, 90% of the District's roads were in excellent or good/satisfactory condition.

In prioritizing roadway repairs, a benefit value for each roadway is determined based on the roadway use and the projected cost of the necessary repair. Based on the identified priorities, the District budgets for and schedules the pavement repairs. During fiscal year 2025, the District completed three pavement resurfacing projects. In fiscal year 2026, the District has three pavement resurfacing projects scheduled. The remaining work needed to upgrade the 10% of roadways in the poor category is programmed for subsequent fiscal years.

In addition to roadway construction and major asphalt refurbishment, the District continued with routine/ongoing maintenance and repairs throughout the roadway system. The routine work in 2025 encompassed maintenance repairs of asphalt, shoulder protection/slide slope erosion repairs, curb repairs and replacement of guardrails totaling \$7,112,479.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

Year Ended September 30, 2025

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

B. Bridges

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

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

The earliest bridges constructed within the District were placed into service in 1972 and a majority of the bridges were constructed during the following 25 years. Over the past 10+ years, the District has undergone major infrastructure expansion with additional bridges being placed into service, older bridges undergoing major modifications and numerous bridges retired from service.

The District has elected to maintain 90% of its bridges within the excellent or good category. As of the date of this report, 95% of the District's bridges were in excellent or good condition.

As of the date of this report, the District has identified three bridges in fair condition. Designs have been completed for repairing one of these bridges, and construction is anticipated to begin in fiscal year 2027. The other two bridges have been identified for replacement as part of the District's capital improvement program, which has already been funded. Preservation and maintenance of bridge structures is an on-going activity and allows the bridges to be classified as either Excellent or Good condition. Based on inspection results/recommendations, bridge installations and repairs were completed at a cost of \$613,897.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

Year Ended September 30, 2025

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

C. Water Control Structures

The Master Drainage System within the District is comprised of 66 river miles of canals and waterway. It incorporates 25 major water control structures comprised of Amil Gates, weirs, and one set of 48" diameter culverts. Amil Gates are constant level water control structures. These gates provide a consistent water level within the waterways or canals, and open due to increasing water pressure during a storm event, thereby allowing flood waters to pass downstream and exit the District. Weirs maintain water levels at a set elevation; as the flood waters rise due to a storm event, they spill over the weirs and pass downstream. The set of 48" culverts act as an overflow or pass through, allowing flood waters to pass to an adjacent wetland on the eastern perimeter of the District. Construction on a majority of these structures began in the late 1960's, thus many are approaching 60 years of service time. Ongoing maintenance and major rehabilitative work has extended the useful life of the structures allowing them to remain operational. A new structure was added in 2024 due to the completion of construction on a new regional stormwater facility.

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

Year Ended September 30, 2025

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

C. Water Control Structures - Continued

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

<u>Condition</u>	<u>Category Characteristics</u>
Excellent	<ul style="list-style-type: none">- No existing safety deficiencies- Acceptable performance expected, no operational impacts- Routine maintenance required, generally priority 3 and 2 repairs- Widespread typical deterioration
Good	<ul style="list-style-type: none">- No existing safety deficiencies- Acceptable performance expected- Minor operational impacts not critical to flood control- Routine maintenance required, generally priority 3 and 2 repairs- Widespread typical deterioration- Isolated significant condition exists that require remedial action greater than routine work and/or secondary studies/investigation. May include an isolated priority 1 repair.
Fair	<ul style="list-style-type: none">- No existing safety deficiencies for normal operation conditions. Extreme hydrologic events may result in safety deficiencies.- Maintenance required to prevent developing safety concerns- Acceptable performance expected- Minor operational impacts not critical to flood control, but potential threat to flood control operations if impacts continue to deteriorate- Multiple conditions exist that require remedial action greater than routine work and/or secondary studies/investigation- Widespread severe deterioration
Poor	<ul style="list-style-type: none">- Existing safety deficiencies for normal operation conditions.- Non acceptable performance expected- Operational impacts critical to flood control- Multiple conditions exist that require remedial action greater than routine work and/or secondary studies/investigation- Widespread severe deterioration

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

Year Ended September 30, 2025

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

C. Water Control Structures - Continued

The District has elected to maintain water control structures within the system at 80% in excellent or good condition and have no structures in poor condition. As of the date of this report, 100% of the District's structures were rated in excellent or good condition.

During fiscal year 2025, the District conducted routine maintenance on the system, which included repairs on structures, levees and debris removal throughout the canal system and maintenance/repair of erosion issues. In addition, the District started a major rehabilitation of one of the structures, which is anticipated to be completed in fiscal year 2026. The cost of these activities totaled \$1,024,214. Additional design and rehabilitation work on other structures is anticipated during fiscal year 2026.

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CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) OTHER POSTEMPLOYMENT BENEFITS

Year Ended September 30, 2025

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

Last 8 Fiscal Years*

	2025	2024	2023
TOTAL OPEB LIABILITY			
Service cost	\$ 1,084,039	\$ 1,135,506	\$ 1,124,357
Interest	2,965,281	2,740,258	2,655,985
Change in benefit terms	-	-	-
Difference between expected and actual experience	-	(5,195,259)	-
Changes of assumptions	(14,516,258)	14,627,788	(954,595)
Benefit payments	(2,437,046)	(2,416,750)	(2,058,314)
Net change in total OPEB liability	(12,903,984)	10,891,543	767,433
Total OPEB liability, beginning of year	77,963,380	67,071,837	66,304,404
Total OPEB liability, end of year	\$ 65,059,396	\$ 77,963,380	\$ 67,071,837
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 3,453,956	\$ 3,434,688	\$ 3,072,626
Net investment income (loss)	768,703	1,232,550	360,829
Benefit payments	(2,437,046)	(2,416,750)	(2,058,314)
Net change in plan fiduciary net position	1,785,613	2,250,488	1,375,141
Plan fiduciary net position, beginning of year	18,777,704	16,527,216	15,152,075
Plan fiduciary net position, end of year	20,563,317	18,777,704	16,527,216
District's net OPEB liability, end of year	\$ 44,496,079	\$ 59,185,676	\$ 50,544,621
Plan fiduciary net position as a percentage of the total OPEB liability	31.61 %	24.09 %	24.64 %
Covered-employee payroll	\$ 36,915,863	\$ 35,667,500	\$ 29,670,506
District's net OPEB liability as a percentage of covered-employee payroll	120.53 %	165.94 %	170.35 %

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

Notes to Schedule

Changes of assumptions - The discount rate increased from 3.81% to 4.90% at September 30, 2025.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) OTHER POSTEMPLOYMENT BENEFITS

Year Ended September 30, 2025

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

Last 8 Fiscal Years*

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 2,019,443	\$ 1,926,349	\$ 1,511,559	\$ 1,219,287	\$ 1,179,666
1,840,307	1,851,303	2,167,491	2,521,415	2,332,664
-	374,816	-	-	-
2,763,542	-	(6,200,300)	-	-
(22,662,394)	(935,997)	6,505,338	18,890,916	(6,120,684)
(2,218,031)	(1,757,481)	(1,709,222)	(1,523,266)	(1,521,768)
(18,257,133)	1,458,990	2,274,866	21,108,352	(4,130,122)
84,561,537	83,102,547	80,827,681	59,719,329	63,849,451
\$ 66,304,404	\$ 84,561,537	\$ 83,102,547	\$ 80,827,681	\$ 59,719,329
\$ 3,233,531	\$ 2,774,518	\$ 2,743,348	\$ 2,552,995	\$ 12,521,768
(1,011,926)	(60,629)	488,190	637,649	2,399
(2,218,031)	(1,757,481)	(1,709,222)	(1,523,266)	(1,521,768)
3,574	956,408	1,522,316	1,667,378	11,002,399
15,148,501	14,192,093	12,669,777	11,002,399	-
15,152,075	15,148,501	14,192,093	12,669,777	11,002,399
\$ 51,152,329	\$ 69,413,036	\$ 68,910,454	\$ 68,157,904	\$ 48,716,930
22.85 %	17.91 %	17.08 %	15.68 %	18.42 %
\$ 28,667,156	\$ 29,475,581	\$ 28,294,306	\$ 27,612,000	\$ 26,678,408
178.44 %	235.49 %	243.55 %	246.84 %	182.61 %

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

Year Ended September 30, 2025

Schedule of the District's Contributions

Last 8 Fiscal Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2025	\$ 4,386,750	\$ 3,453,956	\$ 932,794	\$ 36,915,863	9.36 %
2024	4,054,884	3,434,688	620,196	35,667,500	9.63 %
2023	4,047,323	3,072,626	974,697	29,670,506	10.36 %
2022	5,171,142	3,233,531	1,937,611	28,667,156	11.28 %
2021	5,075,307	2,774,518	2,300,789	29,475,581	9.41 %
2020	4,838,645	2,743,348	2,095,297	28,294,306	9.70 %
2019	4,507,464	2,552,995	1,954,469	27,612,000	9.25 %
2018	3,580,651	12,521,768	(8,941,117)	26,678,408	46.94 %

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

Notes to Schedules

Valuation Date: September 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal based on level basis over the earnings of the individual between entry age and assumed exit age(s). Projected Unit Credit method used in years 2018 and prior.
Amortization period	30-year open group
Asset valuation method	Fair market value
Contributions	Contributions to the VEBA Trust are not codified or mandated but the District's funding strategy is to contribute a minimum of \$1 million to the Trust per year.
Inflation	2.50%
Healthcare cost trend rates	8.0% initial, decreasing .25% per year to an ultimate rate of 5.0% for medical; 4.0% dental; 3.0% vision
Salary increases per year	3.50%
Investment rate of return (discount rate)	4.90%
Retirement age	Based on the 2024 Florida Retirement System Actuarial Valuation
Mortality	PUB-2010 mortality table w/scale MP-2021, segregated by Special Risk and Non-Special Risk classes

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

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

Year Ended September 30, 2025

Schedule of Investment Returns

Last 8 Fiscal Years *

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2025	4.1%
2024	7.3%
2023	2.4%
2022	(6.4)%
2021	(0.3)%
2020	4.0%
2019	5.8%
2018	0.0%

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS

Year Ended September 30, 2025

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

Florida Retirement System

Last 10 Fiscal Years*

<u>Calendar Year</u>	<u>CFTOD's Proportion of the Net Pension Liability</u>	<u>CFTOD's Proportionate Share of the Net Pension Liability</u>	<u>CFTOD's Covered Employee Payroll</u>	<u>CFTOD's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2025	0.14932 %	\$ 46,340,263	\$ 43,960,606	105.41 %	87.26 %
2024	0.14713 %	56,915,826	40,642,553	140.04 %	83.70 %
2023	0.12810 %	51,043,615	35,229,560	144.89 %	82.38 %
2022	0.13088 %	48,696,935	34,235,982	142.24 %	82.89 %
2021	0.12138 %	9,169,131	31,367,402	29.23 %	96.40 %
2020	0.14788 %	64,091,387	33,311,667	192.40 %	78.85 %
2019	0.15020 %	51,728,123	32,604,660	158.65 %	82.61 %
2018	0.14924 %	44,950,699	31,337,271	143.44 %	84.26 %
2017	0.13850 %	40,967,776	27,550,271	148.70 %	83.89 %
2016	0.14236 %	35,945,064	26,833,753	133.95 %	84.88 %

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI) PENSIONS - CONTINUED

Year Ended September 30, 2025

Schedule of the District's Contributions - Pension Plan

Florida Retirement System

Last 10 Fiscal Years*

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>CFTOD's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2025	\$ 10,147,902	\$ 10,147,902	\$ -	\$ 45,109,209	22.50 %
2024	9,274,699	9,274,699	-	41,477,730	22.36 %
2023	7,164,161	7,164,161	-	36,198,395	19.79 %
2022	6,072,376	6,072,376	-	34,180,174	17.77 %
2021	5,193,646	5,193,646	-	32,345,424	16.06 %
2020	5,173,531	5,173,531	-	32,847,147	15.75 %
2019	5,114,578	5,114,578	-	33,220,360	15.40 %
2018	4,642,954	4,642,954	-	31,540,901	14.72 %
2017	4,027,501	4,027,501	-	28,358,740	14.20 %
2016	3,815,742	3,815,742	-	27,184,949	14.04 %

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

Changes in assumptions

None.

Change in benefit terms

None.

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2025

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

Health Insurance Subsidy Program

Last 10 Fiscal Years*

<u>Calendar Year</u>	<u>CFTOD's Proportion of the Net Pension Liability</u>	<u>CFTOD's Proportionate Share of the Net Pension Liability</u>	<u>CFTOD's Covered Employee Payroll</u>	<u>CFTOD's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2025	0.09772 %	\$ 12,525,180	\$ 43,960,606	28.49 %	6.36 %
2024	0.09509 %	14,263,890	40,642,553	35.10 %	4.80 %
2023	0.08864 %	14,077,700	35,229,560	39.96 %	4.12 %
2022	0.09394 %	9,950,153	34,235,982	29.06 %	4.81 %
2021	0.08857 %	10,863,849	31,367,402	34.63 %	3.56 %
2020	0.09597 %	11,718,223	33,311,667	35.18 %	3.00 %
2019	0.09749 %	10,908,108	32,604,660	33.46 %	2.63 %
2018	0.09590 %	10,150,278	31,337,271	32.39 %	2.15 %
2017	0.08638 %	9,235,838	27,550,271	33.52 %	1.64 %
2016	0.08682 %	10,118,388	26,833,753	37.71 %	0.97 %

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2025

Schedule of the District's Contributions - HIS Plan

Health Insurance Subsidy Program

Last 10 Fiscal Years*

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	CFTOD's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2025	\$ 902,184	\$ 902,184	\$ -	\$ 45,109,209	2.00 %
2024	829,555	829,555	-	41,477,730	2.00 %
2023	633,993	633,993	-	36,198,395	1.75 %
2022	567,391	567,391	-	34,180,174	1.66 %
2021	536,934	536,934	-	32,345,424	1.66 %
2020	545,263	545,263	-	32,847,147	1.66 %
2019	551,458	551,458	-	33,220,360	1.66 %
2018	523,579	523,579	-	31,540,901	1.66 %
2017	470,755	470,755	-	28,358,740	1.66 %
2016	451,270	451,270	-	27,184,949	1.66 %

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

Changes in assumptions

From 2024 to 2025, the municipal rate used to determine total pension liability increased from 3.93% to 5.20%.

Change in benefit terms

None.

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APPENDIX B

BOND RESOLUTION

Resolution No. 245

Resolution No. 313

Resolution No. 683

[Exhibits intentionally omitted]

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Res 245

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

Adopted on November 15, 1991

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

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

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RESOLUTION NO. 245

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"District" means the Reedy Creek Improvement District.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 9. RESERVED.

SECTION 10. EXECUTION OF BONDS AND COUPONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

R- _____

\$5,000

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

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

FIVE THOUSAND DOLLARS

with interest thereon at the rate of _____ per centum (____%) per annum, payable semi-annually on the first day of June and the first day of December in each year upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal 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 \$10,500,000 to provide for the refunding of certain outstanding Drainage Revenue Bonds, Series A Anticipation Notes of the District issued to finance the cost of the construction and acquisition of certain drainage, reclamation and water control improvements, and to finance the cost of construction and acquisition of additional drainage, reclamation and water control improvements, and \$9,500,000 to finance the cost of the construction and acquisition of a sanitary sewer system and solid waste disposal facilities, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 67-764, Laws of Florida, Special Acts of 1967, as amended, and other applicable provisions of law, and a resolution duly adopted by the Board of Supervisors of the District, (hereinafter called "Board") on the 24th day of February, 1972, as supplemented, (hereinafter collectively called "Resolution"), and is subject to all the terms and conditions of such Resolution.

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

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

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

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

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

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

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

REEDY CREEK IMPROVEMENT DISTRICT

(SEAL)

By _____
President, Board of Supervisors

ATTESTED AND COUNTERSIGNED:

Secretary, Board of Supervisors

FORM OF COUPON

No. _____ \$ _____

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

REEDY CREEK IMPROVEMENT DISTRICT

(SEAL)

By _____
President, Board of Supervisors

ATTESTED AND COUNTERSIGNED:

Secretary, Board of Supervisors

(To be inserted on coupons maturing after callable date)

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

VALIDATION CERTIFICATE

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

President, Board of Supervisors

PROVISIONS FOR REGISTRATION

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

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

<u>DATE OF</u> <u>REGISTRATION</u>	<u>IN WHOSE NAME</u> <u>REGISTERED</u>	<u>MANNER OF</u> <u>REGISTRATION</u>	<u>SIGNATURE OF</u> <u>REGISTRAR</u>
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(End of Bond Form)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. RESERVED.

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

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

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

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

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

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

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

F. COMPLIANCE WITH TAX REQUIREMENTS; REBATE FUND. The District hereby covenants and agrees, for the benefit of the Holders from time to time of each Series of Bonds that are not Taxable Bonds, to comply with the requirements applicable to it contained in the Internal Revenue Code of 1954, as amended, if applicable, and contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended,

to the extent necessary to preserve the exclusion of interest on such Series of Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the District covenants and agrees:

(1) with respect to each Series of Bonds other than Taxable Bonds and other than the Series 1972 Bonds, to pay to the United States of America from the funds and sources of revenues pledged to the payment of such Series of Bonds, and from any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on such Series of Bonds, plus any income attributable to such excess or any penalty paid in lieu of payment of such amount (the "Rebate Amount");

(2) with respect to each Series of Bonds other than Taxable Bonds and other than the Series 1972 Bonds, to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) with respect to each Series of Bonds other than Taxable Bonds, to refrain from using proceeds from any Series of Bonds in a manner that would cause such Series of Bonds or any of the Bonds or portions thereof, to be classified as private activity bonds under Section 141(a) of the Code; and

(4) with respect to each Series of Bonds other than Taxable Bonds, to refrain from taking any action that would cause any Series of Bonds or any portion thereof to become arbitrage bonds under Section 103(b) and Section 148 of the Code.

The District understands that the foregoing covenants impose continuing obligations on the District to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

The District covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and

calculations of the Rebate Amount for each Series of Bonds other than the Series 1972 Bonds and Taxable Bonds in the manner and at the times required in a subsequent resolution adopted by the Board with respect to such Series of Bonds. A special fund designated as the "Rebate Fund" is hereby created and established. Upon the issuance of each Series of Additional Bonds, except Taxable Bonds and except as otherwise provided in a subsequent resolution adopted by the Board with respect to such Series of Bonds, the District shall create a separate account within the Rebate Fund. The District shall deposit into the account in the Rebate Fund created with respect to a Series of Bonds, from any legally available funds of the District, an amount equal to the Rebate Amount with respect to such Series of Bonds. The District shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by Section 15F above in the manner and at the times required by a subsequent resolution adopted by the Board with respect to such Series of Bonds.

If any amount shall remain in any rebate account in the Rebate Fund after payment in full of the Series of Bonds for which such account was established, and after payment in full of the Rebate Amount with respect to such Series of Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

Each rebate account in the Rebate Fund shall be held separate and apart from all other funds and accounts of the District, shall be impressed with a lien in favor of the Holders of the Series of Bonds for which such account was established, only after all obligations of the District with respect to payment of the Rebate Amounts with respect to such Series of Bonds have been fully satisfied and the moneys therein shall be available for use only as herein provided.

Notwithstanding any other provision of this resolution, the obligation to pay over the Rebate Amount with respect to a Series of Bonds to the United States and to comply with all other requirements of this Section 15F shall survive the defeasance or payment in full of any Series of Bonds.

SECTION 16. APPLICATION OF BOND PROCEEDS. All moneys received from the sale of the Series 1972 Bonds shall be applied by the District as follows:

A. All interest accrued or to accrue on the Series 1972 Bonds through December 1, 1972 shall be deposited in the Sinking Fund.

B. A special trust fund is hereby created, established and designated as the "Ad Valorem Tax Bonds Construction Fund". There is also created and established in the Construction Fund two separate accounts representing each of the two projects described in Section 3A of this resolution. The balance of the moneys remaining after making all the deposits and payments provided for in paragraphs A and B above with respect to the Series 1972 Bonds, shall be deposited in the Construction Fund to the credit of the special account representing the project for which the moneys so deposited are applicable.

Upon the issuance of any Series of Additional Bonds, there shall be established a separate account within the Construction Fund, which separate construction accounts may be held by the District or by a trustee with respect to any Series of the Bonds as provided in a subsequent resolution adopted by the Board prior to the issuance of such Series. Each separate account shall be held only for the benefit and security of the Holders of the Series of Bonds with respect to which such account was created.

The proceeds of any Series of Additional Bonds shall be applied by the District in the manner provided in a subsequent resolution adopted by the Board with respect to the issuance of such Series of Bonds.

The Construction Fund and the accounts therein created with respect to the Series 1972 Bonds pursuant to this resolution constitute trust funds for the purposes provided herein, and there is hereby created a lien upon moneys deposited therein until so applied in favor of the Holders of the Series 1972 Bonds. The accounts created in the Construction Fund with respect to the 1972 Bonds shall be kept separate and apart from all other funds and accounts of the District, and the moneys on deposit therein shall be withdrawn, used and applied by the District solely to the payment of the cost of the 1972 Projects (including, but not limited to, future expansions and improvements) and purposes incidental thereto, as hereinabove described and set forth (including each 1972 Project's pro rata share of the costs and expenses incurred in connection with the preparation, issuance and sale of the Series 1972 Bonds). If for any reason the proceeds of the Series 1972 Bonds or any part thereof on deposit in any of the special accounts in the Construction Fund created with respect to the 1972 Bonds are not necessary for or are not applied to the payment of such costs, then the unapplied proceeds shall be deposited in the Sinking Fund.

Any funds on deposit in any account in the Construction Fund which are not immediately necessary for expenditure, as hereinabove, may be invested in Investment Obligations maturing at such time or times as the Board may

deem appropriate to meet the requirements of the particular account in the Construction Fund. All income derived therefrom shall be retained in the appropriate account in the Construction Fund.

SECTION 17. DEFEASANCE. If, at any time after the date of issuance of any Series of Bonds, (a) all Bonds secured hereby or any Series or maturity of Bonds within a Series shall have become due and payable in accordance with their terms or otherwise as provided in this resolution, or shall have been duly called for redemption, or, with respect to Bonds other than Variable Rate Bonds, the District gives the Paying Agents irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Bonds at maturity or at any earlier redemption date scheduled by the District, or any combination thereof, (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds or any Series or maturity of Bonds within a Series then Outstanding, at maturity or upon redemption, shall be paid, or, with respect to Bonds other than Variable Rate Bonds, sufficient moneys shall be held by a Paying Agent or other authorized depository acting as an escrow agent in irrevocable trust for the benefit of the Holders of such Bonds (whether or not in any accounts created hereby) which, when invested in Government Obligations maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on such Bonds at the maturity thereof or the date upon which such Bonds are to be called for redemption prior to maturity, and (c) provisions satisfactory to the Registrar and Paying Agent shall also be made for paying all fees, charges and expenses of the Registrar and Paying Agent payable hereunder by the District, then and in that case the right, title and interest of the Holders of such Bonds hereunder and the pledge of and lien on the Ad Valorem Taxes, and all other pledges and liens created hereby or pursuant hereto, with respect to such Holders shall thereupon cease, determine and become void, and if such conditions have been satisfied with respect to all Bonds issued hereunder and then Outstanding, all balances remaining in any other funds or accounts created by this resolution other than moneys held for redemption or payment of Bonds and to pay all other sums payable by the District hereunder shall be distributed to the District for any lawful purpose; otherwise this resolution shall be, continue and remain in full force and effect. Except as otherwise provided in a subsequent resolution adopted by the Board, Variable Rate Bonds issued hereunder may not be defeased.

SECTION 18. AUTHORIZATION OF USE OF DERIVATIVE PRODUCTS. Nothing in this resolution shall be construed as

prohibiting the District from negotiating and entering into agreements relating to any derivative product in connection with the issuance of any Series of Bonds hereunder, including, but not limited to, interest rate swaps and interest rate caps.

SECTION 19. HOLDERS NOT AFFECTED BY USE OF BOND PROCEEDS. The Holders of the Bonds issued hereunder shall have no responsibility for the use of the proceeds of said Bonds, and the use of such Bond proceeds by the District shall in no way affect the rights of such Bondholders. The District shall be irrevocably obligated to continue to levy and collect the Ad Valorem Taxes as provided herein and to pay the principal of and the interest on the Bonds notwithstanding any failure of the District to use and apply such Bond proceeds in the manner provided herein.

SECTION 20. MODIFICATION OR AMENDMENT. No material modification or amendment of this resolution or of any resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Holders of at least a majority in principal amount of the Bond Obligation then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the District to pay the principal of and interest on the Bonds as the same shall become due from the proceeds of the Ad Valorem Taxes or reduce the percentage of the Holders of the Bond Obligation required to consent to any material modification or amendment hereof without the consent of the Holder or Holders of all such Bond Obligation.

SECTION 21. EVENTS OF DEFAULT; REMEDIES. Each of the following events is hereby declared an "event of default," that is to say if:

A. EVENTS OF DEFAULT.

(a) payment of principal of or redemption price of any Bond shall not be made when the same shall become due and pay-able, either at maturity or on required payment dates by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any Bond or the unsatisfied balance of any Amortization Installment therefor shall not be made when the same shall become due and payable; or

(c) the District shall for any reason be rendered incapable of fulfilling its obligations hereunder to the extent that the payment of or

security for the Bonds or any of them would be materially adversely affected, and such conditions shall continue unremedied for a period of thirty (30) days after the District becomes aware or receives notice of such conditions; or

(d) an order or decree shall be entered, with the consent or acquiescence of the District, appointing a receiver or receivers of the District, or its assets, the Ad Valorem Taxes, or any part thereof, or the filing of a petition by the District for relief under federal bankruptcy laws or any other similar law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(e) any proceedings shall be instituted, with the consent or acquiescence of the District, for the purpose of effecting a composition between the District and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Ad Valorem Taxes; or

(f) the entry of a final judgment or judgments for the payment of money against the District which subjects any of the funds pledged hereunder to a lien for the payment thereof in contravention of the provisions of this resolution for which there does not exist adequate insurance, reserves or appropriate bonds for the timely payment thereof, and any such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(g) the District shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in this resolution on the part of the District to be performed, other than those mentioned in clauses (a) and (b) above, and such default shall continue for thirty (30) consecutive days after written notice specifying such default and requiring the same to be remedied shall have

been given to the District by the Holders of not less than ten percent (10%) of the Bond Obligation.

Notwithstanding the foregoing, with respect to the events described in clause (g), the District shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the District in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

B. REMEDIES. Upon the happening and continuance of any event of default specified in Paragraph 21A above, any Holder of Bonds, or of any coupons appertaining thereto, issued under the provisions of this resolution, may by suit, action, mandamus or other proceedings in any court of competent jurisdiction protect and enforce any and all rights under the laws of the State of Florida, including the Act, or granted and contained in this resolution, and may enforce and compel the performance of all duties required by this resolution or by any applicable statutes to be performed by the District or by any officer thereof, including, but not limited to, the levying and collecting of the Ad Valorem Taxes in the manner provided in this resolution. The Holders of not less than twenty-five percent (25%) of the Bond Obligation Outstanding may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Florida to serve as trustee for the benefit of the Holders of all Bonds then Outstanding (the "Default Trustee").

C. EFFECT OF DISCONTINUING PROCEEDINGS. In case any proceeding taken by the Default Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Default Trustee or such Bondholder, then and in every such case the District, the Default Trustee and Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Default Trustee shall continue as though no such proceeding had been taken.

D. DIRECTIONS TO DEFAULT TRUSTEE AS TO REMEDIAL PROCEEDINGS. Anything in this resolution to the contrary notwithstanding, the Holders of a majority of the Bond Obligation acting jointly, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Default Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Default Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this resolution, and that the Default Trustee shall have the right to decline to follow any such direction which in the opinion of the Default Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

E. RESTRICTIONS ON ACTIONS BY INDIVIDUAL BOND-HOLDERS. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to the Default Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five percent (25%) of the Bond Obligation shall have made written request of the Default Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Default Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Default Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Default Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Default Trustee, to be conditions precedent to the execution of the powers and trusts of this resolution or for any other remedy hereunder. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this resolution, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such Holders by law are restricted by this resolution to the rights and remedies herein provided.

Nothing contained herein, however, shall affect or impair the right of any Bondholder, individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and after the maturity thereof, at the time, place, from the source and in the manner provided in this resolution.

F. PRO RATA APPLICATION OF FUNDS. Anything in this resolution to the contrary notwithstanding, if at any time the Ad Valorem Taxes shall not be sufficient to pay the principal of or the interest on the Bonds, as the case may be, as the same become due and payable, such funds, together with any funds then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this resolution or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such funds shall be applied (1) first, to the payment of all installments of interest on Bonds other than Capital Appreciation Bonds then due, in the order of the maturity of the installments of such interest together with accrued and unpaid interest on the Bonds other than Capital Appreciation Bonds, theretofore called for redemption, to the persons entitled thereto, then, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof, ratably, according to the amounts due thereon without any discrimination or preference, and (2) then, to the payment of all unpaid principal, or with respect to Capital Appreciation Bonds, the unpaid Maturity Amount or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably according to the amounts due thereon, or with respect to Capital Appreciation Bonds the unpaid Maturity Amount due on such date without discrimination or preference.

(b) If the principal (or with respect to Capital Appreciation Bonds, the Maturity Amount) of all the Bonds shall have become due and payable, all such funds shall be applied to the payment of the principal and interest (or with respect to Capital Appreciation Bonds, the Maturity Amount) then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest (or with respect to Capital Appreciation Bonds, the Maturity Amount), to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Whenever funds are to be applied pursuant to the provisions of this Section, such funds shall be applied at such times, and from time to time, as the District in its sole discretion shall determine, having due regard to the amount of such funds available for application and the likelihood of additional funds becoming available for such application in the future; the setting aside of such funds, in trust for the proper purpose, shall constitute proper application of such funds. Whenever such discretion in

applying such funds shall be exercised, the date (which shall be an interest payment date unless another date more suitable shall be fixed) upon which such application is to be made shall be fixed by the District and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. Such notice as shall be deemed to be appropriate of the fixing of any such date shall be given. No payment to the Holder of any Bond shall be required unless such Bond shall be presented to the Registrar for appropriate endorsement or for cancellation if fully paid.

G. SUBROGATION. Notwithstanding anything in this resolution to the contrary, if the principal, interest and redemption premium, if any, with respect to any Series of Bonds are paid by a bond insurer with respect to such Series of Bonds, the pledge of the amounts on deposit from time to time in the funds and accounts created hereby and all covenants, agreements and other obligations of the District to the Bondholders of such Series of Bonds shall continue to exist and the Bond Insurer, to the extent of any payment by such entity with respect to such Series of Bonds shall be subrogated to the rights of such Bondholders.

SECTION 22. CONTRACTION OF DISTRICT BOUNDARIES.

A. Pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967, the District has the power to contract the territorial limits of the District to exclude any land within the District by following certain procedures set forth therein. By acceptance of any Bond issued hereunder, the Holder of such Bond acknowledges and agrees that (i) in addition to the rights provided under paragraph B below and subject to the provisions of paragraph C below, the District may contract and exclude from its boundaries an area of taxable property within the District, the assessed valuation of which, at the time of such exclusion, together with all other taxable property theretofore excluded from the District's boundaries (based upon its assessed valuation at the time of exclusion) after the date of adoption of this resolution, does not exceed 10% of the total assessed value of all taxable property located within the District at the time of the current exclusion, and (ii) after such contraction and exclusion, such land will not be subject to Ad Valorem Taxes thereafter imposed by the District.

B. Notwithstanding the preceding paragraph, and subject to the conditions set forth in this paragraph and paragraph C below, the District may contract and exclude from its boundaries any area of taxable property, without regard to the assessed value thereof, if the District provides at the time of such exclusion an amount of funds equal to the percentage of the principal amount of the Bond Obligation Outstanding hereunder that the assessed value of such taxable property, at the time of such exclusion, bears to the total assessed value of all taxable property within the District at the time of such exclusion, such amount to be provided at the time of such contraction of the

District's boundaries (the "Contraction Amount"), which Contraction Amount, together with all interest earnings thereon, shall be held in escrow by the District or an escrow agent appointed by the District, for the benefit of the Holders of all Bonds Outstanding hereunder. The District shall apply the Contraction Amount, to the payment of the Bonds on a pro rata basis on each interest payment date following the contraction. Prior to any contraction pursuant to this paragraph B, the District shall obtain an opinion of Bond Counsel to the effect that the use of the Contraction Amount to pay debt service on the Bonds pursuant to the terms of the escrow established pursuant to this paragraph will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes.

C. In no event shall the District contract or exclude any taxable property pursuant to this Section 22 unless the District certifies in writing at the time of such contraction or exclusion that, after such contraction or exclusion, (i) the Maximum Bond Service Requirement on all Bonds Outstanding hereunder does not exceed eighty-five (85%) of the estimated annual collections from Ad Valorem Taxes calculated on the basis of (a) the assessed value of the taxable property within the District for the current calendar year, if determined, or otherwise for the calendar year immediately preceding the date of such contraction and (b) the maximum annual rate of millage for the levy of such Ad Valorem Taxes as authorized by law at the date of such contraction and (ii) the principal amount of all Bonds then Outstanding will not exceed in the aggregate fifty percent (50%) of the assessed value of the taxable property within the District at the time of the contraction or such higher amount as allowed by the Act.

D. The District agrees to notify Moody's Investors Services, Inc. and Standard & Poor's Corporation of the occurrence of any contraction or exclusion pursuant to this Section.

SECTION 23. SEVERABILITY OF INVALID PROVISIONS.

If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds or coupons issued hereunder.

SECTION 24. SALE OF BONDS. The Bonds shall be issued and sold in such manner and at such price or prices consistent with the Act, all at one time or in installments

from time to time, as shall be hereafter determined by the Board.

SECTION 25. VALIDATION AUTHORIZED. The attorney for the District is authorized and directed to prepare and file proceedings to validate the Series 1972 Bonds in the manner provided by law.

SECTION 26. REPEALING CLAUSE. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superceded and repealed.

SECTION 27. NO THIRD PARTY BENEFICIARIES. Except as herein otherwise expressly provided, nothing in this resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and Holders of the Bonds issued under and secured by this resolution, any right, remedy or claim, legal or equitable, under or by reason of this resolution or any provision hereof, this resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and Holders from time to time of the Bonds issued hereunder.

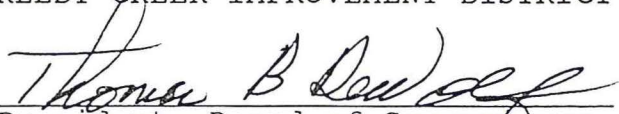
SECTION 28. CONTROLLING LAW; MEMBERS OF GOVERNING BODY OF DISTRICT NOT LIABLE. All covenants, stipulations, obligations and agreements of the District contained in this resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of or to the Board in his individual capacity, and neither the members of the Board nor any official executing the Bonds shall be liable personally on the Bonds or this resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the District or such members thereof.

SECTION 29. EFFECTIVE DATE. This resolution shall take effect upon receipt of the consent to the amendments made herein by the Holders of two-thirds of the Bond Obligation Outstanding; provided, however, that the provisions of Section 22 hereof and the amendment to Section 18 of the 1972 Resolution as provided in Section 20 hereof shall only become effective upon receipt of the consent of

the Holders of one hundred percent (100%) of the Bond
Obligation Outstanding.

PASSED AND ADOPTED this 15th day of November,
1991.

REEDY CREEK IMPROVEMENT DISTRICT



President, Board of Supervisors

ATTEST:



Secretary to Board of
Supervisors

(SEAL)

RESOLUTION NO. 313

A RESOLUTION OF THE REEDY CREEK IMPROVEMENT DISTRICT SUPPLEMENTING AND AMENDING RESOLUTION NO. 245 ADOPTED ON NOVEMBER 15, 1991; AUTHORIZING THE ISSUANCE OF REEDY CREEK IMPROVEMENT DISTRICT AD VALOREM TAX BONDS, SERIES 1995A IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$60,000,000 FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF AN ADMINISTRATION BUILDING FOR THE DISTRICT AND CERTAIN SPORTS AND RECREATION FACILITIES; DELEGATING TO THE PRESIDENT OF THE BOARD OF SUPERVISORS AND THE SECRETARY OR THE DISTRICT DIRECTOR OF FINANCE AND PLANNING THE AUTHORIZATION TO AWARD THE SALE OF SUCH BONDS ON A NEGOTIATED BASIS TO MERRILL LYNCH & CO., BEAR, STEARNS & CO. INC., MORGAN STANLEY & CO. INC., PAINEWEBBER INCORPORATED, WARD BRADFORD & CO. AND FIRST EQUITY CORPORATION OF FLORIDA; APPROVING THE FORM AND CONTENT OF AND RATIFYING THE DISTRIBUTION, USE, EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CONTRACT OF PURCHASE WITH RESPECT TO SUCH BONDS; AUTHORIZING SUN BANK, NATIONAL ASSOCIATION TO ACT AS REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT WITH RESPECT TO SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE REGISTRAR AND PAYING AGENT AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A LETTER OF REPRESENTATIONS WITH THE DEPOSITORY TRUST COMPANY; MAKING CERTAIN FINDINGS, REPRESENTATIONS AND COVENANTS WITH RESPECT THERETO; PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

WHEREAS, the Board of Supervisors (the "Board") of the Reedy Creek Improvement District (the "District") previously adopted a Resolution on April 4, 1972 (the "1972 Resolution") authorizing the issuance of certain ad valorem tax bonds and additional bonds thereunder on a parity therewith; and

WHEREAS, on November 15, 1991, the District adopted Resolution No. 245 (the "Bond Resolution") providing for the amendment and restatement of the 1972 Resolution as provided therein; and

WHEREAS, the Board now desires to issue bonds pursuant to the Bond Resolution and this Resolution, payable on a parity with the bonds outstanding under the Bond Resolution, in an aggregate principal amount not exceeding \$60,000,000 to finance a portion of the cost of the acquisition and construction of an administration building for the District (the "Building") and certain sports and

recreation facilities more particularly described on Exhibit "A" hereto (the "Series A Facilities"), with a portion of the cost of certain other sports and recreation facilities to be paid for through the issuance by the District of its Ad Valorem Tax Bonds, Series 1995B; and

WHEREAS, pursuant to Resolution No. 304 adopted by the District on September 21, 1994, the District authorized the holding of a referendum related to the issuance of not to exceed \$125,000,000 ad valorem tax bonds, notes or other obligations to finance the costs of the Series A Facilities and certain other sports facilities and not to exceed \$5,000,000 ad valorem tax bonds, notes or other obligations to finance the cost of the Building; and

WHEREAS, the issuance of not to exceed \$125,000,000 principal amount of ad valorem tax bonds, notes or other obligations to finance the Series A Facilities and certain other sports facilities and not to exceed \$5,000,000 ad valorem tax bonds, notes or other obligations to finance the cost of the Building was approved at an election of the qualified voters of the District held on October 25, 1994; and

WHEREAS, Merrill Lynch & Co., Bear, Stearns & Co. Inc., Morgan Stanley & Co. Inc., PaineWebber Incorporated, Ward Bradford & Co. and First Equity Corporation of Florida (collectively, the "Original Purchaser"), intend to submit an offer to purchase the District's Ad Valorem Tax Bonds, Series 1995A, in an aggregate principal amount not exceeding \$60,000,000 (the "1995A Bonds") to finance the cost of the Building and of the Series A Facilities, pursuant to a Contract of Purchase in substantially the form attached hereto as Exhibit "B" (the "Purchase Contract"); and

WHEREAS, the Board desires to approve the form and content of and ratify the distribution of the Preliminary Official Statement relating to the 1995A Bonds attached hereto as Exhibit "C" and to authorize the execution and delivery of the 1995A Final Official Statement with such changes from the Preliminary Official Statement as shall be approved by the President of or Secretary to the Board (the "1995A Final Official Statement"); and

WHEREAS, the Board wishes to approve the form of and authorize the execution of a Registrar and Paying Agent Agreement, in substantially the form attached hereto as Exhibit "D" (the "Paying Agent Agreement") and to appoint Sun Bank, National Association to act as the registrar and paying agent thereunder and as authenticating agent for the 1995A Bonds; and

WHEREAS, the Board wishes to approve the form of a Letter of Representations between the District and The Depository Trust

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 capitalized form, unless otherwise defined herein, shall have the same meanings as ascribed to such terms in the Bond Resolution. All terms defined in the preamble hereto shall have the meanings ascribed therein. As used herein, the following terms shall have the meanings set forth below:

"1991A Bonds" means the Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1991A.

"1992 Bonds" means, collectively, the Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1992A and Ad Valorem Tax Refunding Bonds, Series 1992B.

"Closing Date" means the date of issuance of the 1995A Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context

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, taxes or other municipal or governmental charges lawfully levied or assessed upon the Building and the Series A Facilities, during construction, or any property acquired therefor, and premiums of insurance (if any) in connection with the Building and the Series A Facilities during construction;

(iv) fees and expenses of engineers for making studies, surveys and estimates of costs and of revenues and for preparing plans and supervising construction, as well as for the performance of all other duties of engineers set forth herein in relation to the construction of the Building and the Series A Facilities or the issuance of the 1995A Bonds therefor;

(v) expenses of administration properly chargeable to the Projects, and all other items of expense not elsewhere in this Section specified, incident to the acquisition or construction and equipping of the Building and the Series A Facilities and the placing of the same in operation, including, to the extent authorized by applicable law, certain operating expenses, and to the acquisition of real estate, franchises and rights of way therefor, including abstracts of title and title insurance; and

(vi) any amounts heretofore or hereafter advanced by the District for any of the foregoing purposes.

"Election Resolution" means, collectively Resolution No. 304 adopted by the Board on September 21, 1994 and Resolution No. 305 adopted by the Board on October 31, 1994.

"Paying Agent" means Sun Bank, National Association appointed hereunder to serve as Paying Agent and Registrar under the Paying Agent Agreement, its successors or assigns.

"President" means the President or Vice President of the Board.

"Rebate Year" means, with respect to the Series 1995A Bonds issued hereunder, the twelve-month period commencing on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary of such Closing Date in the following year, except that the first Rebate Year with respect to the Series 1995A Bonds shall commence on the Closing Date and the final Rebate Year shall end on the date of final maturity of such Series 1995A Bonds; or such other period as regulations promulgated by the United States Department of Treasury may prescribe.

"Secretary" means the Secretary to the Board.

SECTION 3. Findings and Awards.

A. The District is authorized by the Act to own, acquire, construct, equip, operate and maintain athletic fields, stadiums, recreational centers and recreational facilities and projects of all types and descriptions and facilities for the carrying out of the functions of the District and to issue general

obligation bonds to pay all or part of the cost of the acquisition, construction, maintenance and operation of any project authorized by the Act.

B. The primary livelihood of the residents and 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 roads, 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 \$5,000,000 in principal amount of the 1995A Bonds to pay a portion of the Cost of the Building.

E. The issuance of the 1995A Bonds to finance the cost of the Building and the Series A Facilities was approved by a majority vote of the qualified electors of the District at an election duly called pursuant to Resolution No. 304 adopted on September 21, 1994, and held for that purpose on October 25, 1994, the results of which were certified to the Board by the inspectors and clerk of the election designated pursuant to Resolution No. 304.

F. The 1995A Bonds will not be issued until all conditions relating to the issuance of Additional Bonds under the Bond Resolution have been met, and when issued, the 1995A Bonds will be payable on a parity with the District's Outstanding 1991A Bonds and 1992 Bonds and with any other additional parity bonds hereafter issued under the terms of the Bond Resolution.

G. The District will issue the 1995A Bonds with the intent that the interest thereon will be excluded from the gross income of the Holders thereof for federal income tax purposes.

H. It is hereby ascertained, determined and declared that, because of the characteristics of the 1995A Bonds, prevailing and anticipated market conditions and additional savings to be realized from an expeditious sale of the 1995A Bonds, it is in the best interest of the District to accept the offer of the Original Purchaser to purchase the 1995A Bonds in an aggregate original principal amount not exceeding \$60,000,000 at a private negotiated sale, upon the terms and conditions set forth herein and in the

Purchase Contract or as determined by the President, and the Secretary to the Board or Director of Finance and Planning of the District in accordance with the terms hereof.

I. The Original Purchaser will provide to the District 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 215.84, Florida Statutes.

K. Notice of a public hearing to be held before the Board on the date hereof, inviting comments and discussion concerning the issuance of 1995A Bonds by the District to finance the Series A Facilities was published in the *Orlando Sentinel*, a newspaper of general circulation in the District, at least 14 days prior to the date hereof, which constitutes reasonable notice of such hearing.

L. Following such notice, a public hearing was held by the Board on the date hereof, during which comments and discussions concerning the issuance of the 1995A Bonds to finance the Series A Facilities were requested and heard.

SECTION 4. Resolution to Constitute a Contract. In consideration of the acceptance of the 1995A Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution, together with the Bond Resolution, shall be deemed to be and shall constitute a contract between the District and the Bondholders of the 1995A Bonds. The covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the Bondholders, and all 1995A Bonds shall be of equal rank and without preference, priority of or distinction over any other thereof, except as expressly provided herein.

SECTION 5. Authorization of Building and Series A Facilities. There is hereby authorized the acquisition, construction and equipping of the Building and the Series A Facilities pursuant to the reports, plans, specifications and designs on file, or to be on file, with the Board, as the same may be supplemented and amended, and subject to such modifications thereof and variations therefrom which, from time to time, may be determined by the Board to be necessary or to be in the best interests of the District.

SECTION 6. Authorization of 1995A Bonds. Subject and 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 "TIC") for the 1995A Bonds exceed 6.5% (the "Maximum TIC") or (iv) the interest rates exceed the maximum rates permitted by applicable law.

B. The 1995A Bonds shall bear interest from their date, payable semiannually on the first day of June and the first day of December of each year, commencing on the date provided in the Purchase Contract and approved by the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District, at the rates, and shall mature in accordance with the schedules, set forth or incorporated by reference in the Purchase Contract and the 1995A Final Official Statement and approved by the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District, the approval of the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District to be conclusively evidenced by their execution of the Purchase Contract. The principal of the 1995A Bonds shall be payable either in annual or semiannual installments, as shall be set forth in the Purchase Contract and approved by the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District, the execution thereof to be conclusive evidence of such approval.

The 1995A Bonds shall be issued as fully registered bonds in the denomination of \$5,000 (\$5,000 value at maturity with respect to zero coupon or Capital Appreciation Bonds) each or any integral multiple thereof and may be issued as current interest bonds, zero coupon bonds or capital appreciation bonds. In all cases, interest on the 1995A Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

SECTION 8. Redemption Provisions. The 1995A Bonds shall be subject to such optional and mandatory redemption provisions, if any, as 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 meet the requirements set forth in (i), (ii), (iii), (iv), and (v) below; provided however that, notwithstanding any other provision of this Resolution or of the Bond Resolution to the contrary, failure of such notice or payment to comply with the terms of this Section 9 shall not in any manner defeat the effectiveness of a redemption if notice thereof is given as otherwise prescribed in Section 12B of the Bond Resolution.

(i) Each notice of redemption shall set forth the name and address of the Paying Agent, a contact person with the Paying Agent and his or her telephone number and the CUSIP numbers, if any, of the 1995A Bonds called for redemption, the date of publication of the notice, the redemption price, the date of the issue, the interest rate and the stated maturity date with respect to the 1995A Bonds to be redeemed; and with respect to owners of \$1,000,000 or more in principal amount to be redeemed, such notice shall be sent by certified mail, return receipt requested.

(ii) Each notice of redemption shall be sent at least thirty-five (35) days before the redemption date and to the extent possible, at least two (2) days prior to the general publication date by certified mail, return receipt requested or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the 1995A Bonds (such depositories now being The Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois, and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to two or more national information services that disseminate notices of redemption or obligations such as the 1995A Bonds.

(iii) Each notice of redemption shall be published once in THE BOND BUYER, New York, New York or, if THE BOND BUYER is no longer published in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the 1995A Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(iv) Upon the payment of the redemption price of the 1995A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear or be accompanied by an advice showing the CUSIP number identifying, by issue, the 1995A Bonds being redeemed with the proceeds of such check or other transfer.

(v) A second notice of redemption shall be mailed in the manner provided above to any registered owner who has not tendered 1995A Bonds that have been called for redemption within sixty (60) days after the applicable redemption date.

SECTION 10. Funds and Accounts.

A. Establishment of and Payments from the Building Construction Account and the Series A Facilities Construction Account. There are hereby established and created two accounts within the Construction Fund created pursuant to the Bond Resolution to be designated, respectively, the "Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1995A Building Construction Account" (hereinafter referred to as the "Building Construction Account") and the "Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 1995A Facilities Construction Account" (hereinafter referred to as the "Series A Facilities Construction Account"), into which shall be deposited the amounts provided in Section 11 below from which Costs of the Building and Costs of the Series A Facilities, respectively, and capitalized interest may be paid as set forth herein. Costs of issuance of the 1995A Bonds shall be paid from the Building Construction Account and from the Series A Facilities Construction Account on a pro rata basis, such pro ration to be based upon the amount of net proceeds to be deposited in each such account. The amounts in the Building Construction Account and the Series A Facilities Construction Account (collectively, the "Construction Accounts"), until applied as hereinafter provided, shall be held for the security of all the 1995A Bonds outstanding. In addition to payment of Costs, funds may be disbursed from the Construction Accounts to pay any Rebate Amounts due in accordance with the Bond Resolution and this Resolution.

The District shall make payments from the Construction Accounts to pay Costs of the Building and the Series A Facilities only after making the following determinations:

(i) that the work to which the payment relates has been accomplished in a manner satisfactory to the District, and that the amount to be paid does not exceed the obligation on account of which the payment is made (the District's determinations may be based upon certificates satisfactory to it provided by a consulting engineer or engineers or construction manager or managers);

(ii) that the obligation was properly incurred and is a proper charge against the 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 or in the case of a transfer of funds in the Construction Accounts to pay any capitalized interest, that such transfer is necessary and in accordance with the provisions and requirements of the Resolution.

Any balance remaining in the respective Construction Accounts after the respective completion dates of the Building and the Series A Facilities, and after the District has set aside amounts for payment of items included in the Cost of the Building and the Series A Facilities but not then due and payable, shall be set aside and segregated from all other moneys of the District and applied at the discretion of the District as follows:

(i) to redeem or purchase 1995A Bonds or a portion thereof, in the case of redemption, at the earliest redemption date permitted on which a premium or penalty for redemption is not required; or

(ii) for any other legal purpose for which such funds may be used by the District, provided that the District obtains an opinion of Bond Counsel to the effect that such use is authorized under the Act, the Election Resolutions, the Bond Resolution and this Resolution and such use will not adversely affect the exclusion from federal income tax of interest on the 1995A Bonds.

Until used as provided in subsections (i) or (ii) above, such segregated amount may be invested as permitted by the Bond Resolution but may not be invested (without an opinion of Bond

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 "Reedy 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 moneys deposited in the Series 1995A Rebate Account only for the payment of the Rebate Amount with respect to the 1995A Bonds to the United States as required by the Bond Resolution, which payments shall be made in installments, commencing not more than thirty (30) day after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of the 1995A Bonds. In complying with the foregoing, the District may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Series 1995A Rebate Account after payment in full of all 1995A Bonds issued hereunder and after payment in full of the Rebate Amount with respect to the 1995A Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

SECTION 11. Application of Proceeds of 1995A Bonds. The proceeds from the sale of the 1995A Bonds shall be applied by the District as follows:

(1) There shall first be paid into the Sinking Fund, established and administered by the District pursuant to the Bond 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 Building Construction Account an amount set forth in a certificate of the President of the Board to be used to pay Costs of the Building, an amount set forth in a certificate of the President of the Board to be used to pay costs of issuance of the 1995A Bonds and an amount set forth in a certificate of the President of the Board to be used to pay capitalized interest on the 1995A Bonds; and

(3) There shall next be paid into the Series A Facilities Construction Account an amount set forth in a certificate of the President of the Board to be used to pay Costs of the Series A Facilities, an amount set forth in a certificate of the President of the Board to be used to pay costs of issuance of the 1995A Bonds and an amount set forth in a certificate of the President of the Board to be used to pay capitalized interest on the 1995A Bonds.

SECTION 12. Form of 1995A Bonds. The 1995A Bonds shall be in substantially the form provided in Exhibit "F" hereto, subject to such changes, omissions and insertions and such filling of blanks and the officers executing the same shall approve, such execution to be conclusive evidence of such approval.

SECTION 13. Approval of Purchase Contract. The form of the Purchase Contract presented by the Original Purchaser is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Purchase Contract by the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement from the Original Purchaser, the President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized to accept the offer of the Original Purchaser to purchase the 1995A Bonds in an aggregate principal amount not exceeding \$60,000,000, at a TIC not to exceed the Maximum TIC, and at a purchase price of not less than the Minimum Purchase Price, plus accrued interest thereon to the date of delivery, upon the terms and conditions set forth in the Purchase Contract. The

President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized to execute the Purchase Contract for and on behalf of the District pursuant to the terms hereof and of the Purchase Contract.

SECTION 14. Paying Agent, Registrar and Authenticating Agent. The Board hereby appoints Sun Bank, National Association as the 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 "C" and ratifies the use and distribution of a Preliminary Official Statement by the Original Purchaser in connection with the marketing of the 1995A Bonds. The President of the Board or the Secretary is hereby authorized to make any findings with regard to the Preliminary Official Statement required under Securities and Exchange Commission Rule 15c2-12 and is hereby authorized to execute, on behalf of the Board, the 1995A Final Official Statement relating to the Series 1995A Bonds with such changes, omissions and insertions from the Preliminary Official Statement as the officer or officers executing the same may, in his or their sole discretion, approve, such execution to be conclusive evidence of such approval.

SECTION 17. Letters of Representations. The Board hereby approves the form and content of the Letter of Representations pertaining to the 1995A Bonds between the District and The Depository Trust Company ("DTC") attached hereto as Exhibit "E" (the "Letter of Representations"). The President of and the Secretary to the Board are hereby authorized to execute, on behalf of the District, the Letter of Representations substantially in the form attached hereto, with such changes, omissions and insertions as the officer executing the same may, in his or her sole discretion, approve, such execution to be conclusive evidence of such approval.

SECTION 18. Continuing Disclosure. (A) So long as any of the 1995A Bonds remain Outstanding, the District will provide to one or more nationally recognized municipal securities information

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 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 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 from time to time of each Series of Bonds that are not Taxable Bonds, to comply with the requirements applicable to it contained in the Internal Revenue Code of 1954, as amended, if applicable, and contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended, to the extent necessary to preserve the exclusion of interest on such Series of Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the District covenants and agrees:

(1) with respect to each Series of Bonds other than Taxable Bonds and other than the Series 1972 Bonds, to pay to the United States of America from the funds and sources of revenues pledged to the payment of such Series of Bonds, and from any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the amount, if any, required by Section 148(f) of the Code the exclusion from gross income for federal income tax purposes of interest on such Series of Bonds (the "Rebate Amount");

(2) with respect to each Series of Bonds other than Taxable Bonds and other than the Series 1972 Bonds, to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and

calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) with respect to each Series of Bonds other than Taxable Bonds, to refrain from using proceeds from any Series of Bonds in a manner that would cause such Series of Bonds or any of the Bonds of such Series or portions thereof, to bear interest that is not excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code; and

(4) with respect to each Series of Bonds other than Taxable Bonds, to refrain from taking any action that would cause any Series of Bonds or any portion thereof to become arbitrage bonds under Section 103(b) and Section 148 of the Code.

The District understands that the foregoing covenants impose continuing obligations on the District to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

The District covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and calculations of the Rebate Amount for each Series of Bonds other than the Series 1972 Bonds and Taxable Bonds in the manner and at the times required in a subsequent resolution adopted by the Board with respect to such Series of Bonds. A special fund designated as the "Rebate Fund" is hereby created and established. Upon the issuance of each Series of Additional Bonds, except Taxable Bonds and except as otherwise provided in a subsequent resolution adopted by the Board with respect to such Series of Bonds, the District shall create a separate account within the Rebate Fund. The District shall deposit into the account in the Rebate Fund created with respect to a Series of Bonds, from any legally available funds of the District, an amount equal to the Rebate Amount with respect to such Series of Bonds. The District shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by Section 15F above in the manner and at the times required by a subsequent resolution adopted by the Board with respect to such Series of Bonds.

If any amount shall remain in any rebate account in the Rebate Fund after payment in full of the Series of Bonds for which such account was established, and after payment in full of the Rebate Amount with respect to such Series of Bonds to

the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

Each rebate account in the Rebate Fund shall be held separate and apart from all other funds and accounts of the District, shall be impressed with a lien in favor of the Holders of the Series of Bonds for which such account was established, only after all obligations of the District with respect to payment of the Rebate Amounts with respect to such Series of Bonds have been fully satisfied and the moneys 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 21. Authorizations.

A. The President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized and directed to sign the Purchase Contract at the places provided therein and to approve such changes, in accordance with the terms of this Resolution, to the Purchase Contract as they may deem advisable. The signature of the President and the Secretary or Director of Finance on the Purchase Contract shall be conclusive evidence of the acceptance and the terms thereof. The President of the Board and the Secretary to the Board or the Director of Finance and Planning of the District are hereby authorized and directed to deliver the Purchase Contract immediately following the execution thereof pursuant to the terms hereof to the representative of the Original Purchaser.

B. The President of and the Secretary to the Board or their duly authorized alternative officers are hereby authorized and directed on behalf of the District to execute the 1995A Bonds (including any temporary bond or bonds) as provided in the Bond Resolution and herein and any of such officers is hereby authorized and directed upon the execution of the 1995A Bonds in substantially the form and manner set forth herein, to deliver the 1995A Bonds in the amounts authorized to be issued hereunder to the Registrar for authentication and delivery to or upon the order of the Original Purchaser pursuant to the Purchase Contract upon payment of the

purchase price and upon compliance by the Original Purchaser with the terms of the Purchase Contract.

C. The President, Vice President or Treasurer of and Secretary and Assistant Secretary to the Board and the Director of Finance and Planning of the District, and such other officers of the Board legally authorized to take action in their absence, and such other officers, employees or agents of the District as may be designated by the President, are each designated as agents of the Board and the District in connection with the issuance and delivery of the 1995A Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Board and the District that are necessary or desirable in connection with the execution and delivery of the 1995A Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Bond Resolution or any action relating to the 1995A Bonds heretofore taken by the Board. Such officers and those so designated are hereby charged with the responsibility for the issuance of the 1995A Bonds.

SECTION 22. Severability. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the 1995A Bonds issued hereunder.

SECTION 23. No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the 1995A Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders from time to time of the 1995A Bonds issued hereunder.

SECTION 24. Controlling Law; Members of Governing Body of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board or the


District in his individual capacity, and neither the members of the Board nor any official executing the 1995A Bonds shall be liable personally on the 1995A Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Board or such members thereof.

SECTION 25. Repeal of Inconsistent Resolutions. All resolutions or portions thereof previously adopted by the Board, other than the Bond Resolution, which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

SECTION 26. Effective Date. This Resolution shall become effective immediately upon its adoption.


This Resolution approved and adopted by the Board of Supervisors of the Reedy Creek Improvement District, this 21st day of April, 1995.

REEDY CREEK IMPROVEMENT DISTRICT



President, Board of Supervisors

ATTEST:



Secretary to Board of Supervisors

(SEAL)

RESOLUTION NO. 683

A RESOLUTION OF CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT SUPPLEMENTING RESOLUTION NO. 245 ADOPTED ON NOVEMBER 15, 1991, AS SUPPLEMENTED AND AMENDED BY RESOLUTION NO. 313 ADOPTED ON APRIL 21, 1995, AS FURTHER SUPPLEMENTED BY RESOLUTION NO. 579 ADOPTED ON APRIL 27, 2016; AUTHORIZING THE ISSUANCE OF CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT AD VALOREM TAX REFUNDING BONDS, SERIES 2026A IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$140,000,000 (THE “SERIES 2026A BONDS”), TO PROVIDE FOR THE DEFEASANCE AND/OR CURRENT REFUNDING OF ALL OF THE DISTRICT’S AD VALOREM TAX BONDS, SERIES 2016A MATURING ON OR AFTER JUNE 1, 2026 (INDIVIDUALLY AND/OR COLLECTIVELY, THE “REFUNDED BONDS”); AUTHORIZING A PUBLIC SALE OF THE SERIES 2026A BONDS AND APPROVING THE FORM OF AN OFFICIAL NOTICE OF BOND SALE IN CONNECTION THEREWITH; DELEGATING TO THE CHAIR, THE SECRETARY, THE DISTRICT ADMINISTRATOR, A DEPUTY DISTRICT ADMINISTRATOR OR THE CHIEF FINANCIAL OFFICER THE AUTHORIZATION TO AWARD THE SALE OF SUCH SERIES OF REFUNDING BONDS; 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 2026A BONDS; APPROVING THE FORM AND CONTENT OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO THE REFUNDED BONDS; AUTHORIZING U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION TO ACT AS REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT WITH RESPECT TO THE SERIES 2026A 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 AND PAYING AGENT AGREEMENT WITH U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION AND A DISCLOSURE DISSEMINATION AGENT AGREEMENT WITH DIGITAL ASSURANCE CERTIFICATION, L.L.C. RELATING TO THE SERIES 2026A BONDS; MAKING CERTAIN FINDINGS, REPRESENTATIONS AND COVENANTS AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the “Board”) of the Central Florida Tourism Oversight District (successor to the Reedy Creek Improvement District pursuant to the provisions of Chapter 2023-5, Laws of Florida) (the “District”) previously adopted a Resolution (the “Bond Resolution”, as more fully defined herein) authorizing the issuance of certain ad valorem tax bonds and additional bonds thereunder on a parity therewith; and

WHEREAS, on April 27, 2016, the District adopted Resolution No. 579 supplementing the Bond Resolution, to authorize the issuance of the District’s Ad Valorem Tax Bonds, Series 2016A (the “2016A Bond Resolution”); and

WHEREAS, in order to achieve debt service savings, the District may desire to (i) defease the District’s Ad Valorem Tax Bonds, Series 2016A (the “2016A Bonds”), maturing on June 1, 2026 (the “Defeased Bonds”), at the option of the District and if issuance of the Refunding Bonds occurs prior to June 1, 2026 (the “Defeased Bonds”), (ii) current refund all of the 2016A Bonds maturing on and after June 1, 2027 (the “Refunded Bonds”), and (iii) issue Central Florida Tourism Oversight District Ad Valorem Tax Refunding Bonds, Series 2026A (the “Refunding Bonds”) in an aggregate principal amount not exceeding \$140,000,000, pursuant to this Resolution, payable on a parity with the bonds outstanding under the Bond Resolution, to provide for the current refunding of the Refunded Bonds, as more particularly described in **Exhibit A** attached hereto; and

WHEREAS, the Board wishes to approve the form and content of the Refunding Bonds, as set forth in **Exhibit B** attached hereto, and authorize the execution and delivery by the District of an Escrow Deposit Agreement relating to the Refunded Bonds (the “Escrow Deposit Agreement”), the proposed form of which is attached hereto as **Exhibit C**, to provide for the payment of the Refunded Bonds, and to appoint U.S. Bank Trust Company, National Association, to act as escrow agent thereunder with respect to the Refunded Bonds; and

WHEREAS, the Board wishes to approve a public sale of the Refunding Bonds to be conducted by the Division of Bond Finance of the State Board of Administration of Florida (the “Division of Bond Finance”) and in connection therewith, to approve the form of a Summary Notice of Bond Sale and an Official Notice of Bond Sale, substantially in the form of **Exhibit D** attached hereto with respect to the Refunding Bonds; and

WHEREAS, the Board desires to approve the form and content of a Preliminary Official Statement relating to the Refunding Bonds, substantially in the form of **Exhibit E** attached hereto with such changes as are appropriate to reflect the terms of the Refunding Bonds, to deem the Preliminary Official Statement “final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), and in furtherance thereof to execute a certificate evidencing same substantially in the form attached hereto as **Exhibit F**, and to authorize the execution and delivery of a final Official Statement with respect to the Refunding Bonds (the “Final Official Statement”) with such changes from the Preliminary Official Statement as shall be approved by the Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer (the “Official Statement”); and

WHEREAS, the Board wishes to approve the form of and authorize the execution and delivery by the District of a Registrar and Paying Agent Agreement, in substantially the form of

Exhibit G attached hereto (the “Paying Agent Agreement”) and to appoint U.S. Bank Trust Company, National Association to act as the registrar and paying agent thereunder and as authenticating agent for the Refunding Bonds; and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery by the District of a Disclosure Dissemination Agent Agreement with Digital Assurance Certification LLC (“DAC”) in connection with the Refunding Bonds, substantially in the form attached hereto as **Exhibit H**, 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 CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT THAT:

SECTION 1. Authority. This Resolution is adopted pursuant to Chapter 2023-05, Laws of Florida, 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 2016A 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:

“Bond Resolution” means the resolution adopted on April 4, 1972, as amended and restated by a resolution adopted on November 15, 1991, as further amended by a resolution adopted on April 21, 1995, and as supplemented from time to time through the date hereof.

“Bonds” means Ad Valorem Tax Bonds issued pursuant to the Bond Resolution.

“Chair” means, if appointed or designated, the Chair of the Board.

“Chief Financial Officer” means the Chief Financial Officer of the District.

“Closing Date” means the date of issuance of the Refunding Bonds.

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

“Defeased Bonds” means the \$10,475,000 aggregate principal amount of Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2016A maturing on June 1, 2026 which may be defeased hereunder at the option of the District.

“Escrow Agent” means U.S. Bank Trust Company, National Association, appointed hereunder to serve as escrow agent under the Escrow Deposit Agreement, its successors or assigns.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement with respect to the Refunded Bonds, the proposed form of which is attached to this Resolution as **Exhibit C**, between the District and the Escrow Agent, pursuant to which a portion of the proceeds of the Refunding Bonds, together with investment earnings thereon, if any, and certain other funds and investments, will be held in irrevocable escrow for the payment of the principal of and interest on the Refunded Bonds.

“Paying Agent” means U.S. Bank Trust Company, National Association, appointed hereunder to serve as Paying Agent, Registrar and Authenticating Agent under the Paying Agent Agreement, its successors or assigns.

“Rebate Year” means, with respect to the Refunding 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 Refunding Bonds shall commence on the Closing Date and the final Rebate Year shall end on the date of final maturity of the Refunding Bonds; or such other period as regulations promulgated by the United States Department of Treasury may prescribe.

“Refunded Bonds” means the \$137,040,000 aggregate principal amount of the Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2016A, maturing in the years 2027 through 2036 which are to be refunded hereunder.

“Secretary” means the District Administrator or her designee, or any other person designated by the Board to perform the duties of a corporate secretary under Florida law.

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 refund on a current basis the Refunded Bonds.

D. The Refunding Bonds will not 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 eighty-five

percent (85%) of the estimated annual collections from Ad Valorem Taxes calculated as provided in the Bond Resolution, and (ii) the principal amount of the proposed issuance of Refunding Bonds together with all other Bonds then outstanding will not exceed in the aggregate fifty percent (50%) of the assessed value of the taxable property within the District, and when issued, the Refunding Bonds will be payable on a parity with the District's Outstanding Bonds, and with any other additional parity bonds hereafter issued under the terms of the Bond Resolution.

E. The District will issue the Refunding Bonds with the intent that the interest thereon will be excludable from the gross income of the Holders thereof for federal income tax purposes.

F. It is hereby found, determined and declared that a public sale of the Refunding Bonds by public bids is in the best interest of the District, its citizens and taxpayers, in order to take advantage of existing favorable market conditions and the prevailing low tax-exempt interest rates through the issuance of the Refunding Bonds in order to provide funds to refund the Refunded Bonds.

G. The maximum principal amount of the Refunding Bonds authorized to be issued pursuant to this Resolution does not exceed the limitation imposed by Section 132.35, Florida Statutes.

H. The Refunding Bonds will be sold at public sale by competitive bids, pursuant to notice published at least ten (10) days prior to the date of sale in a newspaper or financial journal published within or without the State of Florida in accordance with the requirements of Section 218.385(1), Florida Statutes, and shall contain such terms as the District shall deem advisable and proper under the circumstances.

I. The District is authorized under the Act and Chapter 132, Florida Statutes to issue Refunding Bonds and to deposit the proceeds thereof in escrow to provide for the payment when due of the principal of, interest on and redemption premiums, if any, in connection with the Refunded Bonds.

J. The successful bidder(s) will provide the District with a truth-in-bonding statement containing the information required by Section 218.385(2), Florida Statutes, together with an Affidavit in compliance with the requirements of Section 787.06, Florida Statutes, prior to acceptance by the District of the bid to purchase the Refunding Bonds.

K. The Refunding Bonds shall only be issued at a lower net average interest cost rate than the average net interest cost rate of the Refunded Bonds, and 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 215.84(3), Florida Statutes. 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 five (5)% of the aggregate principal amount of the Refunded Bonds to be refunded.

L. The principal amount of the Refunding Bonds shall not exceed an amount sufficient to pay the sum of the principal amount of the related Refunded Bonds to be refunded

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.

M. The sum of the present value of the total payments of both principal and interest to become due on 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 Refunded Bonds and the present value of costs of issuance 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 Refunded Bonds.

N. The Refunding Bonds shall not mature later than the maturity date of the Refunded Bonds.

O. The first installment of principal of the Refunding Bonds shall mature, or be subject to mandatory redemption, not later than the date of the first stated maturity or mandatory redemption of the Refunded Bonds occurring after the issuance of the Refunding Bonds.

P. The District Administrator or Chief Financial Officer 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 the Refunding Bonds to refund the Refunded Bonds, computed in accordance with the terms of Section 132.35, Florida Statutes, and demonstrating mathematically that the Refunding Bonds are issued at a lower net average interest cost rate than the Refunded Bonds.

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 current refunding of the Refunded Bonds. Prior to the sale of the Refunding Bonds, the District Administrator shall determine whether the District shall defease the Defeased Bonds from Ad Valorem Taxes previously collected and allocable to the June 1, 2026 scheduled debt service on the Defeased 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 the Refunded Bonds, (ii) the investment of a portion of the proceeds from the sale of Refunding Bonds in Government Obligations for the purpose of effecting the defeasance and refunding 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 the Escrow Deposit Agreement to the District in accordance with the terms of the 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 Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer.

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, Refunding Bonds of the District to be known as “Central Florida Tourism Oversight District Ad Valorem Tax Refunding Bonds, Series 2026A” are hereby authorized to be issued in an aggregate principal amount not exceeding \$140,000,000, to provide for the refunding of the Refunded Bonds, and the payment of the costs of issuance of the Refunding Bonds, with the exact principal amount to be determined in accordance with the terms hereof.

SECTION 7. Public Sale of Refunding Bonds; Award of Refunding Bonds.

A. It is hereby found, ascertained, determined and declared by the District that a public sale of the Refunding Bonds in the aggregate principal amount of not exceeding \$140,000,000 is in the best interest of the District and is hereby authorized. The Division of Bond Finance, in consultation with the District Administrator or the Chief Financial Officer, is hereby authorized and directed to (i) sell the Refunding Bonds by competitive sale, (ii) approve and publish a Summary Notice of Bond Sale one time not less than ten (10) days prior to such date of sale in **The Bond Buyer**, a financial newspaper of general circulation in the Borough of Manhattan, City and State of New York, the form of which is set forth in **Exhibit D-1** attached hereto, and (iii) approve and distribute a Notice of Bond Sale, the form of which is set forth in **Exhibit D-2** attached hereto, including, without limitation, the principal amounts thereof, the dates thereof, the interest rates with respect thereto, the purchase price thereof and the redemption terms with respect thereto, with such changes, amendments, modifications, deletions, and additions as may be approved by the District Administrator or Chief Financial Officer; provided, however, that in no event shall (i) the aggregate principal amount of the Refunding Bonds exceed the lesser of \$140,000,000 or the maximum limitation imposed by Section 132.35, Florida Statutes, (ii) the present value of the total savings anticipated to accrue to the District upon refunding of the Refunded Bonds be less than five (5%) of the aggregate principal amount of the Refunded Bonds to be refunded, or (iii) the interest rates exceed the maximum rates permitted by Sections 132.35 or 215.84, Florida Statutes. The Refunding Bonds shall be offered at public sale on a date to be determined in the discretion of the Director of the Division of Bond Finance, in consultation with the District Administrator, a Deputy District Administrator or the Chief Financial Officer, one time not less than 10 days prior to such date of sale. The Board hereby authorizes and directs the Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer to take all actions necessary to consummate such sale, upon the terms and conditions set forth in the Notice of Sale.

B. 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 a certificate of the District awarding the Refunding Bonds (the "Certificate of Award") and final Official Statement and approved by the Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer, such approval to be conclusively evidenced by the execution and delivery of the Certificate of Award. The principal of the Refunding Bonds shall be payable in annual installments, as shall be set forth in the Certificate of Award and approved by the Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer, the execution and delivery thereof to be conclusive evidence of such approval. The form of the Certificate of Award shall be approved by Bond Counsel.

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 the 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 ("Direct Participants") and other institutions that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Refunding Bonds ("Beneficial Owners").

The principal of and interest on the Refunding Bonds at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Paying Agent, or the 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 Direct 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 DIRECT PARTICIPANTS AND DIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DIRECT PARTICIPANTS AND INDIRECT

PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIVIDUAL PURCHASERS OF BENEFICIAL INTERESTS.

The District has entered into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the District. In the event of such termination, the District shall select another securities depository. If the District does not replace DTC, the Registrar will register and deliver to the Beneficial Owners replacement 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 not be subject to optional redemption prior to maturity. The Refunding Bonds shall be subject to such mandatory redemption provisions, if any, as are provided in the Notice of Bond Sale and approved by the Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer, 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 Refunding Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date.

- (ii) Each notice of redemption shall be sent at least thirty (30) days prior to the date fixed for redemption.

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. The Funds and Accounts are as provided in the Bond Resolution.

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 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 and current refunding of the Refunded Bonds; and

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

SECTION 12. Form of Refunding Bonds. The Refunding Bonds shall be in substantially the form 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. Forms of Official Notice of Bond Sale. The forms of the Summary Notice of Sale and Notice of Bond Sale are set forth in Exhibit D hereto.

SECTION 14. Registrar and Paying Agent. The Board hereby appoints U.S. Bank Trust Company, 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 G. The Chair 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 such Preliminary Official Statement by the Division of Bond Finance in connection with the publication of the Notice of Bond Sale or a Summary Notice of Sale for the marketing of the Refunding Bonds. The Chair is hereby authorized to execute and deliver, on behalf of the Board, a final Official Statement relating to the Refunding Bonds with such changes, omissions and insertions from the form of Preliminary Official Statement as the officer 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 is hereby authorized. The District Administrator, a Deputy District Administrator or Chief Financial Officer is authorized to deem the Preliminary Official Statement “final” other than Permitted Omissions within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934,

SECTION 17. Escrow Deposit Agreement. The Board hereby approves the form and content of the Escrow Deposit Agreement attached hereto as **Exhibit C.** The Chair, the District Administrator, a Deputy District Administrator or Chief Financial Officer 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 Trust Company, National Association as the Escrow Agent in connection with the Refunded Bonds under the terms of the Escrow Deposit Agreement.

SECTION 19. Continuing Disclosure Compliance. The District hereby approves the form and content of an agreement between the District and Digital Assurance Certification LLC (“DAC”) for continuing secondary market disclosure in connection with Refunding Bonds (the “Disclosure Dissemination Agent Agreement”), in the form attached hereto as **Exhibit H.** The Chair, the District Administrator, a Deputy District Administrator or Chief Financial Officer of the District, is authorized and directed to execute and deliver the Disclosure Dissemination Agent Agreement, with such changes, insertions or deletions as the officers executing the same, in accordance with the terms of this Resolution, may approve, such execution and delivery to constitute conclusive evidence of such approval.

SECTION 20. Authorizations.

A. The Chair, the District Administrator, a Deputy District Administrator or the Chief Financial Officer are each hereby authorized and directed to execute and deliver the Certificate of Award with respect to the Refunding Bonds, upon approval thereof by Bond Counsel and the Division of Bond Finance. The signature of the Chair, the Secretary, the District Administrator, a Deputy District Administrator or the Chief Financial Officer on the Certificate of Award and the delivery thereof shall be conclusive evidence of the acceptance of the terms thereof.

B. The Chair and the Secretary are hereby authorized and directed on behalf of the District to execute the Refunding Bonds, and are hereby authorized and directed upon the execution of the Refunding Bonds in substantially the form and manner set forth herein, to deliver the Refunding Bonds in the amounts authorized to be issued hereunder to the Registrar for authentication and delivery to or upon the order of the purchasers of the Refunding Bonds upon payment of the purchase price and upon compliance by such purchasers with the terms of the Certificate of Award.

C. The Chair and Secretary of the Board, the District Administrator, a Deputy District Administrator, the Chief Financial Officer and such other officers, employees or agents of the District as may be designated by the Chair, are each designated as agents of the Board and the District in connection with the issuance and delivery of the Refunding Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute and deliver on behalf of the District all instruments, documents and contracts on behalf of the Board and the District that are necessary or desirable in connection with the execution and delivery of the Refunding Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Bond Resolution or any action relating to the Refunding Bonds heretofore taken by the Board. Such officers and those so designated are hereby charged with the responsibility for the issuance of the Refunding Bonds.

SECTION 21. Severability. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be 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 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.

[Signature page follows]

This Resolution is hereby approved and adopted by the Board of Supervisors of the Central Florida Tourism Oversight District, this 24th day of April, 2026.

(SEAL)

**CENTRAL FLORIDA TOURISM
OVERSIGHT DISTRICT**

/s/ Alexis Yarbrough

Chair, Board of Supervisors

ATTEST

/s/ S.C. Kopelousos

Secretary/District Administrator, Board of
Supervisors

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APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

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PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2026A Bonds, Greenberg Traurig, P.A. proposes to render its approving opinion in substantially the following form:

June 17, 2026

Central Florida Tourism Oversight District
1900 Hotel Plaza Boulevard
Lake Buena Vista, Florida 32830

**Re: \$124,755,000 Central Florida Tourism Oversight District
Ad Valorem Tax Refunding Bonds, Series 2026A**

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by Central Florida Tourism Oversight District (successor to Reedy Creek Improvement District) (the “District”), of an aggregate principal amount of \$124,755,000 Central Florida Tourism Oversight District Ad Valorem Tax Refunding Bonds, Series 2026A (the “Series 2026A Bonds”).

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under Resolution No. 245 adopted by the District on November 15, 1991, Resolution No. 313 adopted by the District on April 21, 1995, Resolution No. 579 adopted by the District on April 27, 2016 and Resolution No. 683 adopted by the District on April 24, 2026 (collectively, the “Resolution”).

The Series 2026A Bonds are dated as of their date of issuance and have been issued in fully registered form. The Series 2026A Bonds have been issued to (i) refund all of the District’s outstanding Ad Valorem Tax Bonds, Series 2016A maturing on and after June 1, 2027, and (ii) pay the costs of issuance of the Series 2026A Bonds. The Series 2026A Bonds are not subject to redemption prior to maturity.

Pursuant to the Resolution, the principal of, premium, if any, and interest on the Series 2026A 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 2026A Bonds on a parity with the District’s outstanding Ad Valorem Tax Bonds, Series 2016A that mature on June 1, 2026, Ad Valorem Tax Bonds, Series 2017A, Ad Valorem Tax Refunding Bonds, Series 2020A (Taxable) and Ad Valorem Tax Bonds, Series 2024A (collectively, the “Outstanding Bonds”), and with any other Bonds issued on a parity pursuant to the Resolution.

In rendering the opinions set forth below, we have examined certified copies of the legal proceedings, including the Resolution and certain other proceedings of the Board of

Supervisors of the District, and other proofs submitted, relative to the issuance and sale of the Series 2026A Bonds.

In addition to the foregoing, we have examined and relied upon the opinion of Roy Payne, Esq., General Counsel to the District, and such other agreements, certificates, documents and opinions, including certificates and representations of public officials and other officers and representatives of the various parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, documents, certificates, representations and opinions, and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that:

(1) The District is a public corporation of the State of Florida with the power to adopt the Resolution, to issue the Series 2026A Bonds and to perform its obligations thereunder.

(2) The Resolution has been duly and lawfully adopted by the District, is in full force and effect, and constitutes a valid and binding obligation of the District, enforceable in accordance with its terms.

(3) The Series 2026A 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 Resolution.

(4) The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Series 2026A Bonds in order that interest on the Series 2026A Bonds not be included in gross income for federal income tax purposes. The failure of the District to meet these requirements may cause interest on the Series 2026A Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2026A Bonds. The District has full legal power and authority to comply with such covenants.

Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the following paragraph, interest on the Series 2026A Bonds is

excludable from the gross income of the owners thereof for federal income tax purposes. Furthermore, interest on the Series 2026A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2026A Bonds is not excluded from the determination of adjusted financial statement income.

In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Series 2026A Bonds in order that interest on the Series 2026A Bonds not be included in gross income for federal income tax purposes.

(5) The Series 2026A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220.

We express no opinion regarding other federal or state tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of the Series 2026A Bonds.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

The opinions set forth herein are subject to state and federal laws relating to bankruptcy, insolvency, reorganization, moratorium and similar laws, and to equitable principles, affecting the enforcement of creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

We express no opinion herein with respect to any disclosure or offering document prepared or distributed in connection with the offering of the Series 2026A Bonds.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

GREENBERG TRAURIG, P.A.

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APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated June 17, 2026 is executed and delivered by the Central Florida Tourism Oversight District (the "District") and Digital Assurance Certification LLC, 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 LLC, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the District pursuant to Section 9 hereof.

"Disclosure Representative" means the District's Chief Financial Officer, or the Chief Financial Officer's designee, or such other person as the District shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the District's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

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

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person or entity, including the District, who or which is either generally or through an enterprise, fund, or account of such person or entity committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the District in connection with the Bonds, as listed on Exhibit A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The District shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the March 31st following the end of each fiscal year of the District, commencing with the fiscal year ending September 30, 2026. 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.

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SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the District, including the following information provided in the Official Statement:

- The table under the heading, "OUTSTANDING BONDS SECURED BY AD VALOREM TAXES"
- The tables under the subheading, "CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT – Taxation"
- The table under the heading, "AGGREGATE AD VALOREM DEBT SERVICE SCHEDULE"

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the District is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material;

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties; and

17. Notice of any failure on the part of the District to meet the requirements of Section 3 hereof.

The District shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the District desires to make, contain the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and identify the date the District desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the District or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the District determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the District desires to make, contain the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and identify the date the District desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the District as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence

with MSRB in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The District acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the District, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The District acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The District may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the District desires to make, contain the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and identify the date the District desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the District as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The District may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the District desires to make, contain the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and identify the date the District desires for the Disclosure Dissemination Agent to disseminate the information. If the

Disclosure Dissemination Agent has been instructed by the District as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the District is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the District and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the District is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The District has appointed Digital Assurance Certification LLC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The District may, upon thirty (30) days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the District or DAC, the District agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the District shall remain liable for payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent accruing prior to the effective date of termination.

The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the District.

SECTION 10. Remedies in Event of Default. In the event of a failure of the District or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the District has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the District and shall not be deemed to be acting in any fiduciary capacity for the District, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the District's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the District has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the District at all times.

The obligations of the District under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the District.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Disclosure Dissemination Agent may amend this Disclosure Agreement, in writing, and any provision of this Disclosure Agreement may be waived in writing, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the District and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the District or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days' written notice of the intent to do so together with a copy of the proposed amendment to the District. No such amendment shall become effective if the District shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Public Records. IF THE DISCLOSURE DISSEMINATION AGENT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE DISCLOSURE DISSEMINATION AGENT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE DISTRICT'S CUSTODIAN OF PUBLIC RECORDS AT TELEPHONE NUMBER (407) 939-3240, EMAIL ADDRESS PUBLICRECORDS@OVERSIGHTDISTRICT.ORG,

MAILING ADDRESS CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT,
ATTN: PUBLIC RECORDS ADMINISTRATOR, P.O. BOX 690519, ORLANDO, FL
32869-0519.

(a) Disclosure Dissemination Agent shall:

(i) Keep and maintain public records required by the District to perform the service.

(ii) Upon request from the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

(iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the Disclosure Dissemination Agent does not transfer the records to the District.

(iv) Upon completion of this Disclosure Agreement, transfer, at no cost, to the District all public records in possession of the Disclosure Dissemination Agent or keep and maintain public records required by the District to perform the service. If the Disclosure Dissemination Agent transfers all public records to the District upon completion of this Disclosure Agreement, the Disclosure Dissemination Agent shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Disclosure Dissemination Agent keeps and maintains public records upon completion of the contract, the contractor/consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

The Disclosure Dissemination Agent and the District have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION
LLC, as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

[Signature Page | Disclosure Dissemination Agent Agreement]

CENTRAL FLORIDA TOURISM
OVERSIGHT DISTRICT

By: _____
Name: S.C. Kopelousos
Title: District Administrator

[Signature Page | Disclosure Dissemination Agent Agreement]

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
Obligated Person(s)	CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
Name of Bond Issue:	CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT Ad Valorem Tax Refunding Bonds, Series 2026A

Date of Issuance: June 27, 2026

Date of Official Statement: May 27, 2026

CUSIP Numbers:

153480AW8
153480AX6
153480AY4
153480AZ1
153480BA5
153480BB3
153480BC1
153480BD9
153480BE7
153480BF4

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

Obligated Person: CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

Name of Bond Issue: CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
Ad Valorem Tax Refunding Bonds, Series 2026A

Date of Issuance: June 17, 2026

Date(s) of Disclosure Agreement: June 17, 2026

CUSIP Number:

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the District and Digital Assurance Certification LLC, 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 LLC, as
Disclosure Dissemination Agent, on behalf of
the District

cc: CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT
Obligated Person

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

District's Six-Digit CUSIP Number: 153480

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 LLC
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 June 17, 2026 between the District and DAC.
Issuer's and/or Other Obligated Person's Name:

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

Issuer's Six-Digit CUSIP Number: 153480

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 LLC
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 June 17, 2026 between the District and DAC.

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

CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

Issuer's Six-Digit CUSIP Number: 153480

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 LLC
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

APPENDIX E

**GENERAL INFORMATION REGARDING TOURISM
IN ORANGE AND OSCEOLA COUNTIES**

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THE FOLLOWING INFORMATION IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL INFORMATION REGARDING TOURISM AND CERTAIN DEMOGRAPHIC INFORMATION IN THE DISTRICT'S SURROUNDING AREA. THE INFORMATION IN THIS APPENDIX E HAS BEEN DERIVED SOLELY FROM THE SOURCES INDICATED AND OTHER PUBLICLY AVAILABLE SOURCES AND THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS THEREOF.

Orange County, Florida

The following table shows the estimated number of arriving air visitors and hotel and motel units occupied for the last ten years.

**ORANGE COUNTY, FLORIDA
STATISTICAL DATA
TOURISM FOR ORANGE COUNTY
ESTIMATED NUMBER OF ARRIVING AIR VISITORS AND HOTELS /
MOTELS
LAST TEN YEARS
(Unaudited)**

Year	Total Disembarked Air Visitors ⁽¹⁾	Licensed Hotels and Motels ⁽²⁾	Total Hotel and Motel Units ⁽²⁾
2025	28,471,140	348	103,276
2024	29,271,351	347	102,127
2023	28,078,671	340	100,599
2022	24,424,704	340	100,482
2021	17,138,032	328	98,568
2020	14,529,861	320	96,490
2019	24,962,079	308	93,792
2018	23,475,683	303	91,627
2017	21,872,810	301	91,170
2016	20,825,649	294	89,333

(1) Greater Orlando Aviation Authority, Office of Community Relations. Based on fiscal years ending September 30.

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

Source: Annual Comprehensive Financial Report of Orange County, Florida for Fiscal Year Ended September 30, 2025.

The following table shows the principal employers in Orange County for fiscal years 2025 and 2016.

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

Employer	2025			2016		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽³⁾	Rank	Percentage of Total County Employment ⁽²⁾
Walt Disney World Co.	80,000	1	9.60%	74,000	1	10.15%
Advent Health/Florida Hospital	40,000	2	4.80	20,413	4	2.80
Universal Orlando Resort	32,084	3	3.85	21,000	3	2.88
Orlando Health	28,806	4	3.46	16,828	6	2.31
Orange County Public Schools	24,685	5	2.96	22,347	2	3.07
Lockheed Martin	14,000	6	1.68	-	-	-
University of Central Florida	13,645	7	1.64	11,833	7	1.62
Orange County Government	12,268	8	1.47	10,532	8	1.44
Hilton Grand Vacations Inc.	5,800	9	0.70	-	-	-
Marriott Vacations Worldwide Corp.	4,523	10	0.54	-	-	-
Orlando International Airport	-	-	-	18,000	5	2.47
Aircraft Service International	-	-	-	6,800	9	0.93
SeaWorld Orlando	-	-	-	6,032	10	0.83
Totals	<u>255,811</u>		<u>30.70%</u>	<u>207,785</u>		<u>28.50%</u>

(1) Source: Orlando Business Journal: 2025 Book of Lists, Central Florida.

(2) This calculation uses the Employed Labor Force numbers reported for Orange County in the Demographic and Economic Statistics Table.

(3) Source: Economic Development Commission of Mid-Florida, Inc., Orange County Statistics.

Source: Annual Comprehensive Financial Report of Orange County, Florida for Fiscal Year Ended September 30, 2025.

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Osceola County, Florida

The following table shows the estimated number of overnight visitors in Osceola County for the last ten years.

**OSCEOLA COUNTY, FLORIDA
TOURIST STATISTICAL DATA
ESTIMATED NUMBER OF OVERNIGHT VISITORS
LAST TEN YEARS (IN THOUSANDS)
(Unaudited)**

Year ⁽¹⁾	Room Nights	Occupancy	Total Economy Impact	Total Visitors	% Change
2016 ⁽²⁾	7,149	73.20%	\$5,431,139	7,460	22.3%
2017 ⁽²⁾	7,545	75.60	5,934,129	7,901	5.9
2018 ⁽³⁾	10,216	62.20	6,000,000	8,600	8.8
2019	10,446	63.60	5,300,000	9,200	7.0
2020	6,500	45.70	5,000,000	6,000	-34.8
2021	7,678	50.08	5,500,000	9,587	59.8
2022 ⁽⁴⁾	10,982	63.59	9,800,000	10,843	13.1
2023	10,952	64.78	10,900,000	10,900	0.5
2024	10,854	62.51	10,217,600	10,389	-1.0
2025	11,552	64.26	10,800,000	10,524	1.3

Notes: (1) Data is on calendar year basis.

(2) This data consists of 11 calendar months.

(3) After 2018 data is calculated on calendar year.

(4) After 2022 data is calculated on fiscal year basis, except for the Tourism Economics study that estimates the total economic impact on a calendar year.

Source: Osceola County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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The following table shows the principal employers in Osceola County, Florida for fiscal years 2025 and 2016.

**OSCEOLA COUNTY, FLORIDA
STATISTICAL DATA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS PRIOR**

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School District of Osceola County	8,135	1	6.91%	6,000	1	7.28%
Wal-Mart Stores, INC	3,800	2	3.23	2,730	3	3.31
Advent Health System	3,580	3	3.04	-	-	-
Walt Disney Company - Osceola County Offices	3,565	4	3.03	3,700	2	4.49
Publix Supermarkets	2,215	5	1.88	1,350	7	1.64
HCA Healthcare (Osceola Regional Medical Center)	2,000	6	1.70	1,357	6	1.65
Gaylord Palms Resort & Convention Center	1,600	7	1.36	1,445	4	1.75
McLane/Suneast Incorporated	1,559	8	1.32	900	9	1.09
Osceola County Government	1,479	9	1.26	1,407	5	1.71
Darden Restaurants	1,008	10	0.86	-	-	-
Westgate Resorts	-	-	-	-	-	-
Omni Orlando Resort at Champions Gate	-	-	-	750	10	0.91
Florida Hospital Celebration	-	-	-	1,300	8	1.58
Total Largest Employers	28,941		30.03%	20,939		25.39%
Total All Other Employers	88,845			61,535		
Total Employment	117,786			82,474		

Source: Osceola County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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Orlando-Kissimmee-Sanford MSA

The MSA is one of the largest tourist destinations in the United States, with a low unemployment rate of 4.8% as of November 2025. The following schedule demonstrates individual year changes for the last five fiscal years in the Orlando-Kissimmee-Sanford MSA (the "MSA"), which includes Orange, Seminole, Osceola, and Lake Counties.

ECONOMIC INDICATORS ACTUAL/ESTIMATES LAST FIVE FISCAL YEARS

	Fiscal Years				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Population (in thousands)					
City of Orlando	335.1	326.9	321.9	314.9	298.9
Orange County	1,511.6	1,492.9	1,481.3	1,429.9	1,415.3
MSA	2,889.4	2,833.8	2,794.2	2,742.0	2,645.8
Taxable Value (in billions)					
City of Orlando	\$ 49.8	\$ 44.2	\$ 38.9	\$ 37.2	\$ 33.9
Orange County	202.8	\$ 181.2	\$ 160.8	\$ 155.5	\$ 143.4
Dollar Value of Building Permits (in millions)					
City of Orlando(1)	\$1,552.3	\$1,721.5	\$1,829.5	\$1,546.1	\$1,670.2
Building Permits - New Construction					
City of Orlando	1,453	1,625	1,901	1,551	1,394
MSA Employment (in thousands)					
Selected Segments:					
Manufacturing & Construction	145.9	138.8	131.8	136.8	135.0
Wholesale & Retail	209.5	206.4	202.1	200.9	190.2
Service	842.8	813.8	752.3	678.5	651.2
Government	131.0	126.9	125.6	129.7	123.3
Other	153.4	153.8	146.7	129.9	124.8
Total	<u>1,482.6</u>	<u>1,439.7</u>	<u>1,358.5</u>	<u>1,275.8</u>	<u>1,224.5</u>
Sales Tax Revenue (in millions)					
City of Orlando	\$ 60.8	\$ 61.8	\$ 57.1	\$ 42.7	\$ 37.2
Tourist Development Tax (in millions)					
Orange County	\$ 359.5	\$ 359.3	\$ 336.3	\$ 175.9	\$ 167.4
Orlando International Airport Activity (in millions)					
Passengers	58.4	55.9	48.6	34.1	24.1
Lbs. of Airfreight	434.0	437.9	511.2	476.0	456.4

Source: City of Orlando, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

Orlando International Airport

The following table shows historical domestic and international enplaned passenger information for the Orlando International Airport.

ORLANDO INTERNATIONAL AIRPORT HISTORICAL DOMESTIC, INTERNATIONAL AND TOTAL ENPLANED PASSENGERS Years Ended September 30,

Fiscal Year	Domestic Enplaned Passengers (a)	Percent Change for Domestic Enplaned Passengers from Previous Year	International Enplaned Passengers (b)	Percent Change for International Enplaned Passengers from Previous Year	Total Enplaned Passengers (a+b=c)	Percent Change for Total Enplaned Passengers from Previous Year	International Enplaned Passengers as Percentage of Total Enplaned Passengers (b/c=d)
2016	17,978,587	9.45%	2,758,469	14.89%	20,737,056	10.14%	13.30%
2017	18,882,512	5.03	2,836,039	2.81	21,718,551	4.73	13.06
2018	20,224,240	7.11	3,158,033	11.35	23,382,273	7.66	13.51
2019	21,261,946	5.13	3,584,896	13.52	24,846,842	6.26	14.43
2020	12,971,025	(38.99)	1,567,101	(56.29)	14,538,126	(41.49)	10.78
2021	16,368,437	26.19	615,805	(60.70)	16,984,242	16.83	3.63
2022	21,836,197	33.40	2,384,735	287.25	24,220,932	42.61	9.85
2023	24,574,857	12.54	3,344,841	40.26	27,919,698	15.27	11.98
2024	25,287,331	2.90	3,793,358	13.41	29,080,689	4.16	13.04
2025	24,198,720	(4.30)	4,158,641	9.63	28,357,361	(2.49)	14.67

Source: Annual Comprehensive Financial Report of the Greater Orlando Aviation Authority for Fiscal Years Ended September 30, 2025 and 2024.

Miscellaneous Information Concerning Central Florida Tourism and Walt Disney World

The central Florida region is a major tourist destination, attracting millions of visitors annually. With its extensive selection of theme parks, entertainment venues, convention facilities, sporting events and hospitality services, the area is one of the most visited in the country and the world. Tourism plays a significant role in the local economy of the central Florida area, having an estimated economic impact in 2024 of approximately \$94.5 billion. In 2025, more than 76,500,000 people visited the tri-county central Florida area of Orange, Seminole and Osceola counties (the "Tri-County Area"). The District is located in Orange and Osceola counties. The following tables show historical visitor volume and historical number of hotel rooms and occupancy for the Tri-County Area.

VISITOR VOLUME TO TRI-COUNTY AREA

Segment	Calendar Year					
	2020 ⁽¹⁾	2021 ⁽¹⁾	2022	2023	2024	2025
Domestic	33,626,000	57,226,000	69,141,000	67,879,000	68,840,300	70,325,600
Florida	16,841,000	26,838,000	27,784,000	27,742,000	28,119,000	29,075,900
Non-Florida	16,785,000	30,388,000	41,356,000	40,137,000	40,720,700	41,249,700
Leisure	28,722,000	49,684,000	61,201,000	60,092,000	60,992,600	62,403,400
Business	4,904,000	7,543,000	7,940,000	7,787,000	7,847,700	7,922,200
International	1,651,000	2,075,000	4,902,900	6,130,000	6,493,500	6,337,600
Overseas	1,154,000	1,584,000	3,648,200	4,442,000	4,764,900	4,759,800
Canada	368,000	168,000	860,700	1,256,000	1,290,300	1,119,300
Mexico	129,000	323,000	394,000	432,000	438,000	458,500
Total	35,277,000	59,301,000	74,043,900	74,009,000	75,333,800	76,663,200

⁽¹⁾ Tourism negatively impacted by the COVID-19 global pandemic.

Note: Totals may not add due to rounding

Source: Visit Orlando.

HISTORICAL ROOMS AND OCCUPANCY

Tri-County Area

Fiscal Year	Number of Rooms	Room nights (millions)		Occupancy Rate	Average Daily Rate
		Available	Occupied		
2000	102,838	36.9	26.7	72.6%	\$89.83
2005	111,564	41.0	29.0	70.8	92.00
2010	115,199	41.80	26.7	63.9	90.76
2016	119,900	43.6	33.5	76.7	148.10
2017	121,005	43.8	34.8	79.4	152.48
2018	122,569	44.5	34.9	78.4	160.97
2019	125,167	45.3	35.2	77.7	163.96
2020	112,000	36.6	15.2	41.2	129.69
2021	129,292	44.5	25.5	57.4	146.01
2022	129,454	47.4	34.8	73.4	185.98
2023	130,446	47.4	34.4	72.4	192.98
2024	130,464	47.8	34.3	71.6	194.81
2025	132,685	48.3	34.5	71.4	202.71

Notes: Hotel room count excludes more than 30,000 vacation home rentals. Fiscal Year 2020 rooms and occupancy were negatively impacted by the COVID-19 global pandemic.

Source: Visit Orlando

The central Florida region is known for its large-scale theme parks, including but not limited to, Walt Disney World® Resort, Universal Orlando Resort and SeaWorld Orlando. Walt Disney World® Resort includes the Magic Kingdom Park, Epcot, Animal Kingdom, Disney's Hollywood Studios, Disney Springs, Typhoon Lagoon Water Park, Blizzard Beach Water Park and other attractions. There are several other theme park and

entertainment venues located throughout the Tri-County Area that attract visitors from around the world.

Magic Kingdom Park is the world's most visited theme park and Epcot and Disney's Hollywood Studios are among the top 10 most visited theme parks in the world. Walt Disney World® Resort theme parks account for more than 60% of the visitor attendance at the three major theme parks in central Florida, Walt Disney World® Resort, Universal Orlando Resort and SeaWorld Orlando.

Walt Disney World® also operates Disney Cruise Line which sails out of Port Canaveral which is located approximately one hour from the central Florida region. Many visitors that cruise on the Disney cruise ships originate or end their travels in the central Florida area and spend additional vacation time visiting the various theme parks. Walt Disney World® has announced expansions at Magic Kingdom, Animal Kingdom, Hollywood Studios and Epcot. It is expected that Walt Disney World® will invest more than \$17 billion over the next 15 years for such improvements.

The Orange County Convention Center is one of the largest convention centers in North America, attracting numerous trade shows, conferences, sporting events and competitions and corporate events annually, further contributing to the local economy. Many attendees spend time at the area theme parks and hotels. In 2024, nearly 1.7 million people attended events at the convention center. It is estimated the convention center's economic impact to the central Florida region was \$3.9 billion in 2024.

The City of Orlando, located in Orange County, recently issued bonds to fund more than \$400 million of capital improvements to Camping World Stadium. Camping World Stadium is an existing multi-purpose outdoor stadium venue that hosts a diverse range of sports and entertainment events, including the NFL Pro Bowl, post-season NCAA football games, WrestleMania, international soccer matches, motor sports events, and concerts by some of the world's most notable musical artists and acts. Camping World Stadium is a cornerstone of the City of Orlando's sports tourism strategy, contributing significantly to the region's economy.

The City of Orlando has also commenced capital improvements to the Kia Center, home of the National Basketball Association's Orlando Magic, which improvements are expected to total more than \$225 million. The Kia Center, which is owned and operated by the City of Orlando, also hosts numerous concerts and other sports and entertainment events and contributes to the region's tourism industry. Westcourt Orlando is a new sports and entertainment district planned to be located near the Kia Center.

