



Since 1967
Reedy Creek
IMPROVEMENT DISTRICT

BOARD OF SUPERVISORS

February 24, 2021
9:30 a.m.

AGENDA

Board of Supervisors

Reedy Creek Improvement District
1900 Hotel Plaza Blvd.
Lake Buena Vista, FL 32830

February 24, 2021

9:30 a.m.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. SAFETY MINUTE
4. APPROVAL OF MINUTES
 - A. Minutes of the January 27, 2021 BOS Meeting
5. REPORTS
 - A. District Administrator
 - B. Deputy District Administrator
6. CONSENT AGENDA

The next portion of the meeting is the Consent Agenda which contains items that have been determined to be routine. The Board of Supervisors in one motion may approve the entire Consent Agenda. The motion for approval is non-debatable and must receive unanimous approval. By the request of any individual, any item may be removed from the Consent Agenda and placed upon the Regular Agenda for discussion.

- A. RCID 2016-2024 Transportation Projects Job Site Safety Observation – Additional Funding
 - CONSIDERATION of Request for Board approval to allocate additional funding in the amount of **\$32,000.00** for continued construction project job site safety oversight services provided by **Colonial Risk Management, LLC**, pursuant to RCID Contract C005403.

Funding for this request is derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds.

B. Osceola Parkway at Victory Way Interchange Area Development – Professional Services Change Order Allowance

- CONSIDERATION of Request for Board approval to increase the previous Board authorized change order allowance to Reedy Creek Improvement District’s agreement with **Atkins North America, Inc.**, in the amount of **\$6,400.00**, for landscaping and irrigation redesign services supporting the Osceola Parkway at Victory Way Interchange Area Development project. This request will be reimbursed under the executed Osceola Parkway and World Drive Interchange NE Quadrant Area Development Reimbursement Agreement between the Reedy Creek Improvement District and Walt Disney Parks and Resorts U.S., Inc.

Funding for this request will be reimbursed to the District as noted above.

C. First Amendment to Interlocal Agreement between RCID and Orange County for Delivery of Wholesale Water Services to the Flamingo Crossings Development

- CONSIDERATION of Request for Board approval of the “First Amendment to Interlocal Agreement between Reedy Creek Improvement District and **Orange County** for Delivery of Wholesale Water Services to the Flamingo Crossings Development” and to authorize the District Administrator to execute the Agreement. Under this Amendment, the Orange County service area to be temporarily served with water services will be expanded to include areas outside of the Flamingo Crossings area, and wastewater billing will be based on a wastewater flow meter to be installed at the Wastewater System Infrastructure Point of Connection as shown on Exhibit D-2 of the Agreement. **(EXHIBIT A)**

D. Live Front to Dead Front Switch Change-Outs (P1108) – Revision to Preliminary Budget

- CONSIDERATION of Request for Board approval to revise the preliminary budget for the Live Front to Dead Front Switch Change-Outs project by reducing approved funding in the Owner-Furnished Material (OFM) line item and increasing funding in the Construction and RCES Soft Cost line items. The total preliminary budget amount will remain unchanged. **(EXHIBIT B)**

Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable).

E. Live Front to Dead Front Switch Change-Outs (P1108) – Construction Services Change Order

- CONSIDERATION of Request for Board approval to execute a Change Order to Agreement #C005345 with **The Fishel Company**, in the amount of **\$39,665.00** for

additional construction services for the Live Front to Dead Front Switch Change-Outs project. Staff also requests Board authorization for the District Administrator or Deputy District Administrator to execute change orders up to an aggregate amount of **10%** of the contract amount.

Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable).

F. Second Amendment to the Transaction Schedule between RCID and Duke Energy Florida (DEF)

- CONSIDERATION of Request for Board approval of the Second Amendment to the Transaction Schedule between RCID and **Duke Energy Florida (DEF)** dated July 24, 2019 for Solar Energy Purchases and Board authorization for the District Administrator to execute said Transaction Schedule. Under the existing Transaction Schedule, RCID purchases up to 5MW of Solar energy for the period August 1, 2019 through March 31, 2021. The Second Amendment extends the original purchase Term by nine (9) months to December 31, 2021. **(EXHIBIT C)**

7. REGULAR AGENDA

A. ECEP Chiller Plant Rehabilitation Phase I (B1007) – Revision to Preliminary Budget

- CONSIDERATION of Request for Board approval to revise the preliminary budget from **\$5,065,000.00** to **\$5,580,000.00** for the ECEP Chiller Plant Rehabilitation Phase I project. **(EXHIBIT D)**

Funding for this request is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable).

B. ECEP Chiller Plant Rehabilitation Phase I (B1007) – Construction Services Change Order

- CONSIDERATION of Request for Board approval to execute a Change Order to Agreement #C005586 with **S.I. Goldman Company, Inc.**, in an amount Not-To-Exceed **\$415,000.00** for additional construction services for the ECEP Chiller Plant Rehabilitation Phase I project. Staff also requests Board authorization for the District Administrator or Deputy District Administrator to execute change orders up to an aggregate amount of **\$437,890.00**.

Funding for this request is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable).

C. Contemporary Chiller Plant Booster Pump Replacement (B1011) – Design Services Change Order

- CONSIDERATION of Request for Board approval to execute a Change Order to Work Authorization #W001 under Master Services Agreement #M000138 to **Pond Constructors, Inc.**, in the total amount of **\$57,060.00** for additional professional services associated with the Contemporary Chiller Plant Booster Pump Replacement project.

Funding for this request is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable).

D. Live Front to Dead Front Switch Change-Outs (P1108) – RCES Soft Costs

- CONSIDERATION of Request for Board approval of an amount Not-To-Exceed **\$60,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the Live Front to Dead Front Switch Change-Outs project. This request includes Board authorization for RCID’s and/or RCES’s direct purchase of miscellaneous goods and ancillary professional services as necessary for the project. **(EXHIBIT B)**

Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable).

E. Solar Purchase Power Agreement between Bell Ridge Solar, LLC (NEXTERA Energy) and RCID

- CONSIDERATION of Request for Board approval of the Solar Purchase Power Agreement (PPA) between **Bell Ridge Solar, LLC (NEXTERA Energy)** and RCID and Board authorization for the District Administrator to execute said PPA and all documents and attachments therein. The purpose of the PPA is to provide 75MW of Solar Energy to the District’s customers for a twenty-year period beginning December 1, 2022. **(EXHIBIT E)**

F. World Drive North Phase III – Design Services Change Order

- CONSIDERATION of Request for Board approval to execute a change order to the Professional Services Agreement between Reedy Creek Improvement District and **TLP Engineering Consultants, Inc.**, in the fee amount of **\$205,801.00**. No additional reimbursable expenses are requested. TLP’s scope shall be expanded to include additional subsurface utility exploration, field survey, design review to resolve horizontal and vertical conflicts between utility design and existing underground utilities and structural design in support of a new box culvert. Staff also requests Board authorization for the District Administrator or Deputy District Administrator to

execute change orders up to an aggregate amount of **10%** of the change order amount.
(EXHIBIT F)

Funding for this request is included in the approved project budget and is derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds.

G. Review of RCID Financial Statements

- CONSIDERATION of Request for the Board to accept FY2020 RCID Financial Statements. **(EXHIBIT G)**

8. OTHER BUSINESS

9. ADJOURNMENT

Orlando Sentinel

Published Daily
ORANGE County, Florida

Sold To:

Reedy Creek Improvement District - CU00123330
PO Box 10170
Orlando, FL 32830-0170

Bill To:

Reedy Creek Improvement District - CU00123330
PO Box 10170
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**State Of Illinois
County Of Cook**

Before the undersigned authority personally appeared

Jeremy Gates, who on oath says that he or she is an Advertising Representative of the ORLANDO SENTINEL, a DAILY newspaper published at the ORLANDO SENTINEL in ORANGE County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter of 11200-Misc. Legal, . was published in said newspaper in the issues of Feb 10, 2021.

Affiant further says that the said ORLANDO SENTINEL is a newspaper Published in said ORANGE County, Florida, and that the said newspaper has heretofore been continuously published in said ORANGE County, Florida, each day and has been entered as periodicals matter at the post office in ORANGE County, Florida, in said ORANGE County, F



Jeremy Gates

Signature of Affiant

Name of Affiant

Sworn to and subscribed before me on this 11 day of February, 2021,
by above Affiant, who is personally known to me (X) or who has produced identification ().



Signature of Notary Public



Name of Notary, Typed, Printed, or Stamped

NOTICE OF MEETING

YOU WILL PLEASE TAKE NOTICE that on February 24th, at 9:30 a.m., or as soon thereafter as practicable, the Board of Supervisors of the Reedy Creek Improvement District will meet in regular session at 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida. At that time, they will consider such business as may properly come before them.

BY: Wanda Siskron, Clerk
Reedy Creek Improvement District

OS6880495

2/10/21

6880495

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

January 27, 2021

9:30 a.m.

President Hames called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 9:30 a.m. on Wednesday, January 27, 2021 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were Larry Hames, Max Brito, Jane Adams, Don Greer, and Wayne Schoolfield, constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Ann Blakeslee, Deputy District Administrator; and Wanda Siskron, District Clerk, Administration; Eddie Fernandez, HR; and Ron Zupa, Technology Services. Those participating via teleconference were: Chris Quinn, Heidi Powell, Susan Higginbotham and Lexy Wollstadt, Finance; Bruce Jones, Procurement; Eryka Washington and Erin O'Donnell, Communications; Mark Swanson and Anthony Kasper, RCES; Kate Kolbo, Planning & Engineering; Yenni Hernandez, Technology Services; Jason Middleton, HR; Craig Sandt, Facilities; Mike Crikis, Wendy Duncan and Jeff Holland, Environmental Sciences; Deputy Chief Eric Ferrari RCFD; Craig and Sylvia Dunlap, Dunlap and Associates; Bob Gang, Greenberg Traurig, P.A.; and Ed Milgrim and Ilana Perras, Milgrim Law Group.

President Hames asked the attendees to please stand for the Pledge of Allegiance.

SAFETY MINUTE

Mr. Eddie Fernandez presented the safety instructions for the Administration Building. Mr. Fernandez identified the locations of the emergency exits and the two AEDs in case of an emergency. Mr. Fernandez advised that in the event of a fire, there are two exits on the first floor. Mr. Fernandez advised that a first-aid kit is located at the Security Guard's desk right outside the Boardroom. Mr. Fernandez advised that this month is National Radon Awareness Month. Mr. Fernandez advised that one in five homes is estimated to have elevated levels of radon. Radon deaths are the #1 leading cause of lung cancer other than from smoking.

APPROVAL OF MINUTES

Minutes from the December 16, 2020 BOS Meeting were approved and accepted as presented.

The District Clerk recorded proof of publication of the meeting notice. **(EXHIBIT D)**

REPORTS

A departmental report was presented by the District Administrator and the Deputy District Administrator. **(EXHIBIT E)**

Mr. Classe advised that he did not have much to report this month other than managing the pandemic protocols which includes working from home through the end of March. Mr. Classe advised that he hopes the pandemic climate will be much improved with the number of vaccines that are being administered. Mr. Classe advised that steps are being taken to keep District personnel safe on property.

Ms. Blakeslee advised that she has nothing to report other than the Resolutions on the agenda today related to taxable and tax-exempt bonds.

CONSENT AGENDA

President Hames proceeded to the Consent Agenda and advised that the Consent Agenda exists of general administrative items and items under a specific cost threshold. Any item can be pulled from the Consent Agenda for further discussion, if requested. Consent Agenda items are shown below:

Item 6A – Semi-Annual Report of Easements

CONSIDERATION of Request for Board approval of Semi-Annual Report of Easements executed by the District Administrator or Deputy District Administrator as required by Resolution No. 565 approved by the Board at its February 25, 2015 meeting for period July-December 2020. **(EXHIBIT A)**

Item 6B – World Drive North Phase 3 – Professional Services Agreement

CONSIDERATION of Request for Board approval of a Professional Services Agreement with **Halff Associates** in the total amount of **\$1,700.00**. Halff Associates shall complete a pre-construction field survey of the World Drive North Phase 3 project area to determine the presence/absence of listed wildlife species. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

Item 6C – World Drive North Phase 2 – Construction Services Work Authorization

CONSIDERATION of Request for Board approval to issue a Work Authorization under RCID's Master Agreement with **Carter Electric, Inc.**, in the Not-To-Exceed amount of **\$25,000.00** for the plugging and grout filling of abandoned electrical conduits in support of the World Drive Extension Project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

Item 6D – District-Wide DMS Improvements – Work Authorization for Engineering Services

CONSIDERATION of Request for Board approval for structural design evaluation services under **HNTB, Inc.** Master Agreement in the Not-To-Exceed amount of **\$25,277.52**. HNTB shall complete an evaluation of four existing structures to determine the feasibility of using those structures to support the installation of additional Digital Message Signage (DMS) as part of the District-Wide DMS project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

Item 6E – Flamingo Crossings Pedestrian Bridges – Work Authorization for Surveying Services

CONSIDERATION of Request for Board approval of a work authorization to **Southeastern Surveying** under the Master Agreement between Reedy Creek Improvement District and Southeastern Surveying in the Not-To-Exceed amount of **\$2,850.00** for topographic surveying in support of the Pedestrian Bridge over Hartzog Road located at Flamingo Crossings. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

President Hames asked if anyone had a reason to bring up any items on the Consent Agenda for further discussion. No items were pulled from the Consent Agenda for review. Upon motion by Mr. Greer and duly seconded, the Board unanimously approved the Consent Agenda.

REGULAR AGENDA

Item 7A – Resolution No. 624 – Utility Revenue Bonds

Mr. Quinn requested Board approval and adoption of **RCID Resolution No. 624**, a Resolution of the Board of Supervisors of the Reedy Creek Improvement District authorizing and providing for the issuance of Not-To-Exceed an aggregate principal amount of **\$97,000,000.00**, consisting of (1) Reedy Creek Improvement District (Florida) Utilities Revenue Bonds, Series 2021-1 in an aggregate principal amount Not-To-Exceed **\$36,000,000.00** and (2) Reedy Creek Improvement District (Florida) Taxable Utilities Revenue Bonds, Series 2021-2 in an aggregate principal amount Not-To-Exceed **\$61,000,000.00**, to pay the costs of improvements to the utility system. Mr. Quinn advised that this request consists of two primary components and details are still being worked out. From bids received, Mr. Quinn advised that Truist offered an excellent interest rate of 1.03% up to 2% for various taxable and non-taxable components totaling \$97,000,000.00. Mr. Quinn advised that more details would be coming in the next few weeks. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Schoolfield and duly seconded, the Board unanimously approved the request. **(EXHIBIT B)**

RESOLUTION NO. 624

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE REEDY CREEK IMPROVEMENT DISTRICT AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED AN AGGREGATE PRINCIPAL AMOUNT OF \$97,000,000 CONSISTING OF (1) REEDY CREEK IMPROVEMENT DISTRICT (FLORIDA) UTILITIES REVENUE BONDS, SERIES 2021-1 IN THE

PRINCIPAL AMOUNT NOT TO EXCEED \$36,000,000 (THE “SERIES 2021-1 BONDS”) AND (2) REEDY CREEK IMPROVEMENT DISTRICT (FLORIDA) TAXABLE UTILITIES REVENUE BONDS, SERIES 2021-2 IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$61,000,000 (THE “SERIES 2021-2 BONDS”), TO PAY THE COSTS OF IMPROVEMENTS TO THE REEDY CREEK IMPROVEMENT DISTRICT UTILITY SYSTEM AND RELATED COSTS AND TO PAY COSTS OF ISSUANCE, INCLUDING REQUIRED DEPOSITS, IF ANY, INTO THE SERIES 2021-1 COSTS OF ISSUANCE ACCOUNT AND THE SERIES 2021-2 COSTS OF ISSUANCE ACCOUNT, RESPECTIVELY, APPOINTING A REGISTRAR AND PAYING AGENT IN CONNECTION THEREWITH; DETERMINING THE NEED FOR A NEGOTIATED PRIVATE PLACEMENT OF THE BONDS TO STI INSTITUTIONAL & GOVERNMENT, INC. (THE “SERIES 2021-1 PURCHASER”), WITH RESPECT TO THE SERIES 2021-1 BONDS, AND TO TRUIST BANK (THE “SERIES 2021-2 PURCHASER”), WITH RESPECT TO THE SERIES 2021-2 BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF PURCHASE AGREEMENTS AWARDING THE SALE OF THE SERIES 2021-1 BONDS TO THE SERIES 2021-1 PURCHASER AND THE SERIES 2021-2 BONDS TO THE SERIES 2021-2 PURCHASER, AS APPLICABLE; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TWENTY-FIRST SUPPLEMENTAL TRUST INDENTURE PROVIDING FOR THE ISSUANCE OF THE SERIES 2021-1 BONDS AND OTHER MATTERS RELATED TO THE ISSUANCE OF THE SERIES 2021-1 BONDS, A TWENTY-SECOND SUPPLEMENTAL TRUST INDENTURE PROVIDING FOR THE ISSUANCE OF THE SERIES 2021-2 BONDS AND OTHER MATTERS RELATED TO THE ISSUANCE OF THE SERIES 2021-2 BONDS; PROVIDING FOR THE SPECIFICATION OF THE INTEREST RATES, MATURITY DATES, AND THE REDEMPTION TERMS OF THE SERIES 2021-1 BONDS AND THE SERIES 2021-2 BONDS; AUTHORIZING THE PROPER OFFICERS OF THE DISTRICT TO DO ALL ACTS NECESSARY AND PROPER FOR CARRYING OUT THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the “Board”) of the Reedy Creek Improvement District (the “District”) desires to authorize and proceed with the issuance of the District’s (A) Utilities Revenue Bonds, Series 2021-1 (the “Series 2021-1 Bonds”) in the principal amount not to exceed \$36,000,000 to (i) pay the cost of certain capital improvements to the System (as defined in the Indenture) (as more specifically described on Schedule I to the hereinafter described Twenty-First Supplemental Indenture, the “Series 2021-1 Improvements”), and (ii) pay the costs of issuance of the Series 2021-1 Bonds, including the making of required deposits into the Series 2021-1 Costs of Issuance Account; and (B) Taxable Utilities Revenue Bonds, Series 2021-2 in the aggregate principal amount not to exceed \$61,000,000 (the “Series 2021-2 Bonds”, and together with the Series 2021-1 Bonds, the “Series 2021 Bonds”) to (i) pay the cost of certain capital improvements to the System (as more specifically described on Schedule I to the hereinafter described Twenty-Second Supplemental Indenture, the “Series 2021-2 Improvements” and together with the Series 2021-1 Improvements, the “Improvements”) and (ii) pay the costs of issuance of the Series 2021-2 Bonds, including the making of required deposits into the Series 2021-2 Costs of Issuance Account; and

WHEREAS, the Series 2021-1 Bonds are to be issued pursuant to the Trust Indenture, dated as of November 1, 1987, as supplemented and amended to the date hereof (the “Original Indenture”), between the District and U.S. Bank National Association (successor in interest to Sun Bank, National Association), as trustee (the “Trustee”), as proposed to be supplemented by a Twenty-First Supplemental Trust Indenture (the “Twenty-First Supplemental Indenture”) between the District and the Trustee, a proposed form of which is attached hereto as **Exhibit A**; and

WHEREAS, the Series 2021-2 Bonds are to be issued pursuant to the Original Indenture, as proposed to be supplemented by a Twenty-Second Supplemental Trust Indenture (the “Twenty-Second Supplemental Indenture”), between the District and the Trustee, a proposed form of which is attached hereto as **Exhibit B** (the Original Indenture, the Twenty-First Supplemental Indenture and the Twenty-Second Supplemental Indenture, are collectively referred to as the “Indenture”); and

WHEREAS, the Series 2021 Bonds will be secured by a first lien on the Net Revenues, as defined in the Original Indenture, on a parity with the District’s Outstanding Utilities Revenue Bonds heretofore issued under the Original Indenture (the “Prior Bonds”) and any additional Bonds and Parity Obligations (as defined in the Original Indenture) issued or to be issued under Section 7.10 of the Original Indenture; and

WHEREAS, STI Institutional & Government, Inc. (the “Series 2021-1 Purchaser”) and Truist Bank (the “Series 2021-2 Purchaser”) and, together with the Series 2021-1 Purchaser, the “Purchasers”) have each submitted an offer to the Board to purchase the Series 2021-1 Bonds and the Series 2021-2 Bonds, respectively, pursuant to separate Bond Purchase Agreements, in the forms attached hereto as **Exhibit C** (collectively, the “Purchase Agreements”); and

WHEREAS, the Board finds it desirable to authorize the issuance and sale of such Series 2021 Bonds under the Indenture in the amounts as provided herein and in the respective Purchase Agreements at private, negotiated sales and to take all other actions related to such issuances and sales; and

WHEREAS, the Board wishes to approve the forms and content of and authorize the execution and delivery of the Purchase Agreements; and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery of the Twenty-First Supplemental Indenture and the Twenty-Second Supplemental Indenture, providing, respectively, for the issuance of the Series 2021-1 Bonds and the Series 2021-2 Bonds; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the issuance of the Series 2021 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").

Section 2. Definitions. Unless the context otherwise requires, all terms used herein in capitalized form shall have the same meanings ascribed to such terms in the Indenture.

Section 3. Findings. It is hereby ascertained, determined and declared that:

(A) The District is empowered under the Act to own, operate and maintain utilities systems including, without limitation, water, wastewater, gas, electric, chilled water, hot water, and solid waste disposal utilities systems for the benefit of the District and to derive Gross Revenues therefrom. The District now owns or leases, operates and maintains the System and derives Gross Revenues therefrom.

(B) The District is authorized under the Act to issue bonds and use the proceeds thereof to pay the cost of the Improvements.

(C) It is necessary, advisable, desirable, and in the best interests of the District that the Series 2021 Bonds be authorized and issued (1) in an amount not to exceed \$36,000,000 to finance the cost of the Series 2021-1 Improvements and pay costs of issuance, in the case of the Series 2021-1 Bonds and (2) in an amount not to exceed \$61,000,000 to finance the cost of the Series 2021-2 Improvements and pay costs of issuance, in the case of the Series 2021-2 Bonds.

(D) The cost of the Series 2021-1 Improvements and the Series 2021-2 Improvements includes all items of cost set forth in the definition of "Costs of the Project" in the Indenture.

(E) Except for the pledge of the Net Revenues for the benefit of the Prior Bonds, the Net Revenues of the System are not now pledged to or encumbered by any obligation, other than as contemplated by Resolution No. 625 adopted by the District on the date hereof, secured on a parity with the Series 2021 Bonds, except in accordance with the terms hereof.

(F) The Series 2021 Bonds shall be issued pursuant to the Indenture as *pari passu* additional bonds under Section 7.10 of the Original Indenture and this Resolution shall constitute a "Series Resolution" within the meaning and for the purposes of the Indenture.

(G) The principal of and interest on the Series 2021 Bonds and all of the reserve, sinking fund and other payments provided for in this Resolution, the Twenty-First Supplemental Indenture and the Twenty-Second Supplemental Indenture will be paid solely from the Trust Estate, all as provided in the Indenture, and neither the faith and credit nor the taxing power of the District, the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or premium, if any, or interest on the Series 2021 Bonds.

(H) The Series 2021 Bonds will not be issued until all conditions relating to the issuance of *pari passu* additional bonds under the Original Indenture have been met, including, but not limited to, a certification of the District Comptroller

that the amount of Net Revenues, as adjusted pursuant to Section 7.10 of the Original Indenture, received during any twelve (12) consecutive months of the eighteen (18) months immediately preceding the issuance of the Series 2021 Bonds, will be at least equal to one hundred ten percent (110%) of the Maximum Annual Debt Service on the Outstanding Bonds under the Indenture (including for this purpose the Series 2021 Bonds).

(I) It is hereby found and declared that a negotiated sale of the Series 2021 Bonds is in the best interest of the District and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) Due to the complex nature of financing the System, the favorable terms of the proposals of the Purchasers, the volatility of the municipal market, including the market for tax exempt and taxable securities such as the Series 2021 Bonds, the District must be able to enter the market at the most advantageous time, rather than at a specific advertised date, thereby permitting the District to obtain the best possible prices and interest rates with respect to the Series 2021 Bonds and achieve its savings goals, and any lack of flexibility in the sale of the Series 2021 Bonds could be prejudicial to the District; and

(ii) The District will not be adversely affected if the Series 2021 Bonds are not sold in a competitive sale.

(J) The Purchasers will provide the District at the time of execution of the respective Purchase Agreements with disclosure statements regarding the Series 2021-1 Bonds and Series 2021-2 Bonds, as applicable, containing the information required by Section 218.385(6), Florida Statutes.

(K) It is hereby ascertained, determined and declared that it is in the best interest of the District to authorize the President or Vice President of the Board and the Secretary or District Comptroller of the District to accept the offer by the Series 2021-1 Purchaser to purchase the Series 2021-1 Bonds in the principal amount not to exceed \$36,000,000, and the offer by the Series 2021-2 Purchaser to purchase the Series 2021-2 Bonds in an aggregate principal amount not to exceed \$61,000,000, at a private negotiated sale upon the terms and conditions set forth herein.

Section 4. Resolution to Constitute a Contract. In consideration of the acceptance of the Series 2021 Bonds authorized to be issued under the Indenture by the Purchasers, this Resolution shall be deemed to be and shall constitute a contract between the District and such Purchasers. The covenants and agreements set forth herein to be performed by the District shall be for the equal benefit, protection and security of the Purchasers, and all authorized Bonds issued under and pursuant to the Indenture shall be of equal rank with and without preference or priority over or distinction between any such authorized Bonds over any other except as expressly provided therein and herein.

Section 5. Authorization of Improvements. There is hereby authorized the Improvements 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.

Section 6. Authorization of Series 2021-1 Bonds. Subject and pursuant to the provisions of the Indenture, this Resolution and any subsequent resolutions adopted by the Board in connection with the Series 2021-1 Bonds prior to the issuance thereof, the Series 2021-1 Bonds are hereby authorized to be issued in a principal amount which shall not exceed \$36,000,000, to finance the cost of the Series 2021-1 Improvements. The authority to determine the principal amount of the Series 2021-1 Bonds subject to the limitation set forth herein and of each maturity or amortization installment of the Series 2021-1 Bonds to be issued is hereby delegated to the President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, which terms shall be set forth in the Purchase Agreement and the Twenty-First Supplemental Indenture. The Series 2021-1 Bonds are to be issued under and pursuant to the Indenture and shall be designated "Reedy Creek Improvement District (Florida) Utilities Revenue Bonds, Series 2021-1."

Section 7. Authorization of Series 2021-2 Bonds. Subject and pursuant to the provisions of the Indenture, this Resolution and any subsequent resolutions adopted by the Board in connection with the Series 2021-2 Bonds prior to the issuance thereof, the Series 2021-2 Bonds are hereby authorized to be issued in an aggregate principal amount which shall not exceed \$61,000,000, to finance the cost of the Series 2021-2 Improvements. The authority to determine the principal amount of the Series 2021-2 Bonds subject to the limitation set forth herein and of each maturity or amortization installment of the Series 2021-2 Bonds to be issued is hereby delegated to the President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, which terms shall be set forth in the Purchase Agreement and the Twenty-Second Supplemental Indenture. The Series 2021-2 Bonds are to be issued under and pursuant to the Indenture and shall be designated "Reedy Creek Improvement District (Florida) Taxable Utilities Revenue Bonds, Series 2021-2."

Section 8. Interest Rates and Redemption Terms of the Series 2021 Bonds.

(a) The President or Vice President of the Board and the Secretary or District Comptroller of the District are hereby delegated the power to specify (i) the dated date, interest rate, maturities or amortization installments, redemption provisions and related provisions with respect to the Series 2021-1 Bonds; (ii) that the Series 2021-1 Bonds are to be issued as one Term Bond under the Indenture and the terms of any mandatory redemption thereof including Amortization Installments; and (iii) the terms of any optional redemption of the Series 2021-1 Bonds; *provided, however*, that:

(i) the final maturity of the Series 2021-1 Bonds shall be no later than October 1, 2040; and

(ii) the true interest cost of the Series 2021-1 Bonds, being issued as tax-exempt bonds, shall not exceed 2.75% per annum and be subject to adjustment upon the occurrence of certain events.

Such specification regarding the Series 2021-1 Bonds shall be conclusively evidenced by the delivery of the Twenty-First Supplemental Indenture in accordance herewith.

(b) The President or Vice President of the Board and the Secretary or District Comptroller of the District are hereby delegated the power to specify (i) the dated date, interest rate, maturities or amortization installments and related provisions with respect to the Series 2021-2 Bonds; (ii) that the Series 2021-2 Bonds are to be issued as one Term Bond under the Indenture and the terms of any mandatory redemption thereof including Amortization Installments; and (iii) the terms of any optional redemption of the Series 2021-2 Bonds; *provided, however*, that:

(i) the final maturity of the Series 2021-2 Bonds shall be no later than October 1, 2030; and

(ii) the true interest cost of the Series 2021-2 Bonds shall not exceed 2.75% per annum and be subject to adjustment upon the occurrence of certain events.

Such specification regarding the Series 2021-2 Bonds shall be conclusively evidenced by the delivery of the Twenty-Second Supplemental Indenture in accordance herewith.

Section 9. Security for the Series 2021 Bonds. The payment of the principal of and premium, if any, and interest on the Series 2021 Bonds shall be secured equally and ratably by a lien on and pledge of the Trust Estate under the Indenture with the Prior Bonds and any other additional Bonds issued pursuant to Section 7.10 of the Original Indenture, without preference, priority or distinction of any Bond over any other Bond and insofar as such lien on and pledge of the Trust Estate includes a lien on and pledge of the Net Revenues of the System with any Parity Obligations issued or to be issued under Section 7.10 of the Original Indenture.

The Series 2021 Bonds and the obligation evidenced thereby shall not constitute a lien upon the District's System, or any part thereof, or on any other property of or in the District, but shall be limited obligations of the District secured solely by and payable solely from the Trust Estate. Neither the faith and credit nor the taxing power of the District or the State of Florida or of any political subdivision thereof is pledged to the payment of the principal of or premium, if any, or interest on the Series 2021 Bonds. The principal of or premium, if any, or interest on the Series 2021 Bonds shall not be deemed to constitute a general debt, liability or obligation of the District or the State of Florida or any political subdivision thereof.

Section 10. Indenture. It is the intention of the District that the Series 2021 Bonds be and they are hereby designated to be issued pursuant to the terms of the Indenture. Upon fulfillment of all of the terms and conditions of Section 7.10 of the Original Indenture and the authentication by the Trustee of the Series 2021 Bonds, the Series 2021 Bonds shall be entitled to all of the benefits of the Indenture as if such benefits were set forth fully in this Resolution.

Section 11. Appointment of Registrar and Paying Agent. The District hereby appoints U.S. Bank National Association as the Registrar and Paying Agent in connection with the Series 2021-1 Bonds under the terms of the Twenty-First Supplemental Indenture and in connection with the Series 2021-2 Bonds under the terms of the Twenty-Second Supplemental Indenture.

Section 12. Authorization of Execution and Delivery of Twenty-First Supplemental Indenture. The District hereby approves the form and content of the Twenty-First Supplemental Indenture. The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized and directed to execute and deliver, on behalf of the District, the Twenty-First Supplemental Indenture substantially in the form attached hereto as **Exhibit A** with such changes, insertions

or deletions and such completion of blanks therein as such officers executing the same, in their sole discretion, shall approve, such execution to be conclusive evidence of such approval.

Section 13. Authorization of Execution and Delivery of Twenty-Second Supplemental Indenture. The District hereby approves the form and content of the Twenty-Second Supplemental Indenture. The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized and directed to execute and deliver, on behalf of the District, the Twenty-Second Supplemental Indenture substantially in the form attached hereto as **Exhibit B** with such changes, insertions or deletions and such completion of blanks therein as such officers executing the same, in their sole discretion, shall approve, such execution to be conclusive evidence of such approval.

Section 14. Authorization of Execution and Delivery of the Purchase Agreements. The District hereby approves the forms and content of the respective Purchase Agreements, attached hereto as Exhibit C. Subject to the limitations contained herein, the President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are authorized and directed to execute and deliver the Purchase Agreements substantially in the forms of Exhibit C with such changes, insertions or deletions and such completion of blanks therein as such officers executing the same, in their sole discretion, may approve, such execution to constitute conclusive evidence of such approval.

Section 15. Authorizations. (A) The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized and directed, on behalf of the District, to execute the Series 2021-1 Bonds and the Series 2021-2 Bonds as provided in the Indenture and any of such officers is hereby authorized and directed, upon the execution of the Series 2021-1 Bonds in the form and manner set forth in the Twenty-First Supplemental Indenture and herein and the Series 2021-2 Bonds in the form and manner set forth in the Twenty-Second Supplemental Indenture and herein, to deliver the Series 2021-1 Bonds and the Series 2021-2 Bonds in the amounts authorized to be issued hereunder, to the Trustee for authentication and delivery to the Purchasers pursuant to the respective Purchase Agreements, upon payment of the purchase price and upon compliance by the Purchasers with the terms of the respective Purchase Agreements.

(B) The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are each designated as agents of the Board and the District in connection with the issuance and delivery of the Series 2021 Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Board and the District that are necessary or desirable in connection with the execution and delivery of the Series 2021 Bonds and for carrying out the transactions contemplated by this Resolution, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Indenture or any action relating to the Series 2021 Bonds heretofore taken by the Board. The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized to do all things necessary to provide for the issuance of the Series 2021 Bonds.

Section 16. Open Meetings. It is hereby found and determined that all formal actions of the Board concerning and relating to adoption of this Resolution were taken in open meetings of the Board and all deliberations of the Board that resulted in such official acts were in meetings open to the public in compliance with all legal requirements, including, but not limited to, the requirements of Section 286.011, Florida Statutes.

Section 17. Effective Date. This Resolution shall take effect immediately upon its adoption in the manner provided by law.

ADOPTED this 27th day of January, 2021.

REEDY CREEK IMPROVEMENT DISTRICT

By: _____
President, Board of Supervisors

Attest:

Secretary to the Board of Supervisors

Item 7B – Resolution No. 625 – Utility Revenue Refunding Bonds

Mr. Quinn requested Board approval and adoption of RCID **Resolution No. 625**, a Resolution of the Board of Supervisors of the Reedy Creek Improvement District authorizing and providing for the issuance of (A) Not-To-Exceed an aggregate principal amount of **\$22,000,000.00** (“Taxable Series 2021-3 Bonds”) to provide funds, together with funds to be contributed by the District, to defease and refund, on an advance basis, all of the District’s outstanding Reedy Creek Improvement District (Florida) Utilities Revenue Bonds, Series 2011-2 (the “Refunded Bonds”) and (B) on or after July 9, 2021, Utilities Revenue Refunding Bonds, Series 2021-4 (the “Tax Exempt Series 2021-4 Bonds”), in a principal amount equal to the outstanding amount of the Taxable Series 2021-3 Bonds, to refund on a current basis the Taxable Series 2021-3 Bonds. Mr. Quinn advised that this request is related to the 2011-2 bonds. There are four years remaining on these until October 1, 2025, with a current interest rate of 3.49%. Mr. Quinn advised that we have received excellent quotes under 1% to re-finance these bonds. Mr. Quinn advised that this program is called Cinderella Bonds. Mr. Quinn advised that this is because these bonds start out as taxable and can then be converted into tax exempt as of July 9th, with an interest rate of .79%. Mr. Quinn advised that this will save the District approximately \$140,000.00 a year in Debt Services. Mr. Gang advised that due to the Tax Reform Act of 2017, we cannot advance refund tax exempt bonds with more tax exempt bonds, but they can be advance refunded with taxable bonds. This transaction is taxable and then converts to tax exempt when the bonds can be currently refunded in July. Mr. Gang advised that Mr. Dunlap recommended the Cinderella Bond program to the District. Mr. Quinn advised that he will present a summary of Ad Valorem bonds and Utility debt at the February 24th BOS meeting. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Greer and duly seconded, the Board unanimously approved the request. **(EXHIBIT C)**

RESOLUTION NO. 625

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE REEDY CREEK IMPROVEMENT DISTRICT AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF (1) NOT TO EXCEED \$22,000,000 PRINCIPAL AMOUNT OF REEDY CREEK IMPROVEMENT DISTRICT (FLORIDA) TAXABLE UTILITIES REVENUE REFUNDING BONDS, SERIES 2021-3 (“TAXABLE SERIES 2021-3 BONDS”) TO PROVIDE FUNDS, TOGETHER WITH FUNDS TO BE PROVIDED BY THE DISTRICT, TO DEFEASE AND ADVANCE REFUND ALL OF THE OUTSTANDING REEDY CREEK IMPROVEMENT DISTRICT (FLORIDA) UTILITIES REVENUE BONDS, SERIES 2011-2 (THE “REFUNDED BONDS”), AND TO PAY COSTS OF ISSUANCE, INCLUDING REQUIRED DEPOSITS INTO THE COST OF ISSUANCE ACCOUNT AND (2) ON OR AFTER JULY 9, 2021, REEDY CREEK IMPROVEMENT DISTRICT (FLORIDA) UTILITIES REVENUE REFUNDING BONDS, SERIES 2021-4 (“TAX-EXEMPT SERIES 2021-4 BONDS”) IN A PRINCIPAL AMOUNT EQUAL TO THE OUTSTANDING PRINCIPAL AMOUNT OF THE TAXABLE SERIES 2021-3 BONDS TO REFUND ON A CURRENT BASIS THE TAXABLE SERIES 2021-3 BONDS; APPOINTING A REGISTRAR AND PAYING AGENT IN CONNECTION THEREWITH; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AND EXCHANGE AGREEMENT WITH THE PURCHASER OF THE TAXABLE SERIES 2021-3 BONDS AND THE TAX-EXEMPT SERIES 2021-4 BONDS, A TWENTY-THIRD SUPPLEMENTAL TRUST INDENTURE PROVIDING FOR THE ISSUANCE OF THE TAXABLE SERIES 2021-3 BONDS AND OTHER MATTERS RELATED THERETO, A TWENTY-FOURTH SUPPLEMENTAL TRUST INDENTURE PROVIDING FOR THE ISSUANCE OF THE TAX-EXEMPT SERIES 2021-4 BONDS AND OTHER MATTERS RELATED THERETO, AND AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO THE REFUNDING OF THE REFUNDED

BONDS; APPOINTING AN ESCROW AGENT FOR THE REFUNDED BONDS; AUTHORIZING THE PROPER OFFICERS OF THE DISTRICT TO DO ALL ACTS NECESSARY AND PROPER FOR CARRYING OUT THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "Board") of the Reedy Creek Improvement District (the "District") desires to authorize and proceed with the issuance of the District's (A) Taxable Utilities Revenue Refunding Bonds, Series 2021-3 (the "Taxable Series 2021-3 Bonds") in the principal amount not to exceed \$22,000,000 for the purpose, together with funds to be contributed by the District, of defeasing and refunding, on an advance basis, all of the District's outstanding Reedy Creek Improvement District (Florida) Utilities Revenue Bonds, Series 2011-2 (the "Refunded Bonds") and (B) on or after July 9, 2021, the Utilities Revenue Refunding Bonds, Series 2021-4 (the "Tax-Exempt Series 2021-4 Bonds") in an amount equal to the outstanding principal amount of the Taxable Series 2021-3 Bonds, to refund on a current basis the Taxable Series 2021-3 Bonds; and

WHEREAS, the Taxable Series 2021-3 Bonds are to be issued pursuant to the Trust Indenture, dated as of November 1, 1987, as supplemented and amended to the date hereof (the "Original Indenture"), between the District and U.S. Bank National Association (successor in interest to Sun Bank, National Association), as trustee (the "Trustee"), as proposed to be supplemented by a Twenty-Third Supplemental Trust Indenture (the "Twenty-Third Supplemental Indenture") between the District and the Trustee, a proposed form of which is attached hereto as **Exhibit A**; and

WHEREAS, the Tax-Exempt Series 2021-4 Bonds are to be issued pursuant to the Original Indenture, as proposed to be supplemented by a Twenty-Fourth Supplemental Trust Indenture (the "Twenty-Fourth Supplemental Indenture"), between the District and the Trustee, a proposed form of which is attached hereto as **Exhibit B** (the Original Indenture, as supplemented by the Twenty-Third Supplemental Indenture, and upon the issuance of the Tax-Exempt Series 2021-4 Bonds and current refunding of the Taxable Series 2021-3 Bonds, the Twenty-Fourth Supplemental Indenture, are collectively referred to as the "Indenture"); and

WHEREAS, the Taxable Series 2021-3 Bonds, and upon their current refunding by the Tax-Exempt Series 2021-4 Bonds, the Tax-Exempt Series 2021-4 Bonds, will be secured by a first lien on the Net Revenues, as defined in the Original Indenture, on a parity with the District's outstanding Utilities Revenue Bonds heretofore issued under the Original Indenture (the "Prior Bonds") and any additional Bonds and Parity Obligations (as defined in the Original Indenture) issued or to be issued under Section 7.10 of the Original Indenture; and

WHEREAS, Truist Bank and/or a designated affiliate (individually and/or collectively, the "Purchaser") has submitted an offer to purchase the Taxable Series 2021-3 Bonds, and on or after July 9, 2021, the Tax-Exempt Series 2021-4 Bonds, to current refund the Taxable Series 2021-3 Bonds, pursuant to a Bond Purchase and Exchange Agreement in substantially the form attached hereto as **Exhibit C** (the "Purchase Agreement"); and

WHEREAS, such current refunding shall be effected through a tender and exchange of the Taxable Series 2021-3 Bonds for the Tax-Exempt Series 2021-4 Bonds and cancellation of the Taxable Series 2021-3 Bonds; and

WHEREAS, the Board finds it desirable to authorize the issuance and sale, initially, of the Taxable Series 2021-3 Bonds, and on or after July 9, 2021, the exchange of the Taxable Series 2021-3 Bonds for the Tax-Exempt Series 2021-4 Bonds and cancellation of the Taxable Series 2021-3 Bonds under the Indenture in the amounts as provided herein and in the Purchase Agreement at a private, negotiated sale and to take all other actions related to such issuances and sales; and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery of the Purchase Agreement; and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery of the Twenty-Third Supplemental Indenture and the Twenty-Fourth Supplemental Indenture, providing, respectively, for the issuance of the Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds; and

WHEREAS, the Board wishes to approve the defeasance of the Series 2011-2 Bonds maturing on October 1, 2021 (the "Defeased Bonds"); and

WHEREAS, the Board wishes to approve the form and content of and authorize the execution and delivery of the Escrow Deposit Agreement relating to the advance refunding of the Refunded Bonds and the defeasance of the Defeased Bonds, a form of which is attached hereto as Exhibit D (the "Escrow Agreement"); and

WHEREAS, the Board wishes to appoint an escrow agent under the Escrow Agreement; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the issuance of the Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds.

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

Section 6. 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").

Section 7. Definitions. Unless the context otherwise requires, all terms used herein in capitalized form shall have the same meanings ascribed to such terms in the Indenture.

Section 8. Findings. It is hereby ascertained, determined and declared that:

(A) The District is empowered under the Act to own, operate and maintain utilities systems including, without limitation, water, wastewater, gas, electric, chilled water, hot water, and solid waste disposal utilities systems for the benefit of the District and to derive Gross Revenues therefrom. The District now owns or leases, operates and maintains the System and derives Gross Revenues therefrom.

(B) The District is authorized under the Act to issue bonds and use the proceeds thereof to pay the cost of the Improvements.

(C) It is necessary, advisable, desirable, and in the best interests of the District that the Taxable Series 2021-3 Bonds be authorized and issued in an amount not to exceed \$22,000,000 to (1) finance the costs of refunding the Refunded Bonds and (2) pay the costs of issuance of the Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds.

(D) Except for the pledge of the Net Revenues for the benefit of the Prior Bonds, the Net Revenues of the System are not now pledged to or encumbered by any obligation, other than as contemplated by Resolution No. 624 adopted by the District on the date hereof, secured on a parity with the Series 2021-3 Bonds or the Tax-Exempt Series 2021-4 Bonds, except in accordance with the terms hereof.

(E) The Series 2021-3 Taxable Bonds and the Tax-Exempt Series 2021-4 Bonds shall each be issued pursuant to the Indenture as *pari passu* additional bonds under Section 7.10 of the Original Indenture and this Resolution shall constitute a "Series Resolution" within the meaning and for the purposes of the Indenture.

(F) The principal of and interest on the Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds and all of the reserve, sinking fund and other payments provided for in this Resolution, the Twenty-Third Supplemental Indenture and the Twenty-Fourth Supplemental Indenture will be paid solely from the Trust Estate, all as provided in the Indenture, and neither the faith and credit nor the taxing power of the District, the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or premium, if any, or interest on the Taxable Series 2021-3 Bonds or the Tax-Exempt Series 2021-4 Bonds.

(G) The Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds will not be issued until all conditions relating to the issuance of *pari passu* additional bonds under the Original Indenture have been met, including, but not limited to, a certification of the District Comptroller that the issuance of the Taxable Series 2021-3 Bonds and the exchange thereof for the Tax-Exempt Series 2021-4 Bonds, together with the cancellation of the Series 2021-3 Bonds shall result in a reduction of the Annual Debt Service payments on the Refunded Bonds.

(H) It is hereby found and declared that a negotiated sale of the Taxable Series 2021-3 Bonds is in the best interest of the District and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) Due to the volatility of the taxable municipal market, including the market for securities such as the Taxable Series 2021-3 Bonds, the District must be able to enter the market at the most advantageous time, rather than at a specific advertised date, thereby permitting the District to obtain the best possible price and

interest rate with respect to the Taxable Series 2021-3 Bonds and achieve its savings goals, and any lack of flexibility in the sale of the Taxable Series 2021-3 Bonds could be prejudicial to the District;

(ii) The Purchaser has participated in structuring the issuance of the Taxable Series 2021-3 Bonds and can assist the District in attempting to obtain the most attractive financing for the District; and

(iii) The District will not be adversely affected if the Taxable Series 2021-3 Bonds are not sold in a competitive sale.

(I) The Purchaser will provide the District at the time or times of execution of the Purchase Agreement with disclosure statements regarding the Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds containing the information required by Section 218.385(6), Florida Statutes.

(J) It is hereby ascertained, determined and declared that it is in the best interest of the District to authorize the President or Vice President of the Board and the Secretary or District Comptroller of the District to accept an offer by the Purchaser to purchase the Taxable Series 2021-3 Bonds in the principal amount not to exceed \$22,000,000 and the issuance of the Tax-Exempt Series 2021-4 Bonds upon the conditions set forth in the Purchase Agreement in a principal amount equal to the outstanding principal amount of the Taxable Series 2021-3 Bonds, at a private negotiated sale upon the terms and conditions set forth herein.

Section 9. Resolution to Constitute a Contract. In consideration of the acceptance of the Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds authorized to be issued under the Indenture by the Purchaser, this Resolution shall be deemed to be and shall constitute a contract between the District and such Purchaser. The covenants and agreements set forth herein to be performed by the District shall be for the equal benefit, protection and security of the Purchaser, and all authorized Bonds issued under and pursuant to the Indenture shall be of equal rank with and without preference or priority over or distinction between any such authorized Bonds over any other except as expressly provided therein and herein.

Section 10. Authorization of Refunding of the Refunded Bonds and Defeasance of the Defeased Bonds. There is hereby authorized the refunding of the Refunded Bonds on the terms and conditions provided in the Indenture and Escrow Agreement and the Defeasance of the Defeased Bonds on the terms and conditions provided in the Escrow Agreement. The President or Vice President of the Board and the Secretary or District Comptroller of the District are hereby delegated the power to specify the dates upon which the Refunded Bonds are to be paid or redeemed.

Section 11. Authorization of Taxable Series 2021-3 Bonds. Subject and pursuant to the provisions of the Indenture, this Resolution and any subsequent resolutions adopted by the Board in connection with the Taxable Series 2021-3 Bonds prior to the issuance thereof, the Taxable Series 2021-3 Bonds are hereby authorized to be issued in a principal amount which shall not exceed \$22,000,000, to finance the cost of refunding the Refunded Bonds and pay the costs of issuance of the Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds. The authority to determine the principal amount of the Taxable Series 2021-3 Bonds subject to the limitation set forth herein and of each maturity or amortization installment of the Taxable Series 2021-3 Bonds to be issued is hereby delegated to the President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, which terms shall be set forth in the Purchase Agreement and the Twenty-Third Supplemental Indenture. The Taxable Series 2021-3 Bonds are to be issued under and pursuant to the Indenture and shall be designated "Reedy Creek Improvement District (Florida) Taxable Utilities Revenue Refunding Bonds, Series 2021-3."

Section 12. Authorization of Tax-Exempt Series 2021-4 Bonds. Subject and pursuant to the provisions of the Indenture, this Resolution and any subsequent resolutions adopted by the Board in connection with the Tax-Exempt Series 2021-4 Bonds prior to the issuance thereof, the Tax-Exempt Series 2021-4 Bonds are hereby authorized to be issued in a principal amount equal to the outstanding principal amount of the Taxable Series 2021-3 Bonds, to current refund the Taxable Series 2021-3 Bonds. Such current refunding shall be effected through a mandatory tender and exchange of the Taxable Series 2021-3 Bonds for the Tax-Exempt Series 2021-4 Bonds and cancellation of the Taxable Series 2021-3 Bonds; all as shall be set forth in the Purchase Agreement and the Twenty-Third Supplemental Indenture. The Tax-Exempt Series 2021-4 Bonds are to be issued under and pursuant to the Indenture and shall be designated "Reedy Creek Improvement District (Florida) Utilities Revenue Refunding Bonds, Series 2021-4."

Section 13. Interest Rates and Redemption Terms of the Series 2021 Bonds.

(a) The President or Vice President of the Board and the Secretary or District Comptroller of the District are hereby delegated the power to specify (i) the dated date, interest rate, maturities or amortization installments, redemption provisions and related provisions with respect to the Taxable Series 2021-3 Bonds; (ii) that the Taxable Series 2021-3 Bonds are

to be issued as one Term Bond under the Indenture and the terms of any mandatory redemption thereof including Amortization Installments; and (iii) the terms of any optional redemption of the Taxable Series 2021-3 Bonds; *provided, however*, that:

- (i) the final maturity of the Taxable Series 2021-3 Bonds shall be no later than October 1, 2025;
- (ii) the refunding of the Refunded Bonds shall result in a reduction in annual debt service payments and is in the best interests of the District;
- (iii) the true interest cost of the Taxable Series 2021-3 Bonds shall not exceed 1.25% per annum and be subject to adjustment upon the occurrence of certain events;
- (iv) The Taxable Series 2021-3 Bonds shall be subject to mandatory tender on or after July 9, 2021 in exchange for the same principal amount of Tax-Exempt Series 2021-4 Bonds at the option of the District and be cancelled upon exchange.

Such specification regarding the Taxable Series 2021-3 Bonds shall be conclusively evidenced by the delivery of the Twenty-Third Supplemental Indenture in accordance herewith.

(b) The President or Vice President of the Board and the Secretary or District Comptroller of the District are hereby delegated the power to issue the Tax-Exempt Series 2021-4 Bonds to current refund the Taxable Series 2021-3 Bonds through an exchange of the Taxable Series 2021-3 Bonds for the Tax-Exempt Series 2021-4 Bonds, and payment of accrued interest thereon, and cancellation thereof, and to specify, pursuant to the Purchase Agreement, the dated date, interest rate, maturities or amortization installments and related provisions with respect to the Tax-Exempt Series 2021-4 Bonds; (ii) which, if any, of the Tax-Exempt Series 2021-4 Bonds are to be Term Bonds under the Indenture and the terms of any mandatory redemption thereof including Amortization Installments; and (iii) the terms of any optional redemption of the Tax-Exempt Series 2021-4 Bonds; *provided, however*, that:

- (i) the final maturity of the Tax-Exempt Series 2021-4 Bonds shall be no later than October 1, 2025;
- (ii) the true interest cost of the Tax-Exempt Series 2021-4 Bonds shall not exceed 1.25% per annum so long as the interest on such Tax-Exempt Series 2021-4 Bonds is excluded from gross income of the Purchaser thereof, and shall be subject to adjustment upon the occurrence of certain events.

Such specification regarding the Tax-Exempt Series 2021-4 Bonds shall be conclusively evidenced by the delivery of the Twenty-Fourth Supplemental Indenture in accordance herewith.

Section 14. Security for the Series 2021 Bonds. The Taxable Series 2021-3 Bonds and the Tax-Exempt Series 2021-4 Bonds, together with the Original Indenture, are hereinafter called the "Series 2021 Bonds". The payment of the principal of and premium, if any, and interest on the Series 2021 Bonds shall be secured equally and ratably by a lien on and pledge of the Trust Estate under the Indenture with the Prior Bonds and any other additional Bonds issued pursuant to Section 7.10 of the Original Indenture, without preference, priority or distinction of any Bond over any other Bond and insofar as such lien on and pledge of the Trust Estate includes a lien on and pledge of the Net Revenues of the System with any Parity Obligations issued or to be issued under Section 7.10 of the Original Indenture.

The Series 2021 Bonds and the obligation evidenced thereby shall not constitute a lien upon the District's System, or any part thereof, or on any other property of or in the District but shall be limited obligations of the District secured solely by and payable solely from the Trust Estate. Neither the faith and credit nor the taxing power of the District or the State of Florida or of any political subdivision thereof is pledged to the payment of the principal of or premium, if any, or interest on the Series 2021 Bonds. The principal of or premium, if any, or interest on the Series 2021 Bonds shall not be deemed to constitute a general debt, liability or obligation of the District or the State of Florida or any political subdivision thereof.

Section 15. Indenture. It is the intention of the District that the Series 2021 Bonds be, and they are hereby designated to be, issued pursuant to the terms of the Indenture. Upon fulfillment of all of the terms and conditions of Section 7.10 of the Original Indenture and the authentication by the Trustee of the Series 2021 Bonds, the Series 2021 Bonds shall be entitled to all of the benefits of the Indenture as if such benefits were set forth fully in this Resolution.

Section 16. Appointment of Registrar and Paying Agent. The District hereby appoints U.S. Bank National Association as the Registrar and Paying Agent in connection with the Taxable Series 2021-3 Bonds under the terms of the Twenty-Third Supplemental Indenture and in connection with the Tax-Exempt Series 2021-4 Bonds under the terms of the Twenty-Fourth Supplemental Indenture.

Section 17. Authorization of Execution and Delivery of Twenty-Third Supplemental Indenture. The District hereby approves the form and content of the Twenty-Third Supplemental Indenture. The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized and directed to execute and deliver, on behalf of the District, the Twenty-Third Supplemental Indenture substantially in the form attached hereto as **Exhibit A** with such changes, insertions or deletions and such completion of blanks therein as such officers executing the same, in their sole discretion, shall approve, such execution to be conclusive evidence of such approval.

Section 18. Authorization of Execution and Delivery of Twenty-Fourth Supplemental Indenture. The District hereby approves the form and content of the Twenty-Fourth Supplemental Indenture. The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized and directed to execute and deliver, on behalf of the District, the Twenty-Fourth Supplemental Indenture substantially in the form attached hereto as **Exhibit B** with such changes, insertions or deletions and such completion of blanks therein as such officers executing the same, in their sole discretion, shall approve, such execution to be conclusive evidence of such approval.

Section 15. Authorization of Execution and Delivery of the Purchase Agreement. The District hereby approves the form and content of the Purchase Agreement. Subject to the limitations contained herein, the President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are authorized and directed to execute and deliver the Purchase Agreement substantially in the form of **Exhibit C** with such changes, insertions or deletions and such completion of blanks therein as such officers executing the same, in their sole discretion, may approve, such execution to constitute conclusive evidence of such approval.

Section 16. Appointment of Escrow Agent and Authorization of Execution and Delivery of Escrow Agreement. The District hereby appoints Truist Bank to serve as Escrow Agent for the refunding of the Refunded Bonds. The District hereby approves the form and content of the Escrow Agreement. The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized and directed to execute and deliver, on behalf of the District, the Escrow Agreement substantially in the form attached hereto as **Exhibit D** with such changes, insertions or deletions and such completion of blanks therein as such officers executing the same, in their sole discretion, shall approve, such execution to be conclusive evidence of such approval.

Section 17. Authorizations. (A) The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized and directed, on behalf of the District, to execute the Series 2021 Bonds as provided in the Indenture and any of such officers is hereby authorized and directed, upon the execution of the Taxable Series 2021-3 Bonds in the form and manner set forth in the Twenty-Third Supplemental Indenture and herein and the Tax-Exempt Series 2021-4 Bonds in the form and manner set forth in the Twenty-Fourth Supplemental Indenture and herein, to deliver the Series 2021 Bonds in the amounts authorized to be issued hereunder, to the Trustee for authentication and delivery to the Purchaser pursuant to the Purchase Agreement, upon payment of the purchase price, in the case of the Taxable Series 2021-3, and upon the tender and exchange of the Taxable Series 2021-3 Bonds for the Tax-Exempt Series 2021-4 Bonds, in the case of the Tax-Exempt Series 2021-4 Bonds and upon compliance by the Purchaser and satisfaction of the conditions precedent under the terms of the Purchase Agreement.

(B) The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are each designated as agents of the Board and the District in connection with the issuance and delivery of the Series 2021 Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Board and the District that are necessary or desirable in connection with the execution and delivery of the Series 2021 Bonds and for carrying out the transactions contemplated by this Resolution, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Indenture or any action relating to the Series 2021 Bonds heretofore taken by the Board. The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized to do all things necessary to provide for the issuance of the Series 2021 Bonds.

Section 18. Open Meetings. It is hereby found and determined that all formal actions of the Board concerning and relating to adoption of this Resolution were taken in open meetings of the Board and all deliberations of the Board that resulted in such official acts were in meetings open to the public in compliance with all legal requirements, including, but not limited to, the requirements of Section 286.011, Florida Statutes.

Section 19. **Effective Date.** This Resolution shall take effect immediately upon its adoption in the manner provided by law.

ADOPTED this 27th day of January, 2021.

REEDY CREEK IMPROVEMENT DISTRICT

By: _____
President, Board of Supervisors

Attest:

Secretary to the Board of Supervisors

8. OTHER BUSINESS

President Hames then asked if there was any further business to discuss.

Mr. Classe advised that the next BOS meeting will take place on February 24, 2021 at 9:30 a.m.

Mr. Classe advised that today's Final Thought is from Carl Bard, Author, "*Although no one can go back and make a brand new start, anyone can start from now and make a brand new ending.*"

There being no further business to come before the Board, the meeting was adjourned at 9:50 a.m.

Laurence C. Hames
President, Board of Supervisors

ATTEST

John H. Classe, Jr.
Secretary, Board of Supervisors

DEPARTMENT REPORTS

- Reedy Creek Energy Services
- Environmental Sciences
- Human Resources
- Planning & Engineering
- Building & Safety



Reedy Creek Energy Services

Memorandum

To: RCID Board of Supervisors
 From: Christine Ferraro
 Subject: January Monthly Utilities Report

Date: February 24, 2021
 Extension: (407) 824-4121

Monthly Utilities Report

Electric and Natural Gas Purchases and Sales

January 2021: Megawatt hour loads were approximately 4.8% below budget with the peak load 4.9% below budget. Average temperatures for January 2021 were 4.7% lower when compared to same month in 2020 and was .2% lower when compared to the average temperatures experienced in 2019. Total cost per megawatt hour for January 2021 was approximately 12.2% below budget equating to approximately \$587K of savings to plan. The savings are driven primarily by overall lower energy volumes and peak demands due to **property closure resulting from the COVID19 virus pandemic**, slightly lower overall prices for electric purchase contracts than budgeted, lower than budgeted transmission cost resulting from lower system peak demands, higher than budgeted economy purchases, and off system energy sales in excess of budgeted levels.

Natural Gas (Distribution and Hot Water)

January 2021: Natural gas commodity prices were approximately 11% below budget, with volumes approximately 21% under budget. Actual volumes were lower than budgeted **driven by property closure resulting from the COVID19 virus pandemic**. Total natural gas cost per MMBtu for January was approximately 5.34 % under budget due to volume reductions lower than budgeted levels. Gross natural gas costs were approximately \$214K under budget driven primarily by lower natural gas **volumes** than budgeted and lower commodity costs than budgeted.

Potable/Reclaimed Water and Wastewater

State of the Utility Report							
Jan-21	2020		2021		Difference		
	Total Monthly Volume (million gallons)	Average Daily Flow (million gallons/day)	Total Monthly Volume (million gallons)	Average Daily Flow (million gallons/day)	Total Monthly Volume (million gallons)	Average Daily Flow (million gallons/day)	% Difference
Potable Water Consumption	468.7	15.1	341.5	11.0	-127.2	-4.1	-27.1%
Wastewater Generation	435.7	14.1	308.0	9.9	-127.7	-4.1	-29.3%
Reclaimed Water Usage	149.4	4.8	155.1	5.0	5.7	0.2	3.8%
Wastewater Contribution from OCU	62.7	2.2	66.4	2.4	3.7	0.1	5.9%
Rainfall Measured at RCID WWTP (in)	1.0		0.8		-0.2		-20.4%

Solid Waste Activities

State of the Utility Report - Solid Waste Activities				
January				
	2020	2021	Difference	% Difference
Class I Waste Collected by RCES	6398	3018	-3380	-53%
Class III Waste Collected by RCES	248	179	-69	-28%
Offsite Landfill	7125	3197	-3928	-55%
Bay Lake Landfill	60	8	-52	-87%
Food Waste	1808	554	-1254	-69%
Class I Recycle	1415	585	-830	-59%
Green Waste	1540	1041	-499	-32%
C&D Collected	2037	1199	-838	-41%
Manure	297	369	72	24%

**REEDY CREEK IMPROVEMENT DISTRICT
MONTHLY INTERCHANGE REPORT**

Jan-21

INITIAL	CO.	Gross MWH	Duke Energy Imbalance	FPL LOSS	FPC LOSS	TEC LOSS	NET MWH	MWs from Indirect Delivery Point	ECONOMY COST	FIRM COST	TOTAL \$ / MWH	INITIAL
=												=
CO	Citrus Ridge Solar	6,545	0	0	0	0	6,545			\$253,693.11	\$ 38.76	CO 02-05-21
CO	Duke-RC	6,750	0	0	0	0	6,750		\$140,990.00	\$ 20.89	\$ 20.89	CO 02-02-21
CO	Duke-Hamilton Solar	2,480	0	0	0	0	2,480			\$66,513.60	\$ -	CO 02-08-21
CO	Duke-RC Franklin	18,087	0	0	0	0	18,087			\$1,074,735.16	\$ 59.42	CO 02-08-21
	Duke-RC Franklin Settlement #1		----	----	----	----				\$582.48	BP	CO 02-02-21
	Duke-RC Franklin Settlement #2		----	----	----	----				(\$4,372.33)	Morgan Stanley	CO 02-02-21
	Duke-RC Franklin Settlement #3		----	----	----	----					Cargill	
	Duke-RC Franklin Settlement #4		----	----	----	----				(\$213.31)	JP Morgan	CO 02-02-21
CO	Duke-Solar	612	0	0	0	0	612			\$42,214.23		CO 02-10-21
CO	FMPA Tolling(Cane Island)	39,432	0	0	0	0	39,432			\$149,841.60		CO 02-04-21
CO	POU-RC	485	0	0	0	0	485		\$11,395.00	\$ 23.49	\$ 23.49	CO 02-02-21
CO	REM-RC	1,637	0	0	0	0	1,637		\$36,121.50	\$ 22.07	\$ 22.07	CO 02-04-21
CO	TAL-RC	764	0	0	0	0	764		\$15,864.00	\$ 20.76	\$ 20.76	CO 02-05-21
CO	TEA-RC	160	0	0	0	0	160		\$3,200.00	\$ 20.00	\$ 20.00	CO 02-02-21
	Duke Non Firm T & D		----	----	----	----				\$0.00		
	Duke FIRM T&D		----	----	----	----				\$387,113.28		CO 02-04-21
	Duke Energy Imbalance	-716					-716		(\$9,236.00)			CO 02-04-21
=====												
	PURCHASES	76237	0	0	0	0	76,237	0	\$198,334.50	\$1,970,107.83		
=====												
INITIAL		MWH	Losses to Duke	FPL LOSS	SEC LOSS	TEC LOSS	NET MWH	MWs to Indirect Delivery Point	ECONOMY COST	FIRM COST	TOTAL \$ / MWH	INITIAL
=												=
CO	RC-TEA J	1150	0	0	0	0	1150		\$32,965.00		\$35.83	CO 02-02-21
=====												
	TOTAL SALES	1150	0	0	0	0	1150		\$32,965.00	\$0.00	\$28.67	
=====												
	TOTAL	75087	0	0	0	0	75087		\$165,369.50	\$1,970,107.83		
=====												
	NEL Including EPCOT Diesels and CoGen	75089										

AVG \$ / MWH

\$28.44

TOTAL ECONOMY AND FIRM COST

\$2,135,477.33

Month	NEL	Peak	Time	Day
Jan-21	75,089.0	132.2	18:00:00	1/1/2021

COGEN GENERATION	
GT MONTHLY	0.0
ST MONTHLY	0.0
GT & ST MONTHLY	0.0
ECEP GENERATION	
ECEP #1 MONTHLY	2.2
ECEP #2 MONTHLY	0.0
ECEP #1 & #2 MONTHLY	2.2
TOTAL GENERATION	2.2

RESOLUTION #613 / #615
MONTHLY ELECTRIC SALES, PURCHASES, AND TRANSMISSION TRANSACTIONS

Company	Electric Sales	Electric Purchases [1]	Net Profit/(Cost) [2]	Monthly Sales Subtotal	Monthly Purchases Subtotal	Net Profit /(Cost) Subtotal
Oct-20						
City of Tallahassee	\$23,645.00	\$10,530.00	\$5,492.05			
Duke Energy Florida	\$0.00	\$117,987.50	\$24,811.82			
Orlando Utilities Commission	\$347,455.00	\$0.00	\$80,066.35			
Rainbow Energy Marketing	\$0.00	\$121,827.00	\$39,145.70			
The Energy Authority	\$34,570.00	\$6,400.00	\$11,944.48			
Total October 2020				\$405,670.00	\$256,744.50	\$161,460.39
Nov-20						
City of Tallahassee	\$0.00	\$21,000.00	\$3,225.32			
Duke Energy Florida	\$0.00	\$141,452.50	\$20,461.45			
Orlando Utilities Commission	\$20,480.00	\$0.00	\$3,570.40			
Rainbow Energy Marketing	\$0.00	\$58,489.00	\$14,833.71			
The Energy Authority	\$0.00	\$16,320.00	\$4,953.60			
Total November 2020				\$20,480.00	\$237,261.50	\$47,044.49
Dec-20						
City of Tallahassee	\$0.00	\$63,221.00	\$11,898.63			
Excellon/Constellation	\$35,800.00	\$0.00	\$3,902.78			
Duke Energy Florida	\$0.00	\$66,880.00	\$14,309.20			
Orlando Utilities Commission	\$11,480.00	\$12,250.00	\$2,815.60			
Rainbow Energy Marketing	\$0.00	\$57,591.00	\$7,476.86			
The Energy Authority	\$25,260.00	\$12,320.00	\$10,847.30			
Total December 2020				\$72,540.00	\$212,262.00	\$51,250.37
Jan-21						
City of Tallahassee	\$0.00	\$15,864.00	\$3,358.93			
Duke Energy Florida	\$0.00	\$140,990.00	\$26,127.23			
Orlando Utilities Commission	\$0.00	\$11,395.00	\$935.13			
Rainbow Energy Marketing	\$0.00	\$36,121.50	\$3,028.61			
The Energy Authority	\$32,965.00	\$3,200.00	\$4,568.17			
Total January 2021				\$32,965.00	\$207,570.50	\$38,018.06
FY2021 to Date Total	\$531,655.00	\$913,838.50	\$297,773.31	\$531,655.00	\$913,838.50	\$297,773.31

[1] Does not include any purchases under long term firm contracts.

[2] Only includes impact of energy marketing activity.

Profit
20.60%

RESOLUTION #614
MONTHLY GAS SALES, PURCHASES, AND TRANSPORTATION TRANSACTIONS

Company	MMBTU's	\$/ MMBTU's	Monthly Purchase Subtotal	Monthly Sales Subtotal	Net Monthly Sales and Purchases Subtotal	Monthly Budgeted MMBTU's	Budgeted \$/ MMBTU's	Monthly Budgeted Subtotal
Oct-20								
Hedge Settlements - JPM, DB/MS,BP, & Cargill	0		\$314,678.85	\$0.00	\$314,678.85	438,208		\$1,275,082.54
FGU	158,472		\$325,026.01	\$0.00	\$325,026.01			
Infinite Energy	104,155		\$225,650.80	\$0.00	\$225,650.80			
Mercuria	114,867		\$236,742.95	\$0.00	\$236,742.95			
Bookout -	1,093		\$2,749.90	\$0.00	\$2,749.90			
FGT Usage	0		\$7,088.95	\$0.00	\$7,088.95			
Total October 2020	378,587	\$2.94	\$1,111,937.45	\$0.00	\$1,111,937.45	438,208	\$2.91	\$1,275,082.54
Nov-20								
Hedge Settlements - JPM, DB/MS,BP, & Cargill			(\$77,883.62)	\$0.00	(\$77,883.62)	479,587		\$1,413,191.62
FGU	153,730		\$448,021.00	\$0.00	\$448,021.00			
Infinite Energy	227,550		\$683,818.44	\$0.00	\$683,818.44			
Rainbow	10,000		\$22,812.50	\$0.00	\$22,812.50			
Bookout -	(619)		(\$1,572.70)	\$0.00	(\$1,572.70)			
FGT Usage			\$7,347.41	\$0.00	\$7,347.41			
Total November 2020	390,661	\$2.77	\$1,082,543.03	\$0.00	\$1,082,543.03	479,587	\$2.95	\$1,413,191.62
Dec-20								
Hedge Settlements - JPM, DB/MS,BP, & Cargill			(\$46,230.94)	\$0.00	(\$46,230.94)	485,371		\$1,442,928.65
FGU	158,472		\$446,257.09	\$0.00	\$446,257.09			
Infinite Energy	199,153		\$563,308.97	\$0.00	\$563,308.97			
Rainbow	92,107		\$265,820.80	\$0.00	\$265,820.80			
Cashout - FGT	(469)		(\$1,138.78)	\$0.00	(\$1,138.78)			
FGT Usage			\$8,444.44	\$0.00	\$8,444.44			
Total December 2020	449,263	\$2.75	\$1,236,461.58	\$0.00	\$1,236,461.58	485,371	\$2.97	\$1,442,928.65
Jan-21								
Hedge Settlements - JPM, DB/MS,BP, & Cargill			\$129,007.79	\$0.00	\$129,007.79	502,295		\$1,504,506.38
FGU	158,472		\$378,272.56	\$0.00	\$378,272.56			
Infinite Energy	215,560		\$533,435.20	\$0.00	\$533,435.20			
Rainbow	81,243		\$199,614.05	\$0.00	\$199,614.05			
Bookout -	(2,761)		(\$7,479.81)	\$0.00	(\$7,479.81)			
FGT Usage			\$8,548.35	\$0.00	\$8,548.35			
Total January 2021	452,514	\$2.74	\$1,241,398.14	\$0.00	\$1,241,398.14	502,295	\$3.00	\$1,504,506.38
FY2021 to Date Total	1,671,025	\$2.80	\$4,672,340.20	\$0.00	\$4,672,340.20	1,905,462	\$2.96	\$5,635,709.19
Volume Variance % (mmbtu)	-12.3%							
Volume Variance \$(000)	(\$693,385)							
Rate Variance \$(000)	(\$269,984)							
Total System Variance YTD	(\$963,369)							
Check	(\$963,369)							



Cargill Inc - Risk Management
 9320 Excelsior Blvd
 Hopkins, MN 55343 9497
 United States of America

Email: crm_hp_operations@cargill.com
 Fax: 952 249-4054

Settlement Invoice

Reedy Creek Improvement District

Invoice Date: 30-Dec-20
 Invoice Nbr: 1905989
 Cash Settlement Date: 06-Jan-21
 Currency: USD

TRANSACTION DATE	REFERENCE UNDERLYING	CONTRACT QUANTITY	SETTLED QUANTITY	TRANSACTION TYPE	FLOATING PRICE	FIXED/STRIKE PRICE	CALCULATION DATE	COMMENTS / CUSTOMER	PREMIUM CASH	SETTLE CASH
NGF2021										
Swap										
2020-12-29	NGF2021	-8.0135	8.0135 ✓		2.467 ✓	2.783 ✓	29-Dec-20	Trade ID: 3000546669	0.00	-25,322.66 ✓
NGF2021 TOTAL									0.00	-25,322.66 ✓
SUB-TOTALS									0.00	-25,322.66 ✓
TOTAL DUE Cargill Inc - Risk Management										USD 25,322.66 ✓

This document is in the perspective of Reedy Creek Improvement District.

Cargill Risk Management only accepts payment via Wire or ACH.

Please inform Cargill of any discrepancies shown in this invoice within 48 hours of receipt.

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OK to pay
12/31/20
mw

J.P.Morgan

Invoice Ref: JPM337947F Invoice Date: 31-Dec-2020 From: J.P. Morgan Chase Bank National Association, New York Telephone: +44 1202 320216 Fax: +44 808 238 3821 Email: ebms.settlements.bmth@jpmorgan.com Payment Date: 06-Jan-2021	Counterparty: Reedy Creek Improvement District 1900 Hotel Boulevard Lake Buena Vista 32830 Florida, United States	Description: Standard Settlement Instructions Pay to: JPMorgan Chase Bank New York CHASUS33 ABA:021000021 For a/c: JPMorgan Chase Bank New York 304256374
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Commodity Type: Nymex

Trade Date	Deal #	Trade Type	Fixed Price	Float Price	Start Date	End Date	Quantity	Settlement Amount
30-Sep-2016	8500012F-3AXA	Swap	2.947000 ✓	-2.467000	01-Jan-2021	31-Jan-2021	26,691.00 ✓	12,811.68 ✓
16-Nov-2016	8500012F-3DAK	Swap	2.968000 ✓	-2.467000	01-Jan-2021	31-Jan-2021	26,691.00 ✓	13,372.19 ✓
10-Apr-2019	85000F9-7TKB5	Swap	2.700000 ✓	-2.467000	01-Jan-2021	31-Jan-2021	25,668.00 ✓	5,980.64 ✓
17-Sep-2019	85000F9-8M3SR	Swap	2.485000 ✓	-2.467000	01-Jan-2021	31-Jan-2021	27,187.00 ✓	489.37 ✓
14-Jan-2020	85000F9-97Y00	Swap	2.451000 ✓	-2.467000	01-Jan-2021	31-Jan-2021	28,520.00 ✓	-456.32 ✓
							<i>Subtotal USD</i>	32,197.56

JPMorgan Receives Net (USD)

32,197.56 ✓

OK to pay
12/31/20
m/



BP Energy Company
 201 Helios Way-Helios Plaza
 Houston, TX 77079
 Tax Id: 36-3421804
 Cons Unit #: USDWX

INVOICE

Customer Details	Bank Details	Invoice Details
Reedy Creek Improvement District Ray Crooks ray.crooks@disney.com	Remit by wire transfer to: BP Energy Company For the account of: Account Name: BP Energy Company Wire Bank: JPMorgan Chase Bank Wire City/State: Columbus, OH Transit/ABA: 021000021 Account No: 9102548097	Invoice Number: 21119840 Invoice Date: 12/30/2020 Contract No: 20368 Due By: 01/06/2021

Jan 2021 Invoice for Natural Gas Swaps and/or Options

Trade Type	Deal ID	Trade Date	Beg Day	End Day	Buy/Sell Call/Put	Total Volume	UOM	BP Pays				Customer Pays			BP Receives/ (Pays)	
								Index/ Fixed	Price	Basis	Net	Index/ Fixed	Price	Basis		Net
NG-FP-SWAP	457137	02/01/2017	01	31	S	53,599	MMBTU	NG_NYMEX(NYM 1d)	2.4670	0.0000	2.4670	Fixed Price	2.8850	0.0000	2.8850	\$22,404.39
NG-FP-SWAP	1098369	07/05/2018	01	31	S	26,753	MMBTU	NG_NYMEX(NYM 1d)	2.4670	0.0000	2.4670	Fixed Price	2.6400	0.0000	2.6400	\$4,628.27
Total Swap and Options Amount Due BP (Customer):															\$27,032.66	

OK to pay
 12/31/20
 NJ

r = revised from previous invoice
 Direct inquires to NAGPFS1@bp.com

Please note: BP will not change/amend BP's banking details without prior separate written notification in addition to the change reflected on the invoice.



<u>Customer Information</u>	<u>Remit By Wire Transfer to</u>	<u>Invoice Information</u>
Address: Reedy Creek Improvement District	CITIBANK NA-NEW YORK-WALL STREET-NY BRANCH	Invoice Number: 10111447-1
US	Bank: Citibank, N.A. NY	Invoice Date: December 30, 2020
Attention: SETTLEMENTS REEDYCREEK	ABA Number: 021000089	Due Date: January 06, 2021
Phone: n/a	Swift: CITIUS33	Citi Contact: Ana Rizvi
Fax: n/a	Acct. Number: 00167679	Phone: 1-713-752-5039
Email: Ray.crooks@disney.com		Fax: 1-646-862-8462
		Email: citisettlements.fin.natgas@citi.com

PAYMENT DUE DATE:	January 06, 2021
TOTAL DUE CITIBANK NA-NEW YORK-WALL STREET-NY BRANCH :	\$ 4,620.24 USD ✓

OK to pay
12/31/20
✓

CITIBANK NA-NEW YORK-WALL STREET-NY BRANCH
 2700 Post Oak Blvd. Suite 400
 Houston, Texas 77056

Invoice

Swaps										
#	Trade ID	Trade Date	Index 1	Index 2	Delivery Month	Unit	Notional Quantity	Fixed Price	Float Price	Amount Due
1	45075191	06/06/2019	NYMEX NG		Jan-21	MMBTU	-25668.00 ✓	2.647/MMBTU ✓	2.467/MMBTU ✓	4,620.24 ✓
Total Trades 1									Swaps Sub-Total: 4,620.24	

PAYMENT DUE DATE:	January 06, 2021
TOTAL DUE CITIBANK NA-NEW YORK-WALL STREET-NY BRANCH :	\$ 4,620.24 USD ✓

Summary Invoice

Invoice Date: Dec-30-2020
Invoice Number: 1964872-1
Due Date: Jan-06-2021

Morgan Stanley Capital Group Inc.
1585 Broadway, 20th Floor
Attn: Commodities
New York, NY 10036

REEDY CREEK IMPROVEMENT
DISTRICT
1900 HOTEL PLAZA BLVD
LAKE BUENA VISTA 328308406
USA

From: Commodities Operations
Voice:
Fax: 914-750-0751
Email: commodfinsettlementsind@morganstanley.com

Attn: Ray Crooks
Voice: 407-824-7216
Fax:

Account: 0579GFAB8

Description	Amount Due
Swap	43,838.216 USD ✓
	43,838.216 USD ✓
Due Date: Jan-06-2021	43,838.22 USD ✓

OK to pay
12/31/20
note
✓

Please send payments by WIRE to:

Morgan Stanley Capital Group Inc.
Bank: Northern Trust International, New York
BIC: CNORUS33
ABA: 026001122
Account: 10289720010

Detail Invoice

Please be advised that the following swaps have priced out

Trade ID	Trade Date	Swap	Quantity	We Pay	You Pay	Amount Due
18405907	Jun-08-2017	Swap - We Pay "Natural Gas NYMEX Last Day Settle" Dec 29, 2020, You Pay Fixed	80,135 MMBT	Float 2.4670	Fixed 2.87300	32,534.81 USD
18852292	Nov-15-2017	Swap - We Pay "Natural Gas NYMEX Last Day Settle" Dec 29, 2020, You Pay Fixed	26,722 MMBT	Float 2.4670	Fixed 2.89	11,303.406 USD

Total Due To Morgan Stanley Capital Group Inc. in USD 43,838.22

Due Date: Jan-06-2021

Please send payments by WIRE to:

Morgan Stanley Capital Group Inc.
Bank: Northern Trust International, New York
BIC: CNORUS33
ABA: 026001122
Account: 10289720010

J.P.Morgan

Invoice Ref: JPM342551F Invoice Date: 02-Feb-2021 From: J.P. Morgan Chase Bank National Association, New York Telephone: +44 1202 320216 Fax: +44 808 238 3821 Email: ebms.settlements.bmth@jpmorgan.com Payment Date: 05-Feb-2021	Counterparty: Reedy Creek Improvement District 1900 Hotel Boulevard Lake Buena Vista 32830 Florida, United States	Description: Standard Settlement Instructions Pay to: JPMorgan Chase Bank, N.A, New York CHASUS33 ABA 021000021 For a/c: JPMorgan Chase Bank, N.A, New York 304256374
--	---	--

Commodity Type: GULF COAST GD

Trade Date	Deal #	Trade Type	Fixed Price	Float Price	Start Date	End Date	Quantity	Settlement Amount
12-Oct-2018	8500012F-3VKK	Swap	2.563000 ✓	-2.570800 ✓	01-Jan-2021	31-Jan-2021	27,347.00 ✓	-213.31 ✓
<i>Subtotal USD</i>								-213.31
JPMorgan Pays Net (USD)								-213.31 ✓

- RCF -
 OK to RECEIVE
 2/2/21
 [Signature]



BP Energy Company
 201 Helios Way-Helios Plaza
 Houston, TX 77079
 Tax Id: 36-3421804
 Cons Unit #: USDWX

INVOICE

Customer Details	Bank Details	Invoice Details
Reedy Creek Improvement District Ray Crooks ray.crooks@disney.com	Remit by wire transfer to: BP Energy Company For the account of: Account Name: BP Energy Company Wire Bank: JPMorgan Chase Bank Wire City/State: Columbus, OH Transit/ABA: 021000021 Account No: 9102548097	Invoice Number: 21126361 Invoice Date: 02/01/2021 Contract No: 20368 Due By: 02/05/2021

Jan 2021 Invoice for Natural Gas Swaps and/or Options

Trade Type	Deal ID	Trade Date	Beg Day	End Day	Buy/Sell Call/Put	Total Volume	UOM	Index/ Fixed	BP Pays			Customer Pays			BP Receives/ (Pays)	
									Price	Basis	Net	Index/ Fixed	Price	Basis		Net
NG-FP-SSWAP	1298475	11/08/2018	01	31	S	41,020	MMBTU	NG_SoNat_Daily_GD(G as Daily)	2.5708	0.0000	2.5708	Fixed Price	2.5850	0.0000	2.5850	\$582.48
Total Swap and Options Amount Due BP (Customer):																
<u>USD \$582.48</u>																

- RCF -

OK to pay

2/2/21

m

r = revised from previous invoice
 Direct inquires to NAGPFS1@bp.com

Please note: BP will not change/amend BP's banking details without prior separate written notification in addition to the change reflected on the invoice.

Summary Credit Note

Invoice Date: Feb-01-2021
Invoice Number: 1973217-1
Due Date: Feb-05-2021

Morgan Stanley Capital Group Inc.
1585 Broadway, 20th Floor
Attn: Commodities
New York, NY 10036

REEDY CREEK IMPROVEMENT
DISTRICT
1900 HOTEL PLAZA BLVD
LAKE BUENA VISTA 328308406
USA

From: Commodities Operations
Voice:
Fax: 914-750-0751
Email: commodfinsettlementsind@morganstanley.com

Attn: Ray Crooks
Voice: 407-824-7216
Fax:

Account: 0579GFAB8

Description	Amount Due
Swap	(4,372.3324) USD
	(4,372.3324) USD
Due Date: Feb-05-2021	(4,372.33) USD

- RCF -
OK to RECEIVE
2/2/21
m

Detail Credit Note

Please be advised that the following swaps have priced out

Trade ID	Trade Date	Swap	Quantity	We Pay	You Pay	Amount Due
19633984	Sep-12-2018	Swap - We Pay "Natural Gas GAS DAILY Southern NG Co." Jan 1-29, 2021, You Pay Fixed	54,693 MMBT ✓	Float 2.5708 ✓	Fixed 2.51 ✓	(3,325.3344) USD ✓
20112791	Jan-09-2019	Swap - We Pay "Natural Gas GAS DAILY Southern NG Co." Jan 1-29, 2021, You Pay Fixed	27,347 MMBT ✓	Float 2.5708 ✓	Fixed 2.57 ✓	(21.8776) USD ✓
21301227	Jan-14-2020	Swap - We Pay "Natural Gas GAS DAILY Southern NG Co." Jan 4-29, 2021, You Pay Fixed	4,863 MMBT ✓	Float 2.5708 ✓	Fixed 2.36 ✓	(1,025.1204) USD ✓

Total Due From Morgan Stanley Capital Group Inc. in USD (4,372.33) ✓
 Due Date: Feb-05-2021



FLORIDA GAS TRANSMISSION COMPANY, LLC

An Energy Transfer/Kinder Morgan Affiliate

Invoice

FINAL

Billable Party: 091306597 Reedy Creek Improvement District LISA MEARS P.O. Box 10000 Lake Buena Vista FL 32830	Remit to Party: 006924518 FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT Remit Addr: P.O. BOX 204032 Dallas, TX 75320-4032	Stmt D/T: 2/7/2021 12:00:00AM Payee's Bank Account Number: Account # 9600168869 Payee's Bank ACH Number: ABA # 041203824 Payee's Bank Wire Number: ABA # 121000248 Payee's Bank: Wells Fargo Bank NA Payee's Name: FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT Contact Name: Sharon Pyburn Contact Phone: 713-989-2093
Payee: 006924518		

Svc Req Name: Reedy Creek Improvement District Svc Req: 091306597 Svc Req K: 003631 Svc CD: FTS-2	Invoice Date: 2/10/2021 12:00:00AM Sup Doc Ind: IMBL Charge Indicator: BILL ON DELIVERY Prev Inv ID:	Invoice Total Amount: \$904.68 Invoice Identifier: 000384524 Account Number: 1000038860 Net Due Date: 02/19/2021
--	---	---

Begin Transaction Date: January 01, 2021 **End Transaction Date:** January 31, 2021 Please reference your invoice identifier and your account number in your wire transfer.

TT	Rec DRN	Rec Loc	Rec Zn	Location Name	Del DRN	Del Loc	Del Zn	Location Name	Repl Rel Cd	Acct Adj Mthd	Chrg Type	----- Base	Unit Sur	Price Disc	----- Net	Qty	Amt Due	Beg Tran Date End Tran Date
01	179851	62410		Columbia Gulf-Lafayett	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	14 - 14
				Transportation Commodity														
01	179851	62410		Columbia Gulf-Lafayett	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	15 - 15
				Transportation Commodity														
01	693755	78467		Bobcat Gas Storage (R	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	13 - 13
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	1 - 12
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	13 - 15
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	16 - 30
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	31 - 31
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	8,905	\$170.98	1 - 13
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	663	\$12.73	14 - 14
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	10,960	\$210.43	15 - 30
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	499	\$9.58	31 - 31
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	11,050	\$212.16	1 - 13
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	822	\$15.78	14 - 14
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	13,600	\$261.12	15 - 30
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	620	\$11.90	31 - 31
				Transportation Commodity														
Invoice Sub-Total Amount:																47,119	\$904.68	

Late Payment Charges are assessed on past due balances after the invoice date.
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FLORIDA GAS TRANSMISSION COMPANY, LLC

An Energy Transfer/Kinder Morgan Affiliate

Invoice

FINAL

Invoice Total Amount:

47,119

\$904.68



FLORIDA GAS TRANSMISSION COMPANY, LLC

An Energy Transfer/Kinder Morgan Affiliate

Invoice

FINAL

Billable Party:	091306597 Reedy Creek Improvement District LISA MEARS P.O. Box 10000 Lake Buena Vista FL 32830	Remit to Party:	006924518 FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT P.O. BOX 204032 Dallas, TX 75320-4032	Stmt D/T:	2/7/2021 12:00:00AM
		Remit Addr:		Payee's Bank Account Number:	Account # 9600168869
		Payee:	006924518	Payee's Bank ACH Number:	ABA # 041203824
				Payee's Bank Wire Number:	ABA # 121000248
				Payee's Bank:	Wells Fargo Bank NA
				Payee's Name:	FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT Sharon Pyburn
				Contact Name:	Sharon Pyburn
				Contact Phone:	713-989-2093

Svc Req Name:	Reedy Creek Improvement District	Invoice Date:	2/10/2021 12:00:00AM	Invoice Total Amount:	\$7,643.69
Svc Req:	091306597	Sup Doc Ind:	IMBL	Invoice Identifier:	000384709
Svc Req K:	005114	Charge Indicator:	BILL ON DELIVERY	Account Number:	1000038860
Svc CD:	FTS-1	Prev Inv ID:		Net Due Date:	02/19/2021

Begin Transaction Date: January 01, 2021 **End Transaction Date:** January 31, 2021 Please reference your invoice identifier and your account number in your wire transfer.

TT	Rec DRN	Rec Loc	Rec Zn	Location Name	Del DRN	Del Loc	Del Zn	Location Name	Repl Rel Cd	Acct Adj Mthd	Chrg Type	----- Base	Unit Sur	Price Disc	----- Net	Qty	Amt Due	Beg Tran Date End Tran Date
01	716	25309		CS #11 Mt Vernon Zone	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	16 - 19
				Transportation Commodity														
01	716	25309		CS #11 Mt Vernon Zone	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	29 - 30
				Transportation Commodity														
01	716	25309		CS #11 Mt Vernon Zone	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	31 - 31
				Transportation Commodity														
01	716	25309		CS #11 Mt Vernon Zone	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	9 - 11
				Transportation Commodity														
01	6490	10178		TX Gas Eunice	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	20 - 20
				Transportation Commodity														
01	32606	57391		NGPL Vermilion	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	1 - 13
				Transportation Commodity														
01	32606	57391		NGPL Vermilion	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	14 - 14
				Transportation Commodity														
01	32606	57391		NGPL Vermilion	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	15 - 27
				Transportation Commodity														
01	32606	57391		NGPL Vermilion	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	28 - 28
				Transportation Commodity														
01	32606	57391		NGPL Vermilion	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	29 - 31
				Transportation Commodity														
01	179851	62410		Columbia Gulf-Lafayett	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	14 - 14
				Transportation Commodity														
01	179851	62410		Columbia Gulf-Lafayett	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	15 - 15
				Transportation Commodity														
01	314571	78303		ANR St Landry Parish	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	29 - 29
				Transportation Commodity														
01	693755	78467		Bobcat Gas Storage (R	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	13 - 13
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	1 - 10
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	11 - 11
				Transportation Commodity														

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FLORIDA GAS TRANSMISSION COMPANY, LLC

An Energy Transfer/Kinder Morgan Affiliate

Invoice

FINAL

Billable Party: 091306597 Reedy Creek Improvement District LISA MEARS P.O. Box 10000 Lake Buena Vista FL 32830	Remit to Party: 006924518 FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT Remit Addr: P.O. BOX 204032 Dallas, TX 75320-4032 Payee: 006924518	Stmt D/T: 2/7/2021 12:00:00AM Payee's Bank Account Number: Account # 9600168869 Payee's Bank ACH Number: ABA # 041203824 Payee's Bank Wire Number: ABA # 121000248 Payee's Bank: Wells Fargo Bank NA Payee's Name: FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT Contact Name: Sharon Pyburn Contact Phone: 713-989-2093
---	---	---

Svc Req Name: Reedy Creek Improvement District Svc Req: 091306597 Svc Req K: 005114 Svc CD: FTS-1	Invoice Date: 2/10/2021 12:00:00AM Sup Doc Ind: IMBL Charge Indicator: BILL ON DELIVERY Prev Inv ID:	Invoice Total Amount: \$7,643.69 Invoice Identifier: 000384709 Account Number: 1000038860 Net Due Date: 02/19/2021
--	---	---

Begin Transaction Date: January 01, 2021 **End Transaction Date:** January 31, 2021 Please reference your invoice identifier and your account number in your wire transfer.

TT	Rec DRN	Rec Loc	Rec Zn	Location Name	Del DRN	Del Loc	Del Zn	Location Name	Repl Rel Cd	Acct Adj Mthd	Chrg Type	----- Base	Unit Sur	Price Disc	----- Net	Qty	Amt Due	Beg Tran Date End Tran Date
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	12 - 12
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	13 - 15
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	16 - 22
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	23 - 23
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	24 - 30
				Transportation Commodity														
01	1187589	78533		Frisco Acadian	0						COT	0.0156	0.0011	0.0000	0.0167	0	\$0.00	31 - 31
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	15,000	\$288.00	1 - 10
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	1,498	\$28.76	11 - 11
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	3,000	\$57.60	12 - 13
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	1,474	\$28.30	14 - 14
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	12,000	\$230.40	15 - 22
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	1,179	\$22.64	23 - 23
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	6,000	\$115.20	24 - 27
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	1,328	\$25.50	28 - 28
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	3,200	\$61.44	29 - 30
				Transportation Commodity														
01	0				3100	Reedy Cr		Reedy Creek Resid			COT	0.0156	0.0036	0.0000	0.0192	1,599	\$30.70	31 - 31
				Transportation Commodity														

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FLORIDA GAS TRANSMISSION COMPANY, LLC

An Energy Transfer/Kinder Morgan Affiliate

Invoice

FINAL

Billable Party:	091306597 Reedy Creek Improvement District LISA MEARS P.O. Box 10000 Lake Buena Vista FL 32830	Remit to Party:	006924518 FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT Remit Addr: P.O. BOX 204032 Dallas, TX 75320-4032	Stmt D/T:	2/7/2021 12:00:00AM
		Payee:	006924518	Payee's Bank Account Number:	Account # 9600168869
				Payee's Bank ACH Number:	ABA # 041203824
				Payee's Bank Wire Number:	ABA # 121000248
				Payee's Bank:	Wells Fargo Bank NA
				Payee's Name:	FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT
				Contact Name:	Sharon Pyburn
				Contact Phone:	713-989-2093

Svc Req Name:	Reedy Creek Improvement District	Invoice Date:	2/10/2021 12:00:00AM	Invoice Total Amount:	\$7,643.69
Svc Req:	091306597	Sup Doc Ind:	IMBL	Invoice Identifier:	000384709
Svc Req K:	005114	Charge Indicator:	BILL ON DELIVERY	Account Number:	1000038860
Svc CD:	FTS-1	Prev Inv ID:		Net Due Date:	02/19/2021

Begin Transaction Date: January 01, 2021 **End Transaction Date:** January 31, 2021 Please reference your invoice identifier and your account number in your wire transfer.

TT	Rec DRN	Rec Loc	Rec Zn	Location Name	Del DRN	Del Loc	Del Zn	Location Name	Repl Rel Cd	Acct Adj Mthd	Chrg Type	----- Base	Unit Sur	Price Disc	----- Net	Qty	Amt Due	Beg Tran Date End Tran Date
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	13,690	\$262.85	1 - 10
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	1,368	\$26.27	11 - 11
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	2,738	\$52.57	12 - 13
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	1,346	\$25.84	14 - 14
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	10,952	\$210.28	15 - 22
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	1,075	\$20.64	23 - 23
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	5,476	\$105.14	24 - 27
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	1,212	\$23.27	28 - 28
				Transportation Commodity														
01	0				3101	Reedy Cr		Reedy Creek Theme			COT	0.0156	0.0036	0.0000	0.0192	4,500	\$86.40	29 - 31
				Transportation Commodity														
01	0				3102	Reedy Cr		Reedy Creek Gen			COT	0.0156	0.0036	0.0000	0.0192	8,000	\$153.60	1 - 8
				Transportation Commodity														
01	0				3102	Reedy Cr		Reedy Creek Gen			COT	0.0156	0.0036	0.0000	0.0192	4,000	\$76.80	12 - 15
				Transportation Commodity														
01	0				3102	Reedy Cr		Reedy Creek Gen			COT	0.0156	0.0036	0.0000	0.0192	6,348	\$121.88	16 - 19
				Transportation Commodity														
01	0				3102	Reedy Cr		Reedy Creek Gen			COT	0.0156	0.0036	0.0000	0.0192	1,001	\$19.22	20 - 20
				Transportation Commodity														
01	0				3102	Reedy Cr		Reedy Creek Gen			COT	0.0156	0.0036	0.0000	0.0192	8,000	\$153.60	21 - 28
				Transportation Commodity														
01	0				3102	Reedy Cr		Reedy Creek Gen			COT	0.0156	0.0036	0.0000	0.0192	2,076	\$39.86	29 - 29
				Transportation Commodity														
01	0				3102	Reedy Cr		Reedy Creek Gen			COT	0.0156	0.0036	0.0000	0.0192	3,494	\$67.09	30 - 31
				Transportation Commodity														

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FLORIDA GAS TRANSMISSION COMPANY, LLC

An Energy Transfer/Kinder Morgan Affiliate

Invoice

FINAL

Billable Party:	091306597 Reedy Creek Improvement District LISA MEARS P.O. Box 10000 Lake Buena Vista FL 32830	Remit to Party:	006924518 FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT Remit Addr: P.O. BOX 204032 Dallas, TX 75320-4032	Stmt D/T:	2/7/2021 12:00:00AM
		Payee:	006924518	Payee's Bank Account Number:	Account # 9600168869
				Payee's Bank ACH Number:	ABA # 041203824
				Payee's Bank Wire Number:	ABA # 121000248
				Payee's Bank:	Wells Fargo Bank NA
				Payee's Name:	FLORIDA GAS TRANSMISSION CO LLC DISBURSEMENT
				Contact Name:	Sharon Pyburn
				Contact Phone:	713-989-2093

Svc Req Name:	Reedy Creek Improvement District	Invoice Date:	2/10/2021 12:00:00AM	Invoice Total Amount:	\$7,643.69
Svc Req:	091306597	Sup Doc Ind:	IMBL	Invoice Identifier:	000384709
Svc Req K:	005114	Charge Indicator:	BILL ON DELIVERY	Account Number:	1000038860
Svc CD:	FTS-1	Prev Inv ID:		Net Due Date:	02/19/2021

Begin Transaction Date: January 01, 2021 **End Transaction Date:** January 31, 2021 Please reference your invoice identifier and your account number in your wire transfer.

TT	Rec DRN	Rec Loc	Rec Zn	Location Name	Del DRN	Del Loc	Del Zn	Location Name	Repl Rel Cd	Acct Adj Mthd	Chrg Type	----- Base	Unit Sur	Price Disc	----- Net	Qty	Amt Due	Beg Tran Date End Tran Date	
01	0				3102	Reedy Cr		Reedy Creek Gen			COT	0.0156	0.0036	0.0000	0.0192	4,467	\$85.77	9 - 11	
				Transportation Commodity															
01	0				135677	Kissimme		Kissimmee Cane Isla			COT	0.0156	0.0036	0.0000	0.0192	272,087	\$5,224.07	1 - 31	
				Transportation Commodity															
																Invoice Sub-Total Amount:	398,108	\$7,643.69	
																Invoice Total Amount:	398,108	\$7,643.69	

Late Payment Charges are assessed on past due balances after the invoice date.
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**REEDY CREEK
IMPROVEMENT DISTRICT**

P.O. BOX 10170, LAKE BUENA VISTA, FLORIDA 32830-0170, TELEPHONE (407) 824-7301

MEMORANDUM

DATE: February 15, 2021

TO: John Classe

FROM: C. Michael Crikis

SUBJECT: Monthly Report for January 2021

The following is a summary of the activities completed by Environmental Sciences in the month of January 2021:

Regulatory Activities – sampling and testing

- 271 sites were visited.
- 1,164 samples were collected or delivered.
- 2,797 tests were assigned.
- Evaluation results of Non-Potable Water Proficiency Testing samples were received with a 97% successful completion. Categories included: Metals and General Chemistry.

Mosquitoes Monitoring

- 205 traps were set up in 51 locations.
- 8,819 mosquitoes were identified.
- Mosquito populations were slightly elevated compared to the last month despite cooler and drier conditions.

Meetings and Educational Sessions Participation

- Attended Florida Lake Management Society (FLMS) workshop.
- Attended Florida Department of Environmental Protection (FDEP) 2021 Strategic Monitoring Program meeting.
- Attended Statewide Stormwater Rule Development Technical Advisory Committee meeting.

Human Resources

February 2021

Open Positions

- *Technology Services*
 - IT Project Manager – Accepting resumes (through third party agency).
- *Building & Safety*
 - Service Call Technician – Interviews completed, offer in process.
- *Facilities*
 - Construction Project Administrator – Accepting resumes, interviews in process.
 - Facilities Maintenance Manager – Virtual interviews in process.
- *Finance*
 - Financial Analyst – Accepting resumes.
- *Fire Dept.*
 - Captain, Training – Internal applicants' assessments completed. Offer in process.

Resignations/Retirements

- *Benoit Cisneros – Fire Dept. - Firefighter/Paramedic – Resignation effective 2/19/21*

**PLANNING & ENGINEERING
DEPARTMENT**

**JANUARY 2021
ACTIVITY REPORT**

**SUBMITTED BY
KATHRYN BOES KOLBO, P.E.**

REGULATORY REVIEWS

BUILDING PERMIT REVIEW

- Reviewed 57 / Approved 30
- Awaiting Approval – 27

CONSISTENCY / CONCEPT PLAN / SITE PLAN REVIEW

7-Eleven Flaming Crossings

- Plans received 11/17/20. RAI #1 issued 11/24/20, response received 12/15/20; RAI #2 issued 12/23/20, response received 1/6/21; RAI #3 issued 1/6/21, awaiting response. As of January 2021, the project is on hold.

Best Friends Pet Care Addition

- Plans received 1/14/21. RAI #1 issued 1/20/21, response received 1/21/21, under review.

Epcot BOH Parking

- Consistency application received 10/24/19. Project initially placed on hold; planning review reopened 1/28/20. RAI #1 issued 2/25/20, awaiting response.

Flamingo Crossings Domino's

- Awaiting initial submittal.

Flamingo Crossings Dunkin'

- Plans received 1/12/21, under review.

CONCURRENCY REVIEW

- No projects to report at this time.

LANDSCAPE/IRRIGATION REVIEW

- Flamingo Crossings Pedestrian Bridges – Plans received 6/29/20. RAI #1 issued 8/6/20, response received 9/11/20; RAI #2 issued 9/21/20, awaiting response.
- Project 89 Area Development- (Project on hold).
- Celebration Island Village – Celebration Blvd Extension – Mass Grading (9180430-6) – Landscape/Irrigation Plans received 12/8/20. RAI issued 12/6/20, response received 1/18/21; pointed out WMCA had not been added to the plans and started review; revised plans received 1/30/21, under review.
- Celebration Island Village – F-1B – Landscape/Irrigation Plans received 12/8/20. RAI issued 12/15/20, revised plans received 1/12/21; review in progress and awaiting response from EOR regarding the evaluation of the ramifications of the landscape architects proposed hardscape adjustments which encroach on the ponds.

ERP / STORM WATER REVIEW

7-Eleven 41521 Flamingo Crossings

- Project set up 11/11/20, initial submittal received 11/12/20. RAI #1 issued 11/20/20, response received 12/15/20; RAI #2 issued 1/5/21, response received 1/5/21.
- Submitted to SFWMD on 1/11/21. Application was withdrawn on 1/25/21.

Best Friends Pet Care Addition

- Project set up 4/16/20, initial submittal 6/4/20. Revised project checklist issued 6/10/20.
- Resubmittal 7/29/20. RAI #1 issued 8/6/20, response received 9/01/20; RAI #2 issued 9/04/20, response received 11/06/20; RAI #3 issued 11/12/20, response received 11/16/20.
- Submitted to SFWMD on 12/22/20. SFWMD issued RAI #1 1/20/21, response to RAI #1 submitted 1/20/21.

Celebration Pointe

- Project set up 10/19/20, initial submittal received 11/12/20. Comment on wetland buffer sent on 12/17/20.

Flamingo Crossing Pedestrian Bridges

- Project set up 6/28/20, initial submittal received 7/21/20; RAI #1 issued 9/03/20, response received 9/21/20; RAI #2 issued 10/9/20. Awaiting resubmission of revised plans.

PVR Project B1 – Cast Entrance

- Project set up 12/22/20, initial submittal received 12/23/20; RAI #1 issued 1/20/21, response to RAI #1 uploaded 2/1/21.

The Colburn at Island Village

- Project set up 11/30/20, awaiting initial submittal.

SITE CIVIL REVIEW

EC Area Development – East Path

- Project set up 7/8/19, initial submittal received 12/16/19. RAI #1 issued 1/2/20, response received 2/12/20.
- Site Civil Approval issued 12/28/20.

EC Area Development Package 5 – Site Development

- Project set up 4/9/20, initial submittal received 4/14/20. RAI #1 issued 4/28/20, awaiting response.

EC 400 Basin 200 Package 8

- Project set up 1/25/21, initial submittal received 1/25/21.

EC BOH Parking

- Project set up 10/15/19, initial submittal received 11/19/19. RAI #1 issued 1/23/20, response received 2/12/20; RAI #2 issued 2/28/20, response received 3/11/20; RAI #3 issued 3/30/20, response received 4/17/20; RAI #4 issued 5/12/20, awaiting response.

Flamingo Crossings Domino's

- Project setup 1/8/21, awaiting initial submittal.

Flamingo Crossings Dunkin'

- Project set up 1/12/21, initial submittal received 1/14/21.

Fort Wilderness – Gas Leak Repair at Canal L-404A

- Project setup 1/13/21, initial submittal received 1/20/21.

Global BOH Upgrades (DAK1 and MK1)

- Project setup 1/13/21, initial submittal received 1/18/21.

SITE CIVIL REVIEW (CONTINUED)

Stolport 2020 Improvements

- Project setup 3/17/20, awaiting initial submittal.

Studios - Galaxy Edge BOH

- Project set up 1/4/21, initial submittal received 1/5/21. RAI #1 issued 1/13/21, response received 1/21/21.

Wendy's Flamingo Crossings

- Project set up 11/2/20, initial submittal received 11/11/20. RAI #1 issued 11/20/20, response received 12/16/20.
- Awaiting SWPPP approval.

DEWATERING REVIEWS / INSTALLATION APPROVALS

- Four (4) dewatering application reviewed & approved
- Two (2) dewatering setup were inspected & approved for use

TRIBUTARY BASIN REVIEW

Boardwalk at O-Town

- RCID contact letter sent 1/31/20.
- Project set up on 3/3/20. Comments sent on 3/5/20.
- Draft agreement sent to engineer on 4/29/20.

CR 545 Intersection @ Lake Star Road

- Project set up 9/10/20, initial submittal 9/11/20.
- Comments sent on 11/5/20.
- Project has been combined with Lake Star Road.

Celebration Professional Plaza

- Project set up on 2/26/20, initial submittal received 4/16/20. Permit checklist issued 4/23/20.
- Working on amendment to existing drainage agreement. Amendment sent to Grantee on 7/15/20.

FDOT – I-4 Beyond the Ultimate Segment IA

- Project set up 5/28/20. Information submitted on 5/8/20.
- Working on draft agreement.
- Requested additional information on 10/20/20.

FDOT I-4/SR 429 Auxiliary Lanes

- Project set up 12/22/20.
- Initial submittal 1/4/21, updated information submitted on 1/13/21.

Hertzog Road Re-Alignment

- Project set up 9/19/19.
- Construction Plans submitted on 3/19/20. Comments sent to engineer on 3/30/20.
- Resubmittal received 5/23/20. Draft agreement under review.

Home2 Suites

- Project setup 11/9/20, initial submittal received 11/12/20, comment sent 11/17/20. Additional information received 1/12/21.
- Draft agreement under review

Horizon West Village F – N32, N36, N37 & N38 (Watermark)

- Project set up 12/1/18.
- Updated drainage report received 4/20/20.
- Comments sent to Meritage Homes on 5/13/20. Received additional information on 9/29/20.
- Requested additional information on 10/29/20. Additional information received 11/3/20.
- Draft agreement sent to grantee on 1/21/21.

JAMA – PD

- Initial submittal received 1/11/18; RAI #1 issued 1/12/18.
- Waiting for response from Engineer on draft agreement, issued March 2019.
- Referred to RCID Legal Counsel on 3/3/20.
- Forwarded revised agreement to Mr. Ahmed on 3/12/20 with suggested payment plan.

Lake Star Road

- Project set up 11/9/20, initial submittal 11/9/20.
- Draft agreement under review.

TRIBUTARY BASIN REVIEW (CONTINUED)

Lake Wilson Reserve

- Project set up 11/18/20, initial submittal 11/23/20. Comments sent on 12/01/20.
- Additional information submitted 12/23/20.
- Working on draft agreement

Orlando World Marriott – Aquatic Center

- RCID contact letter sent 11/27/19.
- Project set up 12/18/19, comments sent 1/23/20.
- Referred to RCID Legal Counsel on 3/12/20.

Rolling Oaks

- Project set up 10/17/18. Letter sent 12/10/18 requesting additional information.
- RCID Legal Counsel sent letter 12/10/19.
- Phone call with Wooden Bridge on 1/16/20. Waiting for maps from Wooden Bridge.
- Received plans and legal descriptions on 3/19/20. Draft agreement under review.

Royal Palm

- Project set up 8/12/20.
- Insurance certificate requested on 9/1/20, additional comments sent on 9/12/20.
- Assignment document awaiting review.

Seidel East – Phase 7

- Project setup 7/22/20. Comments sent of 7/22/20.
- Draft amendment to agreement sent RCID Legal Counsel on 9/28/20 for review.
- Sent draft amendment to Grantee on 10/16/20.

Spring Grove Phase 3 – Parcel 28

- RCID Legal Counsel sent letter 2/1/20.

Spring Hill Phases 4 & 5

- Project set up 11/19/20, initial submittal received 12/22/20.

Sternon Fortune Star Condos

- Project set up 4/17/20. Initial submittal received 6/8/20, comments sent 6/30/20.
- Draft agreement under review 7/7/20. Draft agreement sent to Grantee on 8/6/20.
- Per email from Engineer on 10/8/20 the project is on hold.

Storey Grove

- Project set up 3/25/19.
- Sent Draft Agreement on 4/16/19.
- Referred to RCID counsel on 2/20/20.
- Revised draft received from client's counsel on 4/20/20.

Village H Parcel 12A/12B

- Project set up 12/9/20. Initial submittal received 12/11/20 (report only) plans submitted 12/22/20, comments sent on 12/23/20.
- Additional information received 1/27/21.

TRIBUTARY BASIN REVIEW (CONTINUED)

Village NW-1 and NW-2 (Orange Lake Country Club)

- Project set up 7/2/19. Draft Drainage Agreement sent 7/26/19.
- Village NW-1 agreement to be revised to include only are owned by Pulte Homes, waiting for parcel description.
- Additional information for NW1 received 5/14/20.
- Agreements for Village NW-2 are under review.
- Village NW-1 Pulte Homes is buying the Village NW-2 split into 2 agreements, one for the residential area, and another for commercial area.
- Draft Agreement for Village NW-2 sent to Grantee on 8/14/20.
- Draft Agreement for Village NW-1 under review.
- Signed Agreement and Fee received 11/23/20. Agreement executed on 11/24/20.

Waterstar

- Initial submittal received 12/19/19.
- Draft agreement forwarded for review on 2/25/20.
- Draft Agreement sent to Grantee on 3/13/20. Received questions from Grantee on 4/17/20.
- Revised draft agreement under review. Revised draft agreement sent back to Grantee on 9/18/20.

West 192 Townhouses

- RCID contact letter sent 11/14/19.
- Referred to RCID Legal Counsel on 3/13/20.
- Received Project Info Form on 4/17/20. Initial submittal received 6/8/20, comments sent on 6/16/20.
- Draft agreement under review 7/6/20. Agreement sent to Grantee on 8/5/20, revised draft sent back 8/24/20.
- Received signed agreement on 9/9/20. Awaiting confirmation of wire transfer.

Wither PD

- RCID contact letter sent 10/15/19; RCID Legal Counsel sent letter 2/13/20.
- Project setup 9/10/20, initial submittal on 9/11/20. Comments sent on 9/21/20.

Wither South PD

- Project set up 1/26/21, awaiting initial submittal.

World Center Hotel

- Project set up 3/16/20. Initial submittal received 4/13/20. Comments sent 4/21/20, revised drainage report received on 12/12/20.
- Draft Agreement under review.

RIGHT OF WAY PERMITS ISSUED

Permit #1714 Bonnet Creek Entry Signs MOT

- Received 9/29/20, issued 1/25/2021

Permit #1715 Italy Gelateria Oversize

- Received 1/7/21, issued 1/8/2021

Permit #1716 Partners Cast Lot MOT

- Received 12/23/20, issued 1/8/2021

Permit #1717 Osceola Parkway Entrance Feature Paint

- Received 11/18/20, issued 1/8/2021

Permit #1718 Chevy – Disney Marketing Campaign Film Shoot MOT

- Received 1/7/20, issued 1/12/2021

Permit #1719 Disney Casting Center – 6 in. Fire Line Emergency Repair

- Received 1/4/21, issued 1/15/2021

Permit #1720 Western Way Extension – Duke Energy

- Received 1/8/21, issued 1/21/2021

Permit #1721 Disney Vacation Club Way MOT

- Received 1/5/21, issued 1/26/2021

Permit #1722 Project H Security Shack Oversize

- Received 1/25/21, issued 1/29/2021

CONSTRUCTION COMPLIANCE INSPECTIONS

The department conducted inspections for compliance on the following construction sites within and bordering Reedy Creek Improvement District (RCID). Inspections on the following sites yielded no issues of concern or identified only minor maintenance items, which were corrected before the next inspection date.

- C-2 Hotel
- Celebration C8 Parcel
- Celebration Creation Kids
- Celebration Health
- Celebration Island Village Project
- DS Greenleaf (On Hold)
- Drury Hotel (On Hold)
- Epcot
 - NW Laydown
 - Canal Modification Project
 - Project G Pkg 1, Pkg 2, Pkg 3
 - Future World East (on Hold)
- Epcot Resort Bridge
- Flamingo Crossings College Housing East
- Flamingo Crossings College Housing West
- Flamingo Crossings Hotel
- Flamingo Crossings Town Center Ph1
- Food and Beverage Warehouse (On Hold)
- Guest Flow Epcot Entrance
- Guest Flow MK Entrance
- MK 2
- MK Chilled Water Line
- Osceola/World Interchange Extension
- Project 89 Utility Work
- Project 89 Stockpile
- Project H
- Project Tacos
- PVR
- Typhoon Lagoon Admin
- Walgreens
- Western Way Utilities
- World Drive North Phase 2
- World Drive North Storm pond

INFRASTRUCTURE ASSET MANAGEMENT

LEVEES & WATER CONTROL STRUCTURES

- Monthly inspections of the Levees are ongoing.
- Annual inspections of WCS were completed in February, maintenance is on-going.

ROADWAY & BRIDGE

- Monthly inspections of the Roadways are ongoing; bridge inspections occur bi-annually.
- P&E has previously assessed the condition of existing guardrail throughout the District Roadways; repair and replacement work is on-going.
- The relocation of utilities in anticipation of the demolition of Bridge 756022, located on the west side of Epcot Resorts Blvd over the L-403 canal, is underway. Pile driving for the installation of the replacement bridge, Bridge 756064, began in November. This project is scheduled for completion in late 2021.

ANNUAL QUALITY BASED PAVEMENT MANAGEMENT PROGRAM

- Plans for the pavement rehabilitation along Epcot Resorts Blvd. were delivered to the RCID construction team to allow for that work to occur concurrently with the two bridge projects listed above. The pavement rehabilitation along the west side of Epcot Resorts Blvd will be completed subsequent to the erection of, and prior to the opening of, Bridge 756064. This work is depicted on the Exhibit attached.
- The final design plans for the pavement rehabilitation for Hartzog Road between the RCID property line and Western Way are complete and have been delivered to the RCID construction team.
- Plans for the pavement rehabilitation of Buena Vista Drive (BVD) between Western Way and World Drive Interchange are under design and scheduled for final issuance the end of January 2021. Due to funding constraints, this project will be divided into two phases. The work associated with Phase 1 will be along BVD between Bridges 756026 & 027 and World Drive. The design work associated with Phase 1 has been completed and delivered to the RCID construction team. The work associated with Phase 2 will be along BVD between Western Way and Bridges 756026 & 027. The design for Phase 2 is scheduled for final issuance February 2021.

TRAFFIC OPERATIONS

- Completed eleven traffic signal and ITS maintenance inspections
- Responded to nine after hours repair requests
- Managed traffic for ESPN Wide World of Sports, Youth Sporting & Dance Events

DESIGN MANAGEMENT

BUENA VISTA DRIVE NORTH MEDIAN CLOSURES

- Final design plans for this project were delivered to the RCID construction team on 10/09/2020; project construction is scheduled to begin March 2021.

SOUTH HARTZOG ROAD TRANSITION SECTION

- RCID completed plans for their portion of this work in 2011; however, construction was delayed on the Orange County portion of the roadway.
- September of 2020, Orange County resumed work on this roadway and thus RCID began updating our previously completed plans.
- Final RCID plans are scheduled for delivery to the RCID construction team 1/30/2021.

PERIMETER CANAL BRIDGE CROSSING & REPLACEMENT OF 48" RE-USE LINE (FUNDED BY RCES)

PERIMETER CANAL BRIDGE

- RCID took ownership of an existing ACROW bridge (Bailey Bridge) 1/20/2020; bridge structure to be used for crossing of RCID Perimeter Canal.
- Design Plans for Bridge Abutment began in February 2020, was place on hold in April and resumed in August of 2020.
- Final Plans for Perimeter Canal Bridge Crossing are due 2/2021.

REPLACEMENT OF 48" RE-USE LINE ACROSS PERIMETER CANAL

- Funding of the design for removal and replacement of 48" Re-Use Line was approved October 21, 2020 by the Board of Supervisors.
- RCES has requested additional investigations of the existing 48" Re-Use Line. This will be captured in an amendment issued to DRMP.
- Design began November 2020; Final Plans are due 3/2021.

REPLACEMENT OF S-46 DECK STRUCTURE

- Final Design Plans received 3/01/2020; construction to occur after Perimeter Canal Bridge and Replacement of 48" Re-Use Line are complete; construction anticipated FY 2022 or later.

WORLD DRIVE NORTH PHASE 2

- Construction is underway.

WORLD DRIVE NORTH PHASE 3

- Design Contract awarded to TLP Inc. at April BOS meeting; limited NTP issued 4/23/2020.
- Final Design currently underway.
 - Pre-application meeting was held with SFWMD on 11/17/2020.
 - Final 90% Roadway & Structure Plans due 5/11/2021.
 - Final Plans & Specifications for bidding due 8/18/2021.

EXHIBIT 1





P.O. Box 10170
Lake Buena Vista, FL 32830-0170
(407) 828-2034

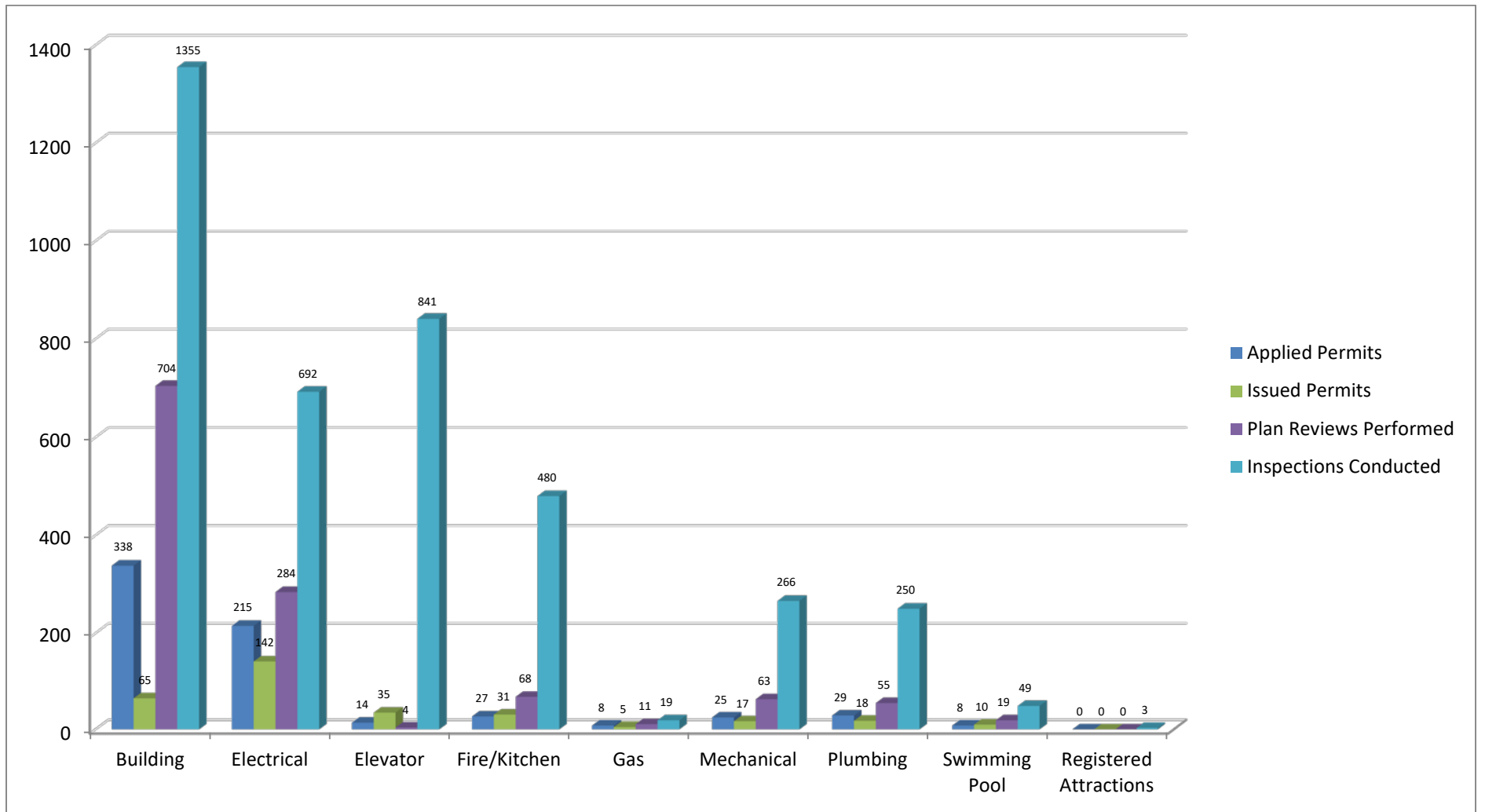
To: John Classe
From: Jerry Wooldridge
Subject: Monthly Report – January, 2021
Department: Building & Safety

February 1, 2021

Regulatory Activities:

- Certificate of Occupancy Issued:
 - Project DS WS NBA Experience
 - American Adventure Renovations & Bar Addition
 - Saratoga Springs Guestroom Renovation - Bldg 08
 - Beaches and Cream Renovation
 - Liberty Inn Production Smokehouse Kitchen Building
 - Le Cirque Du Soleil Retail Space
 - Animal Kingdom Lodge DME Check-In Desk Remodel
 - Town Center B17-113- Lovepop Remodel
 - Royal Oak Court Lot 9 - McCoy Residence Mobile Home Installation
- Certificate of Construction Completion Issued:
 - American Adventure Renovations & Bar Addition
 - Baboon Bldg 11 New Roof System
 - Central Shops Building Upgrades
 - EP Main Entrance Guest Flow
 - Harambe Market Restaurant Shade Structures
 - Hilton Homewood Suites - Flamingo Crossings - Passenger #1
 - Hilton Homewood Suites - Flamingo Crossings - Passenger #2
 - Hilton Homewood Suites - Flamingo Crossings - Passenger #3
 - Hilton Homewood Suites - Flamingo Crossings - Passenger #4
 - Liberty Inn Production Smokehouse Kitchen Building
 - MK-2
 - Parking Garage - Flamingo Crossings
 - Parking Garage - Flamingo Crossings - Passenger Elevator #1
 - Parking Garage - Flamingo Crossings - Passenger Elevator #2
 - Polynesian Bldg 04 Passenger Elevator Modernization
 - Polynesian Guestroom Renovation - Bldg 04
 - Project 256
 - Saratoga Springs Guestroom Renovation - Bldg 10
 - Splash Mountain Rehab
 - Swan Hotel AHU 17 Replacement
 - Tomorrowland Fins and Razors Replacement
 - Wyndham LBV Elevator Modernization- Kitchen E1 - E900112

Division	Applied Permits	Issued Permits	Plan Reviews Performed	Inspections Conducted
Building	338	65	704	1355
Electrical	215	142	284	692
Elevator	14	35	4	841
Fire/Kitchen	27	31	68	480
Gas	8	5	11	19
Mechanical	25	17	63	266
Plumbing	29	18	55	250
Swimming Pool	8	10	19	49
Registered Attractions	0	0	0	3
Total	664	323	1208	3955



Celebrations:

- Work Anniversaries:
 - Henry Pruiim– 8 years, Building Inspector
 - Jeremy Thoma – 2 years, Building Inspector
 - Lisa Landsberger – 24 years, Permit Technician

CC: Ann Blakeslee
RCID Pollution Control Board

EXHIBIT A

**FIRST AMENDMENT TO
INTERLOCAL AGREEMENT
BETWEEN
REEDY CREEK IMPROVEMENT DISTRICT
AND
ORANGE COUNTY
FOR DELIVERY OF WHOLESALE WATER SERVICES
TO THE
FLAMINGO CROSSINGS DEVELOPMENT**

THIS FIRST AMENDMENT TO INTERLOCAL AGREEMENT (this “Amendment”) is made and entered into on the date of later execution below, by and between the REEDY CREEK IMPROVEMENT DISTRICT, a public corporation and public body corporate and politic of the State of Florida, whose address is P.O. Box 10170, Lake Buena Vista, Florida 32830 (“Supplier”), and ORANGE COUNTY, a charter county and political subdivision of the State of Florida (the “County”), whose address is 201 South Rosalind Avenue, Orlando, Florida 32801. Hereinafter, Supplier and the County may be referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, on November 14, 2018, the Parties entered into that certain Interlocal Agreement between Reedy Creek Improvement District and Orange County for Delivery of Wholesale Water Services to the Flamingo Crossings Development (the “Agreement”); and

WHEREAS, the County has requested and Supplier has agreed to provide wholesale Water Services to areas of the County’s service area that are located outside of FC Ultimate, provided that the quantity of wholesale Water Services supplied by Supplier to the County do not exceed the flows in the County Approved MUP; and

WHEREAS, a wastewater meter must be installed in order to correctly bill wastewater flows from the County; and

WHEREAS, the Parties wish to amend the Agreement to revise (i) the County service area to be served with Water Services to include areas outside of FC Ultimate, and (ii) the wastewater billing to be based on a wastewater flow meter to be installed at the Wastewater System Infrastructure Point of Connection as shown on Exhibit D-2 of the Agreement; and

WHEREAS, Supplier and the County hereby determine this Amendment to be in the public interest.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Amendment, and for other good and valuable consideration, the receipt of which is acknowledged by the Parties, the Parties agree as follows:

SECTION 1. RECITALS INCORPORATED. All of the recitals set forth above are true and correct, and are incorporated in and made a part of this Amendment by this reference.

SECTION 2. DEFINITIONS. Defined (capitalized) terms used in this Amendment, but not defined in this Amendment, have the meanings given to such terms by the Agreement.

SECTION 3. MODIFICATIONS TO SECTION 3 OF THE AGREEMENT. Section 3(b) of the Agreement is hereby amended with deletions shown in strikethrough and additions shown in underline as follows:

SECTION 3. PROVISION OF WHOLESALE WATER SERVICE

(b) Supplier shall provide wholesale water service to the County, ~~based on up to the total quantity of flow in the County Approved MUP attached in Exhibit "B," for the County's retail customers within the County's service area within the FC Ultimate~~ on a temporary basis (1) until the date of construction substantial completion and the placing into service of the MRWSF and the WSRF, County infrastructure is available at the intersection of CR 545 and Western Way (the "County System Point of Connection"), and the FC Ultimate water service is connected, at no cost to the County, to the County system as shown on **Exhibit "C;"** or (2) until the date of construction substantial completion of the MRWSF and WSRF, and the FC Ultimate water service is connected to the County system beyond the County System Point of Connection, at no cost to the County, at the intersection of CR 545 and Western Way, whichever of (1) and (2) is earlier.

SECTION 4. MODIFICATIONS TO SECTION 4 OF THE AGREEMENT. Section 4(b) of the Agreement is hereby amended with deletions shown in strikethrough and additions shown in underline as follows:

SECTION 4. PROVISION OF WHOLESALE WASTEWATER SERVICE

(b) Supplier shall provide wholesale wastewater service to the County, ~~based on up to the total quantity of flow in the County Approved MUP attached in Exhibit "B," for the County's retail customers within the County's service area in the FC Ultimate~~ on a temporary basis (1) until the date of construction substantial completion and the placing into service of the SWWRF and the MPS, County infrastructure is available at the intersection of CR 545 and Western Way, and the FC Ultimate wastewater service is connected, at no cost to the County, to

the County system as shown on **Exhibit “C;”** or (2) until the SWWRF and the MPS are placed into service, and the FC Ultimate wastewater services are connected to the County system beyond the County System Point of Connection, at no cost to the County, at the intersection of CR 545 and Western Way, whichever of (1) and (2) is earlier.

SECTION 5. MODIFICATIONS TO SECTION 5 OF THE AGREEMENT.

Section 5(b) of the Agreement is hereby amended with deletions shown in strikethrough and additions shown in underline as follows:

SECTION 5. PROVISION OF WHOLESALE RECLAIMED WATER SERVICE

(b) Supplier shall provide wholesale reclaimed water service to the County, ~~based on~~ up to the total quantity of flow in the County Approved MUP attached in **Exhibit “B,”** ~~for the County’s retail customers within the County’s service area in the FC Ultimate~~ on a temporary basis (1) until the date of construction substantial completion and the placing into service of the RWSRF, County infrastructure that is connected to the RWSRF, as shown in **Exhibit “C,”** is available at the intersection of CR 545 and Western Way, and the FC Ultimate reclaimed water service is connected to the County system at no cost to the County; or (2) until the RWSRF is placed into service, and at no cost to the County, the FC Ultimate reclaimed water service is connected to the County system beyond the intersection of CR 545 and Western Way, including a connection to the RWSRF, whichever of (1) and (2) is earlier.

SECTION 6. MODIFICATIONS TO SECTION 6 OF THE AGREEMENT.

Section 6(d) and Section 6(e) of the Agreement are hereby amended with deletions shown in strikethrough and additions shown in underline as follows:

SECTION 6. RATE, PAYMENT, AND BILLING

(d) Bills for water, wastewater, and reclaimed water service shall be calculated based on the respective monthly meter readings at the Wholesale Points of Connection as described in Section 8.

~~(e) Intentionally Omitted. (e) The wastewater bill shall be based on the monthly water volume use as measured by the water meter at the Wholesale Point of Connection, multiplied by a factor of 0.818 (225 gpd per ERU divided by 275 gpd per ERC), where an Equivalent Residential Unit (ERU) for wastewater is equal to 225 gpd and an Equivalent Residential Connection (ERC) for water is equal to 275 gallons per day (gpd). Water used during construction of the new development within FC Ultimate may be subtracted from the wastewater bill upon request by the County provided that the water use is metered.~~

SECTION 7. MODIFICATIONS TO SECTION 7 OF THE AGREEMENT.

Section 7 of the Agreement is hereby amended with deletions shown in strikethrough and additions shown in underline as follows:

SECTION 7. WATER USES

Notwithstanding anything contained in this Agreement to the contrary,
~~The~~ County's use of the Water Services may serve customers within the FC Ultimate area as well as customers within portions of the County's service area that are outside of FC Ultimate, and outside the areas defined in the County Approved MUP, provided that the total quantities of flows do not exceed those stated in the County Approved MUP. ~~shall be limited to service only to those customers located within the FC Ultimate area as described in Exhibit "A."~~

SECTION 8. MODIFICATIONS TO SECTION 8 OF THE AGREEMENT.

Section 8(c) and Section 8(d) of the Agreement are hereby amended with deletions shown in strikethrough and additions shown in underline as follows:

SECTION 8. WHOLESALE POINTS OF CONNECTION

(c) Meter assemblies are to be installed at the water, wastewater, and reclaimed water Wholesale Points of Connection. Water and reclaimed water wholesale meter assemblies shall be as shown in **Exhibit "E."** The division of ownership shall be as shown in **Exhibit "D."** **Exhibit "E"** is attached hereto and incorporated herein by reference.

(d) At no cost to the County, Supplier shall operate, maintain, and modify as necessary, its distribution, collection, and transmission systems on Supplier's side of the Wholesale Points of Connection to the County's utility system to the extent necessary to ensure delivery of wholesale water and reclaimed water service to ~~the FC Ultimate~~ serve the quantities of flows to the County, and wholesale wastewater service to serve the quantity of flow from the County, as stated in the County Approved MUP attached in Exhibit "B."

SECTION 9. MODIFICATIONS TO SECTION 10 OF THE AGREEMENT.

Section 10 of the Agreement is hereby amended with deletions shown in strikethrough and additions shown in underline as follows:

SECTION 10. METERING

Supplier shall install and properly calibrate metering equipment at all water, wastewater, and reclaimed water Wholesale Points of Connection. Such equipment shall remain the property of Supplier, who shall be responsible for its operation, maintenance, calibration and replacement throughout the term of this Agreement. Supplier shall read the meters for billing purposes. The metering

equipment shall be of standard make and type and shall meet the standards of the American Water Works Association (“AWWA”) for accuracy. With the County present, Supplier shall test the metering equipment for accuracy without charge to the County once during any twelve month period. Supplier shall perform such additional testing as may be requested by the County, with the County present, at a charge to the County not to exceed Supplier’s actual cost for such tests. Supplier shall provide the County with copies of the test results within thirty days of each test. Notwithstanding the foregoing, Supplier will not charge the County for tests that discover an inaccurate meter, as defined by AWWA. If an inaccurate meter is discovered, Supplier shall make bill adjustments for up to twelve months preceding the test. Bill adjustments will be accounted for in the next billing cycle and a separate bill will not be generated.

SECTION 10. RECORDING. The Parties agree that this Amendment shall be recorded by Supplier at Supplier’s expense in the Public Records of Orange County, Florida.

SECTION 11. RATIFICATION; CONFLICT. Except as specifically modified and amended by this Amendment, the Agreement remains in full force and effect and is ratified and confirmed by the Parties. In the event of a conflict between the terms of the Agreement and this Amendment, the terms and provisions of this Amendment shall control and be given effect.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed as of the dates indicated below by their duly authorized representatives.

ORANGE COUNTY, FLORIDA

By: Board of County Commissioners

By: _____

Jerry L. Demings
Orange County Mayor

Date: _____

ATTEST: Phil Diamond, CPA, County Comptroller
As Clerk of the Board of County Commissioners

By: _____

Deputy Clerk

Print Name: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

REEDY CREEK IMPROVEMENT DISTRICT

By: Board of Supervisors

By: _____

John H. Classe, Jr.
District Administrator

Date: _____

WITNESS:

Printed Name: _____

EXHIBIT B

Live Front to Dead Front Switch Change Outs

RCID Authorized Funding					
Project	Preliminary Project Budget	Revised Project Budget	Previous Requests	This Request	Total Requests
Live Front to Dead Front Switch Change Outs					
Construction	\$410,000	\$450,000			
<i>Team Fishel Company, Inc. (June 2019)</i>			\$405,555		
<i>Team Fishel Company, Inc. - CO #5 (February 2021)</i>				\$39,665	\$445,220
Design	\$67,600	\$67,600			
<i>Leidos, Inc. (September 2018)</i>			\$48,907		
<i>Leidos, Inc. - CO#1 (January 2019)</i>			\$17,200		\$66,107
Owner Furnished Material (<i>September 2018 & June 2019</i>)	\$500,000	\$400,000	\$500,000	-\$100,000	\$400,000
RCES Soft Costs (<i>September 2018, June 2019 & August 2020</i>)	\$132,000	\$192,000	\$132,000	\$60,000	\$192,000
Contingency	\$45,000	\$45,000	\$40,556	\$3,967	\$44,523
Total	\$1,154,600	\$1,154,600	\$1,144,218	\$3,632	\$1,147,850

EXHIBIT B



EXHIBIT C

SECOND AMENDMENT TO THE TRANSACTION SCHEDULE

This Second Amendment to the Transaction Schedule dated July 24, 2019, ("Second Amendment") by and between Duke Energy Florida, LLC ("DEF") and Reedy Creek Improvement District ("RCID") has been agreed upon as of February __, 2021, ("Effective Date"). DEF and RCID may each individually be referred to as a "Party" or collectively as the "Parties."

Whereas, DEF and RCID are parties to that certain Transaction Schedule dated July 24, 2019, as amended, entered into pursuant to the Service Agreement dated September 3, 2010, and the Cost-Based Rates Tariff CBR, FERC Electric Tariff No. 9 (CR-1) (the "Agreement"); and,

Whereas, the Parties now desire to further amend the Agreement as set forth below.

Now Therefore, in consideration of the promises, mutual covenants, and conditions set forth herein in this Second Amendment, the Agreement, and for good and valuable consideration, the sufficiency of which is acknowledged, and intending to be bound hereby, the Parties agree as follows:

1. Article 1(c) **Delivery Period** is hereby amended by deleting "March 31, 2021," and replacing it with "December 31, 2021."

2. Article 1(b) **Capacity Quantity** is hereby deleted in its entirety and replaced with the following: "Capacity Quantity (MW) for the Delivery Period shall be 1 MW for each Month of 2019, 5 MW for each month of 2020, and 5 MW for each month of 2021, deemed to be delivered from the Facility for purposes of this Schedule; provided, however, Company may in its sole discretion deliver the Capacity Quantity and Energy Quantity from its generating system."

3. Article 2(b) **Transmission Service** is hereby amended by deleting "December 31, 2020" and replacing it with "March 31, 2021."

4. Article 4(a) **Non-Fuel Energy Charge** is hereby deleted in its entirety and replaced with the following: "**Non-Fuel Energy Charge.** The Customer shall pay to the Company a monthly Non-Fuel Energy Charge (the "Non-Fuel Energy Charge") equal to the product of \$29.00/MWh in 2019 and 2020 and \$26.82/MWh for the period January 1, 2021 through December 31, 2021, and the amount of Energy delivered by the Company at the Delivery Point for the relevant Month ("Monthly Energy Delivered"). For example, in a 2020 Month in which the Monthly Energy Delivered is 496 MWh (2MW * 8hrs/day * 31 days/mth) as noted in Exhibit A, the Customer shall pay to the Company a Non-Fuel Energy Charge of \$14,384 (\$29.00/MWh multiplied by 496 MWh)."

5. Except to the extent amended hereby as set forth above, all other terms and provisions of the Agreement shall remain unchanged and are in full force and effect.

6. Each Party represents and warrants to the other that: (i) each has the capacity, authority and power to execute, deliver, and perform under this Second Amendment; (ii) this Second Amendment constitutes legal, valid and binding obligations enforceable against it; (iii) each person who executes this Second Amendment on behalf of each Party warrants to having full and complete authority to do so; (iv) each Party is acting on its own behalf, has made its own independent decision to enter into this Second Amendment, has performed its own independent due diligence, is not relying upon the recommendations of any other party, and is capable of understanding, understands, and accepts the provisions of this Second Amendment; (v) each Party has completely read, fully understands, and voluntarily accepts every provision hereof; (vi) each Party agrees that neither Party shall have any provision hereof construed against such Party by reason of such Party drafting any provision of this document; and, (vii) nothing in this Second Amendment is intended to modify or otherwise clarify the intent of any provision of the Agreement, except to the extent expressly set forth herein. This Second Amendment shall be in full force and effect as of the Effective Date above, and the Agreement shall be amended as provided for herein effective as of the Effective Date.

7. This Second Amendment shall be governed by and construed in accordance with the laws of the State of Florida, without reference to choice of law doctrines.

- 8. This Second Amendment may be executed in one or more counterparts, including by a facsimile transmission hereof, and each transmission shall be deemed an original, together constituting one instrument.

IN WITNESS WHEREOF, the Parties have each caused this Second Amendment to be executed by their duly authorized representatives.

Reedy Creek Improvement District

Duke Energy Florida, LLC

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

This Second Amendment shall not become effective until it is signed by both Parties.

EXHIBIT D

ECEP Chiller Plant Rehabilitation Phase 1

RCID Authorized Funding					
Project	Preliminary Project Budget	Revised Project Budget	Previous Requests	This Request	Total Requests
ECEP Chiller Plant Rehabilitation Phase 1					
Construction	\$3,400,000	\$3,815,000			
<i>S.I. Goldman Company, Inc. (June 2020)</i>			\$3,378,900		
<i>S.I. Goldman Company, Inc. - CO #4 (February 2021)</i>				\$415,000	\$3,793,900
Owner Furnished Material (May 2020)	\$1,025,000	\$1,025,000	\$1,025,000		\$1,025,000
RCES Soft Costs (May 2020 & June 2020)	\$300,000	\$300,000	\$300,000		\$300,000
Contingency	\$340,000	\$440,000	\$337,890	\$100,000	\$437,890
Total	\$5,065,000	\$5,580,000	\$5,041,790	\$515,000	\$5,556,790

EXHIBIT D



EXHIBIT E

**AGREEMENT FOR THE PURCHASE OF SOLAR ENERGY AND ENVIRONMENTAL
ATTRIBUTES**

between

BELL RIDGE SOLAR, LLC

and

REEDY CREEK IMPROVEMENT DISTRICT

Dated as of _____, 2021

AGREEMENT FOR THE PURCHASE OF SOLAR ENERGY AND ENVIRONMENTAL ATTRIBUTES

This Agreement for the Purchase of Solar Energy and Environmental Attributes, including Exhibits 1-12 hereto, which are incorporated into and made part hereof (hereinafter collectively, this “Agreement”), is made and entered into as of this ___ day of _____ 2021, by and between **BELL RIDGE SOLAR, LLC**, a Delaware limited liability company (hereinafter “Seller”) registered to do business in the State of Florida, and **REEDY CREEK IMPROVEMENT DISTRICT**, a political subdivision organized and existing under the laws of the State of Florida (hereinafter “Buyer” or “RCID”) under the terms specified herein. Buyer and Seller are sometimes herein referred to individually as a “Party” and collectively as the “Parties.” Notwithstanding anything set forth herein, neither this Agreement nor any covenants or transactions contemplated hereunder will be effective or binding unless and until both Parties have executed this Agreement, and the date on which the last of the Parties executes the Agreement shall be the “Effective Date” of this Agreement.

RECITALS

WHEREAS, Buyer is a political subdivision of the State of Florida organized and existing under to the laws of the State of Florida; and

WHEREAS, Buyer the owner and operator of the RCID Electric System, provides generation and electric distribution services to its customers within Florida; and

WHEREAS, Seller is engaged in the business of developing, owning, and operating solar photovoltaic generating facilities for the purpose of producing electric energy; and

WHEREAS, Buyer desires to purchase the Product (as defined below) to serve the needs of its customers and provide a portion of RCID’s Capacity needs; and

WHEREAS, Seller desires to construct, own, and operate a solar photovoltaic generating facility to be located at an Acceptable Site (as defined below) in Florida connected to the DEF Transmission System, which is anticipated to have a total Nameplate Capacity Rating (as defined below) of approximately **74.5 MWac** (hereinafter the “Facility”); and

WHEREAS, Buyer and Seller desire to memorialize the fundamental business terms upon which Seller will produce, deliver, and sell, and Buyer will receive, purchase, and pay for the Product to be produced by the Facility for the Term (as defined below); and

NOW THEREFORE, in consideration of the promises and mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. **Definitions.**

Unless defined in the body of the Agreement, any capitalized term herein shall have the meaning set forth below:

- 1.1 “AAA” is defined in Section 23.3.1.
- 1.2 “AC” or “ac” means alternating current.
- 1.3 “Acceptable Site” means the real property depicted or described in Exhibit 4 on which the Facility will be located or alternative real property designated or depicted in reasonable detail in a notice provided by Seller to Buyer after the Effective Date but prior to December 31, 2021 that fulfills the Alternative Site Requirements and is otherwise reasonably acceptable to Buyer, as evidenced by Buyer’s written consent to the use of such alternative real property as the site of the Facility, which consent may not be unreasonably withheld, conditioned or delayed.
- 1.4 “Abandon(s)” means (i) the permanent relinquishment of all control and possession of the Facility by Seller, other than a transfer permitted by this Agreement, (ii) prior to the Commercial Operation Date, the complete cessation of the development, construction planning, construction, testing and inspection of the Facility for thirty (30) consecutive days by Seller and Seller’s contractors, or (iii) following the Commercial Operation Date, the complete cessation of the operation, maintenance and repair of the Facility for thirty (30) consecutive days by Seller and Seller’s contractors, but in each case (i) through (iii), only if such relinquishment or cessation is not caused by or attributable to a Force Majeure or an Event of Default of Buyer.
- 1.5 “Affiliate” means, with respect to any entity, each entity that directly or indirectly controls, is controlled by, or is under common control with, such designated entity, with “control” meaning the possession, directly or indirectly, of the power to direct management and policies, or otherwise have control of an entity, whether through the ownership of voting securities or by contract or otherwise. NextEra Operating Partners, LP, NextEra Energy Partners, LP, and their respective subsidiaries shall be deemed to be Affiliates of Seller. Notwithstanding the foregoing, with respect to Buyer, if at any point Buyer has any subsidiaries or affiliates whose activities are subject to the oversight or regulation of any state commission(s) and/or FERC, the term Affiliate shall not include such subsidiaries or affiliates.
- 1.6 “Alternative Site Requirements” means real property described in a notice by Seller to Buyer in accordance with Section 1.3 as a proposed site of the Facility that is connected to the DEF Transmission System.
- 1.7 “Agreement” is defined in the introductory paragraph hereof.
- 1.8 “Applicable Law” means any applicable treaty, constitution, law, statute, ordinance, rule, order, decree, regulation, or other directive which is legally binding and has been enacted, issued or promulgated by any Governmental Authority, now in effect or hereafter enacted, amendments to any of the foregoing, interpretations of any of the foregoing by a Governmental Authority having jurisdiction, and all

applicable judicial, administrative, arbitration and regulatory decrees, judgments, injunctions, writs, orders, awards or like actions.

- 1.9 “Assignment” is defined in Section 24.1.
- 1.10 “Back-Up Media” is defined in Section 16.4.
- 1.11 “Bankrupt” means, with respect to a Party or entity, that such Party or entity: (a) makes an assignment or any general arrangement for the benefit of creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors; (c) has such a petition filed against it as debtor and such petition is not stayed, withdrawn, or dismissed within forty-five (45) Business Days of such filing; (d) seeks or has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; (e) is unable to pay its debts as they fall due or admits in writing of its inability to pay its debts generally as they become due; and/or (f) otherwise becomes bankrupt or insolvent (however legally evidenced).
- 1.12 “Billing Meter” is defined in Section 10.
- 1.13 “Billing Period” is defined in Section 11.1.
- 1.14 “Breakage Costs” means all reasonably documented breakage costs and other transaction costs and expenses actually and reasonably incurred, by Seller or any Affiliate of Seller upon or in connection with the acquisition of the Facility by Buyer or termination of the Agreement pursuant to the exercise by Buyer of the Early Purchase Option or Final Purchase Option (i) under any of the Financing Documents or under or consisting of any Facility Debt, (ii) contracting for, or terminating any arrangements for, operations, maintenance, administration, scheduling or related services for the Facility or (iii) terminating any arrangement pursuant to which Seller, or any Affiliate thereof, has financed with any Facility Lender or Facility Lenders or otherwise hedged Seller’s obligations under this Agreement.
- 1.15 “Business Day” means any day on which the Federal Reserve member banks in New York City are open for business. A Business Day shall run from 8:00 a.m. to 5:00 p.m. Eastern Prevailing Time (as defined in Section 1.57).
- 1.16 “Buyer” is defined in the introductory paragraph hereof.
- 1.17 “Buyer Required Level” is defined in Section 5.5.
- 1.18 “Capacity” means the electric generation capability and ability of the Facility. RCID expects to utilize such generation capability as part of its reserve requirements.
- 1.19 “Change in Market Design” means that, after the Effective Date, (i) the OATT has been changed and such change has a material adverse impact on either Party or (ii) Transmission Provider (as such term is later defined in this Agreement) has been dissolved or replaced and any successor to the Transmission Provider operates

under rules, protocols, procedures or standards that differ in a material respect from the OATT and such difference has a material adverse impact on either Party.

- 1.20 “Change in Tax Law” means that, after the Effective Date but prior to the Commercial Operation Date, (a) a bill that has been enacted into law, (b) any change in or amendment to the Code, (c) any change in the interpretation of the Code by a controlling and final decision of the United States Tax Court, United States District Court, United States Court of Appeals or United States Supreme Court, or (d) any binding guidance, notice, announcement or regulation issued by the United States Department of the Treasury, United States Internal Revenue Service or any other Governmental Authority that applies to taxpayers generally, solely to the extent that any of the events described in clauses (a) through (d) directly and materially adversely affects (i) the applicable depreciation or amortization periods, methods, amounts or conventions for the Seller or the Facility, or (ii) the availability or projected amount of investment tax credits or other Tax Attributes, and as a result prevents or is reasonably expected to prevent Seller from obtaining tax equity financing for the Facility on commercially reasonable terms and conditions.
- 1.21 “Change of Control” means a transaction or series of related transactions (by way of merger, consolidation, sale of stock or assets, or otherwise) with any person, entity or “group” (within the meaning of Section 13(d)(3) of the U.S. Securities Exchange Act of 1934) of persons pursuant to which such person, entity, or group would acquire (i) 50.1% or more of the voting interests in Seller or (ii) substantially all of the assets of Seller; *provided, however*, that a Change of Control shall not be deemed to have occurred in the case of consolidation or sale of the direct or indirect membership interest in Seller to an Affiliate.
- 1.22 “Code” means the United States Internal Revenue Code of 1986, as amended from time to time, and any successor statute.
- 1.23 “Commercial Operation” means that the Facility is operational such that all of the following have occurred and remain simultaneously true and accurate: (a) Seller has provided to Buyer a certificate from an independent and licensed professional engineer that the Facility has been constructed, has passed all critical tests for safe and reliable operation, and is fully capable of operating for the purpose of generating the Product and delivering the Product as required herein; (b) the Facility has received written authorization from the Transmission Provider for interconnection and synchronization of the Facility with the System; (c) the Facility has obtained all necessary Permits for the operation of the Facility and Required Approvals; (d) the Facility has been successfully synchronized with the System and (e) the Facility has met all requirements necessary for safely and reliably generating the Product and delivering the Product to Buyer in accordance with Prudent Utility Practice. For purposes of this definition, “independent” shall be deemed to mean that such licensed professional engineer may not be a current or former officer, director, employee or agent of either Party or any of its Affiliates.
- 1.24 “Commercial Operation Date” or “COD” means the date on which the Facility achieves or achieved Commercial Operation as set forth in Seller’s written notice pursuant to Section 9.2.

- 1.25 “Commercial Operation Date Deadline” means March 1, 2023, as such date may be extended pursuant to the terms of this Agreement.
- 1.26 “Commercially Reasonable Manner” or “Commercially Reasonable” means, with respect to a given goal or requirement, the manner, efforts and resources a reasonable person in the position of the promisor would use, in the exercise of its reasonable business discretion and industry practice, so as to achieve that goal or requirement, which in no event shall be less than the level of efforts and resources standard in the industry for comparable companies with respect to achieving or accomplishing the specified goal, requirement, or result. Factors used to determine whether a goal or requirement has been performed in a “Commercially Reasonable Manner” may include, but shall not be limited to, any specific factors or considerations identified in this Agreement as relevant to such goal or requirement.
- 1.27 “Compensable Curtailment” means any curtailment of Energy output from the Solar Facility for the reasons described in parts (b), (c), (d), (e) or (f) of the definition of “Curtailed Energy” set forth below.
- 1.28 “Contract Price” is defined in Section 4.4.
- 1.29 “Contract Quantity” is defined in Section 4.2.
- 1.30 “Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions, and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace the terminated transaction(s) under this Agreement, and all reasonable attorneys’ fees and other legal expenses incurred by the Non-Defaulting Party in connection with the termination of such transactions. In the case of Seller, Costs shall include any costs and expenses reasonably incurred in connection with any Facility Debt.
- 1.31 “Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as a corporate or issuer rating.
- 1.32 “Curtailed Energy” means Energy that could have been generated by the Facility and delivered to the Delivery Point but that was not so generated and delivered due to complete or partial curtailment of the Facility as a result of: (a) an Emergency Condition (specifically including any curtailment initiated by Buyer, Transmission Provider, FRCC Reliability Coordinator or RCID System Operator pursuant to Section 20.2), or the complete or partial curtailment of the Facility pursuant to Section 20.3 or a Force Majeure; (b) the exercise by Buyer of its right to curtail deliveries of Energy output of the Facility pursuant to Section 20.1, (c) the failure by Buyer to submit an offer or schedule for energy generated by the Facility, the submission by Buyer of an offer or schedule that is not compliant with the (then-current) OATT or that is less than Seller’s energy forecasts submitted pursuant to Section 9.4, except if such deviation is caused by a failure of Seller to comply

with the provisions of Section 9.4, (d) the submission by Buyer or RCID System Operator of an offer or schedule to Transmission Provider for energy generated by the Facility and such offer or schedule is not accepted in whole or part due to non-compliance with the (then- current) OATT, (e) an Event of Default of Buyer, or failure by Buyer to perform its obligations under this Agreement or breach by Buyer of this Agreement (other than due to a breach by Seller of its obligations under the Agreement), or (f) any delay or failure to consistently maintain DNR Approval rights sufficient to deliver, and allow for the delivery of, all Energy output from the Delivery Point to Buyer’s load for the entire duration of the Delivery Period. The amount of Curtailed Energy for any period of complete or partial curtailment of the Facility shall be calculated based on the solar data during the period in question, and the availability of the Facility to produce electric energy during the period of the curtailment in question. For the avoidance of doubt, any curtailment to the Facility by Buyer, RCID System Operator or the Transmission Provider shall be considered “Curtailed Energy” for purposes of this Agreement.

- 1.33 “Daily LDs (Liquidated Damages)” is defined in Section 19.5.1.
- 1.34 “Damages” is defined in Section 12.1.
- 1.35 “Deemed Delivered Energy” means Curtailed Energy that is described in subparts (b), (c), (d), (e) or (f) of the definition of “Curtailed Energy” set forth above.
- 1.36 “DEF Transmission System” means the Duke Energy Florida Transmission System.
- 1.37 “Defaulting Party” is defined in Section 18.
- 1.38 “Delivery Period” is defined in Section 4.1.
- 1.39 “Delivery Point” means the point of interconnection between the Facility and the System, it being understood that the Delivery Point shall be on the high voltage side (Buyer or Transmission Provider side) of the step-up transformer or transformers from the Facility.
- 1.40 “Development Performance Assurance” is defined in Section 5.1.
- 1.41 “Dispute” is defined in Section 23.2.
- 1.42 “DNR” means designated network resource for the full Nameplate Capacity Rating, which, as of the Effective Date, is assumed to be 74.5 MWac.
- 1.43 “DNR Approval” means Designated Network Resource Approval and is further defined in Section 6.3.
- 1.44 “DNR Approval Deadline” means July 1, 2021.
- 1.45 “DNR Approval Period” means the period of time that the Facility is approved by the Transmission Provider to be a DNR for Buyer’s load on the DEF Transmission System. The Parties intend for the DNR Approval Period to be the entire duration

of the Delivery Period.

- 1.46 “Downgrade Event” means that (i) the applicable Credit Rating (corporate or long-term senior unsecured debt) of Seller, Seller’s Qualified Guarantor, Buyer, or Buyer’s Qualified Guarantor (if any), as applicable, is below Investment Grade; or (ii) none of Fitch, Moody’s or S&P provides a Credit Rating for Seller, Seller’s Qualified Guarantor, Buyer, or Buyer’s Qualified Guarantor (if any), as applicable.
- 1.47 “Early Option Closing Date” is defined in Exhibit 8.
- 1.48 “Early Option Notice” is defined in Exhibit 8.
- 1.49 “Early Purchase Option” is defined in Exhibit 8.
- 1.50 “Early Termination Date” is defined in Section 19.1.
- 1.51 “Effective Date” is defined in the introductory paragraph hereto.
- 1.52 “Emergency Condition” means (a) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is existing on the System; (b) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is likely to result in any of the following: (i) RCID’s loss of load greater than fifty-one percent (51%) of RCID’s then electric load, or (ii) endangerment to human life or public safety; and/or, (c) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is likely to result in any of the following: (i) loss or damage to the Facility and/or the System, (ii) disruption of generation by the Facility, (iii) disruption of service or stability on the System, (iv) failure of facilities that comprise the System that is likely to adversely affect the reliability of the System without automatic or immediate manual action, or (v) endangerment to human life or public safety; and/or, (d) any circumstance that requires emergency action by the Seller (i) to comply with standing NERC regulations or standards to which Seller is subject, or (ii) to otherwise respond to, prevent, limit, or manage (A) loss or damage to the Facility, (B) loss or damage to the System, (C) disruption of generation by the Facility, (D) disruption of service on the System, (E) any abnormal condition on the System, and/or (F) endangerment to human life or public safety. An Emergency Condition will be an excuse to Seller’s performance only if such condition is not due to Seller’s negligence, willful misconduct, or failure to perform as required under this Agreement, including, without limitation, failure to perform in accordance with Prudent Utility Practice. An Emergency Condition will be an excuse to Buyer’s performance only if such condition is not due to Buyer’s negligence, willful misconduct, or failure to perform as required under this Agreement, including, without limitation, failure to perform in accordance with Prudent Utility Practice.
- 1.53 “Energy” means three-phase, 60-cycle per second (nominal) alternating current electric power and energy, expressed in either kWh or MWh, as the case may be.
- 1.54 “Entertainment Company” means a person or entity (i) owning or holding at least a fifty-one percent (51%) legal or equitable interest in, and/or controlling, managing or operating, one (1) or more Entertainment Venues, and (ii) whose business

operations generate at least twenty-five percent (25%) of such person's or entity's aggregate or consolidated gross revenue from any one or more of the following activities: operation of one or more Entertainment Venues, the development, promotion, recording or syndication of motion pictures; theatrical productions; concerts; music (live or recorded); creation and/or licensing of fanciful characters; or any element or combination of the foregoing, and through any medium or technology (whether now existing or hereafter developed).

- 1.55 “Entertainment Venue” means any assemblage of entertainment facilities for which an admission is charged, known as an entertainment destination on a national or an international scale and offering at least three or more of the following components: rides, shows, exhibits, amusement devices (such as game arcades, virtual reality or similar entertainment devices) and/or other forms of entertainment, such as, by way of example, but without limitation, MAGIC KINGDOM® Park, Epcot®, Disney Hollywood Studios®, Disney’s Animal Kingdom® Theme Park, CityWalk, Six Flags, Cedar Point, Busch Gardens, Disney’s Blizzard Beach Water Park, Universal® Studios and Arabian Knights.
- 1.56 “Environmental Attributes” means, in conjunction with the metered electric energy produced by the Facility, any and all fuel-related, emissions-related, air quality-related or other environmental-related aspects, claims, characteristics, benefits, credits, reductions, offsets, savings, allowances, efficiencies, certificates, tags, attributes, or similar products or rights (including all of those relating to greenhouse gases and all green certificates, green tags, renewable certificates and Renewable Energy Credits), howsoever entitled and whether known or unknown, whether existing as of the Effective Date or in the future, and whether or not such Environmental Attributes have been certified or verified under any renewable standards or otherwise that arise or result from the generation of the Product. Environmental Attributes include any such Environmental Attributes that could qualify or do qualify for application toward compliance with any local, state, federal or international renewable energy portfolio standard, green pricing program, renewable energy program, carbon reduction or greenhouse gas reduction initiative, electricity savings program, licensing requirement, verification or certification procedure, federal contract, or other environmental program, incentive mandate or objective, in each case whether voluntary or mandatory, and whether created by Requirements of Law, or by any Governmental Authority, partnership, coalition, advisory committee, or independent certification board, group or scientific panel. Environmental Attributes include the right to report such Environmental Attributes to any Governmental Authority or other Person. Environmental Attributes do not include any state or federal: (a) production tax credits associated with the Facility; (b) investment tax credits and other tax credits associated with the Facility; or (c) grants in lieu of investment tax credits or any similar financial payment or grant with respect to the Facility or the metered electric energy output thereof.
- 1.57 “EPT” or “Eastern Prevailing Time” means the time in effect in the Eastern Time Zone of the United States of America, whether it be Eastern Standard Time or Eastern Daylight Savings Time.
- 1.58 “Event of Default” is defined in Section 18.

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- 1.59 “Exercise Price” means at a price equal to the sum of (a) the higher of (i) the Fair Market Value and (ii) the Net Book Value of the Facility Assets, plus (b) the Breakage Costs.
- 1.60 “Expected Annual Output” means the quantity of Energy identified in Exhibit 5 for each calendar year during the Delivery Period of the Facility.
- 1.61 “Facility” is defined in the recitals to this Agreement.
- 1.62 “Facility Assets” means the Facility and related assets, including contracts, permits and real property interests, owned or held by Seller, which are to be acquired by Buyer pursuant to an exercise by Buyer of the Early Purchase Option or Final Purchase Option, as applicable. Facility Assets shall not include any cash that would be reflected as such on the Seller’s balance sheet on the date of consummation of Buyer’s purchase of the Facility Assets pursuant to any such exercise of the Early Purchase Option or Final Purchase Option.
- 1.63 “Facility Debt” means the obligations of Seller or Seller’s Affiliate pursuant to the Financing Documents, including distributions, indemnities, principal of, premium and interest on indebtedness, fees, expenses or penalties, amounts to fund reserves, amounts due upon acceleration, prepayment or restructuring, swap or interest rate hedging breakage costs and any claims of interest due with respect to any of the foregoing, including reasonable attorney fees. For the avoidance of doubt, Facility Debt shall include tax equity transactions.
- 1.64 “Facility Lender(s)” means any lender, including Tax Investors, providing Facility Debt to Seller or Seller’s Affiliate, or other Persons interested in investing in, the Facility, and any successors and assigns thereof.
- 1.65 “Fair Market Value” means the price a willing buyer would pay a willing seller for the Facility Assets neither being under compulsion to buy or sell and both being reasonably aware of the relevant facts and circumstances.
- 1.66 “FERC” means the Federal Energy Regulatory Commission or any successor thereto.
- 1.67 “Final Option Notice” is defined in Exhibit 8.
- 1.68 “Final Purchase Option” is defined in Exhibit 8.
- 1.69 “Financing Documents” means documents associated with the investment by the Tax Investors, the loan and credit agreements, notes, bonds, indentures, security agreements, lease financing agreements, mortgages, deeds of trust, interest rate exchanges, swap agreements, equity contribution agreements and other documents relating to the development, bridge, construction and/or permanent debt financing or equity financing for the Facility (on a stand-alone basis or part of a portfolio), including any credit enhancement, Performance Assurance, working capital financing, or refinancing documents, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

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- 1.70 “Fitch” means Fitch Ratings, Inc., or any successor-rating agency thereto.
- 1.71 “FL-Peninsular Region” means that part of the State of Florida subject to regulation by SERC, pursuant to delegated authority from NERC, for the purpose of proposing and enforcing standards to ensure the reliability and security of the bulk electric power supply system within the SERC Region.
- 1.72 “Florida Government in the Sunshine Laws” is defined in Section 16.1.
- 1.73 “Forced Outage” means any unintended or unplanned condition impacting the Facility that requires immediate removal from service of the Facility or some part thereof.
- 1.74 “Force Majeure” is defined in Section 14.1.
- 1.75 “FPSC” means the Florida Public Service Commission, its staff, or any Governmental Authority succeeding to the powers and functions thereof.
- 1.76 “FRCC” means the Florida Reliability Coordinating Council, Inc.
- 1.77 “FRCC Reliability Coordinator” means the FRCC, or any successor thereto, as the Reliability Coordinator for the FL-Peninsular Region of SERC.
- 1.78 “GAAP” shall mean generally accepted accounting principles for financial reporting in the United States.
- 1.79 “Gains” means, with respect to the Non-Defaulting Party, an amount equal to the present value of the economic benefit to the Non-Defaulting Party, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Term, determined in a Commercially Reasonable Manner. Factors used in determining the economic benefit may include, without limitation, reference to information available either internally or supplied by third parties, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, or other relevant market data, comparable transactions, settlement prices or market prices for comparable transactions, forward price curves, production by comparable facilities, expected and historical production, all calculated for the remaining Term of the Agreement for the Product (inclusive of all components).
- 1.80 “Governmental Authority” means any federal, state or local government, legislative body, court, administrative agency or commission or other governmental or regulatory authority or instrumentality or authorized arbitral body, including, without limitation, FPSC, having jurisdiction over this Agreement, the Facility or either Party.
- 1.81 “Indemnified Party” is defined in Section 12.1.
- 1.82 “Indemnifying Party” is defined in Section 12.1.
- 1.83 “Independent Force Majeure” is defined in Section 14.2.
- 1.84 “Interconnection Agreement” means the separate interconnection and transmission service agreement (or agreements) to be negotiated and executed between Seller

and the Transmission Provider concerning the interconnection of the Facility with the System and the requirements for transmission service.

- 1.85 “Investment Grade” shall mean, with respect to any entity, such entity has a Credit Rating that meets any two of the following three rating requirements: (a) BBB- or higher from S&P, or (b) BBB- or higher from Fitch, or (c) Baa3 or higher from Moody’s (if such entity is rated by all three agencies, the two highest ratings will be used).
- 1.86 “Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%); and, (b) the maximum rate permitted by Applicable Law.
- 1.87 “kW” means kilowatt ac.
- 1.88 “kWh” means kilowatt-hour ac.
- 1.89 “Letter(s) of Credit” means one or more irrevocable standby letters of credit, substantially in the form of Exhibit 7 hereto or in a form reasonably acceptable to the beneficiary, issued by a U.S. commercial bank or a U.S. branch of a foreign bank, which is not an Affiliate of either Party, which has a Credit Rating of at least A- from S&P or Fitch, or A3 from Moody’s, and assets of at least Ten Billion Dollars (\$10,000,000,000), permitting the Party not providing Performance Assurance to make full or partial draws on the letter of credit in accordance with the terms of this Agreement, including the right to make a full draw of the entire amount if such Letter of Credit is not renewed or replaced at least twenty (20) Business Days prior to its stated expiration date.
- 1.90 “Lien” means any mortgage, deed of trust, lien, pledge, charge, claim, security interest, easement, covenant, right of way, restriction, equity, or encumbrance of any nature whatsoever.
- 1.91 “Losses” means, with respect to the Non-Defaulting Party, an amount equal to the present value of the economic loss to the Non-Defaulting Party, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Term, determined in a Commercially Reasonable Manner. Factors used in determining the economic loss or loss of economic benefit may include, without limitation, reference to information available either internally or supplied by third parties, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, or other relevant market data, comparable transactions, settlement prices or market prices for comparable transactions, forward price curves, production by comparable facilities, expected and historical production, all calculated for the remaining Term of the Agreement for the Product (inclusive of all components).
- 1.92 “Maintenance Outage” means the temporary operational removal of the Facility from service to perform work on specific components of the Facility, at a time when the Facility must be removed from service before the next Planned Outage in the interest of safety or the prevention of injury or damage to or undue wear and tear

on the Facility or any component thereof.

- 1.93 “Milestone Deadline” means the date by which Seller shall achieve each Operational Milestone as set forth in Exhibit 3.
- 1.94 “Moody’s” means Moody’s Investors Service, Inc. or any successor-rating agency thereto.
- 1.95 “MW” means megawatt ac.
- 1.96 “MWh” means megawatt-hour ac.
- 1.97 “Nameplate Capacity Rating” means the installed AC nameplate capacity rating of the Facility as set forth in Exhibit 4.
- 1.98 “National Electrical Safety Code” or “NESC” is also known as American National Standard C2. It is a consensus standard that has been prepared by the National Electrical Safety Code Committee under procedures approved by the American National Standards Institute (ANSI).
- 1.99 “Net Book Value” means, as of the estimated closing date, (a) the initial cost of the Facility as of the date of substantial completion, plus (b) costs incurred after the date of substantial completion to acquire additional property, plant and equipment for the Facility or replace existing property, plant and equipment of the Facility, less (c) accumulated depreciation. The foregoing shall be determined consistently with GAAP, Property, Plant, and Equipment. Notwithstanding the foregoing, Net Book Value shall not include any cash that would be reflected as such on Seller’s balance sheet on the closing date. FERC’s Uniform System of Accounts shall be disregarded in the determination of Net Book Value.
- 1.100 “Net Settlement Amount” is defined in Section 19.3.
- 1.101 “Network Resource Interconnection Service” or “NRIS” means a large generator interconnection service that allows the Seller to connect and integrate its Facility with the Transmission Provider’s System in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers.
- 1.102 “NERC” means the North American Electric Reliability Corporation. For purposes of this Agreement, NERC includes any applicable regional entity with delegated authority from NERC and FERC, including as of the date hereof the SERC Region, specifically the FL-Peninsular Region.
- 1.103 “Network Upgrades” shall mean the additions, modifications, and upgrades to the System required at or beyond the Delivery Point to accommodate the interconnection of the Facility to the System.
- 1.104 “Non-Defaulting Party” is defined in Section 19.1.
- 1.105 “NRIS Deadline” means January 1, 2022, which date, notwithstanding anything herein to the contrary, shall not be subject to extension based on Force Majeure or

otherwise.

- 1.106 “OATT” means the Open Access Transmission Tariff of Transmission Provider, as filed with FERC (as the same may be amended or modified by the Transmission Provider or FERC requirements from time-to-time and approved by FERC).
- 1.107 “Operating Representatives” is defined in Section 8.3.
- 1.108 “Operational Milestone” means each operational event and result that Seller shall achieve as set forth in the Operational Milestone Schedule (Exhibit 3), with such supporting documentation as may be requested by Buyer from time-to-time in its Commercially Reasonable discretion.
- 1.109 “Operational Milestone Schedule” means the schedule established in Exhibit 3 setting forth each Operational Milestone that Seller shall fully complete by the Milestone Deadline.
- 1.110 “Operational Performance Assurance” is defined in Section 5.2.
- 1.111 “Option Closing” is defined in Exhibit 8.
- 1.112 “Outage” means any Planned Outage, Maintenance Outage or Forced Outage.
- 1.113 “Party or “Parties” is defined in the introductory paragraph hereto.
- 1.114 “Performance Assurance” means collateral in the form of either cash, Letter(s) of Credit, and/or a guaranty from a Qualified Guarantor, in each case that meets the requirements set forth in this Agreement (including, without limitation, Section 5), that a Party is required to establish and maintain pursuant to Section 5 as security for such Party’s performance under this Agreement. Notwithstanding the foregoing, in the case of Seller, NextEra Energy Capital Holdings, Inc. shall be a Qualified Guarantor provided it maintains an Investment Grade Credit Rating and retains any direct or indirect membership interest, economic interest, or other ownership in Seller or any Affiliate of Seller.
- 1.115 “Permit” means any permit, license, registration, filing, certificate of occupancy, certificate of public convenience and necessity, approval, variance or any authorization from or by any Governmental Authority and pursuant to any Requirements of Law.
- 1.116 “Permitted Excuse to Perform” means Seller’s obligation to generate, deliver, and sell, and/or Buyer’s obligation to receive and purchase, is partially or wholly excused and no damages will be payable by either Party to the other Party for such excused lack of performance, if and to the extent such failure is due solely to any of the following occurrences: (a) an Emergency Condition in which the Emergency Condition is not due to the negligence, willful misconduct, or failure to perform as required under this Agreement, including, without limitation, failure to perform in accordance with Prudent Utility Practice of the party claiming such Emergency Condition (it being understood that such negligence, willful misconduct, or failure of such claiming party shall not adversely affect the non-claiming party’s Permitted Excuse to Perform based upon the claimed Emergency Condition); (b) an enforceable directive of the FRCC Reliability Coordinator; (c) a directive from the

Transmission Provider pursuant to a valid provision of the Interconnection Agreement between Transmission Provider and Seller or of Transmission Provider’s applicable transmission tariffs; or (d) a Force Majeure event in which the party claiming Force Majeure has complied with Section 14 (it being understood that such party’s failure to comply with Section 14 shall not adversely affect the non-claiming party’s Permitted Excuse to Perform based upon the claiming party’s attempted claim of Force Majeure).

- 1.117 “Permitted Transfer” means any of the following: (a) transactions among Affiliates of Seller, including any corporate reorganization, merger, combination or similar transaction or transfer of assets or ownership interests involving only Seller and its Affiliates, provided, that (i) the Seller’s Ultimate Parent Company retains the authority, directly or indirectly, to control such Party (with “control” having the meaning provided in Section 1.5), or (ii) a wholly-owned, indirect subsidiary of Seller’s Ultimate Parent Company operates the Facility, (b) any exercise by a Facility Lender or Tax Investor of its rights and remedies under the Financing Documents, (c) a Change of Control of Seller’s Ultimate Parent Company or NextEra Energy Resources, LLC, (d) any change of economic and voting rights triggered in Seller’s organization documents arising from the financing of the Facility and which does not result in the transfer of ownership, economic or voting rights in any entity that had no such rights immediately prior to the change, (e) the direct or indirect transfer of shares of, or equity interests in, Seller to a Tax Investor; or (f) a transfer of the Facility (or the direct or indirect ownership or equity interests of Seller) in whole or in part to a Person that acquires, directly or indirectly, (i) one hundred percent (100%) or less of the membership interests of Seller, or (ii) all or substantially all or a lesser portion of the Facility’s assets, provided that, (A) following such transfer pursuant to part (f), the entity that operates the Facility is (or contracts with) a Qualified Operator, (B) Seller (or such Person) satisfies the applicable Performance Assurance requirements, and (C) such Person is not an Entertainment Company (at the time of such transfer).
- 1.118 “Person” means any individual, entity, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association or other entity or Governmental Authority.
- 1.119 “Planned Outage” means the temporary operational removal of the Facility from service to perform work on specific components in accordance with a pre-planned operations schedule, such as for a planned annual overhaul, inspections, or testing of specific equipment of the Facility. Seller shall use its Commercially Reasonable efforts in accordance with Prudent Utility Practice not to schedule Planned Outages during the months of May, June, July, August and September.
- 1.120 “Product” means the Energy generated by the solar Facility, inclusive of all components and any and all associated Environmental Attributes.
- 1.121 “Production Measurement Period” means a rolling period of two (2) calendar years, the first of which commences on January 1 of the calendar year next following the calendar year in which the Commercial Operation Date occurs and ends on December 31 of the subsequent calendar year, and each succeeding period commences on January 1 of the calendar year next following the end date of the

preceding period and ends on December 31 of the subsequent calendar year.

- 1.122 “Production Shortfall” means, with respect to any Production Measurement Period, the amount in MWh by which X is greater than Y for such Production Measurement Period, where:

“X” = eighty percent (80%) of the Expected Annual Output for such Production Measurement Period, in MWh, after adjusting such Expected Annual Output by the amount, in MWh, of any Energy not delivered in such Production Measurement Period during any Seller Excused Hours.

“Y” = the aggregate amount, in MWh, of net Energy production of the Facility delivered to the Delivery Point in such Measurement Period.

- 1.123 “Protected Information” is defined in Section 16.1.

- 1.124 “Prudent Utility Practice” means those practices, methods, equipment, specifications, standards of safety, and performance, as the same may change from time to time, as are commonly used in the construction, interconnection, operation, and maintenance of electric power facilities, inclusive of delivery, transmission, and generation facilities and ancillaries, which in the exercise of good judgment and in light of the facts known at the time of the decision being made and activity being performed are considered: (i) good, safe, and prudent practices; (ii) are in accordance with generally accepted standards of safety, performance, dependability, efficiency, and economy in the United States; (iii) are in accordance with generally accepted standards of professional care, skill, diligence, and competence in the United States; and, (iv) are in compliance with applicable regulatory requirements and/or reliability standards. Prudent Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of others, but rather are intended to include acceptable practices, methods and acts generally accepted in the energy generation and utility industry.

- 1.125 “Qualified Operator” means Seller or an operator of photovoltaic solar generation facilities that has sufficient experience and technical capability to perform for Seller’s benefit the obligations of Seller under this Agreement related to the operation and maintenance of the Facility in accordance with the applicable requirements of this Agreement, as evidenced by such operator having operated three (3) or more photovoltaic solar generation facilities, each having a nameplate capacity rating of twenty (20) MW or more, for not less than three (3) years.

- 1.126 “Qualified Guarantor” means with respect to Seller or Buyer, a Person domiciled in the United States that, at the time such Person is to provide a guaranty (such guaranty in substantially the form attached hereto as Exhibit 9 or in a form reasonably acceptable to the beneficiary), has an Investment Grade Credit Rating.

- 1.127 “RCID Electric System” means the generation and distribution system owned and operated by RCID.

- 1.128 “RCID System Operator” means RCID’s operators who have the responsibility to balance generation supply with customer load and serve as scheduling coordinator for the Facility, and the authority to provide dispatch and curtailment

instructions to generators supplying Energy to the System, and includes any person or entity duly authorized and designated by RCID delivering any such instructions to the Seller in the execution and fulfillment of such person’s or entities’ official authorized duties.

- 1.129 “RCID System Operator Instruction” means any order, action, requirement, demand, or direction from the RCID System Operator that is authorized by, consistent with, and neither preempted by nor subordinate to any rule, regulation, or requirement of the FRCC Reliability Coordinator or the Transmission Provider, including all provisions of the Transmission Provider’s applicable tariffs, in accordance with Prudent Utility Practice, and delivered to Seller to suspend or interrupt any operational activity in a non-discriminatory manner for an Emergency Condition or Force Majeure event; provided, however, that such limitation on non-discrimination shall not limit the right of the RCID System Operator to suspend or interrupt power supplies as necessary and in accordance with this Agreement to maintain the integrity, reliability, and stability of the RCID Electric System. In the event of any conflict between an instruction from the FRCC Reliability Coordinator or an instruction from or a tariff requirement of the Transmission Provider, and a RCID System Operator Instruction, the instructions and requirements of the FRCC Reliability Coordinator and the Transmission Provider shall be deemed to have priority and superior effect over RCID System Operator Instructions.
- 1.130 “Renewable Energy Credits” or “RECs” means any and all credits, including any emissions reduction credits, such as CO₂ emission reduction credits, for renewable energy generated at the Facility that could qualify or do qualify for application toward compliance with any local, state, federal or international renewable energy portfolio standard, green pricing program or other renewable energy or environmental mandate or objective, whether at the Effective Date or at any time during the Term.
- 1.131 “Replacement Energy” means, with respect to any Production Measurement Period in which a Production Shortfall occurred, the number of MWh of Energy purchased by Buyer to replace Energy required by this Agreement to be produced by the Facility and delivered by Seller to the Delivery Point during such Production Measurement Period but not produced by the Facility and delivered by Seller to the Delivery Point during such Production Measurement Period, up to the amount in MWh of such Production Shortfall.
- 1.132 “Replacement Power Costs” means, with respect to any Production Measurement Period in which a Production Shortfall occurred, the actual costs reasonably incurred by Buyer to purchase Replacement Energy and replacement RECs that Seller was required to provide to Buyer under this Agreement during such Production Measurement Period but failed to provide, up to the amount in MWh of such Production Shortfall, less the sum of any payments from Buyer to Seller under this Agreement that were eliminated as a result of such Production Shortfall. Replacement Power Costs shall be determined on an hourly basis and shall equal the sum of all hours where the following calculation achieves a positive number:

$$\text{Replacement Power Costs} = (A + B + C) - D, \text{ where:}$$

“A” is the product of (i) the Replacement Energy (MWh) for the applicable hour and (ii) the actual transaction price for Energy delivered to Buyer’s system at the Point of Delivery for the applicable hour.

“B” is either (a) in any case where, after the Effective Date, Buyer has become obligated to comply, as a result of a change in Requirements of Law applicable to Buyer, or Buyer has committed to voluntarily comply, as communicated by Buyer’s management to Buyer’s Board of Supervisors or publicly announced, with any local, state, federal or international renewable energy portfolio standard, green pricing program or other renewable energy or environmental mandate or objective during the applicable Production Measurement Period, the product of (i) the Replacement Energy (MWh) for the applicable hour, and (ii), the actual costs reasonably incurred by Buyer in purchasing replacement RECs required by Buyer for such compliance, or, if replacement RECs are not purchased by Buyer but are required by Buyer for such compliance, the applicable market price of such replacement RECs as determined by Buyer in a commercially reasonable manner, or, if Buyer, acting in a commercially reasonable manner, elects to pay any monetary amount the payment of which is in lieu of such compliance, such monetary amount, or (b) in any other case, zero.

“C” is an amount equal to the actual cost of transmission, ancillary services, fuel and fuel transportation and related penalties that could not be avoided or mitigated and transaction charges to deliver reasonably available Replacement Energy to Buyer.

“D” is the product of the MWh of Energy equal to the reasonably allocated portion of the Production Shortfall that was not delivered under this Agreement in the applicable hour and the applicable Contract Price for such Energy.

- 1.133 “Required Approvals” is defined in Section 6.1.
- 1.134 “Requirements of Law” means any applicable legally binding federal, state, or local law, constitution, statute, regulation, rule, code, ordinance, resolution, order, writ, judgment, decree, consent decree, directive, or Permit enacted, adopted, issued or promulgated by any Governmental Authority, including, without limitation, (i) those pertaining to the creation and delivery of the Product, (ii) those pertaining to electrical, building, zoning, occupational safety, health requirements or to pollution or protection of the environment, and (iii) those under which a person may be held liable for the release or discharge of any hazardous substance into the environment or any other environmental damage, or for the creation or maintenance of any nuisance or dangerous condition in general.
- 1.135 “Seller” is defined in the introductory paragraph hereof.
- 1.136 “Seller Excused Hours” means those hours during which Seller is unable to schedule or deliver Energy produced by the Facility to the Delivery Point as a result of (a) a curtailment under the definition of “Curtailed Energy,” (b) a Permitted Excuse to Perform, or (c) a Planned Outage or Maintenance Outage.

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- 1.137 “Seller Performance Assurance” means Performance Assurance that Seller is required to establish and maintain pursuant to Section 5 as security for Seller’s performance under this Agreement.
- 1.138 “Seller’s Ultimate Parent Company” means the ultimate parent of Seller, which as of the Effective Date is NextEra Energy, Inc.
- 1.139 “Senior Executive” is defined in Section 23.2.
- 1.140 “SERC” means the SERC Reliability Corporation or any successor thereto.
- 1.141 “SERC Region” means the region subject to regulation by SERC, pursuant to delegated authority from NERC, for the purpose of proposing and enforcing standards to ensure the reliability and security of the bulk electric power supply system within such region.
- 1.142 “S&P” means Standard & Poor’s Ratings Services, Inc. or any successor-rating agency thereto.
- 1.143 “Station Power” means any Energy generated or received by the Facility and, whether metered or unmetered, used on site to supply the Facility’s auxiliary load and parasitic load and/or for powering the electric generation equipment, and any Environmental Attributes associated with such Energy.
- 1.144 “System” means the transmission, distribution, and generation facilities that are owned, directed, managed, interconnected, controlled, and/or operated by the Transmission Provider, including, without limitation, facilities to provide retail and/or wholesale service, substations, circuits, reinforcements, meters, extensions, and equipment associated with or connected to any interconnected facility or customer.
- 1.145 “Target COD” means December 1, 2022, as such date may be extended pursuant to the terms of this Agreement.
- 1.146 “Tax Attributes” means (i) investment tax credits (including any grants or payments in lieu thereof) and any other tax deductions or benefits under federal, state or other law available as a result of the ownership and operation of the Facility or the output generated by the Facility (including, without limitation, tax credits, payments in lieu thereof and accelerated and/or bonus depreciation); and (ii) present or future (whether known or unknown) cash payments, or outright grants of money relating in any way to the Facility.
- 1.147 “Taxes” means all taxes, fees, levies, licenses or charges imposed by any Governmental Authority, together with any interest and penalties thereon.
- 1.148 “Tax Investor” means an equity investor in the Facility that is not an Affiliate of Seller prior to the execution of the Financing Documents, pursuant to a financing structure that assigns such investor rights, title and benefits to the Tax Attributes of Seller.
- 1.149 “Term” is defined in Section 3.1.

- 1.150 “Testing Period” is defined in Section 4.3.
- 1.151 “Third Party Appraiser” is defined in Exhibit 8.
- 1.152 “Transmission Provider” means the Person that will provide interconnection or electric transmission service, or both, to Seller to enable delivery of the Product to Buyer at the Delivery Point, and any such Person will include any successor or replacement thereto, including without limitation, a consolidated control area or a regional transmission organization.
- 1.153 “Transmission Provider Facilities” means those facilities, equipment and upgrades that are located on land further described in Exhibit 6, and as depicted in the diagram included in Exhibit 6, which such Exhibit 6 shall be updated by Seller with a listing of the Transmission Provider Facilities and a One-Line Diagram subsequent to the execution of the Interconnection Agreement.
- 1.154 “Upgrade Event” means that the applicable Credit Rating (corporate or long-term senior unsecured debt) of Buyer, Buyer’s Qualified Guarantor or Seller’s Qualified Guarantor (if and as applicable) equals or exceeds Investment Grade, and which circumstance is preceded by a Downgrade Event.

2. Interpretation.

Unless a different intention clearly appears, the following terms and phrases shall be interpreted as follows: (a) the singular includes the plural and vice versa; (b) the reference to any Person includes such Person’s legal and/or permitted successors and assignees, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (c) the reference to any gender includes the other gender and the neuter; (d) the reference to any document, including this Agreement, refers to such document as it may be amended, amended and restated, modified, replaced or superseded from time to time in accordance with its terms, or any successor document(s) thereto; (e) the reference to any section or exhibit means such section or exhibit of this Agreement unless otherwise indicated; (f) “hereunder”, “hereof”, “hereto”, “herein”, and words of similar import shall be deemed references to this Agreement as a whole and not to any particular section or other provision; (g) “including” (and with correlative meaning “include”), when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope; (h) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”; (i) reference to any Requirements of Law refers to such Requirements of Law as it may be amended, modified, replaced or superseded from time to time, or any successor Requirements of Law thereto; and (j) all exhibits and attachments to this Agreement are hereby incorporated into this Agreement. Other terms used, but not defined in Section 1 or in the body of this Agreement, shall have meanings as commonly used in the English language and, where applicable, in the electric utility industry. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings.

3. Term and Termination.

- 3.1 Term. This Agreement shall be effective as of the Effective Date and, subject to termination as provided in this Agreement, shall remain in full force and effect until the later of (i) December 1, 2042; or (ii) the date that is twenty (20) years from the Commercial Operation Date (the “Term”).
- 3.2 Seller Early Termination Rights. This Agreement may be terminated by Seller prior to the Target COD as follows:
- 3.2.1 In the event a Change in Tax Law occurs; provided, (a) Seller may only terminate this Agreement pursuant to this Section 3.2.1 on or prior to April 30, 2022, and (b) if Seller elects to terminate this Agreement pursuant to this Section 3.2.1, then within ten (10) Business Days of such termination, Seller shall pay to Buyer liquidated damages equal to sixty-five percent (65%) of the existing Seller Development Performance Assurance as of the date such notice is provided by Seller. Such payment shall be Buyer’s exclusive remedy and Seller’s sole liability with respect to termination of this Agreement as provided in this Section 3.2.1. If there is any conflict between the provisions of this Section 3.2.1 and the provisions of Section 7.3, the provisions of this Section 3.2.1 shall control.
- 3.2.2 Without any further financial or other obligation to Buyer as a result of such termination, if (a) the cost to construct the Network Upgrades could reasonably be expected to exceed \$30,000,000, as determined by Seller in good faith on the basis of the then most recent written estimate provided by the Transmission Provider of such cost and the margin of error for such estimate specified by the Transmission Provider, and (b) the Parties fail to agree, after delivery by Seller of notice to Buyer pursuant to clause (i) below of this Section 3.2.2, upon a mutually agreeable (in each respective Party’s sole discretion) increase in the Contract Price that would equitably compensate Seller for the expected economic detriment to Seller that would result from such expected excess cost to construct the Network Upgrades; provided, that Seller may only exercise its right to terminate the Agreement pursuant to this Section 3.2.2 by (i) first, providing notice (which shall include the Transmission Provider’s written estimate) to Buyer in reasonable detail of such determination by Seller, no later than thirty (30) days after the Transmission Provider informs Seller of the Transmission Provider’s written estimate, or any material increase in the amount of the Transmission Provider’s written estimate, of the cost to construct the Network Upgrades, and the margin of error specified by the Transmission Provider for such estimate, upon which such determination by Seller is based, which notice specifies both the amount of such expected excess of costs to construct the Network Upgrades and the amount of the increase in the Contract Price that Seller in good faith believes would equitably compensate Seller for the expected economic detriment to Seller that would result from such expected excess cost to construct the Network Upgrades, (ii) second, reasonably consulting with Buyer, as reasonably requested by Buyer, with respect to both such amounts, and negotiating in good faith with Buyer to seek to reach mutual agreement with Buyer upon a mutually

agreeable increase in the Contract Price that would equitably compensate Seller for such expected economic detriment, for a period of ninety (90) days following delivery by Seller of such notice to Buyer pursuant to the preceding clause (i) of this Section 3.2.2, and (iii) third, if (and only if) the Parties fail to agree upon such mutually agreeable increase in the Contract Price within such period of ninety (90) days, notifying Buyer, no later than the earlier of ten (10) Business Days after expiration of such period or April 1, 2022, of termination by Seller of this Agreement pursuant to this Section 3.2.2.

- 3.3 Termination and Survival. This Agreement may be terminated earlier than the expiration of the Term as provided for herein. If this Agreement is terminated earlier than the expiration of the Term for any reason, including, without limitation, whether by its terms, mutual agreement, early termination, or Event of Default, such termination shall not relieve any Party of any obligation accrued or accruing prior to the effectiveness of such termination. Furthermore, any obligations, limitations, exclusions and duties which by their nature or the express terms of this Agreement extend beyond the expiration or termination of this Agreement, including, without limitation, provisions relating to compliance requirements, accounting, billing (associated with billing cycles that occurred prior to the termination of this Agreement), billing adjustments (associated with billing cycles that occurred prior to the termination of this Agreement), limitations or liabilities, dispute resolution, return of Performance Assurance, confidentiality, and any other provisions necessary to interpret or enforce the respective rights and obligations of the Parties hereunder, shall survive the expiration or early termination of this Agreement.

4. Purchase and Sale Obligations.

- 4.1 Delivery Period. The “Delivery Period” for the Product to be generated by the Facility and sold by Seller to Buyer shall be for all hours beginning with the hour ending at 1:00 A.M., Eastern Prevailing Time, on the Commercial Operation Date and continuing through the end of the last hour on the last day of the Term, unless this Agreement is terminated earlier pursuant to this Agreement.
- 4.2 Contract Quantity. The “Contract Quantity” is one-hundred percent (100%) of the Product that is produced by the Facility and delivered to the Delivery Point, as measured at the Delivery Point. The Contract Quantity does not include any Station Power.
- 4.2.1 During the Delivery Period, Seller shall sell and deliver all of the Product produced by the Facility, net of any Station Power, on an as-available basis exclusively and solely to Buyer. Seller shall have no obligation to sell, deliver, or pay any damages associated with not selling or delivering the Product due to a Permitted Excuse to Perform, a curtailment under the definition of “Curtailed Energy,” or any other explicit and applicable exception provided for in this Agreement, including during any Outages.
- 4.2.2 During the Delivery Period, Buyer shall receive, purchase, and pay for all of the Contract Quantity delivered to the Delivery Point. Buyer shall have full and exclusive rights to such Contract Quantity for its purposes and uses

in its sole and exclusive discretion. Buyer shall have no obligation to receive, purchase, pay for, or pay any damages associated with not receiving the Product due to a Permitted Excuse to Perform or any other explicit and applicable exception provided for in this Agreement.

- 4.2.3 Seller's estimate as of the Effective Date of the monthly amount of net Energy production of the Facility that will be delivered to the Delivery Point during the initial year of the Delivery Period is set forth in Exhibit 1 hereto. Seller's estimate as of the Effective Date of the annual amount of net Energy production of the Facility that will be delivered to the Delivery Point is set forth in Exhibit 5 hereto. The estimates of such quantities of net Energy production of the Facility in Exhibit 1 and Exhibit 5 were prepared by Seller in good faith and Seller disclaims any other representation or warranty whatsoever with respect to the accuracy or reliability of such estimates. Buyer acknowledges and accepts that there exists a reasonable likelihood that the actual net Energy production of the Facility will be materially different from such estimated quantities, and that Seller's estimates of such quantities of net Energy production of the Facility will change after the Effective Date, due to differences between Seller's plans for the development and construction of the Facility as of the Effective Date and the actual, as-built condition of the Facility and other factors beyond the reasonable control of Seller or not anticipated by Seller in preparing such good faith estimates. At any time after the Effective Date and prior to the Commercial Operation Date, in order to reflect the impact of any such differences and other factors upon Seller's good faith estimates, Seller shall be entitled, upon notice to Buyer, to update the estimates in Exhibit 1 and Exhibit 5 with Seller's then-current good faith estimates of such quantities of net Energy production of the Facility. Notwithstanding the foregoing, Seller shall construct the Facility to have an actual Nameplate Capacity Rating that is more than 70 MWac and less than 76 MWac and consistent with Exhibit 4 as of the Commercial Operation Date.
- 4.3 Testing Period. Prior to the Commercial Operation Date, Seller may test the Facility's capability to operate and generate the Product (the "Testing Period"). Seller shall provide Buyer with written notice of a date certain on which Seller desires to initiate the Testing Period and Seller shall ensure the Transmission Provider is prepared to receive such test power and that any required System upgrades to accommodate the transaction are complete. Upon reaching the Commercial Operation Date, Buyer shall pay Seller sixty-five percent (65%) of the Contract Price for the Contract Quantity that had been produced by the Facility during the Testing Period and delivered to Buyer at the Delivery Point, as measured at the Delivery Point, which amount payable will be included in the first invoice provided by the Seller to the Buyer pursuant to this Agreement, provided that if the Testing Period exceeds sixty (60) days, Buyer shall not have any obligation to pay Seller for any Contract Quantity that has been produced by the Facility after the initial sixty (60) days of the Testing Period.
- 4.4 Contract Price. The "Contract Price" for the Product shall be the price per MWh in U.S. Dollars set forth in Exhibit 2.

- 4.5 Delivery. Seller shall deliver the Contract Quantity to the Delivery Point. Seller shall be fully responsible for all costs, charges, expenses, and requirements associated with delivering the Contract Quantity to the Delivery Point. Any costs, charges, expenses, and requirements associated with delivering the Contract Quantity past the Delivery Point shall be the sole responsibility of Buyer. Buyer will have no obligation to pay for any Energy not delivered to the Delivery Point, except the obligation of Buyer to pay for Deemed Delivered Energy as provided in Section 20.6. Buyer shall be responsible for the scheduling of all Energy delivered by Seller to the Delivery Point in accordance with this Agreement, including any associated tagging and transmission scheduling.
- 4.6 Payment for Product. During the Term of this Agreement, Buyer agrees to receive, in accordance with and subject to this Agreement, the Product generated by the Facility and delivered at the Delivery Point by Seller to Buyer, and Buyer agrees to pay Seller the product of (i) the applicable Contract Price for the Energy multiplied by (ii) the amount of metered Energy, as measured at the Delivery Point, delivered by Seller to Buyer at the Delivery Point during the Delivery Period.
- 4.7 Transfer. In no event will Seller procure or have the right to procure the Product or any component of the Product from any source other than the Facility for sale and delivery pursuant to this Agreement. Title to and risk of loss to the Product sold and delivered hereunder shall transfer from Seller to Buyer after completion of delivery at the Delivery Point. Seller shall be responsible for any costs and charges imposed on or associated with the delivery of the Product to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the possession or use of the Product beyond the Delivery Point.
- 4.8 Purchase Option. Buyer shall have the options set forth in Exhibit 8 to purchase the Facility from Seller.

5. Performance Assurance and Related Provisions.

- 5.1 Development Security. No later than one-hundred and twenty (120) days after the Effective Date, Seller shall provide and deliver to Buyer Performance Assurance in the amount of Twenty-Four Thousand Dollars (\$24,000) per MW of the Nameplate Capacity Rating of the Facility (the “Development Performance Assurance”).
- 5.2 Operational Security. Within ten (10) Business Days after the Facility achieves Commercial Operation, Buyer shall return to Seller the Development Performance Assurance, and Seller shall provide and deliver to Buyer, Performance Assurance in the amount of Thirty-Five Thousand Dollars (\$35,000) per MW of the Nameplate Capacity Rating of the Facility (the “Operational Performance Assurance”) which shall remain in place for the remainder of the Delivery Period.
- 5.3 Maintenance of Performance Security. Seller is required to provide the applicable Performance Assurance and/or to maintain the applicable Performance Assurance in the required amount and in full force and effect throughout the Term of this Agreement. The applicable Performance Assurance provided by Seller shall be available to pay any amount due Buyer pursuant to this Agreement and to provide Buyer security to cover damages should Seller fail to perform its obligations under the Agreement beyond any applicable cure period. Buyer shall promptly return the

applicable Performance Assurance to Seller upon the later to occur of: (i) the expiration or termination of this Agreement; and (ii) the payment of all of Seller's payment obligations that are outstanding under this Agreement as of such expiration or termination; except that if the Facility achieves Commercial Operation, Buyer shall return to Seller the Development Performance Assurance pursuant to Section 5.2. Notwithstanding the foregoing or anything else in this Agreement to the contrary, (A) Seller shall have no obligation to replenish any Development Performance Assurance in the event Buyer draws upon any or all of such Development Performance Assurance and (B) prior to the end of the Term, in the event Buyer draws upon any Operational Performance Assurance, Seller shall be obligated to replenish such Operational Performance Assurance within ten (10) Business Days and thereafter maintain the Operational Performance Assurance in the applicable amount required in accordance with Section 5.2, provided that Seller's cumulative obligation with respect to Operational Performance Assurance (including, for the avoidance of doubt, the initial posted Operational Performance Assurance and any replenishments of the same) shall not exceed \$70,000/MW in the aggregate. Any failure to draw upon the Performance Assurance for any damages or other amounts due to Buyer shall not be considered a waiver or otherwise prejudice Buyer's rights to recover such damages or amounts in any other manner, subject to the other terms of this Agreement.

- 5.4 Seller Performance Assurance Requirements. If at any time any existing Performance Assurance provided by Seller fails to meet any of the requirements under this Agreement, Seller shall, within ten (10) Business Days of Buyer providing Seller with written notice of the same, replace such Performance Assurance with alternative Performance Assurance that meets each of the requirements under this Agreement. Seller will be solely responsible for any and all costs incurred with providing and maintaining any Performance Assurance to the full amount required by this Agreement. If Seller fails to replace, renew, or otherwise maintain the required Performance Assurance as and when required by this Agreement, then Buyer (in addition to other rights and remedies under this Agreement) shall be entitled, for the purpose of securing the performance of Seller's obligations under this Agreement, to draw and hold as collateral security hereunder the full amount of the Performance Assurance until and unless Seller provides a substitute form of such Performance Assurance meeting the requirements of this Section 5.
- 5.5 Buyer Performance Assurance Requirements. If Buyer has experienced a Downgrade Event (or, if at any time during the Term, Buyer or Buyer's Qualified Guarantor experiences a Downgrade Event), then Seller will provide Buyer written notice requesting Performance Assurance in an amount equal to Sixteen Thousand Dollars (\$16,000) per MW of the Nameplate Capacity Rating of the Facility (the "Buyer Required Level"). Upon receipt of such notice, Buyer shall have ten (10) Business Days to provide Performance Assurance to Seller in an amount equal to the Buyer Required Level. In the event Seller draws on the Performance Assurance, then, within ten (10) Business days of such draw, Buyer shall be obligated to replenish such Performance Assurance within ten (10) Business Days and thereafter maintain the Performance Assurance in the applicable amount required in accordance with this Section 5.5, provided that the Buyer's cumulative obligation with respect to Performance Assurance shall not exceed (\$32,000/MW).

- 5.5.1 The Performance Assurance provided by Buyer pursuant to the provisions of this Section 5.5 shall be available to pay any amount due Seller pursuant to this Agreement and to provide Seller security to cover damages should Buyer fail to perform its obligations under this Agreement beyond any applicable cure period. Any failure to draw upon the Performance Assurance for any damages or other amounts due to Seller shall not be considered a waiver or otherwise prejudice Seller's rights to recover such damages or amounts in any other manner, subject to the other terms of this Agreement.
- 5.5.2 Promptly following the end of the Term and the completion of all of Buyer's obligations under this Agreement, Seller shall return the Performance Assurance to Buyer.
- 5.6 Upgrades. If either Buyer or a Party's Qualified Guarantor, as applicable, experiences an Upgrade Event, then the Buyer or Seller, as applicable, may provide the other Party with written notice of such Upgrade Event, and upon receipt of notice of such Upgrade Event, Buyer or Seller, as applicable, shall promptly, but in any case no later than ten (10) Business Days from receipt of such notice (i) to the extent that the Performance Assurance was in the form of United States currency, release and wire transfer such cash to the account designated by Buyer or Seller, as applicable, (ii) to the extent the Performance Assurance was in the form of a Letter of Credit, deliver to Buyer or Seller, as applicable, the original Letter of Credit together with a letter indicating such credit should be cancelled as well as any other documents reasonably requested by the credit issuer to cancel such credit, or (iii) to the extent the Performance Assurance was in the form of a guarantee by a Qualified Guarantor, return such guarantee to Buyer or Seller, as applicable, marked cancelled and released.

6. Buyer and Seller Compliance Requirements.

- 6.1 Seller Required Approvals. Seller shall at its sole cost and expense, as and when required, timely obtain, maintain, and comply with all Required Approvals (definition follows) during the Term of this Agreement. "Required Approvals" means all of the following:
- 6.1.1 All Permits, authorizations, certifications, and/or approvals from any Governmental Authority and under any Requirements of Law, including, without limitation, from the FPSC or FERC, for Seller to design, construct, build, own, operate, modify and maintain the Facility, sell and deliver the Product to Buyer, and meet its requirements under this Agreement.
- 6.2 Interconnection. As provided in Section 7.4, at its sole cost and expense, Seller shall request Network Resource Interconnection Service for the Facility from the Transmission Provider as soon as reasonably practicable and shall thereafter diligently pursue such study work and required approvals through the NRIS Deadline.
- 6.3 DNR Approval. Within ten (10) days following the Effective Date, Buyer shall, at its sole cost and expense, request that the Transmission Provider approve the Facility as a DNR for Buyer's load on the DEF Transmission System (the "DNR

Approval”) for the entire duration of the Delivery Period by the DNR Approval Deadline. Buyer shall use Commercially Reasonable efforts to obtain DNR Approval by the DNR Approval Deadline. If Buyer does not obtain DNR Approval by the DNR Approval Deadline, despite Buyer’s Commercially Reasonable efforts and provided that such failure is not caused in whole or in part by any wrongful action or inaction on the part of Buyer, then the Parties shall reasonably consult with each other and negotiate in good faith (but in each respective Party’s sole discretion) on whether and for how long to extend the DNR Approval Deadline and/or the Target COD and the Commercial Operation Date Deadline; provided that, if the Parties fail to reach a final agreement on such proposed delay by August 1, 2021, then either Party may, unless and until the earliest of (a) such an agreement being reached between the Parties, or (b) Buyer receiving a DNR Approval from the Transmission Provider that provides the DNR Approval Period will begin on or before May 1, 2023 (in which case the below Target COD and Commercial Operation Date Deadline extensions shall apply, as applicable), terminate this Agreement upon three (3) Business Days’ prior written notice to the other Party without any further financial or other obligation to the other Party as a result of such termination.

If Buyer obtains DNR Approval, Buyer shall thereafter consistently maintain DNR Approval rights sufficient to deliver, and allow for the delivery of, all Energy output from the Delivery Point to Buyer’s load for the entire duration of the Delivery Period. Within five (5) Business Days of Buyer receiving the DNR Approval from the Transmission Provider, Buyer shall advise Seller of the start and end dates of the DNR Approval Period. If the DNR Approval provides that the DNR Approval Period will not begin before December 1, 2022, but provides that the DNR Approval Period will begin on or before May 1, 2023, then, notwithstanding anything to the contrary in this Agreement, the Target COD and the Commercial Operation Date Deadline shall be extended on a day-for-day basis for the greater of (a) the number of days the DNR Approval Period is then-stated to begin after December 1, 2022, or (b) the number of days the DNR Approval Period actually begins past December 1, 2022. If the DNR Approval provides that the DNR Approval Period will not begin on or before May 1, 2023, then the Parties shall reasonably consult with each other and negotiate in good faith (but in each respective Party’s sole discretion) on whether and for how long to delay the Target COD and the Commercial Operation Date Deadline; provided that, if the Parties fail to reach a final agreement on such proposed delay by August 1, 2021, then either Party may, unless and until the earliest of (a) such an agreement being reached between the Parties, or (b) Buyer receiving a new DNR Approval statement from the Transmission Provider that the DNR Approval Period will begin on or before to May 1, 2023 (in which case the above Target COD and Commercial Operation Date Deadline extensions shall apply), terminate this Agreement upon three (3) Business Days’ prior written notice to the other Party without any further financial or other obligation to the other Party as a result of such termination.

- 6.4 Certain Developments. If either Party receives notice from the Transmission Provider or otherwise reasonably determines that any of the following developments has occurred: (i) a material delay or denial of Seller’s application for Network Resource Interconnection Service to the Facility; (ii) the Commercial

Operation Date is not likely to be achieved by the Commercial Operation Date Deadline due to delays in the construction of required Transmission Provider Facilities as further described in Section 7.4 below; or (iii) a material increase in the time required by Buyer to request or obtain the DNR Approval past the DNR Approval Deadline as further discussed in Section 6.3 above, then, without limiting any other provision of this Agreement (for the avoidance of doubt), the Party that received such notice or made such determination shall provide written notice of such development to the other Party, following which the Parties shall reasonably consult with each other and negotiate in good faith (but in each respective Party's sole discretion) concerning mitigation of any material adverse impact of such development on the respective benefits and burdens expected by the Parties as of the Effective Date to be realized by the transactions provided for in this Agreement.

7. **Seller's Facility Requirements.**

- 7.1 **Seller Requirements.** Seller covenants as set forth below (except as, or to the extent, otherwise expressly set forth in this Agreement): the Facility shall be designed, constructed, operated, controlled, maintained, and tested at Seller's sole cost and expense; the Facility shall be designed, constructed, interconnected, operated (inclusive, without limitation, of control, metering equipment, and personnel and staffing levels), controlled, maintained, and tested by Seller to perform as required by this Agreement and in compliance with all applicable Requirements of Law and Prudent Utility Practice; the Facility shall be capable of supplying the Product in a safe and reliable manner consistent with all applicable Requirements of Law and Prudent Utility Practice. All material contracts, agreements, arrangements, and/or Permits (including, without limitation, those necessary or prudent for the construction, ownership and operation of the Facility, such as land use permits, site plan approvals, real property titles and easements, environmental compliance and authorizations, construction permits, grading and building permits, and contracts and licenses to obtain all services and materials needed to install and operate the Facility, and to deliver and sell the Product of the Facility) shall be timely obtained and maintained by Seller, at Seller's sole cost and expense. Seller shall be responsible for arranging and obtaining, at its sole risk and expense, any station service required by the Facility. Seller shall be responsible for all costs, charges, and expenses associated with generating, forecasting, and delivering the Product to Buyer.
- 7.2 **Seller Responsibilities.** Except as otherwise explicitly provided in this Agreement, Seller agrees that: (a) Buyer shall have no responsibility for any costs and/or Taxes for the design, development, construction, maintenance, ownership, or operation of the Facility (including, but not limited to, any financing costs, and any costs and/or Taxes imposed by any Governmental Authority on or with respect to any emissions from or relating to the Facility, and including, but not limited to, costs and/or Taxes related to any emissions allowances for any emissions of any type whatsoever), all of which shall be entirely at Seller's sole cost and expense; and, (b) any risk as to the availability of production tax benefits, investment tax credits, grants or any other incentives relating to the design, development, construction, maintenance, ownership, or operation of the Facility shall be borne entirely by Seller.
- 7.3 **No Exclusions.** Except as otherwise provided in Section 3.2.1, if any production

or investment tax credit, grants, subsidy, or any other similar incentives or benefit relating, directly or indirectly, to the Facility is unavailable or becomes unavailable at any time during the Term of this Agreement, Seller agrees that such event or circumstance will not: (a) constitute a Force Majeure; (b) excuse or otherwise diminish Seller's obligations hereunder in any way; or, (c) give rise to any right by Seller to terminate or avoid performance under this Agreement. Seller agrees that it will solely and fully bear all risks, financial and otherwise throughout the Term, associated with Seller's or the Facility's eligibility to receive any such tax treatment or otherwise qualify for any preferential or accelerated depreciation, accounting, reporting, or tax treatment.

7.4 Transmission Provider. As of the Effective Date, Seller shall have submitted an interconnection study request for the Facility to the Transmission Provider, and Seller shall use Commercially Reasonable efforts to execute an Interconnection Agreement providing for Network Resource Interconnection Service. Seller agrees and acknowledges that the Interconnection Agreement is (and will be) a separate agreement (or agreements) between Seller and Transmission Provider and will exclusively govern all requirements and obligations between Seller and Transmission Provider. Only the Interconnection Agreement will govern all obligations and liabilities set forth in the Interconnection Agreement, and Seller shall be solely and fully responsible for all costs and expenses for which Seller is responsible under the Interconnection Agreement. Nothing in the Interconnection Agreement, nor any other agreement between Seller on the one hand and Transmission Provider on the other hand, nor any alleged event of default thereunder, shall affect, alter, or modify the Parties' rights, duties, obligations, and liabilities hereunder (except as otherwise provided in this Agreement). *However*, if the expected duration of construction of the Transmission Provider Facilities extends beyond Target COD, or there is a delay in the construction of the Transmission Provider Facilities that is not caused in whole or in part by any wrongful action or inaction on the part of Seller, and as a result, Seller fails to achieve Commercial Operation (including the required testing) on or before the Target COD, the Target COD and the Commercial Operation Date Deadline shall be extended on a day-for-day basis until the Transmission Provider Facilities are completed. This Agreement shall not be construed to create any rights between Seller and the Transmission Provider, and the terms of this Agreement are not (and will not) be binding upon the Transmission Provider. Seller agrees and acknowledges that Seller's performance under this Agreement depends on Seller's performance under the Interconnection Agreement (although, except as otherwise provided in this Agreement, Seller is not excused from performance under this Agreement as a result of Seller's or Transmission Provider's failure to perform under the Interconnection Agreement), and Seller hereby grants Buyer the right and entitlement to obtain information from the Transmission Provider regarding Seller's performance under the Interconnection Agreement.

7.5 RCID System Operations. Seller agrees and acknowledges that the RCID System Operator will be solely responsible for the functions of said RCID System Operator, and that nothing in this Agreement will be construed to create any rights between Seller and the RCID System Operator. Seller agrees that it is obligated to engage in interconnected operations with Transmission Provider and the System, and the Seller agrees to fully comply with all valid and binding directions of

Transmission Provider and the FRCC Reliability Coordinator, and to the extent authorized by, consistent with, and not in conflict with any requirements of the Interconnection Agreement, or directives of Transmission Provider and the FRCC Reliability Coordinator, with RCID System Operator Instructions.

- 7.6 Insurance Obligations. Commencing with the initiation of construction activities of the Facility, and continuing until the termination of this Agreement, and at no additional cost to Buyer, Seller shall maintain or cause to be maintained by contracted parties at the Facility, occurrence form insurance policies as follows: (a) Workers' Compensation in accordance with the statutory requirements of the state of Florida and Employer's Liability Insurance of not less than One Million Dollars (\$1,000,000) each accident/employee/disease; (b) Commercial General Liability Insurance having a limit of at least Five Million Dollars (\$5,000,000) per occurrence / Ten Million Dollars (\$10,000,000) in the aggregate including contractual liability, personal injury, bodily injury to or death of persons, and damage to property, premises and operations liability with no exclusion for explosion, collapse, and underground hazard coverage; (c) Commercial/Business Automobile Liability Insurance (including owned (if any), non-owned or hired autos) having a limit of at least Two Million Dollars (\$2,000,000) each accident for bodily injury, death, property damage and contractual liability; (d) Property Damage insurance on the Facility written on an all risk of loss basis; and, (e) if Seller will be handling or the Facility will have present environmentally regulated or hazardous materials, Pollution Legal Liability or Sudden and Accidental Pollution Liability, including coverage for sudden/accidental occurrences for bodily injury, property damage, environmental damage, cleanup costs and defense with a minimum of One Million Dollars (\$1,000,000) per occurrence (claims-made form acceptable with reporting requirements of at least one (1) year). All insurance policies provided and maintained by Seller or any applicable contracted party shall: (i) be underwritten by insurers which are rated A.M. Best "A-VII" or higher; (ii) specifically include Buyer as an additional insured, excluding, however, for Worker's Compensation/Employer's Liability and Property Damage insurance; (iii) be endorsed to provide, where permitted by law, waiver of any rights of subrogation against Buyer; and (iv) provide that such policies and additional insured provisions are primary and without right of contribution from any other insurance, self- insurance or coverage available to Buyer. Any deductibles or retentions shall be the sole responsibility of Seller or the applicable party. Seller's compliance with these provisions and the limits of insurance specified herein shall not constitute a limitation of Seller's liability pursuant to this Agreement. Any failure to comply with these provisions shall not be deemed a waiver of any rights of Buyer under this Agreement or with respect to any insurance coverage required hereunder.

7.6.1 Evidence of Insurance. In connection with all insurance coverage that Seller is required to maintain or cause to be maintained pursuant to this Agreement, Seller shall, on or before commencement of Facility construction, provide Buyer with two certificates of insurance in ACORD form or otherwise reasonably acceptable to Buyer evidencing insurance coverages that are in compliance with the applicable requirements for such insurance coverage set forth in Section 7.6.

7.6.2 Modification of Insurance. If any insurance that Seller is required to

maintain or cause to be maintained under Section 7.6 ceases to be reasonably available and commercially feasible in the commercial insurance market, Seller shall provide to Buyer written notice thereof, accompanied by a certificate from an independent insurance advisor of recognized national standing certifying that such insurance is not reasonably available and commercially feasible in the commercial insurance market for electric generating plants of similar type, geographic location and design as that of the Facility. Upon delivery to Buyer of such notice and accompanying certificate, Seller shall use Commercially Reasonable efforts to obtain and maintain, or cause to be obtained and maintained by contracted parties at the Facility, such other insurance as would provide comparable protection against the risk to be insured by the insurance that is the subject of such certificate, to the extent such other insurance is then reasonably available and commercially feasible in the commercial insurance market and Buyer shall not unreasonably withhold, condition or delay its consent to modify or waive, as reasonably requested by Seller to reflect such conditions with respect to the insurance that is the subject of such certificate and the results of such Commercially Reasonable efforts by Seller, the applicable requirements of Section 7.6.

8. Facility Performance Requirements.

- 8.1 Planned Outages. No later than sixty (60) days prior to the end of each year during the Term, Seller shall provide to Buyer a Planned Outage schedule for the upcoming year. Seller shall provide Buyer with forty-five (45) days advance written notice of any material change in the Planned Outage schedule. Seller shall determine the number and extent of Planned Outages in a Commercially Reasonable Manner recognizing that it is the intent of the Parties to maximize production of the Facility.
- 8.2 Maintenance Outages. If Seller needs or desires to schedule a Maintenance Outage of the Facility, Seller shall notify Buyer, as far in advance as reasonable and practicable under the circumstances, of such proposed Maintenance Outage, and the Parties shall plan such outage to mutually accommodate the reasonable requirements of Seller and delivery expectations of Buyer. Notice of a proposed Maintenance Outage shall include the expected start date of the outage, the amount of output of the Facility that will not be available and the expected completion date of the outage. Buyer may request reasonable modifications in the schedule for the outage. Subject to its operational and maintenance needs, Seller shall use Commercially Reasonable efforts to comply with such requests to reschedule a Maintenance Outage. If rescheduled, Seller shall notify Buyer of any subsequent changes in the output that will not be available to Buyer and any changes in the Maintenance Outage completion date. As soon as practicable, any such notifications given orally shall be confirmed in writing.
- 8.3 Notice. No later than three (3) months prior to Seller’s projected Commercial Operation Date, Seller and Buyer shall exchange contact information for their respective operational personnel responsible for the daily administration and implementation of this Agreement during the Testing Period and the Delivery Period (“Operating Representatives”) and proposed protocols for those matters

within the daily administration of this Agreement that may be communicated by an Operating Representative of a Party to an Operating Representative of the other Party in the manner specified and using the contact information for the Operating Representative of the recipient Party, without necessarily complying with the requirements for notice in Section 25 of this Agreement, provided that the Parties have agreed on the format of communication, and provided further that the Parties hereby agree that communication by email (without, for the avoidance of doubt, any need to comply with the requirements for notice in Section 25 of this Agreement) is and shall remain an acceptable format of communication (“Operating Procedures”). The Parties will then reasonably consult and communicate with each other as necessary to finalize and agree upon the Operating Procedures no later than thirty (30) days before the project Commercial Operation Date. The daily administration of this Agreement governed by the Operating Procedures may include activities such as, but not limited to, the establishment and setup of communications and telemetry from the Facility to Buyer, establishing operational and invoicing contact lists, and establishing daily operational procedures. Such Operating Procedures may address: (i) deliveries of energy during start-up and testing of the Facility; (ii) the method of day-to-day communications, including Buyer’s communications to Seller of any request for Curtailed Energy; (iii) clearance and switching practices; (iv) Hourly energy forecasting; (v) daily energy reports; (vi) Facility operations log, including any safety events; (vii) reactive power output; (viii) technical limitations of Facility operation; (ix) coordination of maintenance scheduling; (x) designation of Protected Information; (xi) the procedure for substantiating the transfer of Environmental Attributes under this Agreement; (xii) the verification of information with respect to the production of Environmental Attributes transferred to Buyer hereunder for purposes of certification; and (xiii) such other matters as the Operating Representatives agree are appropriate. The Operating Representatives will be responsible for modifying the Operating Procedures in writing to reflect any mutually agreed-upon changes. In the event of inconsistency or conflict between the Operating Procedures and specific terms of this Agreement, the specific terms of this Agreement will take precedence. In regards to the reporting of Facility outages, if either ten percent (10%) of the Facility’s Capacity is affected for more than three (3) calendar days or in Seller’s Commercially Reasonable judgment five percent (5%) of the Facility Capacity is likely to be affected for more than thirty (30) days, Seller shall promptly provide to Buyer’s Operating Representatives an oral report of all outages, Emergency Conditions, de-ratings, major limitations, or restrictions affecting the Facility, which report shall include the cause of such restriction, amount of generation from the Facility that will not be available because of such restriction, and the expected date that the Facility will return to normal operations. Seller shall update such report as necessary to advise Buyer of any material changed circumstances relating to the aforementioned restrictions. As soon as practicable (but not later than three (3) Business Days), all oral reports shall be confirmed in writing. Seller shall promptly dispatch personnel to perform the necessary repairs or corrective action in an expeditious and safe manner in accordance with Prudent Utility Practice.

- 8.4 Availability of Records and Data. Seller will keep complete and accurate records and data for the purpose of proper administration of this Agreement in accordance

with the following guidelines:

- 8.4.1 Seller shall each keep, subject to Seller’s reasonable internal email and other electronic data retention policies, for a minimum of five (5) years after the creation of such records and data and for any additional period of time required by any Requirements of Law or Governmental Authority, complete and accurate records and data (a) required by Seller for the purposes of proper administration of this Agreement, including such records as required by any Governmental Authority, the Transmission Provider, or NERC, as applicable, or (b) otherwise necessary for metering, billing and payment. Seller’s requirement to keep such records and data in the foregoing sentence shall be deemed to include a requirement that Seller to maintain an accurate and up-to-date operating log with records of: (a) real power production for each hour; (b) changes in operating status and scheduled maintenance; (c) any unusual condition found during inspections; and (d) any significant event related to the operation of the Facility.
- 8.4.2 Buyer may, at Buyer’s sole expense, audit and examine from time to time, upon reasonable advance written request, and during normal business hours, such records and data kept by Seller relating to transactions under and administration of this Agreement, and for compliance with this Agreement.
- 8.4.3 No later than sixty (60) days prior to the Target COD, Seller, at its own expense, shall install and maintain at least one stand-alone meteorological station at the Site to monitor and report meteorological data. The meteorological data shall include one (1) minute and hourly time-averaged measurements from data samples at ten (10) seconds or greater frequency for the following parameters at the Facility: total global horizontal irradiance, total global radiation within the plane of the array, air temperature, wind speed, relative humidity, precipitation, barometric pressure, back of module surface temperature and other pertinent meteorological conditions. Seller will maintain the meteorological station as necessary to provide accurate data with respect to the Facility site. Once per calendar year during the Term but after the Commercial Operation Date, Seller shall make available to Buyer, within twenty (20) Business Days of Buyer’s written request, the meteorological data that Seller obtains pursuant to this Section 8.4.3.
- 8.5 Performance. Seller shall operate the Facility in a safe manner consistent with all applicable codes, including the National Electrical Safety Code, and with Prudent Utility Practice. Further, Seller shall use Commercially Reasonable efforts to minimize the occurrence, extent, and duration of any event adversely affecting the generation of the Product consistent with Prudent Utility Practice. Seller agrees to comply with all valid and binding directives or orders of the FRCC Reliability Coordinator.

9. Information Requirements.

- 9.1 Accounting Information. If Buyer determines that, under (i) the Accounting Standards Codification (ASC) 810, Consolidation of Variable Interest Entities, and (ii) Requirements of Law, Buyer may hold a variable interest in Seller, but Buyer

lacks the information necessary to make a definitive conclusion regarding such possible holding of a variable interest in Seller, Seller shall provide, upon Buyer's written request, sufficient financial and ownership information so that Buyer may confirm whether such a variable interest does exist under ASC 810 and Requirements of Law. If Buyer determines that, under ASC 810, Buyer holds a variable interest in Seller, Seller shall provide, upon Buyer's written request, sufficient financial and other information to Buyer so that Buyer may properly consolidate the entity in which it holds the variable interest or present the disclosures required by ASC 810 and Requirements of Law. Buyer shall reimburse Seller for Seller's reasonable costs and expenses, if any, incurred in connection with Buyer's requests for information under this Section 9.1.

9.2 Facility Information. Within each calendar quarter, starting with the first thirty (30) days after the Effective Date of this Agreement until the Commercial Operation Date is achieved, Seller shall prepare and submit to Buyer a written status report which shall cover the previous calendar quarter, shall be prepared in a manner and format (hard copy or electronic) reasonably acceptable to Buyer and shall include (a) a detailed description of the progress of the Facility's development and construction activity, (b) a statement of any significant issues which remain unresolved and Seller's recommendations for resolving the same, (c) a summary of any significant events which are scheduled or expected to occur during the following ninety (90) days, and (d) all additional information reasonably requested by Buyer to inform Buyer of Seller's performance under this Agreement. If Seller has reason to believe that the Facility is not likely to timely achieve any Operational Milestone before the applicable Milestone Deadline, including the Commercial Operation Date, Seller shall promptly provide written notice to Buyer with all relevant facts, and will provide Buyer with any other information Buyer may request from Seller in its Commercially Reasonable discretion in respect to such failure of Seller. For each Operational Milestone other than the Commercial Operation Date, the foregoing notices shall constitute Buyer's sole remedy for any failure of Seller to timely achieve such Operational Milestone. Seller shall provide written notice to Buyer when the Commercial Operation Date has occurred. Following the Commercial Operation Date, Seller shall promptly provide to Buyer information requested by Buyer to verify any amounts of delivered Contract Quantity, or to otherwise audit the Contract Quantity delivered to Buyer.

9.3 Provision of Environmental Attributes, Consents, and Other Information.

9.3.1 All Environmental Attributes provided by Seller to Buyer under this Agreement shall be sourced from the Facility.

9.3.2 Buyer will have exclusive rights to all Environmental Attributes associated with the Contract Quantity, which will include the exclusive right to: (i) claim that such Contract Quantity was generated from a solar energy resource; (ii) report to any Governmental Authority, or other Person for compliance with any Requirements of Law or other purpose, that it owns such Environmental Attributes; and (iii) claim such Environmental Attributes to the media, the public, customers or potential customers for purposes of marketing and advertising; provided, however, Seller and its Affiliates will be entitled to issue marketing materials and other statements,

subject to the limitations of Section 16, regarding their respective operations and business activities, but only so long as the issuance of such materials and statements does not reduce the economic value of the Environmental Attributes to be transferred to Buyer hereunder or otherwise reduce Buyer's claims to such Environmental Attributes or result in the double counting of such Environmental Attributes.

- 9.3.3 On or before the tenth (10th) Business Day of January of the year following the end of the year in which the Commercial Operation Date occurs and on or before the tenth (10th) Business Day of January of each succeeding calendar year during the Delivery Period, Seller will document the production of Environmental Attributes by delivering to Buyer a bill of sale and attestation for Buyer's Renewable Attributes produced by the Project in substantially the form of bill of sale and attestation set forth as Exhibit 10 hereto.
- 9.3.4 Seller will maintain and provide to Buyer (or, if directed by Buyer, other applicable Persons), such information, in addition to the bills of sale and attestations required to be delivered under Section 9.3.3, as Buyer may reasonably request in order to substantiate, account for, or track the quantity of Environmental Attributes delivered to Buyer under this Agreement, including any reasonably requested additional information necessary for Buyer to comply with the requirements of any Governmental Authority or other certifying or standard-setting body relating to the Environmental Attributes to be provided under this Agreement. Buyer will have the right to disclose such information publicly or to any third party, without the prior consent of Seller, as reasonably required in connection with the operation of Buyer's business, including disclosures: (i) to any Person that purchases the Environmental Attributes from Buyer; (ii) to any Governmental Authority; (iii) to any auditor or any Person that certifies or sets standards with respect to Environmental Attributes; and (iv) as necessary for Buyer to defend, verify or substantiate its ownership of the Environmental Attributes under this Agreement.
- 9.3.5 Notwithstanding anything to the contrary in this Agreement, to the extent that Seller incurs costs (including direct costs, reasonably allocated indirect costs and out-of-pocket expenses) in excess of Fifteen Thousand Dollars (\$15,000) per year associated with maintaining and providing such reasonably requested additional information pursuant to Section 9.3.4, or registering, qualifying or recording any Environmental Attributes included in the Contract Quantity delivered to Buyer hereunder with any such applicable Governmental Authority or other certifying or standard-setting body pursuant to Section 9.3.4 or complying with Seller's obligations under Section 9.3.7, Buyer shall reimburse Seller for those costs in excess of Fifteen Thousand Dollars (\$15,000) per year.
- 9.3.6 In no way will the right to, transfer of, or acquisition of Environmental Attributes cause Buyer to be deemed an owner or operator of the Facility, cause Buyer to be responsible for the Facility's compliance with any Requirements of Law, create any liability or responsibility of Buyer with

respect to the design, construction, operation and/or maintenance of the Facility, or in any way be deemed to create a joint venture or partnership between Seller and Buyer.

9.3.7 Subject to Section 8.4 and Section 9.3.5, at the request of Buyer, Seller shall provide to Buyer such information, instruments, documents, statements, certificates, and records relating to this Agreement and/or the Facility as reasonably requested by Buyer concerning any administrative, regulatory, compliance, or legal requirements determined by Buyer to be necessary to fulfill any Requirements of Law, regulatory reporting requirements or otherwise relating to any request by any Governmental Authority.

9.4 Forecasts. Following the Commercial Operation Date, Seller shall prepare and provide Buyer's Operating Representatives with the Facility's forecasted Energy production as described below. These non-binding forecasts of production will be determined and prepared in a Commercially Reasonable Manner with the intent of being as accurate as possible. Seller shall update a forecast any time information becomes available indicating a change in the forecast relative to the most previously provided forecast.

9.4.1 Year-Ahead Forecasts. Seller shall, by April 1, 2022, and every January 1st of each subsequent year during the Term (except for the last year of the Term), provide Buyer with a forecast of each month's average-day Energy production from the Facility for the following calendar year. This forecast shall include an expected range of uncertainty based on historical operating experience. Seller shall update the forecast for each month at least five (5) Business Days before the first Business Day of such month.

9.4.2 Day-Ahead Forecasts. No later than 0600 EPT of each Day, Seller will provide a non-binding forecast of Energy deliveries for the remainder of such Day and the following seven (7) Days. Each such notice will clearly identify, for each hour, Seller's forecast of all deliveries of Energy. In the event that Seller has any information or other Commercially Reasonable basis to believe that the production from the Facility on any day will be materially lower or higher than what would otherwise be expected based on the forecasts previously provided, then Seller will inform Buyer of such and provide Buyer with an updated forecast. Buyer may also request Seller to update its prior forecasts at any time, including for intraday updates.

9.4.3 Communication. Seller shall communicate forecasts in a form, template, substance, and manner (e.g. Excel template) as specified in the Operating Procedures, which form, template, substance, and manner may be mutually modified by Seller and Buyer from time to time. Forecasts shall be transmitted by email (to be sent to: RCID.Broker@disney.com) or by other media (e.g. website upload), as Buyer may instruct Seller from time to time.

10. Metering.

In the Interconnection Agreement between Seller and Transmission Provider, Seller shall arrange with the Transmission Provider to construct and install such meters and metering equipment as are necessary to measure the Energy delivered and received in accordance

with the terms and conditions of this Agreement (the “Billing Meter”). As between Buyer and Seller, Seller shall be responsible for paying the Transmission Provider for all costs relating to the Billing Meter, including, without limitation, its procurement, installation, operation, calibration, and maintenance. Seller shall ensure in its arrangement with the Transmission Provider for the Billing Meter to include communication equipment that enables Buyer to access and read the Billing Meter from a remote location. Upon at least five (5) Business Day’s prior written notice, Seller shall provide Buyer physical access to the Billing Meter at reasonable times during normal working hours, with Seller reserving the right to have Seller employees accompany Buyer’s employees during such access visits, including any calibration tests. Seller shall provide Buyer (at Seller’s cost) with appropriate telephonic/electronic communication to allow Buyer to remotely read the meter. Subject to the approval of the Transmission Provider, and the requirements of the Interconnection Agreement, Seller hereby grants Buyer rights to install and operate (at Buyer’s sole discretion and cost) a second meter (independent of meter installed and operated by the Transmission Provider). For avoidance of doubt, and subject to the malfunction or failure of the Billing Meter as described in Sections 11.2 and 11.3 in which case the meter installed by Buyer may be used as a check meter to determine an estimate of the Energy produced, any meter installed by the Buyer shall not be used for purposes of billing and the Billing Meter shall be the sole instrument used to measure the Energy delivered for purposes of preparing the invoice. Seller may, at its own expense, install and maintain additional metering equipment for purposes of monitoring, recording or transmitting data relating to its sale of Energy from the Facility, so long as such equipment does not interfere with the Billing Meter. Seller shall arrange with the Transmission Provider to test the Billing Meter at least once per calendar year. Seller shall also arrange for either Party to have the right to request and obtain, at reasonable intervals and under reasonable circumstances, additional/special tests of the Billing Meter. The Party making such request for the test shall incur the costs associated with such test.

11. Billing Period and Payment.

11.1 Billing Period. Seller shall read/obtain data from the Billing Meter at the end of each calendar month (each, a “Billing Period”). Within twenty-five (25) days after reading/obtaining data from the Billing Meter, Seller shall provide Buyer with an invoice detailing the amount of Energy delivered during the relevant Billing Period and the associated amount owed by Buyer to Seller for the Energy. Seller shall also invoice Buyer for any amounts due related to Compensable Curtailment as described in Section 20. Buyer shall pay Seller the invoiced amounts for each Billing Period. Payment by Buyer shall be due thirty (30) days after the date the invoice is deemed delivered to Buyer. Amounts not paid by such deadline shall accrue interest at the Interest Rate from the original due date until the date paid in accordance with this Agreement.

11.2 Meter Malfunction. In the event the Billing Meter fails to register, or if the measurement made by the Billing Meter is found upon testing to be inaccurate by more than two percent (2%), then an adjustment shall be made correcting all affected measurements by the Billing Meter for purposes of preparing (or adjusting) any affected invoice in the following manner. Seller shall adjust the amount of measured Energy for the amount of inaccuracy and period of time the Billing Meter was shown to be in error. If the time the Billing Meter became inaccurate can be determined, then the adjustment to the amount of measured Energy shall be made

for the entire time from the time that the Billing Meter became inaccurate until the recalibration of the Billing Meter. If the time the Billing Meter became inaccurate cannot be determined, then the Billing Meter shall be deemed to have failed to register accurately for fifty percent (50%) of the time since the date of the last calibration of the Billing Meter. Within ten (10) Business Days of Buyer's written request to Seller, and provided that Buyer may only make one such request per calendar year, Seller shall provide the calibration results for all of the recalibrations that have occurred during the lesser of (a) the period since Buyer's last such request, and (b) the five (5) year period immediately preceding the date such request is received by Seller.

- 11.3 Meter Out of Service. If the Billing Meter is out of service, then for purposes of preparing any such invoice, the Parties shall negotiate in good faith to determine an estimate of the amount of Energy delivered during the relevant Billing Period. Buyer's meter (if any), may be used to establish such estimate, if both Parties agree. If, within twenty (20) days after the date that the Billing Meter is read as set forth above, the Parties have not reached agreement regarding an estimate of the amount of Energy delivered during the relevant Billing Period, then the amount of Energy delivered during the relevant Billing Period shall be determined using the (x) the time and duration of the applicable period, (y) the solar exposure conditions actually recorded at the Facility during that period, and (z) the Facility design described in Exhibit 4, using a modeling program agreed upon by the Parties in a Commercially Reasonable Manner.
- 11.4 Errors. If any overcharge or undercharge in any form whatsoever shall at any time be found for an invoice, and such invoice has been paid, the Party that has been paid the overcharge shall refund the amount of the overcharge to the other Party, and the Party that has been undercharged shall pay the amount of the undercharge to the other Party, within forty-five (45) days after final determination thereof; *provided, however*, that no retroactive adjustment shall be made for any overcharge or undercharge unless written notice of the same is provided to the other Party within a period of twenty-four (24) months from the date of the invoice in which such overcharge or undercharge was first included. Any such adjustments shall be made with interest calculated at the Interest Rate from the date that the undercharge or overcharge actually occurred.
- 11.5 Invoice/Payment Dispute. If a Party in good faith reasonably disputes the amount set forth in an invoice, charge, statement, computation, or any adjustment thereto, such Party shall provide to the other Party a written explanation specifying in detail the basis for such dispute. The Party disputing the invoice, if it has not already done so, shall pay the undisputed portion of such amount no later than the applicable due date. If the Parties are thereafter unable to resolve the dispute through the exchange of additional documentation, then the Parties shall pursue resolution of such dispute according to the dispute resolution and remedy provisions set forth in the Agreement. Notwithstanding any other provision of this Agreement to the contrary, if any invoice, statement charge, or computation is found to be inaccurate, then a correction shall be made and payment (with any applicable interest at the Interest Rate) shall be made in accordance with such correction; *provided, however*, no adjustment shall be made with respect to any invoice, statement, charge, computation or payment hereunder unless a Party

provides written notice to the other Party questioning the accuracy thereof within twenty-four (24) months after the date of such invoice, statement, charge, computation, or payment.

12. **Indemnification**

12.1 **Indemnification.** Each Party (the “Indemnifying Party”) agrees to indemnify, and hold harmless the other Party and its Affiliates, and each of their respective directors, officers, managers, employees, and agents (each an “Indemnified Party”) from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including attorneys’ fees) (collectively, “Damages”) for personal injury or death to persons and damage to the Indemnified Party’s real property and tangible personal property or facilities or the property of any other person or entity to the extent arising out of, resulting from, or caused by (i) an Event of Default or breach of a representation, warranty, covenant, or material obligation under this Agreement, (ii) a violation of any Applicable Law, or (iii) the negligence, intentional wrongful acts or omission, or willful misconduct, of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents.

12.1.1 This indemnification obligation shall apply notwithstanding any negligent or intentionally wrongful acts, errors, or omissions of the Indemnified Party, but the Indemnifying Party’s liability to indemnify the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party’s negligent or intentional acts, errors, or omissions caused or contributed to the Damages.

12.1.2 Neither Party shall be indemnified for its Damages resulting from its sole negligence, intentional wrongful acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

12.1.3 Nothing in this Section 12.1 shall enlarge or relieve Seller or Buyer of any liability to the other for any breach of this Agreement.

12.2 **Notice of Claim.** Promptly after receipt by a Party of any claim or notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Section 12 may apply, the Indemnified Party shall provide notice thereof to the Indemnifying Party; provided that a delay in providing such notice shall limit the obligations of the Indemnifying Party only to the extent that such delay actually prejudices the ability of the Indemnifying Party to contest the claim or defend the proceeding. The Indemnifying Party shall have the right, but not the obligation, to assume the defense thereof with counsel designated by such Party and satisfactory to the Indemnified Party; provided, however, that if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnified Party’s expense, unless a liability insurer is willing to pay such costs.

- 12.3 Settlement of Claim. If the Indemnifying Party elects not to assume the defense of a claim meriting indemnification, the Indemnified Party may contest, settle, or pay such claim; provided, however, that settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party's counsel that such claim is meritorious or warrants settlement. Any statements set forth in such settlement asserting full or partial negligence of the Indemnified Party shall not be binding upon the Indemnified Party unless agreed to in writing by the Indemnified Party.
- 12.4 Amounts Owed. Except as otherwise provided in this Section 12, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Section 12, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's actual loss net of any insurance proceeds received by the Indemnified Party following a commercially reasonable effort by the Indemnified Party to obtain such insurance proceeds. The Indemnifying Party shall be subrogated to the Indemnified Party's rights to pursue such insurance proceeds against the Indemnified Party's insurer.
- 12.5 Indemnification Cap. Notwithstanding anything to the contrary in this Agreement, the Indemnifying Party's indemnification liability for any one claim and any one incident, respectively, pursuant to this Section 12, shall not exceed the then-current recovery limitation amounts for tort claims under Florida law for the State of Florida, its agencies and subdivisions for any one claim and any one incident, respectively, regardless, for the avoidance of doubt, of which Party is the Indemnifying Party and whether any such recovery limitation, other sovereign immunity cap or the like would apply to such Party, claim, or incident. As of the Effective Date, such recovery limitations are \$200,000 per individual claim and \$300,000 per incident or occurrence through which one or more claims may arise.

13. Taxes

- 13.1 Seller. Seller shall be liable for and shall pay either Buyer or the respective Governmental Authority, as applicable, or Seller shall reimburse Buyer if Buyer has paid or caused to be paid, all Taxes imposed by a Governmental Authority on or with respect to the Product delivered hereunder and arising prior to its delivery to and at the Delivery Point (including ad valorem, franchise or income taxes which are related to the sale of the Product by Seller to Buyer and are, therefore, the responsibility of Seller), except for sales, use, or excise tax related to the sale of the Product at the Delivery Point. Seller shall indemnify, defend, and hold harmless Buyer from any liability for such Taxes, including related audit and litigation expenses.
- 13.2 Buyer. Buyer shall be liable for and shall pay Seller, or Buyer shall reimburse Seller if Seller has paid or caused to be paid, all Taxes imposed by a Governmental Authority on or with respect to the Product delivered hereunder and arising after the Delivery Point (other than ad valorem, franchise or income taxes which are related to the sale of the Product by Seller to Buyer and are, therefore, the responsibility of Seller) as well as sales, use or excise tax related to the sale of the Product at the Delivery Point. Buyer shall indemnify, defend, and hold harmless

Seller from any liability for such Taxes, including related audit and litigation expenses.

- 13.3 Remittances. In the event Seller is required by any Requirements of Law to remit or pay Taxes that are Buyer's responsibility hereunder, Seller may request reimbursement of such payment from Buyer by sending Buyer an invoice, and Buyer shall include such reimbursement in the next monthly invoice and shall remit payment thereof in accordance with Section 11. Conversely, if Buyer is required by any Requirements of Law to remit or pay Taxes that are Seller's responsibility hereunder; Buyer may deduct the amount of any such Taxes from the sums otherwise due to Seller under this Agreement. Any refunds associated with such Taxes shall be handled in the same manner.
- 13.4 Documentation. A Party, upon written request of the other Party, shall promptly provide a certificate of exemption or other reasonably satisfactory evidence of exemption if such Party is exempt from any Tax. Nothing herein shall obligate a Party to pay or be liable to pay any Taxes from which it is exempt pursuant to Applicable Law.
- 13.5 Resale. Purchase of Product under this Agreement is for resale.

14. Force Majeure.

- 14.1 Definition. "Force Majeure" means any event or circumstance which prevents or delays performance by a Party of any of its obligations hereunder to the extent that such event or circumstance: (i) is beyond the reasonable control of such Party; (ii) is not the result of the willful misconduct or negligent act or omission of such Party, or any person over whom that Party has control; (iii) is not an act, event or condition that such Party reasonably could have anticipated and avoided, or the risk or consequence of which such Party has expressly assumed under the Agreement; and (iv) cannot be prevented, avoided, or otherwise overcome by the prompt exercise of Commercially Reasonable diligence by such Party, or any Person over whom that Party has control. Subject to the foregoing, events or circumstances that may constitute "Force Majeure" include: (A) war, riots, floods, hurricanes, tornadoes, earthquakes, lightning, ice-storms, and named storm events, and other such extreme weather events and natural calamities; (B) explosions or fires arising from lightning or other natural causes; (C) insurrection, rebellion, nationwide, regional or general strikes, slowdowns or labor disruptions; (D) an act of god, plague, epidemic, pandemic or other such significant and material event or circumstance; (E) actions or inactions by any Governmental Authority taken after the date hereof (including the adoption or change of any Requirements of Law or environmental constraint lawfully imposed by such Governmental Authority) but only if and to the extent such actions, inactions, Requirements of Law or constraint prevents or delays performance; and (F) inability, despite due diligence, to obtain or maintain any Permit required by any Governmental Authority.
- 14.2 Exclusions. Notwithstanding anything to the contrary herein, Force Majeure will *not* include the following: (a) delays in obtaining or failure to obtain goods or services from any contractor, subcontractor or supplier, except to the extent caused by the occurrence of any other event or circumstance that prevents or delays

performance by the affected contractor, subcontractor or supplier of any of its obligations under a contract or subcontract to furnish such goods or services to the Party claiming Force Majeure, or to such Party's contractor, subcontractor or supplier, and which event or circumstance qualifies as "Force Majeure" under Section 14.1 and this Section 14.2 (an "Independent Force Majeure"); (b) any strike or slowdown by or labor dispute with the employees of either Party or any of their respective contractors, suppliers or subcontractors that is not part of a nationwide, regional or general strike, slowdown or labor dispute; (c) any difficulty in obtaining or maintaining sufficient, or appropriately skilled, personnel to perform the obligations of the Party claiming Force Majeure in accordance with the requirements of this Agreement, except to the extent due to an Independent Force Majeure; (d) normal wear and tear or obsolescence of any equipment; (e) Buyer's inability to economically use or resell the Product delivered and purchased hereunder; (f) Seller's ability to sell the Product (or any component of the Product) at a more advantageous price; (g) loss by Seller of any contractual arrangement to the extent that it is not caused by an Independent Force Majeure; (h) loss or failure of Seller's supply of the Product or inability to generate the Product to the extent that it is not caused by an Independent Force Majeure; (i) unavailability, variability, or lack of adequate solar insolation or photovoltaic or solar rays to the extent that it is not caused by an Independent Force Majeure; (j) economic hardship, including, without limitation, lack of money or financing or Seller's inability to economically generate the Product or operate the Facility; (k) any breakdown or malfunction of Facility equipment (including any serial equipment defect) to the extent that it is not caused by an Independent Force Majeure; (l) the imposition upon Seller of costs or taxes allocated to Seller hereunder or Seller's failure to obtain or qualify for any tax incentive, preference, or credit; (m) any delay, alleged breach of contract, or failure under any other agreement or arrangement between the Party claiming Force Majeure and another entity, including without limitation, an agent or sub-contractor of the Party claiming Force Majeure, to the extent that it is not caused by an Independent Force Majeure; or (n) increased cost of electricity, steel, materials, equipment, labor, or transportation.

- 14.3 Notice. If either Party is delayed or prevented from performing due to a Force Majeure event, such Party shall provide notice and details of the Force Majeure event to the other Party as soon as reasonably practicable after becoming aware of the Force Majeure event and its impact on the performance of the Party claiming Force Majeure (but in no event later than three (3) Business Days after such Party becomes aware of the Force Majeure event). Such notice may be given orally but shall be confirmed in writing as soon as practicable thereafter (and in any event within ten (10) Business Days of the Party becoming aware of the Force Majeure event and its impact on such Party's performance); provided however, a reasonable delay in providing such notice shall not preclude a Party from claiming Force Majeure but only so long as such delay does not prejudice or adversely affect the other Party.
- 14.4 Effect. Subject to the terms and conditions of this Section 14, for so long as any Force Majeure is continuing to demonstrably prevent or delay the performance by the Party claiming Force Majeure of any of its obligations under this Agreement (including, for the avoidance of doubt, when Buyer is the Party claiming Force

Majeure, Buyer's obligation to receive all of the Contract Quantity (subject to the other terms of this Agreement), and when Seller is the Party claiming Force Majeure, Seller's obligation to produce the Product or deliver all of the Product produced by the Facility (subject to the other terms of this Agreement)), such Party shall not be responsible or liable for any delay or failure in its performance of such obligations, and such obligations shall be suspended and the time for performance by such Party of such obligations extended to the extent and for the duration made necessary by the Force Majeure, such Party will not be deemed to be in breach of such obligations nor will such delay or failure in its performance constitute or become (with notice or lapse of time or both) an Event of Default, and performance of such obligations and termination of this Agreement will be governed exclusively by this Section 14.

- 14.5 Remedy. The Party experiencing or claiming Force Majeure shall act in a Commercially Reasonable Manner to remedy the Force Majeure as soon as practicable and shall keep the other Party advised as to the continuance of the Force Majeure and its impact on the claiming Party's performance. If a demonstrable Force Majeure persists for a continuous period of one hundred eighty (180) days, then the Party not claiming Force Majeure shall have the right, in its sole and unfettered discretion, to terminate this Agreement upon giving the other Party thirty (30) days advance written notice; provided, however, that where the Force Majeure cannot be remedied within one hundred eighty (180) days and the claiming Party can reasonably demonstrate to the non-claiming Party its intention and ability to implement a Commercially Reasonable plan to remedy such Force Majeure within an additional ninety (90) days after the initial one hundred eighty (180) day period, and the claiming Party uses Commercially Reasonable efforts to implement such plan, the non-claiming Party shall not have the right to terminate the Agreement until the expiration of such additional ninety (90) day period.
- 14.6 Termination. Upon the expiration of the applicable periods set forth above in Section 14.5, and assuming the Force Majeure has not yet been remedied, this Agreement may be terminated by either Party upon five (5) days' prior written notice without further opportunity to cure any non-performance. Upon termination becoming effective pursuant to a Force Majeure under Section 14, neither Party will have any liability to the other Party or recourse against the other Party, other than for amounts arising prior to termination, and each Party shall within five (5) Business Days return the Performance Assurance provided to it by the other Party pursuant to Section 5. Notwithstanding the claimed existence of a Force Majeure event or any other provisions of this Agreement, nothing herein shall relieve any Party from exercising any right or remedy provided under this Agreement with respect to any liability or obligation of the other Party that is not excused or suspended by the Force Majeure event, including, without limitation, the right to liquidate and early terminate the Agreement for any Event of Default not excused by the Force Majeure event. Nothing herein shall be construed so as to obligate any Party to settle any strike, work stoppage or other labor dispute or disturbance or to make significant capital expenditures, except in the sole discretion of the Party experiencing such difficulty.
15. Change in Law. Except as otherwise provided in Section 3.2.1 with respect to any Change in Tax Law, if, after the Effective Date, a change of law occurs that causes a Party to incur

additional costs in carrying out its obligations under this Agreement, such Party agrees to pay all costs incurred by such Party associated with such change in law. The Parties agree and acknowledge that any such payments made or amounts payable by Buyer to Seller pursuant to this Agreement will not be increased as a result of such change in law.

16. Confidentiality.

16.1 Protected Information. Except as otherwise set forth in this Agreement, neither Party shall, without the other Party's prior written consent, disclose any term of this Agreement or any information relating to this Agreement, or any discussion or documents exchanged between the Parties in connection with this Agreement (such information, the "Protected Information") to any third party, other than the Party's Affiliates and its and their respective directors, officers, employees, contractors, consultants, counsel, accountants, auditors, and current and prospective lenders and investors ("Representatives") who each have a need to know such information, have been informed of such Party's obligation hereunder to keep such Protected Information confidential for two (2) years after end of the Term, and for whom such Party shall be liable in the event of a breach of such confidentiality obligation at any time during the Term or for two (2) years after the expiration or early termination of this Agreement. Each Party shall be entitled to seek all remedies available at law or in equity (including, but not limited to, specific performance and/or injunctive relief) to enforce, or seek relief in connection with any breach or threatened breach of, this confidentiality obligation. Notwithstanding the foregoing, Seller agrees, acknowledges and understands that Buyer is a political subdivision of the State of Florida and is subject to the State of Florida's broad public record and open meetings laws (collectively, "Florida Government in the Sunshine Laws"). The Protected Information will remain the property of the Disclosing Party. It is understood and agreed that neither this Agreement nor disclosure of any Protected Information by the Disclosing Party to the Receiving Party shall be construed as granting to the Receiving Party or any of its Representatives any license or rights in respect of any part of the Protected Information disclosed to it, including any trade secrets included in any such Protected Information.

16.2 Non-Protected Information. Protected Information does not include information:

(i) that is or becomes available to the public other than by disclosure of Receiving Party (such Party receiving the Protected Information, the "Receiving Party") in breach of this Agreement; (ii) known to receiving Party prior to its disclosure by the Disclosing Party (such Party disclosing the Protected Information, the "Disclosing Party"); (iii) available to Receiving Party from a third party who is not bound to keep such information confidential; or, (iv) independently developed by the Receiving Party without reliance upon the Protected Information. Protected Information does not and shall not include any information that Seller or Buyer is required to produce or disclose to FERC, including, but not limited to, under any one or more of 18 C.F.R. § 1b.9, Part 33, Part 34, Part 35, or Part 292, or that must be reported by or on behalf of Seller to the U.S. Energy Information Administration, FERC, NERC, SERC, FRCC, or the FPSC, unless such information is designated as confidential or otherwise exempt from public disclosure by applicable regulation, order, or other authority of any Governmental Authority receiving the information.

- 16.3 Return of Protected Information. Upon request of Disclosing Party, Receiving Party shall either (i) return to the Disclosing Party any Protected Information disclosed by the Disclosing Party to the Receiving Party that the Disclosing Party has requested be returned or destroyed (which shall be deemed not to include any term of this Agreement), including all copies of such Protected Information in the possession or control of the Receiving Party; (ii) destroy such Protected Information, including all copies of such Protected Information in the possession or control of the Receiving Party, and present written assurances of the destruction to the Disclosing Party; or (iii) retain such Protected Information to the extent permitted pursuant to Section 16.4. Notwithstanding the foregoing, the Receiving Party may retain the necessary amount of copies of such Protected Information in Receiving Party's files or Back-Up Media for audit, records management and retention, corporate, or compliance purposes (including pursuant to any Requirements of Law, including any requirements of any Florida Government in the Sunshine Law); *provided, however*, such retained Protected Information shall be kept confidential for the duration of its retention and otherwise in accordance with the terms of this Agreement.
- 16.4 Back-Up Media. Notwithstanding the foregoing, both Parties acknowledge that Protected Information transferred and maintained electronically (including e-mails) may be automatically archived and stored by Receiving Party on electronic devices, magnetic tape, or other media for the purpose of restoring data in the event of a system failure (collectively, "Back-Up Media"). Notwithstanding the terms of this Agreement, in no event shall Receiving Party be required to return or destroy any Protected Information stored on Back-Up Media; *provided, however*, any Protected Information not returned or destroyed pursuant to this Section 16.4 shall be kept confidential for the duration of its existence, subject, for the avoidance of doubt, to Section 16.5.
- 16.5 Required Disclosures. Notwithstanding the confidentiality and anti-publicity requirements set forth herein (including those set forth in Section 26.16), a Party may, subject to the limitations set forth herein, disclose Protected Information (or, for the avoidance of doubt, any other information) to comply with lawful and proper requests for such information made by any Governmental Authority, applicable Requirements of Law (including any Florida Government in the Sunshine Laws), or any exchange, control area (including the FRCC Reliability Coordinator) or similar rule, in response to an order of a court or an arbitrator, or in connection with any court or regulatory proceeding. As to any Protected Information, such disclosure shall not terminate the obligations of confidentiality unless the Protected Information falls within one of the exclusions of this Agreement. To the extent the disclosure of Protected Information is requested or compelled as set forth above, the receiving Party shall, to the extent permitted by applicable Requirements of Law, give Disclosing Party reasonable notice of any discovery request or order, subpoena, or other legal process requiring disclosure of any Protected Information. Such notice by the Receiving Party shall give Disclosing Party an opportunity, at Disclosing Party's discretion and sole cost, to seek a protective order or similar relief, and the Receiving Party shall not oppose such request or relief. If such protective order or other appropriate remedy is not sought and obtained within at least ten (10) Business Days of Receiving Party's notice, Receiving Party shall disclose only that portion of the Protected Information that is required or necessary

in the opinion of Receiving Party's legal counsel; *provided, however*, Receiving Party shall use Commercially Reasonable efforts, where not otherwise prohibited by Florida Government in the Sunshine Laws or other Requirements of Law, to obtain assurances that confidential treatment will be accorded to any Protected Information so disclosed (it being understood that Florida Government in the Sunshine Laws or other Requirements of Law may not allow the Receiving Party to obtain assurances that confidential treatment will be accorded to Protected Information so disclosed).

17. **Mutual Representations and Warranties.** Each Party represents and warrants to the other Party that:
- 17.1 It is duly organized, validly existing and in good standing under the Requirements of Law of the jurisdiction of its organization or formation and has all requisite power and authority to execute and enter into this Agreement;
 - 17.2 It has all authorizations under the Requirements of Law necessary for it to legally perform its obligations and consummate the transactions contemplated hereunder or will use Commercially Reasonable efforts to obtain such authorizations in a timely manner prior to the time that performance by such Party becomes due;
 - 17.3 The execution, delivery, and performance of this Agreement will not, subject to obtaining Required Permits, conflict with or violate any Requirements of Law or any contract, agreement or arrangement to which it is a party or by which it is otherwise bound, except as would not have a material adverse impact on its ability to perform its obligations under this Agreement;
 - 17.4 This Agreement constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms, subject to the effects on enforceability of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other applicable laws relating to or affecting creditors' rights generally and general equitable principles;
 - 17.5 It is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether or not this Agreement is appropriate or proper for it based upon its own judgment; in so doing it is not relying upon the advice or recommendation of the other Party or the representations of the other Party other than those representations and warranties of the other Party set forth in this Agreement; it is capable of assessing the merits of this Agreement; and it understands and accepts the terms, conditions, and risks of this Agreement for fair consideration on an arm's length basis;
 - 17.6 No Event of Default or event which, with notice or lapse of time, or both, would become an Event of Default, has occurred with respect to such Party, and that such Party is not Bankrupt and there are no proceedings pending or being contemplated by it, or to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
 - 17.7 There is no pending, or to its knowledge, threatened legal proceeding at law or equity against it or any of its Affiliates, that materially adversely affects its ability to perform its obligations under this Agreement; and

17.8 Each person who executes this Agreement on behalf of such Party has due authorization to do so, and that such Party will be bound by such execution.

18. **Events of Default.** An “Event of Default” means with respect to the non-performing or defaulting Party (such Party, the “Defaulting Party”), the occurrence of any one or more of the following, each of which, individually, shall constitute a separate Event of Default:

18.1 Any of the following shall constitute an Event of Default of Seller upon its occurrence:

18.1.1 Seller’s dissolution or liquidation; provided that a corporate reorganization of Seller, including pursuant to a consolidation, amalgamation or merger, that does not have an adverse effect on Seller’s (or its successor’s) ability to perform its obligations under this Agreement shall not constitute dissolution or liquidation.

18.1.2 Seller makes a general assignment for the benefit of creditors (except for an assignment permitted under this Agreement to the Facility Lenders or Seller’s lenders as security under Seller’s routine borrowing practices).

18.1.3 Seller (a) is adjudged bankrupt or files a petition in voluntary bankruptcy under any provision of any bankruptcy law or consents to the filing of any bankruptcy or reorganization petition against Seller under any such law, or (without limiting the generality of the foregoing) files a petition to reorganize pursuant to 11 U.S.C. § 101 or any similar statute applicable to Seller, (b) admits in writing an inability to pay its debts generally as they become due, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of Seller, or (c) is subject to an order of a court of competent jurisdiction appointing a receiver or liquidator or custodian or trustee of Seller or of a major part of Seller’s property, which is not dismissed within sixty (60) days.

18.1.4 The sale by Seller to a third party, or diversion by Seller for any use, of any Product (or any component portion of any Product) committed to Buyer by Seller, other than in mitigation of damages for any breach by Buyer of this Agreement or any use as Station Power, if it remains uncured for three (3) Business Days after the date of written notice from Buyer to Seller.

18.1.5 Seller’s failure to establish and maintain Performance Assurance in accordance with Section 5, if it remains uncured for ten (10) Business Days after the date of written notice from Buyer to Seller.

18.1.6 Seller’s Abandonment of the Facility, if it remains uncured for ten (10) Business Days after the date of written notice from Buyer to Seller.

18.1.7 Seller’s failure to comply with any other material obligation under this Agreement (other than a material obligation for which the failure to comply with constitutes a separate Event of Default of Seller under another provision of this Section 18)), which would result in an adverse impact on Buyer, shall constitute an Event of Default if it remains uncured for thirty (30) Business Days after the date of written notice from Buyer to Seller and the Facility Lenders; provided, that if such failure is not reasonably capable

of being remedied within the thirty (30) Business Day cure period specified above, Seller shall have such additional time (not exceeding an additional sixty (60) Business Days) as is reasonably necessary to remedy such failure, so long as Seller advises Buyer of its plan for such cure and promptly commences and diligently pursues such remedy.

18.1.8 Seller's Assignment of this Agreement, except as permitted in accordance with Section 24.

18.1.9 If any representation or warranty made by Seller in this Agreement shall prove to have been false or misleading in any material respect when made, or ceases to remain true during the Term if such cessation would reasonably be expected to result in a material adverse impact on Buyer, and it remains uncured for thirty (30) Business Days after the date of written notice from Buyer to Seller and the Facility Lenders; provided, that if such failure is not reasonably capable of being remedied within the thirty (30) Business Day cure period specified above, Seller shall have such additional time (not exceeding an additional sixty (60) Business Days) as is reasonably necessary to remedy such failure, so long as Seller advises Buyer of its plan for such cure and promptly commences and diligently pursues such remedy; and provided further, if such inaccuracy or cessation is not reasonably capable of being cured other than by the payment of Buyer's damages, and Buyer's damages resulting from such inaccuracy or cessation can be reasonably ascertained, such inaccuracy or cessation shall not constitute an Event of Default of Seller unless and until the payment of the amount of such damages to Buyer is not made within thirty (30) Business Days after a notice of such damages is provided by Buyer to Seller.

18.1.10 The filing of an involuntary case in bankruptcy or any proceeding under any other insolvency law against Seller as debtor that could materially impact Seller's ability to perform its obligations hereunder; provided, however, that Seller does not obtain a stay or dismissal of the filing within the cure period shall constitute an Event of Default of Seller if Seller fails to cure the same within one hundred twenty (120) days after the date of written notice from Buyer to Seller and the Facility Lenders.

18.2 The following shall constitute an Event of Default of Seller if Seller fails to cure any such failure within ten (10) days after the date of written notice from Buyer of such failure to Seller and the Facility Lenders: the failure by Seller to make, when due and to the extent not subject to good faith dispute in accordance with this Agreement, any payment required pursuant to this Agreement.

18.3 From and after the first anniversary of COD, if for any Production Measurement Period during the Term, Seller fails to produce and deliver to Buyer at the Delivery Point at least eighty percent (80%) of the Expected Annual Output for such Production Measurement Period after adjusting such Expected Annual Output by the amount of any Energy not delivered in such Production Measurement Period during any Seller Excused Hours, if such failure remains uncured for thirty (30) Business Days after the date of written notice from Buyer to Seller, provided Seller may cure any such failure by payment to Buyer of Replacement Power Costs

in the amount of the deficiency below such adjusted eighty percent (80%) threshold.

- 18.4 Any of the following shall constitute an Event of Default of Buyer upon its occurrence:
- 18.4.1 Buyer's dissolution or liquidation; provided that a corporate reorganization of Buyer, including pursuant to a consolidation, amalgamation or merger, that does not have an adverse effect on Buyer's (or its successor's) ability to perform its obligations under this Agreement shall not constitute dissolution or liquidation;
 - 18.4.2 Buyer makes a general assignment for the benefit of creditors (except for an assignment permitted under this Agreement to Buyer's lenders as security under Buyer's routine borrowing practices);
 - 18.4.3 Buyer (a) is adjudged bankrupt or files a petition in voluntary bankruptcy under any provision of any bankruptcy law or consents to the filing of any bankruptcy or reorganization petition against Buyer under any such law, or (without limiting the generality of the foregoing) files a petition to reorganize pursuant to 11 U.S.C. § 101 or any similar statute applicable to Buyer, (b) admits in writing an inability to pay its debts generally as they become due, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of Buyer, or (c) is subject to an order of a court of competent jurisdiction appointing a receiver or liquidator or custodian or trustee of Buyer or of a major part of Buyer's property, which is not dismissed within sixty (60) days;
 - 18.4.4 If Buyer is required to provide Performance Assurance under Section 5, Buyer's failure to provide such Performance Assurance in accordance with Section 5 if it remained uncured for ten (10) Business Days after the date of Seller's written notice to Buyer;
 - 18.4.5 Buyer's failure to timely request the Transmission Provider to grant the DNR Approval pursuant to Section 6.3, if it remains uncured for ten (10) Business Days after the date of Seller's written notice to Buyer.
 - 18.4.6 Buyer's failure to comply with any other material obligation under this Agreement (other than a material obligation for which the failure to comply with constitutes a separate Event of Default of Buyer under another provision of this Section 18), which would result in an adverse impact on Seller, shall constitute an Event of Default of Buyer if it remains uncured for thirty (30) Business Days after the date of written notice from Seller to Buyer; provided, that if such failure is not reasonably capable of being remedied within the thirty (30) Business Day cure period specified above, Buyer shall have such additional time (not exceeding an additional sixty (60) Business Days) as is reasonably necessary to remedy such failure, so long as Buyer advises Seller of its plan for such cure and promptly commences and diligently pursues such remedy.
 - 18.4.7 Buyer's assignment of this Agreement, except as permitted in accordance

with Section 24.

18.4.8 If any representation or warranty made by Buyer in this Agreement shall prove to have been false or misleading in any material respect when made, or ceases to remain true during the Term if such cessation would reasonably be expected to result in a material adverse impact on Seller; provided, if such inaccuracy or cessation is not reasonably capable of being cured, other than by the payment of Seller's damages, and Seller's damages resulting from such inaccuracy or cessation can be reasonably ascertained, such inaccuracy or cessation shall not constitute an Event of Default of Buyer unless and until the payment of the amount of such damages to Seller is not made within thirty (30) Business Days after a notice of such damages is provided by Buyer to Seller.

18.4.9 The filing of an involuntary case in bankruptcy or any proceeding under any other insolvency law against Buyer that could materially impact Buyer's ability to perform its obligations hereunder; provided, however, that Buyer does not obtain a stay or dismissal of the filing within the cure period shall constitute an Event of Default of Buyer if Buyer fails to cure the same within one hundred twenty (120) days after the date of written notice from Seller to Buyer.

18.4.10 The failure by Buyer to make, when due and to the extent not subject to good faith dispute in accordance with this Agreement, any payment required pursuant to this Agreement, if Buyer fails to cure any such failure within ten (10) days after the date of Seller's written notice to Buyer.

19. **Early Termination.**

19.1 Early Termination Date. If an Event of Default with respect to a Defaulting Party has occurred and is continuing, then the other Party (such Party, the "Non-Defaulting Party") shall have the right, in its sole discretion and upon written notice to the Defaulting Party, to pursue any or all of the following remedies: (a) withhold payments due to the Defaulting Party under this Agreement; (b) suspend performance under this Agreement; and/or (c) designate a day (which day shall be no earlier than the day such notice is effective and shall be no later than twenty (20) days after the delivery of such notice is effective) as an early termination date to accelerate all amounts owing between the Parties, liquidate, net, recoup, setoff, and early terminate this Agreement and any other agreement between the Parties (such day, the "Early Termination Date"). Additionally, Seller shall have the right to sell Product to third parties for so long as any Buyer Event of Default has occurred and is continuing.

19.2 Effectiveness of Default and Remedies. Subject to the exclusivity of Daily LDs provided for in Section 19.5 and the limitations on liability in Section 22, where an Event of Default is specified herein all of the remedies and provisions set forth in this Section 19 shall be without prejudice to any other right of the Non-Defaulting Party to accelerate amounts owed, net, recoup, setoff, liquidate, and early terminate this Agreement.

- 19.3 Net Settlement Amount. If the Non-Defaulting Party establishes an Early Termination Date, then the Non-Defaulting Party shall calculate its Gains or Losses and Costs resulting from the termination as of the Early Termination Date, in a Commercially Reasonable Manner. The Non-Defaulting Party shall aggregate such Gains or Losses and Costs with respect to the liquidation of the termination and any other amounts due under this Agreement, including any payments for Product owed to Seller hereunder prior to the Early Termination Date, and any other agreement between the Parties into a single net amount expressed in U.S. dollars (the “Net Settlement Amount”). The Non-Defaulting Party shall then notify the Defaulting Party of the Net Settlement Amount, which notice shall include documentation in reasonable detail supporting the calculation by the Non-Defaulting Party of the Net Settlement Amount. Subject to the limitations in Section 22, if the Net Settlement Amount is greater than zero, the Defaulting Party shall pay the Non-Defaulting Party the full amount of the Net Settlement Amount to the Non-Defaulting Party within thirty (30) days of delivery to the Defaulting Party of the notice of the Net Settlement Amount in accordance with this Section 19.3.
- 19.4 Payment. Any Net Settlement Amount will be due and payable only to the Non-Defaulting Party from and by the Defaulting Party. If the Non-Defaulting Party’s aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Net Settlement Amount will be deemed to be zero and no payment will be due or payable. The Non-Defaulting Party shall under no circumstances be required to account for or otherwise credit or pay the Defaulting Party for economic benefits accruing to the Non-Defaulting Party as a result of the Defaulting Party’s default. The Non-Defaulting Party shall be entitled to recover any Net Settlement Amount payable to it by drawing upon any Performance Assurance, netting or setoff, or to otherwise pursue recovery of such Net Settlement Amount.
- 19.5 Failure to Achieve Target COD.
- 19.5.1 In the event that the Facility does not achieve Commercial Operation by the Target COD, Seller shall pay Buyer an amount of liquidated damages equal to \$15,000 for each day after the Target COD that the Facility has not achieved Commercial Operation until the earlier of (i) the Commercial Operation Date or (ii) the Commercial Operation Date Deadline (“Daily LDs”). Such amount owed of Daily LDs shall be payable by Seller to Buyer within thirty (30) days after Seller receives an invoice from Buyer for the same. Buyer may invoice Seller for Daily LDs payable no more frequently than monthly. For the purpose of reducing Daily LDs payable to Buyer and otherwise for purposes of this Agreement, Seller shall be entitled to equitably extend the Target COD and the Commercial Operation Date Deadline on a day-for-day basis as provided in Section 6.3 or anywhere else in this Agreement plus the period of any delay in achieving Commercial Operation that Seller can reasonably demonstrate was caused by Force Majeure, a breach by Buyer of this Agreement or a delay by Transmission Provider in completing performance of its obligations under the Interconnection Agreement as set forth in Section 7.4. Notwithstanding the immediately foregoing sentence, if Commercial Operation has not occurred

by April 1, 2023 due to a delay by Transmission Provider (and, for the avoidance of doubt, Seller is not already required to pay Daily LDs), then beginning on April 1, 2023, Seller will pay the Daily LDs to Buyer until the earlier of (i) the actual Commercial Operation Date, or (ii) the Commercial Operation Date Deadline; provided, that, such April 1, 2023 date shall also be extended on a day-for-day basis as provided in Section 6.3 or anywhere else in this Agreement plus the period of any delay in achieving Commercial Operation that Seller can reasonably demonstrate was caused by Force Majeure or a breach by Buyer of this Agreement.

19.5.2 If the Facility does not achieve Commercial Operation by the Commercial Operation Date Deadline, Buyer shall be entitled to terminate this Agreement at any time thereafter by providing notice to Seller; *provided, however,* that Buyer shall not be entitled to provide such notice after Commercial Operation is achieved, and Buyer receives (including, for the avoidance of doubt, Buyer being deemed to have received pursuant to Section 25) written notice of Commercial Operation being achieved, unless Seller does not notify Buyer of such achievement of Commercial Operation within five (5) Business Days of such achievement, in which case Buyer may provide such termination notice after Commercial Operation is achieved but only until such time as Seller notifies Buyer of such achievement of Commercial Operation. If Buyer provides notice to Seller terminating this Agreement under this Section 19.5.2, this Agreement shall immediately terminate. Upon such termination, neither Party shall have any further obligation or liability under this Agreement (except, for the avoidance of doubt, for obligations and liabilities that survive termination as provided in this Agreement or which accrue prior to or at termination).

If Seller notifies Buyer under Section 19.5.2 that Commercial Operation will not be achieved, or if Buyer provides notice to Seller terminating this Agreement under Section 19.5.2, this Agreement shall immediately terminate and upon such termination, neither Party shall have any further obligation or liability under this Agreement, (except, for the avoidance of doubt, for obligations and liabilities that survive termination as provided in this Agreement or which accrue prior to or at termination).

19.5.3 Buyer may draw upon the Development Performance Assurance to recover any amounts required to be paid by Seller under this Section 19.5 and Buyer will thereafter return the remaining Development Performance Assurance to Seller, provided, that Buyer shall provide Seller with at least three (3) Business Days prior written notice before drawing upon the Development Performance Assurance.

20. Curtailed Energy.

20.1 Economic Curtailment by Buyer. For such reasons as Buyer shall deem sufficient, including, but not limited to, Buyer balancing events (but specifically not including a curtailment effected pursuant to Section 20.2 below to address an Emergency Condition or a Force Majeure event claimed by Buyer where Buyer has complied with Section 14, and specifically including any negative locational marginal price),

Buyer shall have the right to notify Seller, by telephonic communication (or as otherwise agreed by the Parties) and/or confirmed in writing via email within a reasonable time and specifying that the curtailment is pursuant to this Section 20.1, to curtail generation and delivery of all or a portion of the Energy output of the Facility during such period of time as Buyer shall specify in such notice (which period of time may be left indefinite as to duration, in which case deliveries of the Energy output of the Facility to the Delivery Point shall not recommence until Buyer has notified Seller, by telephonic communication confirmed in writing within a reasonable time, to recommence such deliveries).

- 20.2 Emergency Condition Curtailment Effected by Buyer, Transmission Provider, FRCC Reliability Coordinator or the RCID System Operator. In addition to the right of economic curtailment as provided in Section 20.1 above, Buyer, Transmission Provider, FRCC Reliability Coordinator or the RCID System Operator, in order to address an Emergency Condition, shall have the right to notify Seller to curtail generation and delivery of all or a portion of the Energy output of the Facility during such period of time as Buyer, Transmission Provider, FRCC Reliability Coordinator or the RCID System Operator shall specify in such notice.
- 20.3 Transmission Provider Dispatch Instructions. Seller shall be responsible for the operation of the Facility in accordance with Transmission Provider dispatch instructions as required under the (then-current) OATT or other approved regulation or tariff, whether received directly from Transmission Provider or indirectly from another Person with requisite authority for transmitting such instructions. Buyer and Seller shall coordinate in good faith regarding any upgrades to their respective equipment and facilities that are required under the (then-current) OATT or other approved regulation or tariff and that are necessary to allow the Parties to respond to the dispatch instructions of Transmission Provider, whether received directly from Transmission Provider or another Person with the requisite authority for transmitting such instructions. As part of such good faith coordination, the Parties shall consider whether any modifications to this Agreement are required in order to accommodate the Parties' installation and operation of such upgrades. Seller shall be responsible for any penalties, charges, or legal costs caused by Seller's operation of the Facility in violation of any reliability curtailment instructions of Transmission Provider, and shall promptly reimburse Buyer for any and all such amounts assessed to Buyer.
- 20.4 Compliance with Curtailment Notification. Seller shall comply with any such curtailment notification as soon as practicable after receiving the notification, but in any event will comply within fifteen (15) minutes after receiving the notification to the extent such compliance is within the capabilities of the Facility control systems and can be achieved through remote capabilities, and if such compliance cannot be achieved through remote capabilities, then Seller shall comply as promptly as reasonably practicable consistent with Good Utility Practices.
- 20.5 Compensable Curtailment. Buyer shall not be required to pay any compensation to Seller with respect to Curtailed Energy that does not qualify as a Compensable Curtailment. For each period in which a Compensable Curtailment occurs, Buyer shall pay to Seller the Contract Price for each MWh (or portion thereof) of Deemed Delivered Energy in connection with the Compensable Curtailment in question.

20.6 Invoicing and Payment for Compensable Curtailment. Any additional payments owing to Seller pursuant to this Agreement shall be invoiced by Seller in its monthly invoices and shall be due and payable at the times other amounts covered by such invoice are due and payable hereunder, which invoice shall be accompanied by Seller's reasonably detailed calculations of such payments and supporting evidence thereof. Upon written request, Buyer shall have the right to review Seller's records (such as solar data) pertaining to such calculations. Seller shall install sufficient measuring equipment at the Facility to collect solar data necessary to reasonably determine the amount of Deemed Delivered Energy, which solar data shall be used to calculate any amounts due Seller under Section 20 based on the generating characteristics and availability of the Facility during the period of curtailment. The failure of Seller to either (a) provide the applicable solar data to Buyer at Buyer's written request or (b) otherwise provide reasonable support for such calculations to Buyer, shall relieve Buyer of the obligation to pay for the Deemed Delivered Energy for which Buyer requested solar data but no applicable solar data or other reasonable support was provided.

21. Change in Market Design.

21.1 Good Faith Negotiations. If a Change in Market Design renders this Agreement or any terms herein incapable of being performed or administered, then either Party, on written notice to the other Party, may request the other Party to enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens and obligations set forth in this Agreement as of the Effective Date. Upon receipt of a written notice requesting negotiations, the Parties shall negotiate in good faith; provided however that it shall not be bad faith (nor lack of good faith) for either Party to refuse to amend this Agreement if such amendment would materially increase the cost to such Party or otherwise materially increase (determined in that Party's sole discretion) the contractual or legal obligations imposed upon the Party as a result of such amendment.

21.2 Referral to Mediation. If the Parties are unable, within sixty (60) days of written notice requesting negotiations, to agree upon or resolve changes to this Agreement, then either Party may issue a Dispute Notice to the other Party in an effort to submit the Dispute to Senior Executives for the initiation of the dispute resolution proceedings. In the event a Change in Market Design renders it impossible for (a) Seller to generate and deliver, or (b) Buyer to take delivery of Product delivered to the Delivery Point, then pending the resolution of a Dispute related to a Change in Market Design, neither Party shall be obligated to perform under this Agreement. In the event that (b) as described above occurs, Seller shall be entitled to sell the Energy output of the Facility and associated Environmental Attributes to any Person at any rate and upon any terms and conditions that Seller may determine in its sole discretion without liability to Buyer hereunder and without liability from Buyer to Seller hereunder. However, performance hereunder shall resume promptly following the resolution of the Dispute (and, in any event, no later than fifteen (15) Business Days following such resolution). For avoidance of doubt, a change in cost shall not in itself be deemed to render this Agreement or any terms herein incapable of being performed or administered, or constitute or form the basis of a

Force Majeure event.

22. Limitation of Liability & Liquidated Damages.

22.1 Reasonableness. THE EXPRESS REMEDIES AND MEASURES OF DAMAGES, INCLUDING WITHOUT LIMITATION DETERMINATION OF LIQUIDATED DAMAGES, COVER COSTS, AND NET SETTLEMENT AMOUNT DAMAGES PROVIDED FOR IN THIS AGREEMENT (i) ARE REASONABLE AND SATISFY THE ESSENTIAL PURPOSES HEREOF FOR BREACH OF ANY PROVISION FOR WHICH THE EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, AND (ii) UNLESS OTHERWISE STATED IN SUCH PROVISIONS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE PARTY'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISIONS, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. TO THE EXTENT ANY PROVISION OF THIS AGREEMENT PROVIDES FOR, OR IS DEEMED TO CONSTITUTE OR INCLUDE, LIQUIDATED DAMAGES, THE PARTIES STIPULATE AND AGREE THAT THE ACTUAL DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO ESTIMATE OR DETERMINE, THE LIQUIDATED AMOUNTS ARE A REASONABLE APPROXIMATION OF AND METHODOLOGY TO DETERMINE THE ANTICIPATED HARM OR LOSS TO THE PARTY, AND OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT. THE PARTIES FURTHER STIPULATE AND AGREE THAT ANY PROVISIONS FOR LIQUIDATED DAMAGES ARE NOT INTENDED AS, AND SHALL NOT BE DEEMED TO CONSTITUTE, A PENALTY, AND EACH PARTY HEREBY WAIVES THE RIGHT TO CONTEST SUCH PROVISIONS AS AN UNREASONABLE PENALTY OR AS UNENFORCEABLE FOR ANY REASON.

22.2 Limitation of Liability. EXCEPT FOR INDEMNIFICATION OBLIGATIONS ARISING PURSUANT TO THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, EVEN IF SUCH DAMAGES ARE ALLOWED OR PROVIDED BY STATUTE, STRICT LIABILITY, TORT, CONTRACT, OR OTHERWISE. WHERE A REMEDY IS EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, SUCH REMEDY SHALL BE THE SOLE AND EXCLUSIVE REMEDY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, THERE IS NO REPRESENTATION OR WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED, AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE SATISFACTION OF RCID'S CAPACITY NEEDS OR SYSTEM RESERVE REQUIREMENTS.

22.3 Additional Limitation Prior to Commercial Operation Date. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS

AGREEMENT, PRIOR TO THE COMMERCIAL OPERATION DATE, THE AGGREGATE LIABILITY OF SELLER UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY LIABILITY TO PAY DAILY LDs OR A NET SETTLEMENT AMOUNT THAT ARISES PRIOR TO THE COMMERCIAL OPERATION DATE, SHALL NOT EXCEED THE REQUIRED AMOUNT OF DEVELOPMENT PERFORMANCE ASSURANCE.

- 22.4 Damages Stipulation. Each Party expressly agrees and stipulates that the terms, conditions, and payment obligations set forth in Section 19 and 22 are a reasonable methodology to approximate or determine harm or loss, each Party acknowledges the difficulty of determining actual damages or loss, and each Party hereby waives the right to contest such damages and payments as unenforceable, as an unreasonable penalty, or otherwise for any reason. The Parties further acknowledge and agree that damages and payments determined under Section 19 and 22 are direct damages, will be deemed to be a direct loss, and will not be excluded from liability or recovery under the Limitations of Liabilities provisions of this Section 22.

23. Dispute Resolution.

- 23.1 Applicability. Except for matters requiring immediate injunctive relief or as otherwise provided in the Agreement with regard to Change in Market Design or in Exhibit 8 with regard to any Dispute over the amount of Breakage Costs, any dispute or claim between the Parties arising out of or related in any way to this Agreement will be resolved pursuant to this dispute resolution process set forth in this Section 23.
- 23.2 Dispute Notice. Before either Party pursues any remedy available at law or in equity, subject to any limitations set forth herein, the Parties shall first attempt to in good faith to resolve any claim, dispute or other controversy arising out of or relating to this Agreement (each, a “Dispute”) by negotiation between Senior Executives. Each Party’s Senior Executive need not be the senior most executive of the Party, but each Senior Executive shall be designated the authority to settle the Dispute and be at a higher level of management than the persons with direct responsibility for administration of this Agreement (a “Senior Executive”). Notwithstanding the foregoing, Seller acknowledges, understands, and agrees that Buyer’s Board of Supervisors must ultimately approve the settlement of any Dispute at a duly called public meeting. A senior executive from Seller’s Qualified Guarantor (if any) and Buyer’s Qualified Guarantor (if any) shall also participate in the Dispute pursuant to this Section 23. A Party may give the other Party written notice (the “Dispute Notice”) of a Dispute that has not been resolved. Such notice shall include: (a) a statement of that Party’s position and a summary of arguments supporting such position, (b) the name and title of the Senior Executive who will be representing that Party; (c) the name of the senior executive who will be representing (i) Seller’s Qualified Guarantor (if any) (if Seller gives the Dispute Notice) or (ii) Buyer’s Qualified Guarantor (if any) (if Buyer gives the Dispute Notice); and (d) any other persons who will be in attendance. Within ten (10) Business Days after delivery of the Dispute Notice, the receiving Party shall respond with (a) a statement of position and a summary of arguments supporting

such position, and (b) the name and title of the Senior Executive who will represent that Party and of any other persons who will accompany the Senior Executive; and (c) (i) the name of the senior executive who will be representing Seller's Qualified Guarantor (if any) (if Buyer gives the Dispute Notice) or (ii) the name of the senior executive who will be representing Buyer's Qualified Guarantor (if any) (if Seller gives the Dispute Notice). Within twenty (20) Business Days after delivery of the Dispute Notice, the designated Executives of both Parties shall meet at a mutually agreeable location in Orlando, Florida, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. At the request of either Party, the Parties shall enter into a confidentiality agreement, consistent with the confidentiality provisions of Section 16, to cover any Dispute and discussions related thereto. If a Dispute is not resolved within thirty (30) Business Days after delivery of the Dispute Notice, then either Party may exercise any right or remedy available under this Agreement or at law or in equity, subject, for the avoidance of doubt, to the terms of this Agreement (including Section 22).

23.3 Arbitration.

23.3.1 If a Dispute has not been resolved, the Parties may mutually agree (but shall have no obligation to agree) to settle the Dispute by binding arbitration administered by the American Arbitration Association ("AAA"). The Arbitration shall be conducted in accordance with the Commercial Arbitration Rules then in effect, and shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. To the extent the Commercial Arbitration Rules conflict with any provision of Section 23 of this Agreement, the terms of this Agreement shall govern and control.

23.3.2 All arbitration proceedings shall take place at a mutually agreeable location in Tampa, Florida.

23.3.3 A single arbitrator will arbitrate all Disputes where the amount in controversy is less than Two Million Dollars (\$2,000,000). If the Parties are unable to agree on the selection of an arbitrator, one will be selected by the AAA. Any such arbitrator shall be a licensed attorney with at least ten (10) years of experience in the electric utility industry. The Parties agree to equally share the costs of any such arbitration; however, each Party shall bear its own costs and its own expenses relating to such arbitration.

23.3.4 A panel of three (3) arbitrators will conduct the proceeding when the amount in controversy is equal to or more than Two Million Dollars (\$2,000,000). If the Parties are unable to agree on three (3) arbitrator(s) on or before thirty (30) days following the Parties' mutual agreement to settle the Dispute by arbitration, then each Party, by providing notice to the other Party, may designate one arbitrator (who shall not be a current or former officer, director, employee or agent of such Party or any of its Affiliates). Any such arbitrator shall be a licensed attorney with at least ten (10) years of experience in the electric utility industry. The two (2) arbitrators, one arbitrator appointed by each Party, will then work together to endeavor to promptly designate a third (3rd) arbitrator.

23.3.5 If either Party fails to designate an arbitrator on or before forty-five (45)

days following the Parties' mutual agreement to settle the Dispute by arbitration, or if the Parties' designated arbitrators have not yet designated a third (3rd) arbitrator any Party may request the AAA to designate the remaining arbitrator(s) pursuant to its Commercial Arbitration Rules. Such third (3rd) arbitrator shall be a licensed attorney with at least ten (10) years of experience in the electric utility industry.

23.3.6 If any arbitrator resigns, becomes incapacitated, or otherwise refuses or fails to serve or to continue to serve as an arbitrator, (i) then the Party entitled to designate that arbitrator shall designate a successor arbitrator; or (ii) if applicable, the two (2) arbitrators designated by the Parties shall endeavor to promptly designate a third (3rd) arbitrator.

23.3.7 Discovery. Either Party may apply to the arbitrator(s) to conduct discovery. The right to conduct discovery shall be granted by the arbitrator(s) in their sole discretion with a view to avoiding surprise and providing reasonable access to necessary information or to information likely to be presented during the course of the arbitration, provided that such discovery period shall not exceed sixty (60) Business Days.

23.3.8 Binding Nature. The arbitrator(s)' decision shall be by majority vote (or by the single arbitrator if a single arbitrator is used) and shall be issued in writing that sets forth in separately numbered paragraphs all of the findings of fact and conclusions of law necessary for the decision. Findings of fact and conclusions of law shall be separately designated as such. The arbitrator(s) shall not be entitled to deviate from the construct, procedures or requirements of this Agreement. The award rendered by the arbitrator(s) in any arbitration shall be final and binding upon the Parties, and judgment may be entered on the award in accordance with applicable law in any court of competent jurisdiction.

23.4 Mediation. At any time, the Parties may mutually agree to (but are not obligated to) attempt to resolve any Dispute by non-binding mediation, using a mutually agreed upon mediator. The mediation shall be completed within thirty (30) Business Days from the date on which the Parties agree to mediate. Each Party shall pay its own costs associated with mediation and the Parties shall share any mediator's fees or costs equally. The mediation shall take place at a mutually agreeable location in Tampa, Florida. Agreements reached in mediation shall be enforceable as settlement agreements in any court of competent jurisdiction.

23.5 Settlement Discussions. All negotiations and discussion concerning Disputes between the Parties pursuant to Section 23 of this Agreement are to be deemed confidential and subject to the confidentiality terms set forth in Section 16 and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and settlement privilege. No statement of position or offers of settlement made in the course of the dispute resolution process can be or will be offered into evidence for any purpose, nor will any such statements or offers of settlement be used in any manner against any Party. Further, no statement of position or offers of settlement will constitute an admission or waiver of rights by either Party. At the request of either Party, any such statements or offers, and all

copies thereof, shall be promptly returned to the Party providing the same.

24. Assignment.

- 24.1 Limitation. Except as set forth below in Section 24.2 with respect to assigning as collateral security or in the case of any Permitted Transfer, neither Party shall assign, and/or encumber (collectively, the “Assignment”) this Agreement or the Facility, any rights or obligations under this Agreement, or any portion hereunder, without the other Party’s prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Either Party shall endeavor to give the other Party at least thirty (30) days’ prior written notice of any requested assignment. Subject to either Party providing the other Party with information demonstrating to the other Party, in the other Party’s Commercially Reasonable discretion, that the proposed assignee (or its contracted operator) has the technical, engineering, financial, and operational capabilities to perform under this Agreement, the other Party may not unreasonably withhold, condition or delay its consent; *provided, however*, that any such assignee shall agree in writing to be bound by the terms and conditions hereof and shall deliver to the other Party such Performance Assurance in the required amount, and enforceability assurance as the other Party may request in its Commercially Reasonable discretion. Notwithstanding anything to the contrary herein, either Party may pledge, encumber, or assign this Agreement to any Person, including any Affiliate or subsidiary of the Party that has an equivalent Credit Rating as such Party, is lawfully authorized to receive such assignment and legally capable of performing all of such Party’s covenants and obligations under this Agreement, agrees in writing to be bound by the terms and conditions hereof, and further subject to the advance written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed.
- 24.2 Financing Matters. Either Party may, without prior consent of the other Party, but with no less than ten (10) Business Days’ prior written notice, pledge or assign as collateral security this Agreement to a financing party in connection with any loan, lease, or other debt or equity financing arrangement. Any pledge or assignment by either Party of this Agreement as collateral security will not relieve such Party of any obligation or liability under this Agreement. The Parties shall in good faith work together and such financing party to agree upon a consent to collateral assignment of this Agreement, which consent to collateral assignment agreement shall be in form and substance customary in the industry and reasonably agreed to by Buyer, Seller and such financing party as soon as reasonably applicable and practicable.
- 24.3 Accommodation of Facility Lender. To facilitate Seller’s obtaining of financing to construct and operate the Facility, Buyer shall provide such certifications, representations, information or other documents, including an estoppel certificate with respect to a tax equity financing, as are customary and reasonably requested by Seller or the Facility Lender(s) in connection with the financing of the Facility. In addition, Buyer agrees to deliver to the Facility Lender(s) a consent to collateral assignment in substantially the form attached hereto as Exhibit 11, or, with respect to a tax equity financing, an estoppel containing terms substantially similar to those set forth in Exhibit 12 (the “Facility Lender Consent”). Seller shall reimburse, or shall cause the Facility Lender(s) to reimburse, Buyer for all direct expenses

(including, without limitation, the reasonable fees and expenses of counsel) incurred by Buyer in the preparation, negotiation, execution and/or delivery of any documents requested by Seller or the Facility Lender(s), and provided by Buyer, pursuant to this Section 24.3.

- 24.4 Change of Control. Except in the case of any Permitted Transfer, any Change of Control of Seller shall require the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed. Buyer, in its sole discretion, may withhold its consent to any Change of Control of Seller that is not a Permitted Transfer if (a) the ultimate parent entity of Seller is a company other than NextEra Energy, Inc., and (b) the ultimate parent entity of Seller following a Change of Control does not meet the requirements for an assignee of Seller pursuant to Section 24.1.
- 24.5 Voidable. Any sale, transfer, Change of Control, and/or assignment of any interest in the Facility or in the Agreement made without satisfying the applicable requirements of this Agreement shall be null and void.

25. Notices.

- 25.1 Process. All notices, requests, or invoices shall be in writing and shall be sent to the applicable Party at the address specified below for such Party. A Party may change its information for receiving notices by sending written notice to the other Party. Notices shall be deemed delivered when (a) when delivered by hand; (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the third (3rd) day after the date mailed, by certified or registered mail (postage prepaid and return receipt requested), or (d) when e-mailed (if written notice follows by nationally recognized overnight courier, receipt requested) (it being understood that if an email address is not provided for any “copy to” recipients, then written notice shall not be provided by email to such recipient, but deemed delivery to such recipient’s corresponding Party shall occur when emailed to such Party even if the “copy to” recipient does not receive an email). This section shall be applicable whenever words such as “notify,” “submit,” “give,” or similar language are used in the context of giving notice to a Party.

To Seller:

Florida Renewable Partners
700 Universe Boulevard, B2C/JB
Juno Beach, FL 33408
Attention: Matt Valle, Vice President
Email: Matt.Valle@nexteraenergy.com

with a copy to:

NextEra Energy Resources, LLC
700 Universe Boulevard
Juno Beach, FL 33408
Attention: Mitchell Ross, Vice President & General Counsel

Email: Mitch.Ross@nee.com

To Buyer:

For US Mail:

Reedy Creek Improvement District
c/o Reedy Creek Energy Services
P.O. Box 10000
Lake Buena Vista, FL 32830-1000

For Overnight or Personal Delivery:

5300 Center Drive
Central Energy Plant, Maintenance Building, 2nd Floor
Lake Buena Vista, FL 32830
Attention: Utility Business Affairs
Telephone: 407-824-7216
Email: RCID.Broker@disney.com

with a copy to:

For US Mail:

Reedy Creek Improvement District
P.O. Box 10170
Lake Buena Vista, FL 32830-0170

For Overnight or Personal Delivery:

1900 Hotel Plaza Blvd.
Lake Buena Vista, FL 32830
Attention: General Counsel
Telephone: 407-828-1558

25.2 Receipt of Notices. Hand delivered notices shall be deemed delivered by the close of the Business Day on which it was hand delivered. Notices provided by certified mail (postage prepaid and return receipt requested), mail delivery or courier service, or by overnight mail or courier service will be deemed received on the date of delivery recorded by the delivery service or on the tracking receipt, as applicable. Notwithstanding anything to the contrary, if the day on which any notice is delivered or received is not a Business Day or is after 5:00 p.m. EPT on a Business Day, then it shall be deemed to have been received on the next following Business Day.

26. Miscellaneous.

26.1 Costs. Unless otherwise specified, each Party shall be responsible for its own costs and fees associated with negotiating, disputing or taking any other action with respect to this Agreement, including, without limitation, attorneys' fees and costs.

26.2 Access. Upon reasonable prior written notice to Seller, Seller shall provide to Buyer and its authorized agents, employees, and inspectors, reasonable access to

the Facility to: (i) ascertain the status of the Facility with respect to construction, start-up and testing, operation, or any other obligation of Seller under this Agreement; and, (ii) read meters and perform all inspections, maintenance, service, and operational reviews as may be appropriate to facilitate the performance of this Agreement or to otherwise audit and/or verify Seller's performance under this Agreement. Upon reasonable prior written notice, Seller shall provide Buyer and its employees, authorized agents, contractors, members and guests of Buyer reasonable access to the Facility for the sole purpose of touring or viewing the Facility, including rights to capture and reproduce images and video of the Facility, provided, that, Seller may, at any time and in its sole and absolute discretion for safety, security, legal, construction or repair reasons, or for any other reason determined in Seller's commercially reasonable discretion, suspend and/or in any way restrict or condition Buyer's (and its employees', authorized agents', contractors', members' and guests') ability to access the Facility for touring and viewing. If Seller so suspends Buyer's ability to access the Facility for touring and viewing, Seller shall work together with Buyer to remedy the cause of the suspension in order to resume Buyer's ability to so access the Facility for touring and viewing. While at the Facility, Buyer shall, and Buyer shall cause Buyer's employees, authorized agents, contractors, inspectors, members and guests to, observe and comply with all safety and security rules and precautions as may be required by Seller, conduct themselves in a manner that will not interfere with the operation of the Facility, and otherwise adhere to all of Seller's reasonable rules, restrictions, and procedures applicable to Facility visitors. Seller shall have the right to have a representative present during any such access. Buyer's technical review or inspection of the Facility will not be construed as endorsing the design or construction thereof or as any warranty of the safety, durability or reliability of the Facility. Seller will cooperate and will cause its contractors to cooperate in providing the information requested by Buyer and in such physical inspections of the Facility as may be reasonably requested by Buyer during and after completion of construction.

- 26.3 Safe Harbor and Waiver of Section 366. Each Party agrees that it will not assert, and waives any right to assert, that the other Party is performing hereunder as a "utility," as such term is used in 11 U.S.C. Section 366. Further, each Party hereby waives any right to assert and agrees that it will not assert that 11 U.S.C. Section 366 applies to this Agreement or any transaction hereunder in any bankruptcy proceeding. In any such proceeding each Party further waives the right to assert and agrees that it will not assert that the other Party is a provider of last resort with respect to this Agreement or any transaction hereunder or to otherwise limit contractual rights to accelerate amounts owed, net, recoup, setoff, liquidate, or terminate the Agreement early. Without limiting the generality of the foregoing or the binding nature of any other provision of this Agreement on permitted successors and assigns, this provision is intended to be binding upon all successors and assigns of the Parties, including, without limitation, judgment lien creditors, receivers, estates in possession, and trustees thereof.
- 26.4 Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by, construed, enforced, and performed in accordance with the laws of the State of Florida without regard to principles of conflicts of law, and, if

applicable, by the federal law of the United States of America.

- 26.5 Venue/Consent to Jurisdiction. Any judicial or legal action, suit, or proceedings arising out of, resulting from, or in any way relating to this Agreement, or any alleged breach or default under the same or the warranties and representations contained in the same, shall be brought exclusively in the United States District Court for the Middle District of Florida located in Tampa, Florida, and federal appellate courts therefrom, or if such United States District Court lacks jurisdiction, the courts of the State of Florida located in Hillsborough County, Florida, and state appellate courts therefrom. The Parties hereto irrevocably consent to the jurisdiction of such federal courts or, if such federal courts lack jurisdiction, such courts of the State of Florida, and hereby submit to venue in such federal courts or, if such federal courts lack jurisdiction, such courts of the State of Florida. Without limiting the generality of the foregoing, the Parties waive and agree not to assert by way of motion, defense, or otherwise in any such suit, action, or proceeding, any claim that (i) such Party is not subject to the jurisdiction of the such federal courts; or (ii) such suit, action, or proceeding is brought in an inconvenient forum; or (iii) the venue of such suit, action, or proceeding is improper. The exclusive forum for any litigation between the Parties pursuant to this Agreement shall occur in such United States District Court located in Tampa, Florida, and federal appellate courts therefrom, or if such United States District Court lacks jurisdiction, the courts of the State of Florida located in Hillsborough County, Florida, and state appellate courts therefrom.
- 26.6 Waiver of Rights to Jury Trial. SELLER AND BUYER EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF SELLER AND BUYER RELATED HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT AND SHALL SURVIVE ANY EXPIRATION OR TERMINATION OF THIS AGREEMENT.
- 26.7 Entire Agreement and Amendments. This Agreement represents the entire agreement between the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, binding documents, representations and agreements, whether written or oral. Items 1, 3, 4, 6, and 7 to Exhibit 4 can be updated by the Parties without further amendment to the Agreement, and Seller reserves the right to modify layout, equipment type, manufacturer, model, and/or quantity based on prevailing market conditions at time of engineering and construction. Except as otherwise explicitly provided in this Agreement for Exhibits 1, 4, 5, and 6 no amendment, modification, or change to this Agreement shall be enforceable unless agreed upon in a writing that is executed by the Parties.
- 26.8 Drafting. Each Party agrees that this Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties, and no Party shall have any provision hereof construed against such Party by reason of such Party drafting, negotiating, proposing any provision hereof, or execution of this Agreement. Each

Party irrevocably waives the benefit of any rule of contract construction that disfavors the drafter of a contract or the drafter of specific language in a contract.

- 26.9 Headings. All section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
- 26.10 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership, joint venture or other relationship that may invoke fiduciary obligations between the Parties.
- 26.11 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Party shall execute and deliver any additional documents and instruments and perform any additional acts that may be reasonably necessary or appropriate to effectuate and perform the provisions of this Agreement and such transactions and the intention of the Parties.
- 26.12 Counterparts. This Agreement may be executed simultaneously in two (2) or more counterparts, any of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same Agreement.
- 26.13 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any third party not a party hereto.
- 26.14 Waivers. The failure of a Party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of a Party thereafter to enforce each and every such provision. A waiver under this Agreement must be in writing and state that it is a waiver. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.
- 26.15 Buyer Support. Buyer understands and acknowledges that the Seller intends to obtain financing for the construction of the Facility. Buyer agrees to use Commercially Reasonable efforts to assist the Seller in obtaining any such financing, which may include without limitation providing information, providing access to management and executing reasonably requested consents, agreements or similar documents to the extent reasonably acceptable to Buyer.
- 26.16 Publicity. Upon request, Seller will provide Buyer with photographs of the Facility for use by Buyer for informational purposes and for promoting awareness of Buyer's renewable development efforts. Buyer, subject to written consent and approval of Seller, will be allowed to add its logo to all signage at the Facility, if desired. Seller is also aware that information about the Facility will be used by Buyer on its website, in its external press releases, and in other Buyer publications. Subject to the exceptions set out in Section 16 (including, for the avoidance of doubt, exceptions for required disclosures pursuant to Section 16.5), and except for the purpose of fulfilling its obligations pursuant to this Agreement or adhering to any Applicable Law or any Requirements of Law, and also except to the extent that Buyer's logo is installed, at Buyer's discretion, on signage at the Facility, which signage (and images and video of the same) can be used by Seller for promotional

purposes and as part of any other announcements or releases: (a) Seller shall not make any announcement or release any information concerning this Agreement to any member of the public, press, Person, official body, or otherwise without Buyer's prior written consent and approval, which shall not be unreasonably withheld, conditioned or delayed, and (b) Seller shall have no right, without Buyer's written consent which Buyer may grant or withhold in its sole and absolute discretion, to use the name, logo or intellectual property of Buyer in any press releases or websites for purely promotional purposes for the benefit of Seller. Subject to the immediately preceding sentence or as otherwise explicitly set out in this Agreement, the Parties acknowledge and agree. that this Agreement does not by itself create for Seller any right to use the name, logo or intellectual property of any businesses or other taxpayers located or doing business within Buyer's jurisdiction in any press releases, websites, or any other public documents, statements or publications, nor does this Agreement limit any otherwise existing Seller right, or any Seller right that may otherwise be later created, including pursuant to any agreements or any rights at law, to use the name, logo or intellectual property of any businesses or other taxpayers located or doing business within Buyer's jurisdiction, including in any press releases, websites, or any other public documents, statements or publications.

- 26.17 Naming of Facility. Buyer, subject to written consent and approval of Seller, will be allowed to name the Facility, if desired. Buyer will provide suggested Facility name(s) to Seller for review and approval no later than three (3) months following the Effective Date.
- 26.18 Buyer Affiliates. Buyer represents and warrants that it has no Affiliates.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their respective duly authorized officers as of the Effective Date.

BELL RIDGE SOLAR, LLC

By: _____

Name: _____

Title: _____

Date: _____

REEDY CREEK IMPROVEMENT DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

Exhibit 1

Estimated Monthly Energy Production of the Facility (First Year of Operation)

Month	Estimated Facility Energy Production (MWh)
January	12,115
February	12,490
March	17,117
April	18,600
May	20,385
June	17,927
July	18,404
August	17,273
September	15,524
October	15,520
November	12,693
December	10,479

Seller has taken into consideration the expected solar panel degradation and Station Power in the amounts reflected in this Exhibit 1, but has not, for the avoidance of doubt, taken into account all Outages, Curtailed Energy, or the like.

For purposes of the estimates on this Exhibit 1, the Commercial Operation Date is treated as being January 1 and each month is treated as being the complete calendar month.

Exhibit 2
Contract Price

Test Power: \$18.642/MWh (65% of Contract Price)

Contract Price: \$28.68/MWh (for the fixed Term and once Commercial Operation Date is achieved).

For any Production Measurement Period in which the Facility generates more than 115% of Expected Annual Production in any Production Measurement Period, the Contract Price for such Energy in excess of 115% of the Expected Annual Production will be reduced to \$18.642 MWh (65% of Contract Price).

Exhibit 3

Operational Milestone Schedule

Deadline	Performance/Result Seller Shall Timely Achieve
90 days from the Effective Date	Developmental Performance Assurance Delivery at \$24,000/MWac.
January 1, 2022	NRIS Approval and Executed Interconnection Agreement
April 1, 2022	Seller issues full notice to proceed (“NTP”) to its engineering, procurement and construction contractor under a definitive engineering procurement and construction contract that provides for the engineering, procurement and construction of the Facility (“EPC Contract”)
July 1, 2022	Construction and Key Milestone Schedule/Identification of Key Seller Personnel for Project construction
October 1, 2022	Identification of Key Seller Personnel for Project operations
October 1, 2022	Seller shares test plan for the Facility.
November 1, 2022	“Functional Testing” (as defined in the EPC Contract) of the Facility has been achieved
December 1, 2022	Target COD
March 1, 2023	Commercial Operation Date Deadline

Exhibit 4

Facility Information

1. Facility Name: Bell Ridge Solar, LLC
2. Facility Address or Location: Gilchrist County, FL
29°43'28.8"N 82°42'26.7"W
29.724657, -82.707406
3. Description of Facility: 74.5 MWac photovoltaic solar generating facility
4. Nameplate Capacity Rating: 74.5 MW as limited by the firmware associated with the equipment for the Facility as measured at the Delivery Point.
5. Fuel Type/Generation Type: Solar Photovoltaic

6. Site Map:



7. Delivery Point Diagram (include Delivery Point, metering, Facility substation): POI location on diagram above includes Delivery Point, metering and Facility Substation
8. Transmission Provider: Duke Energy Florida

Items 1, 3, 4, 6 and 7 to Exhibit 4 can be updated by the Parties without further amendment to the Agreement. Seller reserves the right to modify layout, equipment type, manufacturer, model, and/or quantity based on prevailing market conditions at time of engineering and construction.

Exhibit 5**Expected Annual Output**

Period	(MWh)
Dec 1, 2022-Dec 31, 2022	10,479
Jan 1, 2023-Dec 31, 2023	188,526
Jan 1, 2024-Dec 31, 2024	188,688
Jan 1, 2025-Dec 31, 2025	188,272
Jan 1, 2026-Dec 31, 2026	187,852
Jan 1, 2027-Dec 31, 2027	187,428
Jan 1, 2028-Dec 31, 2028	187,000
Jan 1, 2029-Dec 31, 2029	186,569
Jan 1, 2030-Dec 31, 2030	186,133
Jan 1, 2031-Dec 31, 2031	185,695
Jan 1, 2032-Dec 31, 2032	185,253
Jan 1, 2033-Dec 31, 2033	184,808
Jan 1, 2034-Dec 31, 2034	184,359
Jan 1, 2035-Dec 31, 2035	183,907
Jan 1, 2036-Dec 31, 2036	183,452
Jan 1, 2037-Dec 31, 2037	182,993
Jan 1, 2038-Dec 31, 2038	182,531
Jan 1, 2039-Dec 31, 2039	182,066
Jan 1, 2040-Dec 31, 2040	181,599
Jan 1, 2041-Dec 31, 2041	181,128
Jan 1, 2042-Nov 30, 2042	170,744

Seller has taken into consideration the expected solar panel degradation and Station Power in the amounts reflected in this Exhibit 5, but has not, for the avoidance of doubt, taken into account all Outages, Curtailed Energy, or the like.

Exhibit 6

Transmission Provider Facilities and Facility One-Line Diagram

Seller shall provide Buyer a listing of the Transmission Provider Facilities and a One-Line Diagram after execution of the Interconnection Agreement.

Exhibit 7

FORM OF LETTER OF CREDIT

LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

DATE: _____, _____

BENEFICIARY:

APPLICANT:

ATTN: _____

ATTN: _____

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF _____ (“APPLICANT”), WE HEREBY ESTABLISH, EFFECTIVE IMMEDIATELY, IN FAVOR OF _____ (THE “BENEFICIARY”) OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____ IN THE AGGREGATE AMOUNT OF _____ AND 00/100 UNITED STATES DOLLARS (\$ _____) (AS SUCH AMOUNT MAY BE REDUCED FROM TIME TO TIME BY PARTIAL DRAWS HEREUNDER, THE “STATED AMOUNT”).

WE ARE INFORMED BY THE APPLICANT THAT THIS LETTER OF CREDIT IS BEING ISSUED IN CONNECTION WITH THAT CERTAIN AGREEMENT FOR THE PURCHASE OF SOLAR ENERGY AND ENVIRONMENTAL ATTRIBUTES BETWEEN BENEFICIARY AND APPLICANT DATED _____, 20 ____ (AS MAY BE AMENDED, ASSIGNED, RESTATED OR REPLACED).

THIS LETTER OF CREDIT IS ISSUED, PRESENTABLE AND PAYABLE AT OUR COUNTERS AT _____, _____, _____, AND EXPIRES WITH OUR CLOSE OF BUSINESS ON _____, _____ (AS MAY BE EXTENDED AS SET FORTH BELOW, THE “EXPIRY DATE”).

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT AND THE EXPIRY DATE SHALL BE AUTOMATICALLY EXTENDED WITHOUT WRITTEN AMENDMENT FOR PERIODS OF ONE (1) YEAR FROM THE PRESENT EXPIRY DATE, AND THEN FROM EACH FUTURE EXPIRY DATE, UNLESS AT LEAST NINETY (90) DAYS PRIOR TO ANY SUCH EXPIRY DATE WE SEND YOU NOTICE BY REGISTERED MAIL, RETURN RECEIPT REQUESTED, OR COURIER SERVICE OR HAND DELIVERY AT THE ABOVE STATED ADDRESS THAT THE EXPIRY DATE FOR THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND THE THEN APPLICABLE EXPIRY DATE.

FUNDS IN PAYMENT OF A DRAWING UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO THE BENEFICIARY BY PAYMENT AGAINST PRESENTATION AT OUR OFFICE OF THE FOLLOWING:

- 1. THE BENEFICIARY’S DEMAND FOR PAYMENT INCLUDING THE DOLLAR AMOUNT BEING DEMANDED SPECIFICALLY REFERENCING THIS LETTER OF CREDIT NUMBER.
- 2. COPY OF THIS LETTER OF CREDIT AND ANY AMENDMENTS ATTACHED THERETO.
- 3. A DATED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BENEFICIARY CONTAINING ONE OR MORE OF THE FOLLOWING STATEMENTS WITH APPROPRIATE INSERTIONS:

(A) _____ OR ITS SUCCESSOR OR ASSIGNEE IS IN DEFAULT OR BREACH OF ONE OR MORE OF ITS OBLIGATIONS, AGREEMENTS OR WARRANTIES AND/OR IS THE DEFAULTING PARTY UNDER THAT CERTAIN AGREEMENT FOR THE PURCHASE OF SOLAR ENERGY AND ENVIRONMENTAL ATTRIBUTES DATED _____, 20____, ORIGINALLY BETWEEN _____ AND _____, AS AMENDED, ASSIGNED, RESTATED OR REPLACED, AND/OR ANY RELATED DOCUMENT OR AGREEMENT; OR

(B) _____ (“BENEFICIARY”) OR ITS

SUCCESSOR BY OPERATION OF LAW HAS DETERMINED OR HAS BEEN NOTIFIED THAT THE EXPIRY DATE FOR LETTER OF CREDIT NUMBER _____ HAS NOT BEEN OR WILL NOT BE EXTENDED AND BENEFICIARY OR ITS SUCCESSOR BY OPERATION OF LAW HAS NOT BEEN PROVIDED WITH SUBSTITUTE PERFORMANCE SECURITY IN FORM AND SUBSTANCE ACCEPTABLE TO BENEFICIARY OR ITS ASSIGNEE; OR

- (C) _____ (“BENEFICIARY”) OR ITS SUCCESSOR BY OPERATION OF LAW IS ENTITLED TO MAKE DEMAND AND WITHDRAW ON THIS LETTER OF CREDIT NUMBER _____ PURSUANT TO THAT CERTAIN AGREEMENT FOR THE PURCHASE OF SOLAR ENERGY AND ENVIRONMENTAL ATTRIBUTES DATES _____ 20____, ORIGINALLY BETWEEN _____ AND _____, AS AMENDED, RESTATED OR REPLACED.

PRESENTATION BY FAX TRANSMISSION IS PERMITTED UNDER THIS LETTER OF CREDIT. FACSIMILES OF THE DEMAND FOR PAYMENT, STATEMENT AND A COPY OF THIS LETTER OF CREDIT ARE TO BE SENT TO FAXNUMBER_____.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED HEREUNDER. ANY DEMAND FOR PAYMENT HONORED HEREUNDER BY US SHALL REDUCE THE STATED AMOUNT BY THE DOLLAR AMOUNT PAID BY US PURSUANT THERETO.

It is a condition of this letter of credit that it is transferable and may be transferred in its entirety, but not in part, and may be successively transferred by you or any transferee hereunder to a successor transferee(s). Transfer under this letter of credit to such transferee shall be effected upon presentation to us of the original of this Letter of Credit and any amendments hereto accompanied by a request designating the transferee in the form of Annex A attached hereto appropriately completed. Our transfer fee is for the Applicant.

ALL BANKING CHARGES ASSOCIATED WITH THIS LETTER OF CREDIT ARE FOR THE ACCOUNT OF THE APPLICANT.

WE ENGAGE WITH YOU THAT DEMANDS FOR PAYMENT UNDER AND IN CONFORMITY WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED ON OR BEFORE THE EXPIRY DATE BY PAYMENT IN ACCORDANCE WITH THE BENEFICIARY’S PAYMENT INSTRUCTIONS. ALL PAYMENTS UNDER THIS LETTER OF CREDIT WILL BE MADE IN OUR OWN FUNDS. IF REQUESTED BY THE BENEFICIARY, PAYMENT UNDER THIS LETTER OF CREDIT WILL BE MADE BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS TO BENEFICIARY’S ACCOUNT AT ANY FINANCIAL INSTITUTION LOCATED IN THE CONTINENTAL UNITED STATES. WE SHALL HAVE A REASONABLE AMOUNT OF TIME, NOT TO EXCEED THREE (3) BANKING DAYS FOLLOWING THE DATE OF ITS RECEIPT OF DOCUMENTS FROM BENEFICIARY, TO EXAMINE THE DOCUMENTS

CONFIDENTIAL– TRADE SECRET

AND DETERMINE WHETHER TO TAKE UP OR REFUSE THE DOCUMENTS AND TO INFORM BENEFICIARY THEREOF ACCORDINGLY.

OUR OBLIGATIONS HEREUNDER ARE PRIMARY OBLIGATIONS THAT SHALL NOT BE AFFECTED BY THE PERFORMANCE OR NON-PERFORMANCE BY APPLICANT OF ANY OBLIGATIONS UNDER ANY AGREEMENT BETWEEN APPLICANT AND YOU OR BETWEEN APPLICANT AND US OR BETWEEN APPLICANT AND ITS AGENTS.

EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, REQUIREMENT OR QUALIFICATION. OUR OBLIGATION UNDER THIS LETTER OF CREDIT IS OUR INDIVIDUAL OBLIGATION AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT THERETO, OR UPON OUR ABILITY TO PERFECT ANY LIEN, SECURITY INTEREST OR ANY OTHER REIMBURSEMENT.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE INTERNATIONAL STANDBY PRACTICES (ISP98), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”).

AS TO MATTERS NOT COVERED BY ISP98, AND TO THE EXTENT NOT INCONSISTENT WITH ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ARTICLE 5 OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THAT STATE.

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING AND SUCH UNDERTAKING IS INDEPENDENT OF AND SHALL NOT IN ANY WAY BE MODIFIED, AMENDED OR AMPLIFIED BY REASON OF OUR REFERENCE TO ANY AGREEMENT OR INSTRUMENT REFERRED TO OR IN WHICH THIS LETTER OF CREDIT IS REFERRED TO. ANY SUCH AGREEMENT OR INSTRUMENT SHALL NOT BE DEEMED INCORPORATED HEREIN BY REFERENCE. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE PRIOR WRITTEN CONSENT OF THE BENEFICIARY, THE APPLICANT AND US.

All parties to this Letter of Credit are advised that the U.S. Government has in place certain sanctions against certain countries, territories, individuals, entities, and vessels. Citigroup entities, including branches and, in certain circumstances, subsidiaries, are/will be prohibited from engaging in transactions or other activities within the scope of applicable sanctions.

SINCERELY,

NAME: _____

TITLE: _____

Annex A
REQUEST FOR FULL TRANSFER
RELINQUISHING ALL RIGHTS AS BENEFICIARY

Date: _____

Citibank, N.A.
c/o Citicorp North America, Inc.
3800 Citibank Center
Building B, 1st Floor
Tampa, FL 33610

Re: Standby L/C No. _____

Issued by: CITIBANK, N.A.

Citibank, N.A. Ref: _____

Receipt is acknowledged of the original Standby referred to above, issued in favor of ourselves as the original or transferee beneficiary thereof. We hereby represent and warrant that: (i) we have not presented any demand or request for payment or transfer under the Standby affecting the rights to be transferred, (ii) the Transferee’s name and address are correct and complete and the transactions underlying the Standby, and (iii) the execution, delivery, and performance of this transfer (a) are within the undersigned's powers, (b) have been duly authorized, (c) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting the us or any of our properties, (d) do not violate any applicable domestic or foreign law, rule, or regulation, and (e) do not require any notice, filing, or other action to, with, or by any governmental authority. We agree to indemnify you and hold you harmless from and against any and all claims, liabilities, and expenses (including reasonable attorney's fees) in any way related to or arising out of or in connection (i) with any breach by us of the representations and warranties herein, and (ii) our failure to remit to you, upon demand, funds paid to us pursuant to a demand dated after the date of this transfer form. We hereby irrevocably transfer all of our rights to draw under the Standby and request you to transfer the said Standby in its entirety to:

whose address is _____

(the “Transferee”)

(Optional) Please advise Beneficiary through the below-indicated Advising Bank:

We are returning the original Standby, including amendments to this date, to you herewith in order that you

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may deliver it to the Transferee, together with your customary letter of transfer.

It is understood that any amendments to the Standby which you may issue or receive are to be advised by you directly to the Transferee, and that the drafts and documents of the Transferee, if presented in accordance with the conditions of the Standby, are to be forwarded by you directly to the party for whose account the Standby was issued (or any intermediary) without our intervention.

Citibank, N.A. reference _____

We request that you notify the Transferee of the transfer of this Standby in such form and manner as you deem appropriate and the effective date shall be the date on which you acknowledge this request and give notice thereof to the Transferee.

SIGNATURE GUARANTEED

Sincerely yours,

The Beneficiary's signature(s) with title(s) conforms to that on file with us and such is/are authorized for the execution of this instrument.

(Name of Bank)
transferee)

(Name of first Beneficiary or subsequent transferee)

(Bank Address)

(Telephone Number)

(City, State, Zip Code)

(Authorized Name and Title)

(Telephone Number)

(Authorized Signature)

(Authorized Name and Title)

(2nd Authorized Name and Title)
(If applicable)

(Authorized Signature)

(2nd Authorized Signature)
(If applicable)

Exhibit 8

1.1 Early Purchase Option.

1.1.1 Seller hereby grants to Buyer options to purchase (“Early Purchase Option”) the Facility as of the 7th Anniversary of the Commercial Operation Date (the “Early Option Closing Date”), at the Exercise Price by providing written notice to Seller no less than two-hundred and forty (240) days before the Early Option Closing Date (“Early Option Notice”).

1.1.2 Upon the acquisition of the Facility by Buyer pursuant to this Section 1, this Agreement shall terminate and neither Party shall have any liability to the other Party under this Agreement, except for any liability that arose prior to such termination.

1.2 Purchase Option at the End of Term.

1.2.1 Seller hereby grants to Buyer the option to purchase the Facility at the end of the Term for the Exercise Price (the “Final Purchase Option”) which option may be exercised by Buyer providing written notice to Seller no less than two-hundred and forty (240) days prior to the end of the Term of Buyer’s interest in exercising the Final Purchase Option (“Final Option Notice”).

1.3 Determination of Exercise Price and Related Matters.

1.3.1 If Buyer provides an Early Option Notice or Final Option Notice to Seller and the Parties are unable to mutually agree upon the Fair Market Value of the Facility Assets for purposes of establishing the amount of the Exercise Price within thirty (30) days after delivery of such Early Option Notice or Final Option Notice, the Parties shall, within fifteen (15) days after the end of such thirty (30) day period, jointly appoint a single third party, who shall be an experienced, industry-recognized expert in the valuation of photovoltaic solar energy generation projects, in each case mutually acceptable to Buyer and Seller (“Third-Party Appraiser”), who will then determine the Fair Market Value of the Facility Assets within thirty (30) days after such Third-Party Appraiser is appointed. If the Parties are unable to agree on a single Third-Party Appraiser within such fifteen (15) day period, each Party shall designate an experienced, industry-recognized expert in the valuation of photovoltaic solar energy generation projects, and those two parties shall jointly appoint a third independent, experienced, industry-recognized expert in the valuation of photovoltaic solar energy generation projects who will then be considered the Third-Party Appraiser and shall determine the Fair Market Value of the Facility Assets within thirty (30) days after such appointment. If the Fair Market Value of the Facility Assets is determined by a Third-Party Appraiser, the fees and costs of such Third-Party Appraiser will be paid equally by Seller and Buyer. If it is necessary that each Party designate an experienced, industry-

recognized expert in the valuation of photovoltaic solar energy generation projects in order to have them jointly appoint the Third-Party Appraiser who determines the Fair Market Value, each Party will pay the fees and costs of the experienced, industry-recognized expert in the valuation of photovoltaic solar energy generation projects whom such Party designated. The Fair Market Value of the Facility Assets determined by the Third-Party Appraiser pursuant to this Section 1.3.1 shall be final and binding on the Parties.

- 1.3.2 Notwithstanding anything herein to the contrary, if Buyer exercises the Early Purchase Option or Final Purchase Option, then, prior to the Option Closing, Buyer may, at Buyer's option, cancel and rescind such exercise upon notice of cancellation and rescission of such exercise to Seller within five (5) Business Days after the Exercise Price applicable to such exercise shall have been finally determined by mutual agreement of the Parties, by resolution of any Dispute related to the amount of the Exercise Price or Third Party Appraiser, as applicable, or by any combination of the foregoing that, in any such case, constitutes a determination of such Exercise Price that is final and binding on the Parties.
- 1.4 Efforts Required to Transfer Facility. If Buyer exercises the Early Purchase Option, the Final Purchase Option or otherwise agrees to purchase the Facility pursuant to Section 1.1 or 1.2, then after all necessary regulatory approvals are received, Seller will take all actions necessary to transfer by deed, bill of sale, or both, the Facility to Buyer, as well as all other improvements placed on the site by Seller that are required for the continued and uninterrupted use, maintenance and operation of the Facility, free and clear from any lien or monetary encumbrance for which Seller or its representatives are responsible. In addition, Seller will assign to Buyer all transferrable permits, contracts, real property interests and other Facility Assets, including all transferrable warranties for the Facility. If Buyer agrees to purchase the Facility pursuant to Section 1.1 or 1.2, such purchase shall occur pursuant to a form of purchase and sale agreement with customary representations, warranties and covenants and in form reasonably acceptable to Buyer and Seller, which purchase shall be conditioned upon Buyer and Seller obtaining all necessary regulatory approvals.
- 1.5 Due Diligence; Cooperation; Regulatory Approvals; Notice of Rights. Seller will provide in a timely manner, information regarding the Facility which is reasonably requested by Buyer to allow Buyer to perform due diligence for the purchase of the Facility pursuant to Section 1.1 or 1.2.

Exhibit 9

FORM OF GUARANTY

THIS GUARANTY (this “**Guaranty**”), dated as of _____, _____ (the “**Effective Date**”), is made by NEXTERA ENERGY CAPITAL HOLDINGS, INC. (“**Guarantor**”), in favor of [_____] (“**Counterparty**”).

RECITALS:

- A.** WHEREAS, Counterparty and Guarantor’s indirect, wholly-owned subsidiary Bell Ridge Solar, LLC (“**Obligor**”), have entered into, or concurrently herewith are entering into, that certain Agreement for the Purchase of Solar Energy and Environmental Attributes dated as of _____, 2021 (together, the “**Agreement**”); and
- B.** WHEREAS, Guarantor will directly or indirectly benefit from the transaction to be entered into between Obligor and Counterparty pursuant to the Agreement.

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for Counterparty’s execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of Counterparty as follows:

1. **GUARANTY.** Subject to the terms and provisions hereof, Guarantor hereby absolutely and irrevocably guarantees the timely payment when due of all obligations owing by Obligor to Counterparty arising pursuant to the Agreement on or after the Effective Date (the “**Obligations**”). This Guaranty shall constitute a guarantee of payment and not of collection. The liability of Guarantor under this Guaranty shall be subject to the following limitations:

- (a)** Notwithstanding anything herein or in the Agreement to the contrary, the maximum aggregate obligation and liability of Guarantor under this Guaranty, and the maximum recovery from Guarantor under this Guaranty, shall in no event exceed U.S. Dollars (U.S. \$ _____) (the “**Maximum Recovery Amount**”).
- (b)** The obligation and liability of Guarantor under this Guaranty is specifically limited to payments expressly required to be made under the Agreement, as well as costs of collection and enforcement of this Guaranty (including attorney’s fees) to the extent reasonably and actually incurred by the Counterparty (subject in all instances, to the limitations imposed by the Maximum Recovery Amount as specified in Section 1(a) above). In no event, however, shall Guarantor be liable for or obligated to pay any consequential, indirect, incidental, lost profit, special, exemplary, punitive, equitable or tort damages.

2. **DEMANDS AND PAYMENT.**

- (a) If Obligor fails to pay any Obligation to Counterparty when such Obligation is due and owing under the Agreement (an “**Overdue Obligation**”), Counterparty may present a written demand to Guarantor calling for Guarantor’s payment of such Overdue Obligation pursuant to this Guaranty (a “**Payment Demand**”).
- (b) Guarantor’s obligation hereunder to pay any particular Overdue Obligation(s) to Counterparty is conditioned upon Guarantor’s receipt of a Payment Demand from Counterparty satisfying the following requirements: (i) such Payment Demand must identify the specific Overdue Obligation(s) covered by such demand, the specific date(s) upon which such Overdue Obligation(s) became due and owing under the Agreement, and the specific provision(s) of the Agreement pursuant to which such Overdue Obligation(s) became due and owing; (ii) such Payment Demand must be delivered to Guarantor in accordance with Section 9 below; and (iii) the specific Overdue Obligation(s) addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.
- (c) After issuing a Payment Demand in accordance with the requirements specified in Section 2(b) above, Counterparty shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand, and Guarantor shall be required to make payment with respect to the Overdue Obligation(s) specified in that Payment Demand within five (5) Business Days after Guarantor receives such demand. As used herein, the term “**Business Day**” shall mean all weekdays (i.e., Monday through Friday) other than any weekdays during which commercial banks or financial institutions are authorized to be closed to the public in the State of Florida.

3. **REPRESENTATIONS AND WARRANTIES.** Guarantor represents and warrants that:

- (a) it is a corporation duly organized and validly existing under the laws of the State of Florida and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;
- (b) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and
- (c) this Guaranty constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally and by general principles of equity.

4. **RESERVATION OF CERTAIN DEFENSES.** Without limiting Guarantor’s own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and

other defenses to which Obligor is or may be entitled arising from or out of the Agreement, except for defenses (if any) based upon the bankruptcy, insolvency, dissolution or liquidation of Obligor or any lack of power or authority of Obligor to enter into and/or perform the Agreement.

5. AMENDMENT OF GUARANTY. No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and Counterparty; provided, however, that an amendment to this Guaranty increasing the Maximum Recovery Amount and/or extending the termination date of this Guaranty may be executed solely by Guarantor.

6. WAIVERS AND CONSENTS. Subject to and in accordance with the terms and provisions of this Guaranty:

(a) Except as required in Section 2 above, Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; (iii) any right to require that any action or proceeding be brought against Obligor or any other person, or to require that Counterparty seek enforcement of any performance against Obligor or any other person, prior to any action against Guarantor under the terms hereof;

(iv) any law or statute that requires that Obligor or any other person be joined in, notified of or made part of any action against Guarantor; and (v) notice of extensions, modifications, renewals, or novations of the Obligations, of any new transactions or other relationships between Counterparty and Obligor, or of changes in the financial condition of, ownership of, or business structure of Obligor.

(b) No delay by Counterparty in the exercise of (or failure by Counterparty to exercise) any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from its obligations hereunder (with the understanding, however, that the foregoing shall not be deemed to constitute a waiver by Guarantor of any rights or defenses which Guarantor may at any time have pursuant to or in connection with any applicable statutes of limitation).

(c) Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, Counterparty may: (i) change the manner, place or terms for payment of all or any of the Obligations (including renewals, extensions or other alterations of the Obligations); (ii) release Obligor or any person (other than Guarantor) from liability for payment of all or any of the Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Obligations.

7. REINSTATEMENT. Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by Counterparty as a result of the bankruptcy or insolvency of Obligor, all as though such payments had not been made.

8. TERMINATION. Guarantor may terminate this Guaranty by providing a written termination notice to Counterparty specifying the date upon which such termination will take effect

(provided that no such termination shall take effect prior to 5:00 p.m. (Eastern Prevailing Time) on the fifth (5th) Business Day after the termination notice has been delivered to Counterparty in accordance with Section 9 hereof). No such termination shall be effective until the Counterparty has been provided with a replacement guaranty, letter of credit, or other financial accommodation on substantially the same terms as, or no less protection than the terms of this Guaranty from a party with a credit rating equal to or better than that of the Guarantor. Upon the effectiveness of such termination, Guarantor shall have no further liability hereunder, except as may pertain pursuant to the last sentence of this paragraph. No such termination shall affect Guarantor’s liability with respect to any Obligations arising under this Agreement prior to the time such termination is effective, which Obligations shall remain subject to this Guaranty.

Unless terminated earlier, this Guaranty and the Guarantor’s obligations hereunder will terminate automatically and immediately at _____. [*Insert Contract expiration date.*]; provided, however, that no such termination shall affect Guarantor’s liability with respect to any Obligations arising under any Transactions entered into prior to the time the termination is effective, which Obligations shall remain subject to this Guaranty.

9. NOTICE. Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called “Notice”) by Counterparty to Guarantor, or by Guarantor to Counterparty, as applicable, shall be in writing and may be delivered either by (i) U.S. certified mail with postage prepaid and return receipt requested, or (ii) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or Counterparty, as applicable, to the other in accordance with the requirements of this Section 9):

TO GUARANTOR:*	TO COUNTERPARTY:
NextEra Energy Capital Holdings, Inc. 700 Universe Blvd. Juno Beach, Florida 33408 Attn: Treasurer	_____ _____ _____ Attn: _____
[Tel: (561) 694-6204 -- for use in connection with courier deliveries]	[Tel: (____)____-____-- for use in connection with courier deliveries]

* (NOTE: Copies of any Notices to Guarantor under this Guaranty shall also be sent via facsimile to ATTN: Contracts Group, Legal, Fax No. (561) 625-7504 and ATTN: Credit Department, Fax No. (561) 625-7642. However, such facsimile transmissions shall not be deemed effective for delivery purposes under this Guaranty.)

Any Notice given in accordance with this Section 9 will (i) if delivered during the recipient’s normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (ii) if not delivered during the recipient’s normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient’s normal business hours on the next Business Day after such delivery.

10. **MISCELLANEOUS.**

- (a) This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of Florida, without regard to principles of conflicts of laws thereunder.
- (b) This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by Counterparty and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of Counterparty. Counterparty may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor.
- (c) This Guaranty embodies the entire agreement and understanding between Guarantor and Counterparty and supersedes all prior agreements and understandings relating to the subject matter hereof.
- (d) The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders. The term “person” as used herein means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).
- (e) Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- (f) Counterparty (by its acceptance of this Guaranty) and Guarantor each hereby irrevocably:
 - (i) consents and submits to the exclusive jurisdiction of any state or federal court of competent jurisdiction located in Hillsborough County, Florida for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof or any of the transactions contemplated hereby brought by Counterparty, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.
- (g) COUNTERPARTY (BY ITS ACCEPTANCE OF THIS GUARANTY) AND GUARANTOR EACH HEREBY IRREVOCABLY, INTENTIONALLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON RELATING HERETO OR

THERE TO. THIS PROVISION IS A MATERIAL INDUCEMENT TO GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____, 20 , but it is effective as of the Effective Date

NEXTERA ENERGY CAPITAL HOLDINGS,
INC.

By: _____
Name: _____
Title: _____

Exhibit 10

FORM OF ENVIRONMENTAL ATTRIBUTES BILL OF SALE AND ATTESTATION

This Environmental Attributes Bill of Sale and Attestation (“BOSAA”), dated as of _____, 20, is made by Bell Ridge Solar, LLC, a Delaware limited liability company (“Seller”), in favor of Reedy Creek Improvement District, a _____ organized and existing under the laws of the State of Florida (“Buyer”), pursuant to, and in accordance with the terms and conditions of, that certain Agreement for the Purchase of Solar Energy and Environmental Attributes, dated as of _____, 2021 (as amended or modified, the “Agreement”), by and between Seller and Buyer. Capitalized terms used and not otherwise defined in this BOSAA have the respective meanings ascribed in the Agreement.

Seller hereby sells, assigns, transfers and delivers to Buyer all right, title and interest of Seller in, to or under the Environmental Attributes included in or associated with the Contract Quantity expressed in MWh delivered to the Delivery Point and purchased by Buyer (“Delivered Contract Quantity”) during the time period specified below (“Specified Time Period”).

Name and Location of Facility: _____

Fuel Type: Photovoltaic - Solar

Nameplate Capacity Rating (MWac) of Facility: 74.5

Operational Date of Facility: _____

Energy Admin. ID no.: _____

Specified Time Period: From and including the hour ending _____ Eastern Prevailing Time on _____, 20 , to and including the hour ending _____ Eastern Prevailing Time on _____, 20 .

Delivered Contract Quantity in MWh: _____

Environmental Attributes Delivered to Buyer: _____

Seller hereby further attests, and represents and warrants to Buyer, that, to the best knowledge of the undersigned, the information provided in this BOSAA is true and correct.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Seller has caused this BOSAA to be duly executed by its authorized representative as of the date first above written.

SELLER:

BELL RIDGE SOLAR, LLC

By: _____

Name:

Title:

EXHIBIT 11

FORM OF FACILITY LENDER CONSENT

This FACILITY LENDER CONSENT (as amended, modified or supplemented from time to time, this “Consent”), dated as of [_____], is executed by REEDY CREEK IMPROVEMENT DISTRICT, a political subdivision of the state of Florida organized and existing under the laws of the State of Florida (“Contracting Party”), BELL RIDGE SOLAR, LLC, a Delaware limited liability company (“Assignor”), and [] (the “Lender”).

- A. Assignor is undertaking the development, construction, completion, ownership and operation of a 74.5 MW_{AC} a solar photovoltaic generating facility to be located in XXX County, Florida (the “Facility”);
- B. In order to finance the development, construction, operation and use of the Facility, Assignor has entered into that certain Financing Agreement, dated as of [_____] , 202__ (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Financing Agreement”), [between][among] Assignor [and the Lender][the Lender and the other lenders party thereto (“the Lenders”)], pursuant to which, among other things, the Lender has extended commitments to make loans to, and for the benefit of Assignor; *[Description of financing, relevant documents, parties and defined terms related thereto used in this Form of Facility Lender Consent are subject to change based on specifics of actual Facility Debt and Financing Documents.]*
- C. Assignor and Contracting Party have entered into that certain Agreement for the Purchase of Solar Energy and Environmental Attributes Assignor and Contracting Party dated as of [_____] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the “Agreement”);
- D. As collateral security for all obligations of Assignor to the Lender under the Financing Agreement and related documents, Assignor has granted to the Lender a first-priority security interest in all of Assignor’s right, title and interest in, to and under the Agreement (the “Assigned Interest”) pursuant to that certain [Security Agreement (Borrower)], dated as of even date herewith (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Security Agreement”), made by Assignor in favor of the Lender for the benefit of the Lender[s]; and
- E. It is a requirement under the Financing Agreement that Contracting Party and the other parties hereto shall have executed this Consent.

NOW THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, notwithstanding anything in the Agreement to the contrary, as follows:

1. Consent and Agreement. Contracting Party:
- (a) consents to the assignment of the Assigned Interest as collateral security to the Lender;

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(b) acknowledges the right (but not the obligation) of the Lender in the exercise of its rights and remedies under the Security Agreement to make all demands, give all notices, take all actions and exercise all rights of Assignor under the Agreement, and agrees to accept any such exercise; provided, however, that, insofar as the Lender exercises any of its rights under the Agreement or makes any claims with respect to payments or other obligations under the Agreement, the terms and conditions of the Agreement applicable to such exercise of rights or claims shall apply to the Lender to the same extent as to Assignor;

(c) agrees not to (i) cancel or terminate the Agreement or suspend performance of its services thereunder, except as provided in the Agreement or by operation of law and, in any event, except as in accordance with Section 4 of this Consent; and (ii) sell, assign or otherwise dispose (by operation of law or otherwise) of any part of its right, title or interest in the Agreement, in each case without the prior written consent of the Lender, except for an assignment, sale or transfer of a security interest to Contracting Party's lender or lenders, or as otherwise permitted in the Agreement; and

(d) agrees to promptly deliver to the Lender copies of all notices of breach, default, suspension or termination delivered by Contracting Party under the Agreement.

2. Assignor's Acknowledgement. Assignor acknowledges and agrees that Contracting Party is permitted to perform its obligations under the Agreement upon the Lender's exercise of Assignor's rights in accordance with this Consent, and that Contracting Party shall bear no liability to Assignor solely as a result of performing its obligations under the Agreement upon such exercise by the Lender and Assignor will hold Contracting Party harmless as a result.

3. Transferees. Contracting Party agrees that if the Lender shall notify Contracting Party in writing that as a result of foreclosure (whether judicial or non-judicial) or deed-in-lieu-of-foreclosure, the Lender or any other applicable purchaser, successor, assignee or designee (in each case, a "Transferee") is to succeed to Assignor's rights in the Assigned Interest, then the Transferee shall be substituted for Assignor under the Agreement and Contracting Party shall (a) recognize the Transferee as its counterparty under the Agreement and (b) continue to perform its obligations under the Agreement in favor of the Transferee; provided, however, that such Transferee has (i) assumed in writing all of Assignor's obligations under the Agreement, other than any non-monetary obligations to cure any breaches or defaults which by their nature are incapable of being cured, (ii) delivered to the Contracting Party all performance security then-required under the Agreement, and (iii) is (or contracts with) a Qualified Operator. If the Lender or an entity controlled by the Lender is the initial Transferee, such initial Transferee shall have the right to assign all of its interest in the Agreement to any subsequent Transferee, provided such subsequent Transferee has assumed in writing all of the initial Transferee's obligations under the Agreement and is (or contracts with) a Qualified Operator. If the subsequent Transferee meets the requirements of the proviso in Section 24.1 of the Agreement or is approved by the Contracting Party, which approval will not be unreasonably withheld, conditioned or delayed, upon such assignment, the initial Transferee shall be released from any further liability under the Agreement.

4. Right to Cure. In the event of a default or breach by Assignor in the performance of any of its obligations under the Agreement, or upon the occurrence or non-occurrence of any event or condition under the Agreement which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable Contracting

Party to terminate the Agreement or suspend its performance thereunder (a “Default”), Contracting Party shall not terminate the Agreement or suspend its performance thereunder until it first gives written notice of a Default by Assignor and affords the Lender the same cure period afforded to Assignor (such Lender cure period to run concurrent with the Assignor’s cure period), plus an additional (a) fifteen (15) Business Days with respect to a payment obligation, and (b) forty-five (45) Business Days with respect to a non-payment obligation beyond Assignor’s cure period. Lender shall be entitled to exercise all rights and to cure any defaults of Assignor under the Agreement. Contracting Party agrees to accept such exercise and cure by Lender and to render all performance due by it under the Agreement and this Consent (provided that during any such cure period provided by the Agreement, the Lender or Assignor continues to diligently attempt to cure such Default). If (i) possession of the Facility is necessary to cure any Default, and the Lender promptly commences and diligently pursues foreclosure or any other proceedings necessary to take possession of the Facility, or (ii) the Lender is prohibited by any court order or bankruptcy or insolvency proceedings from curing the Default or from commencing or prosecuting such proceedings, and provided all monetary obligations on Assignor’s part under the Agreement have been performed, then in either case the cure period in clause (b) of this Section 4 shall be extended for a reasonable period not to exceed 90 days to allow the Lender to complete such proceedings and the Lender or the applicable Transferee to effect the cure.

5. Replacement Agreement. In the event that the Agreement is rejected or terminated as a result of any bankruptcy or insolvency proceeding, Contracting Party shall, at the option of the Lender exercised within forty five (45) days after such rejection or termination, enter into a new agreement with the Lender or a designated entity controlled by the Lender having identical terms as the Agreement, but with a term no longer than the remaining term of the Agreement (subject to any conforming changes necessitated by the substitution of parties and other changes as the parties may mutually agree, the “Replacement Agreement”) after curing all outstanding payment and performance obligations under the Agreement at the time of termination, excluding those non-monetary obligations that are not capable of being cured; provided that Lender or its designated entity is (or contracts with) a Qualified Operator. The Lender (or such designee, as the case may be) shall have the right to assign all of its interest in the Replacement Agreement to any person, provided such assignee has assumed in writing all of the Lender’s or such designee’s obligations under the Agreement and is (or contracts with) a Qualified Operator. Upon an assignment as discussed in the immediately preceding sentence, the Lender or such designee shall be released from any further liability under the Agreement.

6. No Liability. Contracting Party acknowledges and agrees that the Lender (a) shall not have any liability or obligation under the Agreement until, if ever, the Lender expressly assumes such obligations in writing and (b) subject to Section 3 and Section 5, has no obligation to cure any Default. Notwithstanding the foregoing, in the event the Lender or its designee(s) or assignee(s) succeed to Assignor’s interest under the Agreement, Lender or its designee(s) or assignee(s) shall cure any defaults for failure to pay amounts owed under the Agreement. Notwithstanding anything to the contrary herein, the sole recourse of Contracting Party in seeking the enforcement against a Transferee who is a Lender of any obligations under this Consent, the Agreement or a Replacement Agreement shall be to any Transferee’s right, title and interest in the Facility.

7. Payment of Monies. Commencing on the date of this Consent and so long as the Financing

Agreement remains in effect, Contracting Party hereby agrees to make all payments required to be made by it under the Agreement in U.S. dollars and in immediately available funds, directly into the account to be established by Assignor and Lender, or to such other Person and/or at such other address or account as the Lender may from time to time specify in writing to Contracting Party, in either case, upon not less than five (5) business days' prior notice to the Contracting Party. Assignor hereby instructs Contracting Party, and Contracting Party accepts such instructions, to make all payments due and payable to Assignor under the Agreement as set forth in the immediately preceding sentence, and Assignor will hold Contracting Party harmless as a result.

8. Representations and Warranties. Contracting Party hereby represents and warrants to Assignor and the Lender as of the date of this Consent as follows:

(a) Contracting Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation/incorporation and has all requisite power and authority to execute, deliver and perform its obligations under the Agreement and this Consent.

(b) The execution, delivery and performance by Contracting Party of the Agreement and this Consent have been duly authorized by all necessary action, and do not and will not require any further consents or approvals which have not been obtained, or violate any provision of any law, regulation, order, judgment, injunction or similar matters or breach any agreement presently in effect with respect to or binding on Contracting Party.

(c) This Consent and the Agreement are legal, valid and binding obligations of Contracting Party, enforceable against Contracting Party in accordance with their respective terms except as enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights in general and except to the extent that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

(d) The Agreement is in full force and effect and any amendment, supplement or modification thereto since the date of execution of the Agreement is reflected in the definition of "Agreement" set forth above.

(e) To the Contracting Party's actual knowledge, Assignor has fulfilled all of its obligations under the Agreement required as of the date hereof, and there are no breaches, Defaults or unsatisfied conditions presently existing (or which would exist after the passage of time and/or giving of notice) that would allow Contracting Party to terminate the Agreement or suspend its performance thereunder.

(f) To the Contracting Party's actual knowledge, there is no litigation, action, suit, proceeding or investigation pending or threatened against Contracting Party before or by any court, administrative agency, arbitrator or governmental authority, body or agency which, if adversely determined, individually or in the aggregate, could reasonably be expected to materially and adversely affect the performance by Contracting Party of its obligations hereunder or under the Agreement.

(g) The Agreement and this Consent are the only agreements between Assignor and Contracting Party with respect to the Facility, and all of the conditions precedent to

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effectiveness under the Agreement have been satisfied or waived.

(h) To Contracting Party’s actual knowledge, no excusable delay, force majeure, or the like, has occurred under the Agreement.

9. Notices. Any communications between the parties hereto or notices provided herein to be given, may be given to the following addresses:

If to Contracting Party: [_____]
[_____]
Attn: [_____]
Email: [_____]

with a copy to:

[_____]
[_____]
Attn: [_____]
Email: [_____]

If to Lender: [_____]
[Address]
[City/State/Zip Code]
Attention:
Telephone:
Fax:
Email:

With a copy, which shall not constitute notice, to:

[_____]
[Address]
[City/State/Zip Code]
Attention:
Telephone:
Facsimile:
E-mail:

If to Assignor: Florida Renewable Partners
700 Universe Boulevard, B2C/JB
Juno Beach, FL 33408
Attention: Matt Valle, Vice President
Email:Matt.Valle@nexteraenergy.com

with a copy to:
NextEra Energy Resources, LLC
700 Universe Boulevard
Juno Beach, FL 33408
Attention: Mitchell Ross, Vice President & General
Counsel
Email: Mitch.Ross@nee.com

All notices hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service, (c) if mailed by first class mail, postage prepaid, registered or certified with return receipt requested, (d) if sent by telecopy, confirmed by telephone, or (e) if sent by electronic transmission, upon the sender's receipt of an acknowledgement from the intended recipient (such as the "*return receipt requested*" function, as available, return email, or other written acknowledgement). Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given on the day (if a business day and, if not, on the next following business day) on which it is transmitted if transmitted before 4:00 p.m., recipient's time, and if transmitted after that time, on the next following business day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder by giving of written notice to the other parties in the manner set forth hereinabove.

10. Binding Effect; Amendments; Confirmation. This Consent shall be binding upon and benefit the successors and assigns of Contracting Party, Assignor and the Lender and their respective successors, transferees and permitted assigns (including without limitation, any entity that refinances all or any portion of Assignor's obligations under the Financing Agreement). No termination, amendment, variation or waiver of any provisions of this Consent shall be effective unless in writing and signed by Contracting Party, the Lender and Assignor.

11. Governing Law. This Consent shall be governed by the laws of the State of Florida without reference to conflicts of laws rules thereof.

12. Waiver of Rights to Jury Trial. EACH OF CONTRACTING PARTY, ASSIGNOR AND THE LENDER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CONSENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

13. Counterparts. This Consent may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement.

[Signature page follows]

EXHIBIT 12

FORM OF ESTOPPEL CERTIFICATE IN FAVOR OF TAX EQUITY
INVESTOR

ESTOPPEL CERTIFICATE
(Agreement for the Purchase of Solar Energy and Environmental Attributes/Bell
Ridge Solar, LLC/Reedy Creek Improvement District)

This ESTOPPEL CERTIFICATE (this “Estoppel Certificate”), dated as _____, 202_ (“Effective Date”), is made and executed by REEDY CREEK IMPROVEMENT DISTRICT, a political subdivision of the State of Florida organized and existing under the laws of the State of Florida (“Buyer”). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement (defined below). and BELL RIDGE SOLAR, LLC, a Delaware limited liability company (the “Project Company”).

A. Bell Ridge Solar, LLC, a Delaware limited liability company (the “Project Company”) and Buyer are parties to that certain Agreement for the Purchase of Solar Energy and Environmental Attributes, dated as of _____, 20__ (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Agreement”).

B. Pursuant to that certain [Equity Capital Contribution Agreement (the “ECCA”), to be entered into by and among [_____] LLC, a [_____] [_____] [_____] a [_____] the Project Company, and [_____] a [_____] (together with its successor and assigns, the “Tax Equity Investor”), the Tax Equity Investor shall acquire the [“Class B”] membership interests in the Project Company.

C. Pursuant to Section [_____] of the ECCA, the Tax Equity Investor requires that this Estoppel Certificate be delivered as a condition precedent to the consummation of the transactions contemplated by the ECCA.

NOW, THEREFORE consistent with the terms of Section 24.3 of the Agreement, and acknowledging that the Tax Equity Investor and the Project Company will rely hereon, Buyer hereby certifies, agrees and acknowledges as follows:

1. Representations and Certifications.
 - (a) Buyer hereby represents and certifies, as of the Effective Date, as follows:

(1) No Amendments. Except as described in Schedule I hereto, there are no amendments, modifications or supplements (whether by waiver, estoppel certificate or otherwise) to the Agreement, either oral or written.

(2) No Previous Assignments. Buyer has no notice of any assignment relating to the right, title and interest of the Project Company in, to or under the Agreement.

(3) Representations or Warranties. To the best of Buyer's actual knowledge to date, after due inquiry, each representation or warranty made or given by Buyer in the Agreement is complete, true and correct.

(b) To the best of Buyer's knowledge to date, as of the Effective Date: 1) There exists no event or condition (a "Termination Event") that entitles or, with the passage of time or giving of notice, or both, would entitle either the Project Company or Buyer to terminate the Agreement or suspend the performance of its obligations under the Agreement and there are no unresolved disputes or legal proceedings between the parties under the Agreement; 2) There is no pending or, to Buyer's knowledge, threatened action or proceeding involving or relating to Buyer before any court, tribunal, governmental authority or arbitrator which purports to affect the legality, validity or enforceability of the Agreement; and 3) All amounts due under the Agreement as of the date hereof have been paid in full and Buyer owes no indemnity payments or other amounts to the Project Company under the Agreement.

(c) Buyer represents and warrants that (i) it has the power and authority to execute and deliver this Estoppel Certificate, (ii) this Estoppel Certificate constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, moratorium, insolvency and similar laws affecting the rights of creditors generally, and by general principles of equity, regardless of whether considered in a proceeding at law or in equity, (iii) the execution and delivery of this Estoppel Certificate by Buyer does not and will not violate or conflict with its charter or by-laws (or comparable constitutive documents), any statute, law, rule, regulation or ordinance, or any judgment, order, stipulation agreement, writ, injunction or decree of, any court or governmental authority applicable to it or any agreement to which it is a party or by which it or any of its property is bound, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of such party to provide this Estoppel Certificate, and (iv) the person signing this Estoppel Certificate on behalf of Buyer is authorized and duly empowered to do so.

2. Notices to Tax Equity Investor. The addresses for Buyer to deliver notices, including notices of any Event of Default of the Project Company, under or in connection with the Agreement to the Tax Equity Investor is set forth on Schedule II hereto.

3. Governing Law. This Estoppel Certificate shall be governed by and construed in accordance with the laws of the State of Florida without reference to conflicts of laws rules thereof.

IN WITNESS WHEREOF, Buyer has caused its duly authorized officer to execute and deliver this Estoppel Certificate as of the Effective Date.

REEDY CREEK IMPROVEMENT DISTRICT

By: _____

Name:

Title:

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SCHEDULE I

CONFIDENTIAL- TRADE SECRET

SCHEDULE II

EXHIBIT F

Financial Summary – World Drive North Phase III

February 24, 2021

	BUDGET	Commitments		Change Order Allowance		TOTAL
		Executed	Pending	Available	Pending	
Budget	\$ 97,000,000					
Hard Costs		\$ -	\$ -	\$ -	\$ -	\$ -
Soft Costs		\$ 2,310,814	\$ 205,801	\$ 24,533	\$ 20,580	\$ 2,561,728
TLP Engineering			\$ 205,801		\$ 20,580	
TOTAL	\$ 97,000,000	\$ 2,310,814	\$ 205,801	\$ 24,533	\$ 20,580	\$ 2,561,728

Percentage of Budget

3%

EXHIBIT F



EXHIBIT G



Since 1967
Reedy Creek
IMPROVEMENT DISTRICT

Lake Buena Vista, Florida

ANNUAL FINANCIAL REPORT
AND COMPLIANCE REPORTS

Year Ended September 30, 2020

**REEDY CREEK IMPROVEMENT DISTRICT
(LOCATED IN ORANGE AND OSCEOLA COUNTIES)
1900 HOTEL PLAZA BOULEVARD
LAKE BUENA VISTA, FLORIDA**

BOARD OF SUPERVISORS

**LAURENCE C. HAMES, PRESIDENT
DONALD R. GREER, VICE-PRESIDENT
WAYNE SCHOOLFIELD, TREASURER
MAXIMIANO BRITO
JANE ADAMS**

DISTRICT ADMINISTRATOR

JOHN H. CLASSE, JR.

DEPUTY DISTRICT ADMINISTRATOR/COMPTROLLER

ANN G. BLAKESLEE

INDEPENDENT AUDITORS

**Ernst & Young LLP
Orlando, Florida**

REEDY CREEK IMPROVEMENT DISTRICT
 ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2020

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REEDY CREEK IMPROVEMENT DISTRICT
ANNUAL FINANCIAL REPORT
Year Ended September 30, 2020

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Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Reedy Creek Improvement District (the District), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose



of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis, Schedule Supporting Modified Approach for District Infrastructure Capital Assets, Other Post-Employment Benefits Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Other Post-Employment Benefits Schedule of District's Contributions, Pension Plan Schedule of District's Proportionate Share of Net Pension Liability and Schedule of Contributions and HIS Plan Schedule of District's Proportionate Share of Net Pension Liability and Schedule of Contributions, on pages 4 – 14 and 74 – 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated February 5, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Ernst & Young LLP

February 5, 2021

REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Reedy Creek Improvement District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. 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 \$469,903,413 (net position).
- The District's total net position increased during the year by \$98,192,956.
- The District's total noncurrent liabilities decreased by \$20,696,285 during the year.
- As of September 30, 2020, the District's governmental funds reported combined ending fund balances of \$210,826,317, an increase of \$41,698,561 in comparison with the prior year. Approximately 11% of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At September 30, 2020, unassigned fund balance for the general fund was \$22,501,651, or 24% of total general fund expenditures, including transfers.

Overview of the Financial Statements

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

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

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

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

REEDY CREEK IMPROVEMENT 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 intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, public safety, physical environment and transportation. The business-type activities of the District include water, wastewater, reuse, gas, solid waste, chilled water, hot water and electric utility operations. The government-wide financial statements can be found on pages 15-18 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 19-25 of this report.

Proprietary funds. The District maintains one proprietary fund, the Utility Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses its enterprise fund to account for its eight utility operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 26-30 of this report.

REEDY CREEK IMPROVEMENT 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 31-32 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 33 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 \$469,903,413 at September 30, 2020.

District's Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and noncurrent assets	\$ 228,373,593	\$ 195,714,022	\$ 146,376,239	\$ 172,555,796	\$ 374,749,832	\$ 368,269,818
Capital assets	895,725,699	871,582,054	293,640,063	281,491,906	1,189,365,762	1,153,073,960
Total assets	1,124,099,292	1,067,296,076	440,016,302	454,047,702	1,564,115,594	1,521,343,778
Deferred outflows of resources	70,855,246	39,462,229	-	6,061,187	70,855,246	45,523,416
Total deferred outflows of resources	70,855,246	39,462,229	-	6,061,187	70,855,246	45,523,416
Current liabilities*	60,087,542	66,212,954	44,409,848	53,231,644	104,497,390	119,444,598
Non-current liabilities	919,003,314	913,835,940	125,917,868	151,781,527	1,044,921,182	1,065,617,467
Total liabilities	979,090,856	980,048,894	170,327,716	205,013,171	1,149,418,572	1,185,062,065
Deferred inflows of resources	11,158,683	9,472,947	4,490,172	621,725	15,648,855	10,094,672
Total deferred inflows of resources	11,158,683	9,472,947	4,490,172	621,725	15,648,855	10,094,672
Net position:						
Net investment in capital assets	243,970,168	213,422,444	163,326,910	151,276,733	407,297,078	364,699,177
Restricted	2,449,768	1,079,602	59,058,334	54,391,491	61,508,102	55,471,093
Unrestricted (deficit)	(41,714,937)	(97,265,582)	42,813,170	48,805,769	1,098,233	(48,459,813)
Total net position	\$ 204,704,999	\$ 117,236,464	\$ 265,198,414	\$ 254,473,993	\$ 469,903,413	\$ 371,710,457

*includes current liabilities payable from restricted assets

REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

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

Governmental activities. Governmental activities reflect negative unrestricted net position balances primarily due to the District's net pension liability and net OPEB liability. Another contributing factor includes the financing, with long-term bonds of the District, certain roadways that were subsequently donated to the State of Florida. The donated roadways are not assets of the District, however the remaining debt associated with the roadways is a liability of the District. The bonds are Ad Valorem Tax bonds, secured by an irrevocable lien on the ad valorem taxes collected by the District.

The increase in revenues is due to a budgeted ad valorem tax increase for FY2020. This increase was partially offset by a decrease in charges for services, intergovernmental revenue and investment income. Charges for services were directly affected by the shutdown due to the pandemic. Intergovernmental revenue decreased with the termination of the Osceola Parkway Agreement (see Note 15). Interest income was directly affected by the economic conditions due to the pandemic, and lowering of interest rates by the Federal Reserve. The decrease in expenses is due to a savings on budgeted expenditures and reduced debt service costs with the refinancing of ad valorem bonds during the year.

The payoff and termination of the Osceola Parkway Agreement resulted in proceeds of approximately \$67 million, which were classified as an Extraordinary Item in FY2020 (see Note 17).

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REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

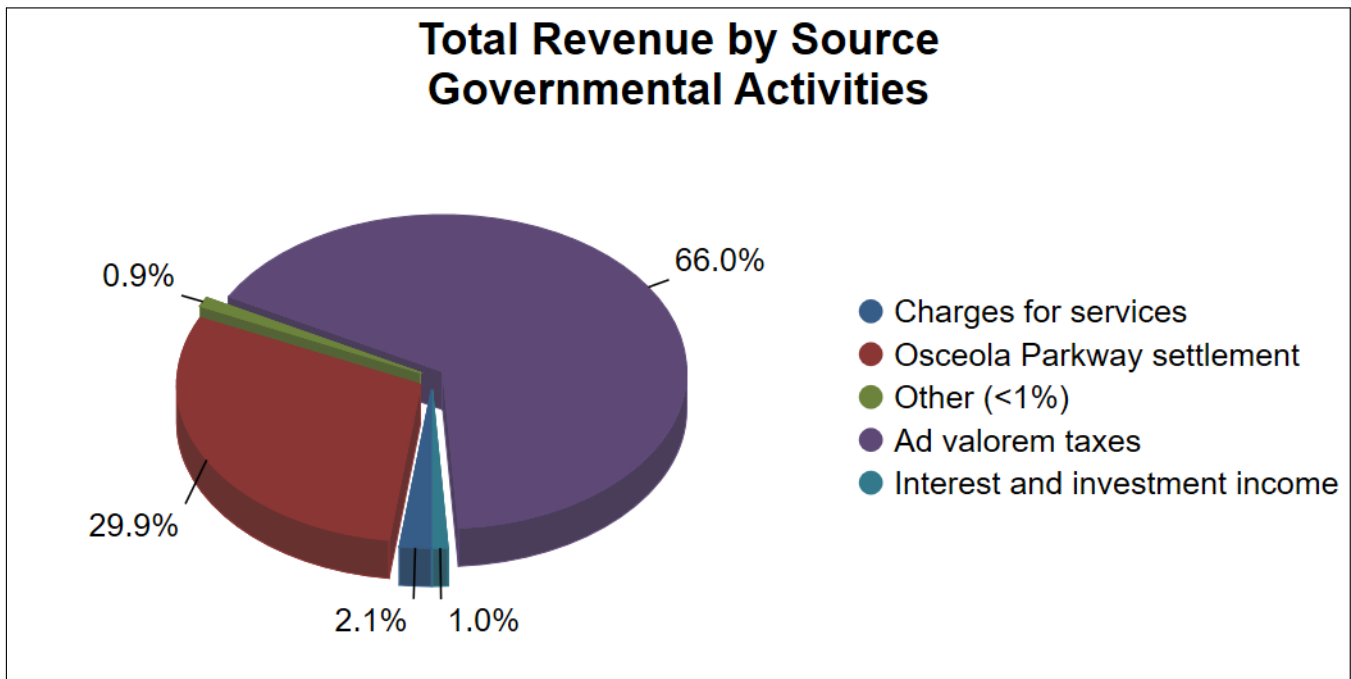
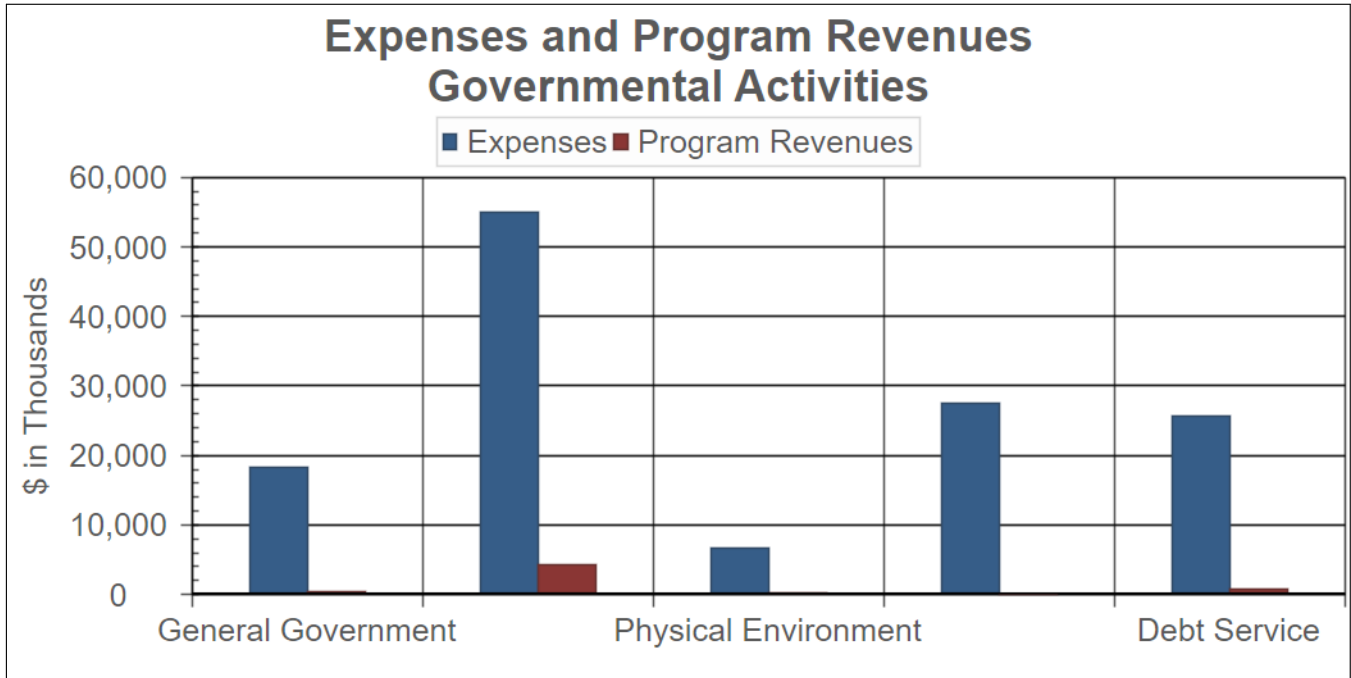
Government-wide Financial Analysis (continued)

District's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 4,670,150	\$ 6,266,117	\$ 139,799,718	\$ 171,635,595	\$ 144,469,868	\$ 177,901,712
Intergovernmental	819,122	4,639,448	-	-	819,122	4,639,448
Capital contributions	290,024	49,092	757,746	3,667,481	1,047,770	3,716,573
General revenues:						
Ad valorem taxes - net	148,461,355	135,584,888	-	-	148,461,355	135,584,888
Interest income	2,302,550	6,312,446	1,115,852	2,855,795	3,418,402	9,168,241
Nonoperating revenue	785,605	-	468,405	-	1,254,010	-
Gain on disposal of capital assets	239,801	60,829	-	-	239,801	60,829
Total revenues	157,568,607	152,912,820	142,141,721	178,158,871	299,710,328	331,071,691
Expenses:						
General government	18,255,461	15,702,707	-	-	18,255,461	15,702,707
Public safety	54,904,924	55,076,335	-	-	54,904,924	55,076,335
Physical environment	6,632,206	5,792,991	-	-	6,632,206	5,792,991
Transportation	27,517,289	24,417,893	-	-	27,517,289	24,417,893
Utility operations	-	-	131,020,275	145,717,997	131,020,275	145,717,997
Interest on debt	25,665,341	30,484,876	4,800,457	5,689,997	30,465,798	36,174,873
Total expenses	132,975,221	131,474,802	135,820,732	151,407,994	268,795,953	282,882,796
Increases (decreases) in net position before transfers and extraordinary item	24,593,386	21,438,018	6,320,989	26,750,877	30,914,375	48,188,895
Transfers	(4,403,432)	(4,250,775)	4,403,432	4,250,775	-	-
Extraordinary item	67,278,581	-	-	-	67,278,581	-
Change in net position	87,468,535	17,187,243	10,724,421	31,001,652	98,192,956	48,188,895
Net position - beginning	117,236,464	100,049,221	254,473,993	223,472,341	371,710,457	323,521,562
Net position - ending	\$ 204,704,999	\$ 117,236,464	\$ 265,198,414	\$ 254,473,993	\$ 469,903,413	\$ 371,710,457

REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

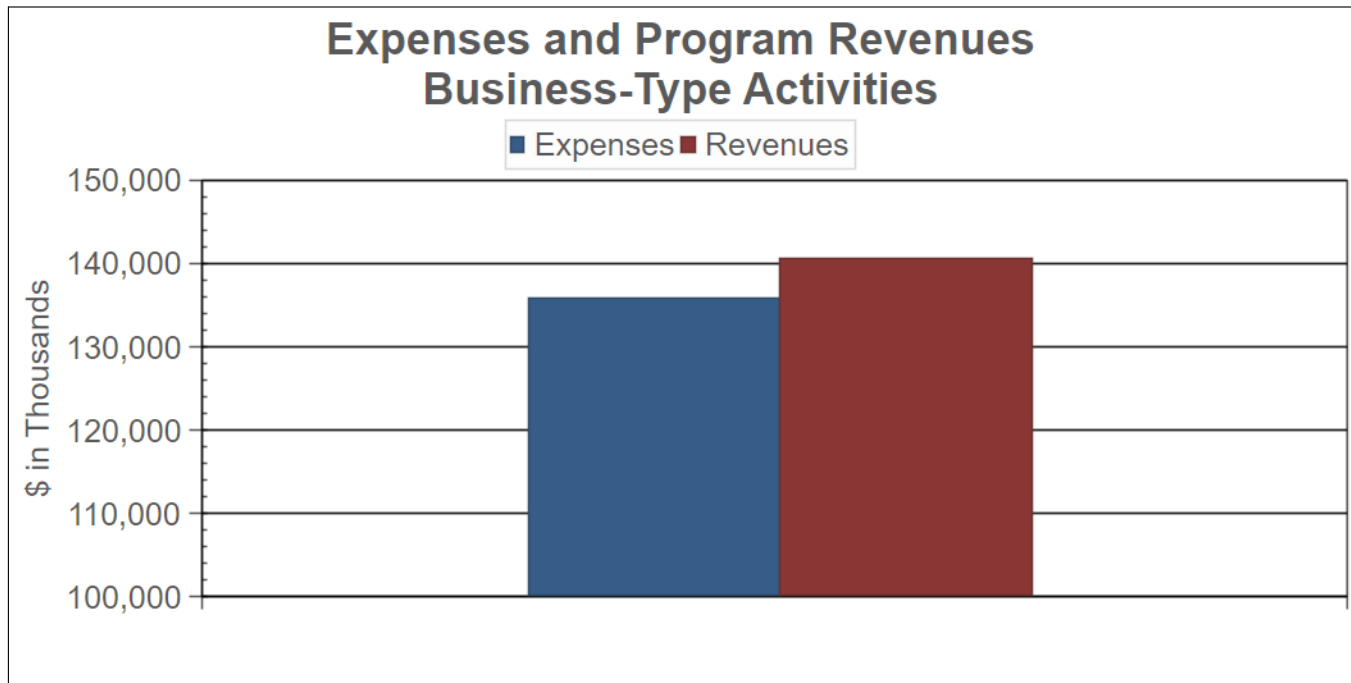
Government-wide Financial Analysis (continued)



REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (continued)

Business-type activities. Current assets decreased with the use of bond proceeds on construction projects in process. Liabilities decreased with the extinguishment of debt on revenue bonds. Charges for services were lower due to a reduction in utility revenues resulting from the theme park closures during a portion of the year. Interest income accounted for 0.8%, capital contributions and nonoperating revenue combined accounted for 0.9%, with the remainder of total revenues from charges for services. Operating expenses decreased in fiscal year 2020 due to cost savings that were implemented as a result of the theme park closures during the year.



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.

REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds (continued)

As of September 30, 2020, the District's governmental funds reported combined fund balances of \$210,826,317. Approximately 11% of this total amount constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, 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 been designated to cover the projected excess of expenditures over revenues in the fiscal year 2021 budget.

The general fund is the chief operating fund of the District. At September 30, 2020, unassigned fund balance of the general fund was \$22,501,651, while total fund balance reached \$43,860,156. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24% of the total general fund expenditures (including transfers), while total fund balance represents 48% of that same amount. The fund balance of the District's general fund increased by \$2,490,435. While the District budgeted a drawdown of over \$9 million in fund balance in FY2020, various cost savings strategies were implemented as a result of the theme park closures for a portion of the year, resulting in cost savings of approximately \$13 million.

The debt service fund has a total fund balance of \$2,449,768, an increase of \$1,370,166 from the prior year. The increase was due to cost savings on debt service related to refunding a majority of the 2013A and 2013B ad valorem bonds.

The capital projects fund has a total fund balance of \$164,516,393, an increase of \$37,837,960 from the prior year. The increase was primarily due to funds received related to the Osceola Parkway settlement, as those amounts were restricted for capital projects (see Note 17).

Proprietary fund. The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. At September 30, 2020 the unrestricted net position of the Utility Fund amounted to \$42,813,170, a decrease of \$5,992,599 from prior year primarily due to an increase of \$4.5 million in debt service reserves. The restricted net position amounted to \$59,058,334, the bulk of which is restricted for debt service.

General Fund Budgetary Highlights

The District amended its budgeted capital expenditures by \$335,000 in fiscal year 2020, and the funds were used for culvert rehabilitation along Buena Vista Drive. The additional expenditures were funded with drainage reserves and did not negatively affect the overall outcome of the budget.

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, 2020 amounted to \$1,189,365,762, net of accumulated depreciation. This represents an increase of \$36,291,802. The primary driver for the increase was ongoing capital projects as described above.

REEDY CREEK IMPROVEMENT 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)

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,740,642	\$ 2,740,642	\$ 6,896,164	\$ 6,896,164	\$ 9,636,806	\$ 9,636,806
Buildings and system	246,515,664	254,072,512	22,415,775	24,374,713	268,931,439	278,447,225
Improvements other than buildings	-	-	107,144,604	111,685,731	107,144,604	111,685,731
Machinery and equipment	8,546,699	7,691,297	114,749,157	123,380,215	123,295,856	131,071,512
Infrastructure	617,948,179	604,229,700	-	-	617,948,179	604,229,700
Construction in progress	19,974,515	2,847,903	42,434,363	15,155,083	62,408,878	18,002,986
Total	\$ 895,725,699	\$ 871,582,054	\$ 293,640,063	\$ 281,491,906	\$ 1,189,365,762	\$ 1,153,073,960

Long-term debt. At September 30, 2020, the District had total long-term bonded debt outstanding of \$954,132,234. Of this amount, \$803,314,366 comprised of debt backed by the full faith and credit of the District and \$150,817,868 is secured by the revenues generated by the District's utilities. During the year, the District's total long-term debt decreased by \$25,803,604 (3%) due to the extinguishment of debt used to finance transportation improvements and capital improvements for the utility system and the effects of refunding the series 2013 ad valorem bonds.

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

District's Outstanding Long-term Debt

General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 803,314,366	\$ 807,004,311	\$ -	\$ -	\$ 803,314,366	\$ 807,004,311
Revenue bonds	-	-	150,817,868	172,931,527	150,817,868	172,931,527
Total	\$ 803,314,366	\$ 807,004,311	\$ 150,817,868	\$ 172,931,527	\$ 954,132,234	\$ 979,935,838

REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (continued)

Infrastructure Assets. As demonstrated in the Required Supplementary Information on pages 77-86 of this report, there have been no significant changes in the assessed condition of the bridges, roads and water control structures that use the modified approach for infrastructure reporting. There is an ongoing program to repair the remaining water control structures considered in good condition. The current conditions of the remaining assets are within the established levels maintained by the District.

Economic Factors and Next Year's Budget and Rates

During fiscal year 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. The District experienced some reductions in utility revenue during fiscal year 2020. As a result, the District increased utility rates to ensure liquidity and coverage ratios were maintained. While ad valorem revenue declines are anticipated beyond fiscal year 2021, management cannot quantify the financial impacts to the District at this time.

- The unemployment rate of the Central Florida area is currently averaging 9.8%. This is more than both the state and national average unemployment rates of 7.6% and 6.9%, respectively.
- Fiscal year 2021 assessed values increased 10.0%. Millage rates decreased overall by 1.1479 mills, primarily the result of a decrease in debt service millage with the pay-down of outstanding debt.
- Inflationary trends in the region compare to national indices.

Subsequent Events

Issuance of Future Utility Revenue Bonds

In November 2020, the Board of Supervisors approved a resolution to reimburse itself from the proceeds of tax-exempt bonds for certain expenses to be incurred with respect to the design, acquisition, extension, expansion, construction and improvement of the District's utility system. The District intends to issue both taxable and tax-exempt bonds to fund improvements in the next phase of the Utility Capital Program, and enter into a current refunding of the outstanding 2011-2 Utility Revenue Bonds, which are callable on October 1, 2021. The District is currently in negotiations with Truist Bank using direct borrowings for both the new and refunding bonds, and anticipates closing the transactions in late February or early March, 2021. The refunding transaction would also include an additional bank loan that would close approximately July, 2021.

REEDY CREEK IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Reedy Creek Improvement District, Comptroller, 1900 Hotel Plaza Blvd., P.O. Box 10170, Lake Buena Vista, Florida 32830.

REEDY CREEK IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 24,456,757	\$ 14,872,387	\$ 39,329,144
Cash and cash equivalents - restricted	55,772,478	56,496,608	112,269,086
Investments	17,826,185	8,021,036	25,847,221
Investments - restricted	123,327,836	30,519,894	153,847,730
Accounts receivable, net	5,003,600	19,772,108	24,775,708
Internal balances	(396,086)	396,086	-
Inventories	-	14,901,253	14,901,253
Prepays	2,061,896	533,313	2,595,209
Deposits	30,000	-	30,000
Derivative fuel instruments	-	840,554	840,554
Other assets	290,927	23,000	313,927
Capital assets not being depreciated	640,663,336	49,330,527	689,993,863
Capital assets, net of accumulated depreciation	255,062,363	244,309,536	499,371,899
Total assets	1,124,099,292	440,016,302	1,564,115,594
DEFERRED OUTFLOWS OF RESOURCES			
Loss on defeased debt due to refundings	27,672,931	-	27,672,931
Deferred outflow of resources related to pensions	23,445,817	-	23,445,817
Deferred outflow of resources related to OPEB	19,736,498	-	19,736,498
Total deferred outflows of resources	70,855,246	-	70,855,246

(Continued)

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

REEDY CREEK IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable and accrued liabilities	5,283,696	12,072,093	17,355,789
Accounts payable from restricted assets	11,893,348	4,568,676	16,462,024
Compensated absences	1,397,532	-	1,397,532
Self insurance liability	1,099,030	-	1,099,030
Bonds payable	31,365,000	24,900,000	56,265,000
Accrued interest payable	9,048,936	2,869,079	11,918,015
Noncurrent liabilities:			
Compensated absences	2,391,606	-	2,391,606
Self insurance liability	4,266,223	-	4,266,223
Net pension liability	75,809,610	-	75,809,610
Net OPEB liability	64,586,509	-	64,586,509
Bonds payable	771,949,366	125,917,868	897,867,234
Total	979,090,856	170,327,716	1,149,418,572
DEFERRED INFLOWS OF RESOURCES			
Deferred fuel	-	3,633,920	3,633,920
Accumulated increase in fair value of derivative instruments	-	840,554	840,554
Gain on defeased debt due to refundings	-	15,698	15,698
Deferred inflow of resources related to pensions	1,589,228	-	1,589,228
Deferred inflow of resources related to OPEB	9,569,455	-	9,569,455
Total deferred inflows of resources	11,158,683	4,490,172	15,648,855
NET POSITION			
Net investment in capital assets	243,970,168	163,326,910	407,297,078
Restricted for:			
Debt service	2,449,768	53,942,351	56,392,119
Renewal and replacement	-	4,615,983	4,615,983
Emergency repairs	-	500,000	500,000
Unrestricted (deficit)	(41,714,937)	42,813,170	1,098,233
Total net position	\$ 204,704,999	\$ 265,198,414	\$ 469,903,413

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

REEDY CREEK IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES

For the Period Ended September 30, 2020

		Business-type Activities	
	Total	Utility	Total Governmental Activities
Expenses:			
Labor	\$ 92,061,890	\$ 32,262,875	\$ 59,799,015
Operating expenses	113,437,507	77,080,733	36,356,774
Depreciation	32,629,722	21,475,631	11,154,091
Nonoperating expenses	201,036	201,036	-
Interest on debt	30,465,798	4,800,457	25,665,341
Total expenses	268,795,953	135,820,732	132,975,221
Program revenues:			
Charges for services	144,469,868	139,799,718	4,670,150
Intergovernmental	819,122	-	819,122
Capital contributions	1,047,770	757,746	290,024
Total program revenues	146,336,760	140,557,464	5,779,296
Net program expense (revenue)	122,459,193	(4,736,732)	127,195,925
General revenues:			
Ad valorem taxes	148,461,355	-	148,461,355
Interest and investment income	3,418,402	1,115,852	2,302,550
Nonoperating revenues	1,254,010	468,405	785,605
Gain on disposal of capital assets	239,801	-	239,801
Extraordinary item - Osceola Parkway settlement	67,278,581	-	67,278,581
Transfers in (out)	-	4,403,432	(4,403,432)
Total general revenues, extraordinary item and transfers	220,652,149	5,987,689	214,664,460
Change in net position	98,192,956	10,724,421	87,468,535
Total net position - beginning	371,710,457	254,473,993	117,236,464
Total net position - ending	\$ 469,903,413	\$ 265,198,414	\$ 204,704,999

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

Governmental Activities

General Government	Public Safety	Physical Environment	Transportation	Debt Service
\$ 8,414,682	\$ 47,267,333	\$ 2,913,360	\$ 1,203,640	\$ -
8,837,522	5,119,166	3,520,598	18,879,488	-
1,003,257	2,518,425	198,248	7,434,161	-
-	-	-	-	-
-	-	-	-	25,665,341
18,255,461	54,904,924	6,632,206	27,517,289	25,665,341
440,350	4,229,800	-	-	-
-	-	-	-	819,122
-	-	290,024	-	-
440,350	4,229,800	290,024	-	819,122
\$ 17,815,111	\$ 50,675,124	\$ 6,342,182	\$ 27,517,289	\$ 24,846,219

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

REEDY CREEK IMPROVEMENT DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 24,456,757	\$ 1,356,939	\$ 54,415,539	\$ 80,229,235
Investments	17,826,185	1,054,600	122,273,236	141,154,021
Accounts receivable, net	4,959,063	44,537	-	5,003,600
Due from other governments	92,313	-	-	92,313
Prepays	2,061,896	-	-	2,061,896
Deposits	-	-	30,000	30,000
Total assets	<u>\$ 49,396,214</u>	<u>\$ 2,456,076</u>	<u>\$ 176,718,775</u>	<u>\$ 228,571,065</u>
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	\$ 5,363,001	\$ 6,308	\$ 11,887,040	\$ 17,256,349
Due to other funds	173,057	-	315,342	488,399
Total liabilities	<u>5,536,058</u>	<u>6,308</u>	<u>12,202,382</u>	<u>17,744,748</u>
Fund balances:				
Nonspendable:				
Prepays	2,061,896	-	-	2,061,896
Committed				
Drainage system	4,633,296	-	-	4,633,296
Property appraiser disputes	5,000,000	-	-	5,000,000
Restricted:				
Capital projects	-	-	164,516,393	164,516,393
Debt service	-	2,449,768	-	2,449,768
Assigned:				
2021 budget appropriation	9,663,313	-	-	9,663,313
Unassigned	22,501,651	-	-	22,501,651
Total fund balances	<u>43,860,156</u>	<u>2,449,768</u>	<u>164,516,393</u>	210,826,317
Total liabilities and fund balances	<u>\$ 49,396,214</u>	<u>\$ 2,456,076</u>	<u>\$ 176,718,775</u>	

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

REEDY CREEK IMPROVEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION

September 30, 2020

Fund Balances - Total Governmental Funds	\$ 210,826,317
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.	(9,048,936)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	895,725,699
Some liabilities, including 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>(892,798,081)</u>
Net position of governmental activities	<u>\$ 204,704,999</u>

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

REEDY CREEK IMPROVEMENT DISTRICT

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

For the Period Ended September 30, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES				
Ad valorem taxes	\$ 88,458,458	\$ 60,002,897	\$ -	\$ 148,461,355
Intergovernmental	-	819,122	-	819,122
Emergency services	417,299	-	-	417,299
Building permits and fees	3,812,501	-	-	3,812,501
Drainage fees	290,024	-	-	290,024
Interest and investment income	698,534	223,951	1,380,065	2,302,550
Other	687,857	-	-	687,857
Total revenues	<u>94,364,673</u>	<u>61,045,970</u>	<u>1,380,065</u>	<u>156,790,708</u>
EXPENDITURES				
Current:				
General government	15,732,695	-	-	15,732,695
Public safety	42,319,788	-	-	42,319,788
Physical environment	5,869,321	-	-	5,869,321
Transportation	19,849,851	-	-	19,849,851
Capital outlay	3,699,151	-	31,606,291	35,305,442
Debt service:				
Principal	-	25,520,000	-	25,520,000
Interest and other charges	-	35,894,092	-	35,894,092
Total expenditures	<u>87,470,806</u>	<u>61,414,092</u>	<u>31,606,291</u>	<u>180,491,189</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,893,867</u>	<u>(368,122)</u>	<u>(30,226,226)</u>	<u>(23,700,481)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	338,025,000	-	338,025,000
Transfers out	(4,403,432)	-	-	(4,403,432)
Payments to escrow agents	-	(336,286,712)	-	(336,286,712)
Insurance recoveries	-	-	785,605	785,605
Total other financing sources	<u>(4,403,432)</u>	<u>1,738,288</u>	<u>785,605</u>	<u>(1,879,539)</u>
EXTRAORDINARY ITEM				
Osceola Parkway settlement	-	-	67,278,581	67,278,581
Net change in fund balances	2,490,435	1,370,166	37,837,960	41,698,561
Fund Balances, beginning of year	<u>41,369,721</u>	<u>1,079,602</u>	<u>126,678,433</u>	<u>169,127,756</u>
Fund Balances, end of year	<u>\$ 43,860,156</u>	<u>\$ 2,449,768</u>	<u>\$ 164,516,393</u>	<u>\$ 210,826,317</u>

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

REEDY CREEK IMPROVEMENT 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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 41,698,561
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 expense. This is the amount by which capital outlays exceeded depreciation in the current period.	24,151,351
The net effect of various miscellaneous transactions involving capital assets resulted in a decrease in net position as follows:	(7,706)
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.	34,010,462
Increases in other liabilities reported as expenses in the statement of activities not requiring the use of current financial resources in governmental funds.	<u>(12,384,133)</u>
Change in net position of governmental activities	<u>\$ 87,468,535</u>

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

REEDY CREEK IMPROVEMENT DISTRICT

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

GENERAL FUND

For the Period Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	\$ 88,664,608	\$ 88,664,608	\$ 88,458,458	\$ (206,150)
Intergovernmental revenue	3,000,000	3,000,000	-	(3,000,000)
Emergency services	-	-	417,299	417,299
Building permits and fees	5,750,000	5,750,000	3,812,501	(1,937,499)
Drainage fees	-	-	290,024	290,024
Interest and investment income	525,000	525,000	698,534	173,534
Other	350,000	350,000	687,857	337,857
Total revenues	98,289,608	98,289,608	94,364,673	(3,924,935)
EXPENDITURES				
GENERAL GOVERNMENT				
Administrative:				
Labor	2,618,022	2,618,022	2,559,539	58,483
Operating	5,214,717	5,214,717	5,423,887	(209,170)
	<u>7,832,739</u>	<u>7,832,739</u>	<u>7,983,426</u>	<u>(150,687)</u>
Human Resources:				
Labor	856,596	856,596	834,218	22,378
Operating	555,250	555,250	218,809	336,441
	<u>1,411,846</u>	<u>1,411,846</u>	<u>1,053,027</u>	<u>358,819</u>
Information Systems & Technology:				
Labor	2,012,409	2,012,409	1,899,362	113,047
Operating	1,932,775	1,932,775	1,951,996	(19,221)
Capital outlay	1,950,265	1,950,265	1,012,876	937,389
	<u>5,895,449</u>	<u>5,895,449</u>	<u>4,864,234</u>	<u>1,031,215</u>
Property Management:				
Labor	561,774	561,774	569,152	(7,378)
Operating	1,406,672	1,409,672	1,336,289	73,383
Capital outlay	422,000	422,000	169,633	252,367
	<u>2,390,446</u>	<u>2,393,446</u>	<u>2,075,074</u>	<u>318,372</u>

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

REEDY CREEK IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Period Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Contracts & Risk Management:				
Labor	945,460	945,460	921,567	23,893
Operating	<u>22,350</u>	<u>22,350</u>	<u>17,876</u>	<u>4,474</u>
	<u>967,810</u>	<u>967,810</u>	<u>939,443</u>	<u>28,367</u>
TOTAL GENERAL GOVERNMENT	<u>18,498,290</u>	<u>18,501,290</u>	<u>16,915,204</u>	<u>1,586,086</u>
PUBLIC SAFETY				
Building & Safety:				
Labor	5,144,331	5,144,331	4,969,694	174,637
Operating	<u>1,041,488</u>	<u>1,041,488</u>	<u>658,719</u>	<u>382,769</u>
	<u>6,185,819</u>	<u>6,185,819</u>	<u>5,628,413</u>	<u>557,406</u>
Emergency Services:				
Labor	33,261,032	33,261,032	31,933,262	1,327,770
Operating	3,273,828	3,175,828	2,478,355	697,473
Capital outlay	<u>3,327,887</u>	<u>3,342,887</u>	<u>2,176,880</u>	<u>1,166,007</u>
	<u>39,862,747</u>	<u>39,779,747</u>	<u>36,588,497</u>	<u>3,191,250</u>
Property Management:				
Labor	366,565	366,565	297,666	68,899
Operating	2,371,064	2,404,064	1,982,092	421,972
Capital outlay	<u>139,000</u>	<u>139,000</u>	<u>99,100</u>	<u>39,900</u>
	<u>2,876,629</u>	<u>2,909,629</u>	<u>2,378,858</u>	<u>530,771</u>
TOTAL PUBLIC SAFETY	<u>48,925,195</u>	<u>48,875,195</u>	<u>44,595,768</u>	<u>4,279,427</u>
PHYSICAL ENVIRONMENT				
Water Control:				
Operating	<u>1,888,900</u>	<u>2,223,900</u>	<u>1,491,877</u>	<u>732,023</u>
	<u>1,888,900</u>	<u>2,223,900</u>	<u>1,491,877</u>	<u>732,023</u>
Planning & Engineering:				
Labor	2,259,142	2,259,142	2,348,723	(89,581)
Operating	1,152,704	1,152,704	836,707	315,997
Capital outlay	<u>692,000</u>	<u>692,000</u>	<u>240,662</u>	<u>451,338</u>
	<u>4,103,846</u>	<u>4,103,846</u>	<u>3,426,092</u>	<u>677,754</u>

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

REEDY CREEK IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Period Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Property Management:				
Operating supplies	988,896	1,163,896	1,192,014	(28,118)
TOTAL PHYSICAL ENVIRONMENT	<u>6,981,642</u>	<u>7,491,642</u>	<u>6,109,983</u>	<u>1,381,659</u>
 TRANSPORTATION				
Roadway Maintenance:				
Labor	209,315	209,315	215,240	(5,925)
Operating	<u>16,710,276</u>	<u>16,515,276</u>	<u>12,078,713</u>	<u>4,436,563</u>
	<u>16,919,591</u>	<u>16,724,591</u>	<u>12,293,953</u>	<u>4,430,638</u>
Parking Facilities:				
Labor	716,494	716,494	755,123	(38,629)
Operating	<u>8,066,060</u>	<u>8,133,060</u>	<u>6,800,775</u>	<u>1,332,285</u>
	<u>8,782,554</u>	<u>8,849,554</u>	<u>7,555,898</u>	<u>1,293,656</u>
TOTAL TRANSPORTATION	<u>25,702,145</u>	<u>25,574,145</u>	<u>19,849,851</u>	<u>5,724,294</u>
 Total expenditures	<u>100,107,272</u>	<u>100,442,272</u>	<u>87,470,806</u>	<u>12,971,466</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(1,817,664)</u>	<u>(2,152,664)</u>	<u>6,893,867</u>	<u>9,046,531</u>
 OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(5,079,140)</u>	<u>(5,079,140)</u>	<u>(4,403,432)</u>	<u>675,708</u>
 Total Other Financing Uses	<u>(5,079,140)</u>	<u>(5,079,140)</u>	<u>(4,403,432)</u>	<u>675,708</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	<u>\$ (6,896,804)</u>	<u>\$ (7,231,804)</u>	<u>2,490,435</u>	<u>\$ 9,722,239</u>
 Fund Balance, beginning of year			<u>41,369,721</u>	
Fund Balance, end of year			<u>\$ 43,860,156</u>	

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

REEDY CREEK IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION - UTILITY FUND

September 30, 2020

ASSETS

Current assets:

Cash and cash equivalents	\$	14,872,387
Investments		3,473,016
Accounts receivable, net		19,772,108
Due from other funds		488,399
Inventories		14,901,253
Prepays		533,313
Derivative fuel instruments		840,554

Restricted assets:

Cash and cash equivalents		56,496,608
Investments		19,827,655

Total current assets		131,205,293
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Noncurrent assets:

Investments		4,548,020
Restricted investments		10,692,239

Capital assets:

Land		6,896,164
Buildings		68,071,136
Improvements other than buildings		265,623,061
Machinery and equipment		439,327,545
Less accumulated depreciation		(528,712,206)
Construction in progress		42,434,363

Total capital assets		293,640,063
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Other assets		23,000
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Total noncurrent assets		308,903,322
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Total assets		440,108,615
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The accompanying notes are an integral part of these financial statements.

REEDY CREEK IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION - UTILITY FUND

September 30, 2020

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	12,072,093
Due to other funds	<u>92,313</u>
Total current liabilities	<u>12,164,406</u>

Current liabilities payable from restricted assets:

Bonds payable	24,900,000
Accrued interest payable	2,869,079
Contracts and retainage payable	<u>4,568,676</u>
Total current liabilities payable from restricted assets	<u>32,337,755</u>

Long-term liabilities:

Bonds payable	<u>125,917,868</u>
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Total liabilities

170,420,029

DEFERRED INFLOWS OF RESOURCES

Deferred fuel	3,633,920
Accumulated increase in the fair value of derivative instruments	840,554
Gain on defeased debt due to refundings	<u>15,698</u>
Total deferred inflows of resources	<u>4,490,172</u>

NET POSITION

Net investment in capital assets	163,326,910
Restricted for debt service	53,942,351
Restricted for renewal and replacement	4,615,983
Restricted for emergency repairs	500,000
Unrestricted	<u>42,813,170</u>
Total net position	<u>\$ 265,198,414</u>

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

REEDY CREEK IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

UTILITY FUND

For the Period Ended September 30, 2020

OPERATING REVENUES

Utility sales	\$ 139,799,718
Total operating revenues	<u>139,799,718</u>

OPERATING EXPENSES

Purchased power and fuel	53,540,976
Labor support	32,262,875
Operating costs	13,770,409
Taxes	2,321,943
Repairs and maintenance	6,679,258
Insurance	768,147
Depreciation	<u>21,475,631</u>
Total operating expenses	<u>130,819,239</u>
Operating income	<u>8,980,479</u>

NONOPERATING REVENUES (EXPENSES)

Interest and investment income	1,115,852
Interest expense	(4,800,457)
Insurance recoveries	468,405
Loss on retirement of plant assets and other inventory adjustments	<u>(201,036)</u>
Total nonoperating expenses, net	<u>(3,417,236)</u>

Income before contributions and transfer 5,563,243

Capital contributions	757,746
Transfers in	<u>4,403,432</u>
Increase in net position	10,724,421

Total net position - beginning	<u>254,473,993</u>
Total net position - ending	<u>\$ 265,198,414</u>

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

REEDY CREEK IMPROVEMENT DISTRICT

STATEMENT OF CASH FLOWS UTILITY FUND

For the Year Ended September 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 144,793,303
Payments to suppliers	(81,067,745)
Payments for labor contract and management service agreement	(31,913,140)
Payments to employees	<u>(3,468,196)</u>
Net cash provided (used) by operating activities	<u>28,344,222</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in	<u>4,403,432</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(32,490,550)
Loss on sale of capital assets	(153,807)
Principal paid on bonds	(21,150,000)
Interest paid on bonds	(6,270,107)
Capital contributions	1,122,853
Insurance recoveries	<u>468,405</u>
Net cash provided (used) by capital and related financing activities	<u>(58,473,206)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(27,985,235)
Proceeds from sales and maturities of investments	32,909,905
Investment income	<u>1,146,142</u>
Net cash provided (used) by investing activities	<u>6,070,812</u>
Net increase in cash and cash equivalents	(19,654,740)
Balances - beginning of the year	<u>91,023,735</u>
Balances - end of the year	<u>\$ 71,368,995</u>

Unrestricted	\$ 14,872,387
Restricted	<u>56,496,608</u>
	<u>\$ 71,368,995</u>

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

REEDY CREEK IMPROVEMENT DISTRICT

STATEMENT OF CASH FLOWS UTILITY FUND

For the Year Ended September 30, 2020

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 8,980,479
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	21,475,631
Change in assets and liabilities:	
Accounts receivable	1,960,089
Inventories	(350,915)
Prepaid items	31,860
Accounts payable and accrued liabilities	(6,824,349)
Due from other funds	37,931
Unearned revenue	<u>3,033,496</u>
Net cash provided by operating activities	<u>\$ 28,344,222</u>

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

REEDY CREEK IMPROVEMENT DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

September 30, 2020

	<u>Other Post- Employment Benefits Trust</u>
ASSETS	
Trust investments	\$ <u>14,192,093</u>
Total Assets	<u>14,192,093</u>
NET POSITION	
Restricted for other postemployment benefits	<u>\$ 14,192,093</u>

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

REEDY CREEK IMPROVEMENT DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

For the Period Ended September 30, 2020

	<u>Other Post- Employment Benefit Trust</u>
ADDITIONS:	
Employer contributions	\$ 2,743,348
Net investment income	
Investment income	522,316
Less investment expenses	<u>(34,126)</u>
Total net investment income	<u>488,190</u>
Total Additions	3,231,538
DEDUCTIONS:	
Benefits paid on behalf of participants	<u>1,709,222</u>
Net Increase in fiduciary net position	1,522,316
Net position - October 1, 2019	<u>12,669,777</u>
Net position - September 30, 2020	<u>\$ 14,192,093</u>

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Reedy Creek Improvement District (the "District") is a public corporation of the State of Florida created on May 12, 1967 by a special act of the legislature. The District includes approximately 25,000 acres of land in Orange and Osceola Counties. Walt Disney World Co. or other wholly owned subsidiaries of the Walt Disney Company own substantially all the land within the District. As outlined in Chapter 67-764 of the Laws of Florida, the District was organized to provide for the reclamation, drainage, and irrigation of land, to establish water, flood, and erosion control, to provide water and sewer systems and waste collection and disposal facilities, to provide for mosquito and other pest controls, to provide for public utilities, to create and maintain conservation areas, to provide streets, roads, bridges and street lighting facilities, and to adopt zoning and building codes and regulations. The governing body of the District is a five-member Board of Supervisors elected to office for four-year terms by landowners of the District.

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

B. Government-Wide and Fund Financial Statements

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

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Government-Wide and Fund Financial Statements - Continued

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

The District reports the following major proprietary fund:

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

Additionally, the District reports the following fiduciary fund type:

Other Post-Employment Benefits Trust Fund - Accounts for the receipt and disbursement of assets held in trust for eligible participants of other post-employment benefits of the District.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating contributions, and 3) capital contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes. Bad debt expense, if any, reduces revenues.

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2020 were 7.3231 for General Operating and 4.9677 for Debt Service.

E. Cash, Cash Equivalents and Investments

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

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

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

F. Inventories

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

G. Restricted Assets

Certain assets in the Debt Service Fund, Capital Projects Fund and Enterprise Fund are restricted as to use by specific provisions of bond resolutions. These assets are classified as restricted assets on the statement of net position.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 estimated fair value at the date of contribution. The District's capitalization threshold is \$5,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and land improvements	30-50 years
Improvements, including utility distribution and collection systems	30-50 years
Machinery and equipment	3-30 years

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

I. Deferred Amount on Refunding

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

J. Compensated Absences

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

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 does not have a formal minimum fund balance policy.

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REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Budgets and Budgetary Accounting

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

- (1) The District Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on October 1.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (4) Budgets are legally adopted for the General Fund, Debt Service Fund and the Enterprise Fund.
- (5) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (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.
- (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 which enters 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 and/or losses are deferred and recognized in the specific period in which the derivative is settled and included as a part of fuel costs.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 GASB No. 62, paragraphs 476-500, Regulated Operations for its utility operations. This standard allows utilities to capitalize or defer certain costs or revenues based on management's ongoing assessment that it is probable these items will be recovered through the rate-making process. Regulatory liabilities consist of deferred fuel.

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

R. Use of Estimates

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

- (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount represents the total capital assets of governmental activities of \$967,905,990, net of accumulated depreciation of \$72,180,291, or \$895,725,699.
- (2) Some liabilities, including bonds payable, other long-term liabilities, and deferred outflows of resources and deferred inflows of resources, are not due and payable in the current period and therefore are not reported in the funds. The details of this difference are shown below:

Compensated absences payable	\$ 3,709,833
Self insurance liability	5,074,326
Bonds payable	803,314,366
Deferred outflows - losses on defeased debt	(27,672,931)
Net pension liability	75,809,610
Deferred outflows - pensions	(23,445,817)
Deferred inflows - pensions	1,589,228
Net OPEB liability	64,586,509
Deferred outflows - OPEB	(19,736,498)
Deferred inflows - OPEB	9,569,455
	<hr/>
Net adjustment to reduce total fund balances - total governmental funds to arrive at net position of governmental activities	<u>\$ 892,798,081</u>

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

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

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

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

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

Capital outlay expenditures:	
General fund	
General government	\$ 1,182,509
Public safety	2,275,980
Physical environment	240,662
Capital projects	31,606,291
Depreciation expense	<u>(11,154,091)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 24,151,351</u>

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

Net changes of deferred loss, bond costs, discount and premium	\$ 7,279,439
Principal payments on bonds outstanding	25,520,000
Accrued interest payable	2,949,311
Bond proceeds	(338,025,000)
Payments to escrow agents	<u>336,286,712</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 34,010,462</u>

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

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

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

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

Compensated absences	\$ (584,158)
Self insurance	(1,012,286)
Net OPEB liability	(1,260,593)
Pensions	<u>(9,527,096)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (12,384,133)</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, 2020, the District held the following deposits and investments as categorized below:

	Fair Value	Investment maturities (in years)			
		Less than 1	1 - 5	6 - 10	More than 10
Demand and certificate of deposits	\$ 10,610,941	\$ 10,610,941	\$ -	\$ -	\$ -
US Treasury Securities	83,991,829	28,151,694	55,425,681	-	414,454
US Government agency securities	53,662,170	24,599,153	29,063,017	-	-
State and local government securities	63,708,343	20,482,792	435,213	10,758,856	32,031,482
Money market mutual funds	119,319,898	119,319,898	-	-	-
Totals	<u>\$ 331,293,181</u>	<u>\$ 203,164,478</u>	<u>\$ 84,923,911</u>	<u>\$ 10,758,856</u>	<u>\$ 32,445,936</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.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

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, 2020, all District investments are held in a bank's trust department in the District's name.

Concentration of Credit Risk - At September 30, 2020, there was one issuer with which the District held investments exceeding 5% of the total investment portfolio, which was the Federal Home Loan Bank (5.5%).

Statement of Net Position Classifications - In addition to demand accounts, the District classifies repurchase agreements, money market funds and investments with maturities of three months or less from the date of purchase as cash and cash equivalents on the statement of net position. As of September 30, 2020 the following is a summary of these amounts reflected on the statement of net position:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Totals</u>
Statement of Net Position Classifications:			
Cash and cash equivalents	\$ 39,329,144	\$ 112,269,086	\$ 151,598,230
Investments	<u>25,847,221</u>	<u>153,847,730</u>	<u>179,694,951</u>
	<u>\$ 65,176,365</u>	<u>\$ 266,116,816</u>	<u>\$ 331,293,181</u>

4. VALUATION ALLOWANCES

The District recognizes allowances for losses on accounts receivable and inventories. The allowance for receivables is based on an aging of receivables and includes accounts over 120 days. The Utility Fund recognized an allowance at September 30, 2020 in the amount of \$130,707. The expense associated with this allowance is recognized as an offset to utility revenues.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance October 1, 2019	Increases	Decreases	Ending Balance September 30, 2020
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 2,740,642	\$ -	\$ -	\$ 2,740,642
Construction in progress	2,847,903	31,606,291	(14,479,679)	19,974,515
Infrastructure	604,229,700	13,718,479	-	617,948,179
Total capital assets not being depreciated	609,818,245	45,324,770	(14,479,679)	640,663,336
Capital assets being depreciated				
Buildings	288,581,399	761,201	-	289,342,600
Machinery and equipment	36,617,153	3,728,765	(2,445,864)	37,900,054
Total capital assets being depreciated	325,198,552	4,489,966	(2,445,864)	327,242,654
Less accumulated depreciation for:				
Buildings	34,508,887	8,318,049	-	42,826,936
Machinery and equipment	28,925,856	2,836,042	(2,408,543)	29,353,355
Total accumulated depreciation	63,434,743	11,154,091	(2,408,543)	72,180,291
Total capital assets being depreciated, net	261,763,809	(6,664,125)	(37,321)	255,062,363
Governmental activities capital assets, net	\$ 871,582,054	\$ 38,660,645	\$ (14,517,000)	\$ 895,725,699
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 6,896,164	\$ -	\$ -	\$ 6,896,164
Construction in progress	15,155,083	32,907,994	(5,628,714)	42,434,363
Total capital assets not being depreciated	22,051,247	32,907,994	(5,628,714)	49,330,527
Capital assets being depreciated				
Buildings	68,122,941	-	(51,805)	68,071,136
Improvements other than buildings	264,359,592	1,450,569	(187,100)	265,623,061
Machinery and equipment	435,651,600	4,950,899	(1,274,954)	439,327,545
Total capital assets being depreciated	768,134,133	6,401,468	(1,513,859)	773,021,742
Less accumulated depreciation for:				
Buildings	43,748,228	1,958,938	(51,804)	45,655,362
Improvements other than buildings	152,673,861	5,991,694	(187,100)	158,478,455
Machinery and equipment	312,271,385	13,524,994	(1,217,990)	324,578,389
Total accumulated depreciation	508,693,474	21,475,626	(1,456,894)	528,712,206
Total capital assets being depreciated, net	259,440,659	(15,074,158)	(56,965)	244,309,536
Business-type activities capital assets, net	\$ 281,491,906	\$ 17,833,836	\$ (5,685,679)	\$ 293,640,063

REEDY CREEK IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

5. CAPITAL ASSETS - CONTINUED

During the year, the Enterprise Fund expensed interest costs totaling \$4,800,457.

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

6. INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivable and payable balances as of September 30, 2020 are as follows:

	Interfund Receivables (Due from)	Interfund Payables (Due to)
General	\$ 92,313	\$ 173,057
Capital Projects	-	315,342
Utility Fund	488,399	92,313
	\$ 580,712	\$ 580,712

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

	Interfund Transfers In	Interfund Transfers Out
General	\$ -	\$ 4,403,432
Utility Fund	4,403,432	-
	\$ 4,403,432	\$ 4,403,432

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REEDY CREEK IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

7. LONG-TERM DEBT

A. Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance October 1, 2019	Additions	Reductions	Ending Balance September 30, 2020	Due within one year
Governmental activities:					
General Obligation Bonds:					
2013A Ad Valorem	\$ 344,960,000	\$ -	\$(307,700,000)	\$ 37,260,000	\$ 11,820,000
2013B Ad Valorem Refunding	22,105,000	-	(8,880,000)	13,225,000	4,220,000
2015A Ad Valorem Refunding	14,975,000	-	(1,425,000)	13,550,000	1,480,000
2016A Ad Valorem	163,845,000	-	(2,445,000)	161,400,000	2,580,000
2017A Ad Valorem	193,340,000	-	(6,340,000)	187,000,000	6,655,000
2020A Ad Valorem Refunding	-	338,025,000	-	338,025,000	4,610,000
Deferred amounts:					
Discount/Premium	67,779,311	-	(14,924,945)	52,854,366	-
Total long-term general obligations	807,004,311	338,025,000	(341,714,945)	803,314,366	31,365,000
Compensated absences	3,183,789	605,349	-	3,789,138	1,397,532
Self insurance liability	4,390,197	1,086,391	(111,335)	5,365,253	1,099,030
Net pension liability	62,636,231	40,875,630	(27,702,251)	75,809,610	-
Net OPEB liability	64,636,124	-	(49,615)	64,586,509	-
Long-term liabilities	\$ 941,850,652	\$ 380,592,370	\$(369,578,146)	\$ 952,864,876	\$ 33,861,562
Business-type activities:					
Revenue Bonds:					
2013-1 Utility Refunding	\$ 42,850,000	\$ -	\$ (4,260,000)	\$ 38,590,000	\$ 5,490,000
2013-2 Utility Refunding	890,000	-	(890,000)	-	-
2015-2 Utility Refunding	14,800,000	-	(14,800,000)	-	-
2018-1 Utility	26,230,000	-	-	26,230,000	-
2018-2 Utility	19,750,000	-	-	19,750,000	-
Deferred amounts:					
Discount/Premium	7,131,527	-	(963,659)	6,167,868	-
Total long-term bonds payable	111,651,527	-	(20,913,659)	90,737,868	5,490,000
Notes from Direct Borrowings:					
2011-1 Utility Refunding	1,200,000	-	(1,200,000)	-	-
2011-2 Utility	30,000,000	-	-	30,000,000	4,500,000
2015-1 Utility	30,080,000	-	-	30,080,000	14,910,000
Total direct borrowings	61,280,000	-	(1,200,000)	60,080,000	19,410,000
Long-term liabilities	\$ 172,931,527	\$ -	\$(22,113,659)	\$ 150,817,868	\$ 24,900,000

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

7. LONG-TERM DEBT - CONTINUED

General Obligation Bonds Payable

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

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

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

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

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

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

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

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

7. LONG-TERM DEBT - CONTINUED

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.

2013-2 Utilities Revenue Refunding Bonds - In July 2014, the District issued \$111,595,000 Utilities Revenue Refunding Bonds at an interest rate of 1.710%. The proceeds were used for the advance refunding of the 2003-2 Utilities Revenue Bonds.

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

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

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

Notes from Direct Borrowings

2011-1 Utilities Revenue Refunding Bonds - In August 2011, the District issued \$1,200,000 Utilities Revenue Refunding Bonds at an interest rate of 2.93%, interest only due until October 2019. The interest rate increased to 3.56% in January 2018 with the implementation of the Tax Cuts and Jobs Act of 2017 (Tax Act). The proceeds were used for the advance refunding of the 1997-1 Utilities Revenue Bonds outstanding after October 1, 2010. 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 note is subject to acceleration if any payment is not paid when due; however, final payment is in fiscal 2020.

2011-2 Utilities Revenue Bonds - In December 2011, the District issued \$30,000,000 Utilities Revenue Bonds at an interest rate of 3.49%, interest only due until October 2020. The interest rate increased to 4.24% in January 2018 with the implementation of the Tax Act. The proceeds were 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 note is subject to acceleration if any payment is not paid when due.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

7. LONG-TERM DEBT - CONTINUED

2015-1 Utilities Revenue Bonds - In March 2015, the District issued \$30,080,000 Utilities Revenue Bonds at an interest rate of 1.83%, interest only due until October 2020. The proceeds were 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 major provisions of the Utility Fund's trust indentures securing its debt are as follows:

- (1) The debt obligation and related interest are collateralized by a pledge of the net revenues of the combined utility systems.
- (2) The District will establish rates that will provide sufficient net revenues (revenues less operating expenses (excluding depreciation and lease payments to WDWC)), to pay 110% of the annual debt service requirements due each year. Revenues are defined to mean all rates, fees, charges or other income (including certain investment earnings, impact fees and special assessments) generated by the Enterprise Fund.
- (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.

REEDY CREEK IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

7. LONG-TERM DEBT - CONTINUED

B. Annual Debt Service Requirements

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

		General Obligation Bonds			
Year Ended September 30,	Principal			Interest	
2021	\$ 31,365,000	\$		27,146,804	
2022	32,755,000			25,759,160	
2023	34,170,000			24,344,252	
2024	35,710,000			22,799,674	
2025	36,725,000			21,791,296	
2026-2030	203,430,000			89,137,890	
2031-2035	242,045,000			50,552,387	
2036-2038	134,260,000			8,481,733	
Total	\$ 750,460,000	\$		270,013,196	
Current portion	(31,365,000)				
Deferred amounts:					
Discount/Premium	52,854,366				
Long-term bonds payable	\$ 771,949,366				

		Revenue Bonds		Direct Borrowings	
Year Ended September 30,	Principal			Principal	Interest
2021	\$ 5,490,000	\$	3,777,935	\$	19,410,000 \$ 1,591,107
2022	5,760,000		3,496,685		19,870,000 1,120,757
2023	10,750,000		3,124,379		4,900,000 778,350
2024	11,205,000		2,656,468		5,100,000 566,266
2025	12,300,000		2,147,855		5,300,000 345,698
2026-2030	19,220,000		6,222,297		5,500,000 116,647
2031-2035	9,950,000		3,766,250	-	-
2036-2039	9,895,000		1,019,875	-	-
Total	\$ 84,570,000	\$	26,211,744	\$	60,080,000 \$ 4,518,825
Current portion	(5,490,000)				(19,410,000)
Deferred amounts:					
Discount/Premium	6,167,868				-
Long-term bonds payable	\$ 85,247,868			\$	40,670,000

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

8. TRANSACTIONS WITH PRINCIPAL LANDOWNERS

During fiscal 2020, Walt Disney World Co. and other wholly owned subsidiaries of The Walt Disney Company provided certain services to the District as follows:

Governmental Funds

- (1) Financial and other administrative services amounted to \$1,640,948.
- (2) The operation and maintenance of various District water control facilities amounted to \$396,572.
- (3) The maintenance of certain roadways and District property within the District amounted to \$128,045.
- (4) Services provided to construction projects amounted to \$16,255.

At September 30, 2020, the General Fund included accounts payable of \$44,703 and accounts receivable of \$4,802,409 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, 2020.

Enterprise Fund

- (1) The management and construction of various capital improvements amounted to \$1,405,148.
- (2) The District has a labor services agreement totaling \$28,432,954, which includes operation and maintenance of the utility system and planned work expenses. In addition, the District incurred \$1,309,464 in labor for capital improvements and \$3,066 in labor for mosquito control.

At September 30, 2020 the Enterprise Fund had accounts receivable of \$13,920,102 and accounts payable of \$3,529,857 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 79% of total utility revenues for the year ended September 30, 2020.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. RETIREMENT SYSTEM

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

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

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REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. 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 60	earlier of 30 years of credited service or attainment of age 60
	Retirement benefit	1.6% of average final compensation for each year of credited service	2% of average final compensation for each year of credited service	3% of average final compensation for each year of credited service	1.6% of average final compensation for each year of credited service

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

Early retirement may be taken anytime; however, there is a five percent benefit reduction for each year prior to normal retirement age. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Pension Plan Members eligible for retirement are given the option to enter the DROP (Deferred Retirement Option Program), which effectively allows them to work with a FRS employer for up to 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. 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 15.8% of covered employee payroll during the year. The District's contributions to FRS for the year ended September 30, 2020 were \$5,173,531. Employee contributions to FRS for the year ended September 30, 2020 were \$911,677. 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 at September 30, 2020 as follows:

Regular Class - Members not qualifying for other classes (10.00%).

Special Risk Class - Members employed as law enforcement officers, firefighters, correctional officers or community-based correctional probation officers, and paramedics and EMTs who meet the criteria set to qualify for this class (24.45%).

Special Risk Administrative Support Class - Special risk employees who are transferred or reassigned to a non-special risk position (35.84%).

Senior Management Service Class - Qualifying member of senior management (27.29%).

Deferred Retirement Option Program (DROP) - Participating members of the program, not to exceed 60 months (16.98%).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2020, the District reported a liability of \$64,091,387 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on historical employer contributions. At June 30, 2020, the District's proportionate share was 0.14788%, which was a decrease of 0.00232% from its proportionate share measured as of June 30, 2019.

REEDY CREEK IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

For the year ended September 30, 2020, the District recognized pension expense of \$13,754,115. 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	\$ 2,452,908	\$ -
Change of assumptions	11,602,578	-
Net difference between projected and actual earnings on Pension Plan investments	3,816,063	-
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	1,671,696	740,086
District Pension Plan contributions subsequent to the measurement date	1,172,817	-
Total	\$ 20,716,062	\$ 740,086

The deferred outflows of resources related to the Pension Plan, totaling \$1,172,817 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 2021. 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
2021	\$ 3,874,880
2022	6,034,891
2023	5,129,634
2024	3,066,514
2025	\$ 697,240

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.40%
- Salary increases: 3.25% average, including inflation
- Investment rate of return: 6.80% net of pension plan investment expense and inflation

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2019. Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. 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 6.80% consists of two building block components: 1) a real (in excess of inflation) return of 4.30%, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration, and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2020 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:

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0 %	2.2 %	2.2 %	1.2 %
Fixed Income	19.0	3.0	2.9	3.5
Global Equity	54.2	8.0	6.7	17.1
Real Estate	10.3	6.4	5.8	11.7
Private Equity	11.1	10.8	8.1	25.7
Strategic Investments	4.4	5.5	5.3	6.9
Total	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.7 %

⁽¹⁾ As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. 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 6.80%, 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 (5.80%) or one percentage point higher (7.80%) than the current rate:

	<u>1% Decrease (5.80%)</u>	<u>Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
District's proportionate share of the net pension liability	\$ 102,343,176	\$ 64,091,387	\$ 32,143,329

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. RETIREMENT SYSTEM - CONTINUED

Pension Plan - Continued

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

Payables to the Pension Plan - At September 30, 2020, the District reported a payable in the amount of \$586,656 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

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, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. At September 30, 2020, the HIS contribution was 1.66%. The District contributed 100% of its statutorily required contributions for the current and preceding four years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$545,263 for the fiscal year ended September 30, 2020.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. RETIREMENT SYSTEM - CONTINUED

HIS Plan - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2020, the District reported a liability of \$11,718,223 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, 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 2019-2020 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.09597%, which was a decrease of 0.00152% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the District recognized pension expense of \$1,181,305. 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	\$ 479,346	\$ 9,040
Change of assumptions	1,260,045	681,369
Net difference between projected and actual earnings on HIS Plan investments	9,356	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	850,761	158,733
District HIS contributions subsequent to the measurement date	130,247	-
Total	\$ 2,729,755	\$ 849,142

The deferred outflows of resources related to the HIS Plan, totaling \$130,247 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in fiscal year 2021. 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
2021	\$ 484,427
2022	359,336
2023	98,189
2024	228,004
2025	310,468
Thereafter	269,942

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. RETIREMENT SYSTEM - CONTINUED

HIS Plan - Continued

Actuarial Assumptions - The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.40%
- Salary increases: 3.25% average, including inflation
- Municipal bond rate: 2.21%

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2019 .

Discount Rate - The discount rate used to measure the total pension liability was 2.21%. 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 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
District's proportionate share of the HIS pension liability	\$ 13,545,743	\$ 11,718,223	\$ 10,222,403

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

Payables to the HIS Plan - At September 30, 2020, the District reported a payable in the amount of \$51,486 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

9. RETIREMENT SYSTEM - CONTINUED

Investment Plan

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

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

Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-2020 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, and Senior Management Service class 7.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

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

State Statute requires the District to continue offering healthcare coverage to retirees at the District's cost; however, for employees hired prior to March 1, 2013, the District elected by policy to provide this coverage at no cost to retirees that have met certain requirements during employment with the District. Benefits are currently paid through operations and a VEBA Trust was established and funded in fiscal year 2018 to cover future benefits. The Trustee is US Bank.

Benefits provided - The VEBA Plan provides healthcare benefits for eligible retirees and their dependents enrolled in District-sponsored plans. Benefits are provided through a third-party insurer. To qualify for this benefit non-union employees must have 20 years of service with the District and be age 62 to obtain paid coverage for themselves and their eligible dependent, and union employees must have 20 years of service with the District and be age 55 to obtain paid coverage for themselves. For employees hired after March 1, 2013, retirees may elect to continue coverage for themselves and their eligible dependents at the full, unsubsidized cost to the District for the elected coverage.

Employees covered by benefit terms - At September 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	134
Inactive employees entitled to but not yet receiving benefit payments	9
Active employees	361

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, 2020, the District's contribution rate was 9.7% of covered-employee payroll. Employees are not required to contribute to the plan. However, retirees reimburse the District for their elected coverage at the District's cost in instances where they are not entitled to all or a portion of the subsidy.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

General Information about the OPEB Plan - Continued

Survivor income plan - The District also has a Survivor Income Plan for retirees that have met certain requirements during employment with the District. This benefit provides an equivalent of two times the participant's final annual base salary at retirement to their designated beneficiary upon their death. To qualify for this benefit they must be certain 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 has purchased certain life insurance policies that can, but are not required to be used to fund these obligations. The District currently has 4 retirees that meet these eligibility requirements. Benefit payments, if any, are paid from the general fund.

Investments

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment guidelines related to the VEBA Trust 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. There is no target allocation by asset class but rather diversification restrictions, at the time of purchase (excluding U.S. Treasury Obligations and U.S. Agency Obligations), as follows:

No more than 10% of the portfolio may be invested with any one issuer

No more than 15% of the portfolio may be invested with any one bank

No more than 25% of the portfolio may be invested with any one industry

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

Custodial Credit Risk - The 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.

REEDY CREEK IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Investments - Continued

Concentration of Credit Risk - At September 30, 2020, there were multiple issuers with which the District held investments exceeding 5% of the total investment portfolio. They were Federal Home Loan Bank (18.8%), Federal Farm Credit Bank (16.1%), Federal Home Loan Mortgage Corporation (11.9%) and Federal National Mortgage Association (7.0%).

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. Money market funds are valued at their most current NAV. Money market funds typically invest only in highly liquid cash and cash equivalent securities that have high credit ratings. There are no redemption or deposit restrictions related to these money market funds and the funds aim to maintain NAV of \$1 per share. Cash and cash equivalents are carried at cost, which approximates fair value.

	2020			
	Total Fair Value	Level 1	Level 2	Level 3
Investments Measured at Fair Value				
U.S. Treasury and Government Agency Securities	\$ 11,282,273	\$ 11,282,273	\$ -	\$ -
Total Investments at Fair Value	\$ 11,282,273	<u>\$ 11,282,273</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Measured at NAV				
Money Market Funds	\$ 248,465			
Total Investments Measured at Fair Value	\$ 11,530,738			
Investments Measured at Cost				
Demand and Certificates of Deposit	\$ 2,661,355			
Total Investments per Fiduciary Statement of Net Position	<u>\$ 14,192,093</u>			

Long-Term Expected Rate of Return

The long-term expected rate of return on trust investments can be determined using a buildingblock 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, 2020 are summarized in the following table:

REEDY CREEK IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Long-Term Expected Rate of Return - Continued

	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	100.00 %	2.20 %
Total	100.00 %	

Net OPEB Liability

The District's net OPEB liability was measured as of September 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the September 30, 2020 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation 2.00%
- Salary increases 3.50%, including inflation
- Investment rate of return 2.20%, including inflation
- Healthcare cost trend rates The table below are annual trends based on the current trend study and are applied on a select and ultimate basis. Select trends are reduced .5 percent per year until reaching the ultimate trend rate.

	Fiscal Years		
	2021	2022	2023+
Pre-65 Medical	6.0 %	5.5 %	5.0 %
Post-65 Medical	5.0	4.5	4.5
Dental	4.0	4.0	4.0
Vision	3.0	3.0	3.0

Mortality assumptions were based on table PUB-2010 with projections scale MP-2019. Retirement and turnover assumptions are consistent with the assumptions used in the actuarial valuation of the Florida Retirement System as of July 1, 2019.

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.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at October 1, 2019	\$ 77,305,901	\$ 12,669,777	\$ 64,636,124
Changes for the year:			
Service cost	1,362,805	-	1,362,805
Interest	2,069,855	-	2,069,855
Changes in assumptions	5,949,563	-	5,949,563
Difference between expected and actual experience	(6,200,300)	-	(6,200,300)
Contributions - employer	-	2,743,348	(2,743,348)
Net investment income	-	488,190	(488,190)
Benefit payments	(1,709,222)	(1,709,222)	-
Net changes	1,472,701	1,522,316	(49,615)
Balances at September 30, 2020	\$ 78,778,602	\$ 14,192,093	\$ 64,586,509
Plan fiduciary net position as a percentage of total OPEB liability			18.0%

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 (1.20%) or one percentage point higher (3.20%) than the current discount rate (rounded to the nearest thousand):

	1% Decrease (1.20%)	Discount Rate (2.20%)	1% Increase (3.20%)
Net OPEB liability (asset)	\$ 80,841,795	\$ 64,586,509	\$ 51,848,541

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.0% decreasing to 3.5%) or one percentage point higher (7.0% decreasing to 5.5%) than the current healthcare cost trend rates (rounded to the nearest thousand):

	1% Decrease (5.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (6.0% decreasing to 4.5%)	1% Increase (7.0% decreasing to 5.5%)
Net OPEB liability (asset)	\$ 51,001,309	\$ 64,586,509	\$ 82,539,024

Changes of assumptions or other inputs. Beginning of year total OPEB liability was calculated using an assumed discount rate of 2.66%. The discount rate used at September 30, 2020 was 2.20%.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

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

For the year ended September 30, 2020, the District recognized OPEB expense of \$4,003,941. At September 30, 2020, 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	\$ -	\$ 4,900,447
Change of assumptions	19,736,498	4,357,039
Net difference between projected and actual investment performance	-	311,969
Total	\$ 19,736,498	\$ 9,569,455

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
2021	\$ 895,373
2022	895,372
2023	895,190
2024	967,632
2025	1,040,927
Thereafter	5,472,549

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to theft, damage to and destruction of assets, torts, injuries to employees and natural disasters for which the District is self-insured and carries excess commercial insurance. The District retains risk up to a maximum of \$1,000,000 for each worker's compensation claim, \$250,000 for each liability claim, \$100,000 for most property damage claims, and \$50,000 for criminal acts. The District purchases commercial insurance for certain exposures in excess of risk retained. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2018, 2019 and 2020.

Liabilities are reported when it is probable that a material loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimate for claims that have been incurred but not reported. The self-insurance liability of \$5,365,253 at September 30, 2020 is based on an actuarial review of claims pending and past experience. Changes in the claims liability amount during fiscal years 2020 and 2019 are as follows:

REEDY CREEK IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

11. RISK MANAGEMENT - CONTINUED

	Year Ended September 30,	
	2020	2019
Self insurance liability beginning balance	\$ 4,390,197	\$ 3,408,962
Claims and changes in estimates	2,665,071	2,093,468
Claims payments	(1,690,015)	(1,112,233)
Self insurance liability ending balance	<u>\$ 5,365,253</u>	<u>\$ 4,390,197</u>

The District had an Owner Controlled Insurance Program (OCIP) in connection with significant capital projects. The program provided associated General Liability and Workers Compensation coverage to eligible participants and was fully insured by purchased primary and excess liability insurance administered by a third party. That program ended in August 2020 as those capital projects were completed.

12. DERIVATIVE FUEL INSTRUMENTS

The District entered into derivative fuel instruments - cash flow hedges (commodity swaps, caps and collars) to financially hedge the cost of natural gas. The District's fuel-related derivative transactions are recorded at fair value on the Statement of Net Position as either an asset or liability depending on their fair value, and the related unrealized gains and/or losses for effective hedges are deferred and reported as either deferred inflows or outflows of resources. Realized gains and losses on these transactions are recognized as fuel expense in the specific period in which the instrument is settled. During the year, a total of \$6,155,614 in settlement losses was recognized in fuel expense.

The following is a summary of the derivative fuel instruments of the Utility Fund as of September 30, 2020 which have been deemed effective and are recorded as deferred inflows.

Classification	Fair Value at September 30,				Notional	Maturity
	2019	Change in fair value	2020			
Deferred outflows/(inflows)	\$ 6,061,187	\$ (6,901,741)	\$ (840,554)		13,391,945 MMBTUs	FY2021 - 2024

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

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

12. DERIVATIVE FUEL INSTRUMENTS - CONTINUED

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.

13. FAIR VALUE MEASUREMENTS

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

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

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

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

Level 3 - unobservable inputs for an asset or liability

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

REEDY CREEK IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

13. FAIR VALUE MEASUREMENTS - CONTINUED

	2020			
	Total	Level 1	Level 2	Level 3
Investments Measured at Fair Value				
U.S. Treasury and Government Agency Securities	\$ 137,653,999	\$ 137,653,999	\$ -	\$ -
State and Local Government Securities	63,708,343	-	63,708,343	-
Total Investments at Fair Value	\$ 201,362,342	\$ 137,653,999	\$ 63,708,343	\$ -
Investments Measured at NAV				
Money Market Funds	\$ 119,319,898			
Total Investments Measured at Fair Value	\$ 320,682,240			
Investments Measured at Cost				
Demand and Certificates of Deposit	\$ 10,610,941			
Total Investments per Statement of Net Position	\$ 331,293,181			

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 have been categorized as Level 2 inputs.

14. NET POSITION AND FUND BALANCE REPORTING

The Statement of Net Position for governmental activities reflects a negative unrestricted net position of \$41,714,937 primarily due to the District's net pension liability and net OPEB liability, both of which amount to a combined \$140 million. Also contributing is the financing, with long-term bonds of the District, certain roadways that were subsequently donated to the State of Florida. The roadways are not assets of the District, however the remaining debt, amounting to \$14,715,379 at September 30, 2020, associated with the roadways is a liability of the District. All of the bonds are Ad Valorem Tax bonds secured by an irrevocable lien on the ad valorem taxes collected by the District.

Governmental Fund Balances

In the Balance Sheet - Governmental Funds, the District has classified fund balances into nonspendable, 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.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

14. NET POSITION AND FUND BALANCE REPORTING - CONTINUED

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

Assigned amounts in the General Fund represent the portion of fund balance designated by the Board of Supervisors to cover the projected excess of expenditures over revenues in the fiscal year 2021 budget. Note 1(L) discusses the District's budget approval process.

15. COMMITMENTS AND CONTINGENCIES

Construction

As of September 30, 2020, the District's Board of Supervisors authorized a budget of approximately \$174.2 million for current or in-process major transportation and other construction projects. Executed construction commitments associated with these projects approximated \$32.3 million and of this amount, approximately \$19.6 million was spent as of September 30, 2020.

Purchased Power and Gas

The District has entered into Purchase Power Agreements (PPA) with public and private entities throughout Florida for the purchase and sale of power at wholesale rates, and associated transmission service. Some of the PPAs require the District to pay reservation charges for capacity. The District's budgeted minimum commitment for fiscal year 2020 reservation charges under the agreements was approximately \$9,532,500. There are no requirements for the District to sell wholesale power or reserve capacity for wholesale sales. Initial terms of the agreements expire in fiscal years 2020, 2021, 2022, 2031 and 2034, with various provisions for renewal or cancellation by both parties.

On September 13, 2015, the District entered into a Service Agreement for Network Integration Transmission Service with Duke Energy for the period January 1, 2016 through December 31, 2020. On February 26, 2020, the District signed a restated Service Agreement for NITS with Duke Energy for the period March 1, 2020 through March 1, 2025. Although the agreement expires in 2025, the District has contractual rollover rights for 5 year increments. The District's budgeted transmission commitment for fiscal year 2020 under the agreement was approximately \$8,630,097.

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Purchased Power and Gas - Continued

On October 9, 2017, the District entered into a Purchase Power Agreement with Origis Energy for the purchase of solar energy. The agreement is for a term of 17 years with the option to extend the term up to 20 years. The annual cost for fiscal year 2020 was estimated at \$4,554,300. For the 17 year term, the District is committed to purchase approximately 1,978,360 MWh at a rate of \$38.76/MWh or approximately \$76,681,234.

Similarly, the District is obligated to purchase minimum pipeline capacity to transport natural gas under two agreements with Florida Gas Transmission Company ("FGTC"), and a gas transportation and supply agreement dated January 25, 2012 with Peoples Gas System ("PGS"). Minimum payments for natural gas under these agreements were budgeted at approximately \$3,843,155 for fiscal year 2020. The terms of the FGTC agreements expire in the year 2025, however the District has contractual rollover rights for 10 year increments, and the term of the PGS agreement expires in the year 2028.

The District has entered into forward contracts for specified periods of time to purchase natural gas at either specified swap prices in the future or or collars where prices fluctuate within a ceiling and floor range. The District enters into these financial contracts to help plan its natural gas costs for the year and to protect itself against an increase in the market price of the commodity. These purchases (hedges) are made in compliance with the District's Energy Risk Management Program (ERMP). It is possible that the market price before or at the specified time to purchase natural gas may be lower or higher than the price at which the District is hedged. This would serve to reduce or increase the value of the hedge contracts. The District would have options with respect to holding the forward contracts. The District is also exposed to the failure of the counterparty to fulfill the contracts. The terms of the contracts included provisions for recovering the cost in excess of the guaranteed price from the counterparty should the District have to procure natural gas on the open market.

Harvest Power Agreements

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

- "Waste Supply Agreement" describes the process, quality and amounts of organic waste to be provided to Harvest Power, operational requirements related to the facility, and fees to be paid to Harvest Power to accept and process the District's organic waste.
- "Power Purchase Agreement" describes the sale of electrical energy to the District and the fees to be paid to Harvest Power to purchase the energy.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Harvest Power Agreements - Continued

- "Effluent Pre-Treatment Agreement" describes the quality and delivery of liquid effluent produced from the digestion facility to the District for treatment at the District's waste water treatment plant, and the compensation to be paid to the District by Harvest Power.

The lease agreement and related project agreements were terminated in September 2020.

Concurrency Management Agreement

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

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

The District records the annual payments as Intergovernmental Revenue when received from the County. Osceola County paid to the District \$819,122 during the fiscal year.

Osceola Parkway Agreement Termination

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

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

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

Osceola Parkway Agreement Termination - Continued

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

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

In September 2014, Osceola County issued \$80,100,000 Osceola County, Florida Transportation Improvement Refunding Bonds ("the 2014 Bonds") to refinance the Refunded Bonds. The District entered into a new Bond Guarantee Agreement. The District's obligation to make payments required by the Bond Guarantee Agreement was subordinate to all outstanding Ad Valorem Tax Bonds of the District. Osceola County agreed to repay from excess toll revenues, if any, when they became available, the 1) debt service of the District's 2013B Ad Valorem Tax Refunding Bonds, 2) any guarantee payments that are required, along with 3) accrued interest. Payments were scheduled to terminate upon the earlier of repayment in full or April 1, 2034. The related agreements were authorized by the District's Board of Supervisors and the County's Board of County Commissioners.

In January 2020, Osceola County issued \$156,540,000 Osceola County, Florida Transportation Improvement and Refunding Revenue Bonds, Series 2019A-1 and \$152,287,342 Osceola County, Florida Transportation Improvement and Refunding Revenue Capital Appreciation Bonds, Series 2019A-2. A portion of those proceeds were for the repayment of the District's obligations related to the Osceola Parkway Agreement. The District received approximately \$67 million at that time for payment in full on remaining outstanding obligations, and the 2014 Bond Guaranty Agreement was then terminated. The funds are being used exclusively for ongoing and future infrastructure capital projects.

STOPR Agreements

In September 2007, the District entered into an agreement with the City of St. Cloud, Tohopekaliga Water Authority (TWA), and Orange and Polk Counties to jointly perform permit compliance monitoring activities as required by the Water Use Permits issued by the South Florida Water Management District. Between 2010 and June 2016, Orange County was the contract manager and the District's payments are made to them upon receipt of invoice. In March 2016, the District executed an amendment to the original agreement that (1) made TWA the contract manager and (2) extended the term of the agreement through June 30, 2020. The agreement, as amended, requires the District to contribute 18.2% of the total costs until June 30, 2020. As of September 30, 2020, the District has paid \$978,203 for these efforts.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

15. COMMITMENTS AND CONTINGENCIES - CONTINUED

STOPR Agreements - Continued

In August 2011, the District entered into an agreement with the Water Cooperative of Central Florida (which currently consists of the City of St. Cloud, TWA, Orange County and Polk County) to participate in the preliminary design and permitting of the Cypress Lake Wellfield alternative water supply project. Originally TWA was the contract manager but with the Second Amendment approved in August 2015, the Water Coop became the contract manager and the District's payments are made to them. The agreement, as amended, requires the District to contribute \$523,554 for this work. As of September 30, 2020, the District has paid \$406,848.

Litigation and Other Claims

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

Various suits involve Walt Disney Parks and Resort US, Inc. and Disney Vacation Development, Inc. (collectively "WDP and DVD Plaintiffs") naming the Orange County Property Appraiser, the Orange County Tax Collector and the District as defendants and challenging the Orange County Property Appraiser's valuation of multiple commercial parcels and contesting the legality and validity of the 2015 through 2019 ad valorem tax assessments on the parcels. The WDP and DVD Plaintiffs claim that the value of each of the assessments on the parcels does not represent the just value of the parcels because it exceeds the fair market value thereof and claims the appraiser included the value of certain intangible property in the assessment in violation of law. WDP and DVD Plaintiffs have requested the court set aside the 2015 through 2019 assessments and resulting taxes to the extent they exceed the just value of such property and issue a new tax bill in said reassessed amounts. In July, 2018, the trial court issued a ruling in one of the pending cases in favor of WDP and against the Orange County Property Appraiser's 2015 valuation of the Yacht & Beach Resort. The trial court ruling resulted in a reduction of the just value of the Yacht & Beach Club Resort from \$337 million to \$209 million, resulting in a reduction in the amount of taxes due for 2015. The Orange County Property Appraiser appealed the trial court ruling, and the Court of Appeals then instructed that a revaluation be calculated by the Orange County Property Appraiser's office using the Court of Appeals' recommendations. The revaluation is currently pending. While the District anticipates an adjustment to the tax collections for fiscal years 2016 through 2020 (assessments in 2015 through 2019), it cannot predict the outcome of any of these cases.

REEDY CREEK IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 2020

16. SUBSEQUENT EVENTS

Issuance of Future Utility Revenue Bonds

In November 2020, the Board of Supervisors approved a resolution to reimburse itself from the proceeds of tax-exempt bonds for certain expenses to be incurred with respect to the design, acquisition, extension, expansion, construction and improvement of the District's utility system. The District intends to issue both taxable and tax-exempt bonds to fund improvements in the next phase of the Utility Capital Program, and enter into a current refunding of the outstanding 2011-2 Utility Revenue Bonds, which are callable on October 1, 2021. The District is currently in negotiations with Truist Bank using direct borrowings for both the new and refunding bonds, and anticipates closing the transactions in late February or early March, 2021. The refunding transaction would also include an additional bank loan that would close approximately July, 2021.

17. EXTRAORDINARY ITEM

Osceola Parkway settlement

In January 2020, Osceola County issued \$156,540,000 Osceola County, Florida Transportation Improvement and Refunding Revenue Bonds, Series 2019A-1 and \$152,287,342 Osceola County, Florida Transportation Improvement and Refunding Revenue Capital Appreciation Bonds, Series 2019A-2. A portion of those proceeds were for the repayment of the District's obligations related to the Osceola Parkway Agreement. The District received approximately \$67.3 million at that time for payment in full on remaining outstanding obligations, and the 2014 Bond Guaranty Agreement was then terminated. The receipt of funds were classified as an extraordinary item within governmental activities on the Statement of Activities, and within the capital projects fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

REEDY CREEK IMPROVEMENT DISTRICT

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

Year Ended September 30, 2020

Roadways

(Note 2. A.)

Fiscal Year	Percentage of Roadways		
	Excellent	Acceptable	Poor
2020	70 %	24 %	6 %
2019	72 %	21 %	7 %
2018	70 %	23 %	7 %
2017	96 %	4 %	0 %
2016	96 %	4 %	0 %

Bridges

(Note 2. B.)

Fiscal Year	Number of Bridges by Category			
	Excellent	Good	Poor	Total
2020	50	8	-	58
2019	50	8	-	58
2018	45	8	-	53
2017	36	8	-	44
2016	36	11	-	47

Water Control Structures

(Note 2. C.)

Fiscal Year	Number of Structures by Category			
	Excellent	Good	Poor	Total
2020	18	6	-	24
2019	18	4	-	22
2018	19	3	-	22
2017	18	4	-	22
2016	18	4	-	22

Maintenance and Preservation Costs

Fiscal Year	Budgeted Costs			Actual Costs		
	Roads	Bridges	Water Control Structures	Roads	Bridges	Water Control Structures
2021	\$ 8,828,000	\$ 55,000	\$ 2,080,000	\$ -	\$ -	\$ -
2020	4,345,000	95,000	1,378,400	1,624,955	47,071	708,075
2019	2,000,000	1,644,673	1,903,000	1,026,195	165,000	625,522
2018	2,620,000	35,000	1,448,000	416,315	98,647	970,573
2017	1,185,000	40,000	620,000	635,227	30,852	462,913
2016	1,185,000	440,000	2,670,000	320,070	88,143	407,715

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

Year Ended September 30, 2020

1. ELECTION TO USE MODIFIED APPROACH

The District has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its roads, bridges and water control structures. The infrastructure capital assets are managed using an asset management system with (1) an up-to-date inventory; (2) annual or bi-annual (depending on the asset) condition assessment that is summarized using a numerical measurement scale; and (3) an estimated annual amount to maintain and preserve the asset at the established condition assessment level.

2. BASIS FOR CONDITION ASSESSMENTS AND TARGETED CONDITION LEVEL

A. Roads

Streets and roads are constantly deteriorating due to environmental causes (weathering and aging) and structural causes (repeated traffic loading). The rate at which pavement deteriorates depends on the original construction quality, environmental conditions, drainage, traffic loading and interim maintenance procedures. The District bases all pavement design on existing traffic counts, proposed traffic generation due to planned development and known loading factors. We continually maintain the pavement by way of crack sealing, patching and applying preservative treatments as well as structural overlay work when warranted. This preventative maintenance substantially extends the useful life of asphaltic pavement and ensures the comfort and ride-ability of the network.

In an effort to ensure the quality of the District's roadway network, the District performs an annual physical condition assessment of the public streets/roadways within its jurisdiction. The physical condition assessment was performed using the Road Manager Condition Evaluation test method. All roads are evaluated and given a numerical rating, or Pavement Condition Index (PCI) of 1 through 100. This identifies the condition and helps determine what work is required. The ratings were based on visual observation of the roads surface condition: defects or deformation, cracking (transverse, reflective, longitudinal and alligator), and patching/pot hole frequency. Ratings of 80 and above indicate the road is in excellent condition and no improvements are required; 60-79 are classified as good/satisfactory and a rating of 59 or below indicates poor condition. Currently, the majority of roads within the District have a PCI in excess of 80, a small percentage have a PCI rating that indicates surface work would be advisable, and less than 6% of the roads have a PCI of 59 or below.

In prioritizing roadway repairs, a benefit value for each roadway is determined based on the roadway use and the projected cost of the necessary repair. Based on the identified priorities, the District budgets for and schedules the pavement repairs. The District completed two pavement resurfacing repair projects in 2020; the remaining work needed to upgrade the 6% of roadways in the poor category shall be initiated in subsequent fiscal years.

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

Year Ended September 30, 2020

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

A. Roads - Continued

In addition to major asphalt refurbishment, the District continued with routine/ongoing maintenance and repairs throughout the roadway system. The 2020 work encompassed routine repairs of asphalt, shoulder protection and replacement of guardrail and totaled \$1,624,955.

B. Bridges

There are currently 58 bridges within the District; all are inspected bi-annually by a Florida licensed Structural Engineer. Using the Florida Department of Transportation (FDOT) reporting system, the bridge deck, super-structure, substructure, and channel configuration are rated Excellent, Good or Poor. The earliest bridges constructed within the District were placed into service in 1972 and a majority of the bridges were constructed during the following 25 years. Over the past five years, the District has again experienced major infrastructure expansion with additional bridges being placed into service. Preservation and maintenance of the bridges is an on-going activity resulting in the bridges being classified as either Excellent or Good condition.

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

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

In fiscal year 2020, one existing bridge was taken out of service and was replaced with a new bridge structure; thus the total number of bridge structures within the District remained unchanged. Based on inspection results/recommendations, miscellaneous bridge repairs were completed at a cost of \$47,071.

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

Year Ended September 30, 2020

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

Structures are classified by their overall condition and are listed as Excellent, Good or Poor condition. This rating is generated by the annual inspection and condition assessment report. This Annual Water Control Structure Report lists all items inspected both above ground and below the water surface. Using this information, the structure condition is assigned, the required repairs are prioritized and the repair work is scheduled. Required repairs are listed as Priority 1, 2 or 3. Priority 1 signifies a major rehabilitative repair. Priority 1 repairs are items that if not repaired, may degrade the integrity of the structural element or reduce the operational capacity of the structure. Historically, we have found Priority 1 repairs often occur in underwater conditions and have evolved over long periods of time. This type of repair may require extensive construction work and as such, cannot always be done immediately. 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 2 repairs, and the annual maintenance for the water control system has begun to trend upward.

During fiscal year 2020, the District took ownership of two additional weir structures, bringing the total to 24 major water control structures in the RCID Master Drainage/Flood Control System. The new weir structures were added to the Master Stormwater System database and will be inspected annually and maintained by the District. During fiscal year 2020, the District conducted routine maintenance on the system, which included repairs on structures, levees and debris removal throughout the canal system. The cost of these activities totaled \$708,075.

REEDY CREEK IMPROVEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POSTEMPLOYMENT BENEFITS

Year Ended September 30, 2020

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

Last 3 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY			
Service cost	\$ 1,362,805	\$ 1,134,426	\$ 1,088,805
Interest	2,069,855	2,411,252	2,234,169
Difference between expected and actual experience	(6,200,300)	-	-
Changes of assumptions	5,949,563	18,108,491	(5,845,660)
Benefit payments	(1,709,222)	(1,523,266)	(1,521,768)
Net change in total OPEB liability	1,472,701	20,130,903	(4,044,454)
Total OPEB liability, beginning of year	77,305,901	57,174,998	61,219,452
Total OPEB liability, end of year	\$ 78,778,602	\$ 77,305,901	\$ 57,174,998
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 2,743,348	\$ 2,552,995	\$ 12,521,768
Net investment income	488,190	637,649	2,399
Benefit payments	(1,709,222)	(1,523,266)	(1,521,768)
Net change in plan fiduciary net position	1,522,316	1,667,378	11,002,399
Plan fiduciary net position, beginning of year	12,669,777	11,002,399	-
Plan fiduciary net position, end of year	14,192,093	12,669,777	11,002,399
District's net OPEB liability, end of year	\$ 64,586,509	\$ 64,636,124	\$ 46,172,599
Plan fiduciary net position as a percentage of the total OPEB liability	18.02 %	16.39 %	19.24 %
Covered-employee payroll	\$ 28,294,306	\$ 27,612,000	\$ 26,678,408
District's net OPEB liability as a percentage of covered-employee payroll	228.27 %	234.09 %	173.07 %

*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 decreased from 2.66% to 2.20% at September 30, 2020, and mortality assumptions were changed from table RP-2014 with projection scale MP-2017 to table PUB-2010 with projection scale MP-2019. The retirement and turnover assumptions were revised to be consistent with the assumptions used in the actuarial valuation of the Florida Retirement System as of July 1, 2019. The valuation also reflects the repeal of the high-premium excise tax ("Cadillac Tax").

REEDY CREEK IMPROVEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
OTHER POST EMPLOYMENT BENEFITS - CONTINUED

Year Ended September 30, 2020

Schedule of the District's Contributions

Last 3 Fiscal Years*

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2020	\$ 4,518,295	\$ 2,743,348	\$ 1,774,947	\$ 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, 2020

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	2.00%
Healthcare cost trend rates	6.0% initial, decreasing .5% per year to an ultimate rate of 4.5% for medical; 4.0% dental; 3.0% vision
Salary increases	3.50% per year
Investment rate of return	2.20%
Retirement age	Based on the 2019 Florida Retirement System Actuarial Valuation
Mortality	PUB-2010 mortality table with scale MP-2019

REEDY CREEK IMPROVEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS

Year Ended September 30, 2020

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

Florida Retirement System

Last 7 Fiscal Years*

Calendar Year	RCID's Proportion of the Net Pension Liability (Asset)	RCID's Proportionate Share of the Net Pension Liability	RCID's Covered Employee Payroll	RCID's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.14788 %	\$ 64,091,387	\$ 33,311,667	192.40 %	78.85 %
2019	0.15020 %	51,728,123	32,604,660	158.65 %	82.61 %
2018	0.14924 %	44,950,699	31,337,271	143.44 %	84.26 %
2017	0.13850 %	40,967,776	27,550,271	148.70 %	83.89 %
2016	0.14236 %	35,945,064	26,833,753	133.95 %	84.88 %
2015	0.12545 %	16,204,183	24,758,513	65.45 %	92.00 %
2014	0.12860 %	7,846,750	23,975,240	32.73 %	96.09 %

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

REEDY CREEK IMPROVEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2020

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>RCID's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2020	\$ 5,173,531	\$ 5,173,531	\$ -	\$ 32,847,147	15.75 %
2019	5,114,578	5,114,578	-	33,220,360	15.40 %
2018	4,642,954	4,642,954	-	31,540,901	14.72 %
2017	4,027,501	4,027,501	-	28,358,740	14.20 %
2016	3,815,742	3,815,742	-	27,184,949	14.04 %
2015	3,459,545	3,459,545	-	25,052,616	13.81 %
2014	3,199,940	3,199,940	-	24,221,740	13.21 %
2013	2,479,819	2,479,819	-	23,420,014	10.59 %
2012	1,992,353	1,992,353	-	21,960,067	9.07 %
2011	3,137,334	3,137,334	-	21,588,424	14.53 %

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

Changes in assumptions

From 2019 to 2020, changes in actuarial assumptions included a decrease in the assumed inflation rate from 2.60% to 2.40%. The long-term expected rate of return decreased from 6.90% in 2019 to 6.80% in 2020. The amortization period also changed from 30 years to 25 years effective July 1, 2020.

Change in benefit terms

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

REEDY CREEK IMPROVEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2020

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

Health Insurance Subsidy Program

Last 7 Fiscal Years*

Calendar Year	RCID's Proportion of the Net Pension Liability (Asset)	RCID's Proportionate Share of the Net Pension Liability	RCID's Covered Employee Payroll	RCID's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.09597 %	\$ 11,718,223	\$ 33,311,667	35.18 %	3.00 %
2019	0.09749 %	10,908,108	32,604,660	33.46 %	2.63 %
2018	0.09590 %	10,150,278	31,337,271	32.39 %	2.15 %
2017	0.08638 %	9,235,838	27,550,271	33.52 %	1.64 %
2016	0.08682 %	10,118,388	26,833,753	37.71 %	0.97 %
2015	0.08138 %	8,299,010	24,758,513	33.52 %	0.50 %
2014	0.08064 %	7,539,962	23,975,240	31.45 %	0.99 %

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

REEDY CREEK IMPROVEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
PENSIONS - CONTINUED

Year Ended September 30, 2020

Schedule of the District's Contributions - HIS Plan

Health Insurance Subsidy Program

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>RCID's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2020	\$ 545,263	\$ 545,263	\$ -	\$ 32,847,147	1.66 %
2019	551,458	551,458	-	33,220,360	1.66 %
2018	523,579	523,579	-	31,540,901	1.66 %
2017	470,755	470,755	-	28,358,740	1.66 %
2016	451,270	451,270	-	27,184,949	1.66 %
2015	340,982	340,982	-	25,052,616	1.36 %
2014	294,282	294,282	-	24,221,740	1.21 %
2013	265,172	265,172	-	23,420,014	1.13 %
2012	243,757	243,757	-	21,960,067	1.11 %
2011	239,632	239,632	-	21,588,424	1.11 %

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

Changes in assumptions

From 2019 to 2020, the changes in actuarial assumptions included an updated mortality table based on the PUB-2010 with Projection Scale MP-2018. The municipal rate used to determine total pension liability decreased from 3.50% in 2019 to 2.21% in 2020.

Change in benefit terms

The District is not aware of any changes in benefit terms during the periods noted.



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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Reedy Creek Improvement District (the District) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 5, 2021.

Internal Control Over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of This Report

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

Ernst & Young LLP

February 5, 2021



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Report of Independent Accountants on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the management of Reedy Creek Improvement District (the District), solely to assist you in evaluating management's assertion that the District did not meet any of the indicators of financial emergency as enumerated in Section 218.503(1), *Florida Statutes*, as of or for the year ended September 30, 2020. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures

1. We read Section 218.503 (1), *Florida Statutes*, to identify the conditions for determining whether the District met any of the conditions of financial emergency as defined below:
 - a. Failure within the same fiscal year in which due to pay short term loans or failure to make bond debt service or other long-term debt payments when due, as a result of lack of funds.
 - b. Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of lack of funds.
 - c. Failure to transfer at the appropriate time, taxes withheld on the income of employees, due to lack of funds.
 - d. Failure to transfer at the appropriate time, employer and employee contributions for federal social security, and pension, retirement or benefit plan of an employee, due to lack of funds.
 - e. Failure for one pay period to pay wages and salaries owed to employees or retirement benefits owed to former employees.
2. We inquired of management of the District whether any of the conditions of financial emergency listed above in 1 (a) through (e) occurred during the fiscal year ended September 30, 2020.

3. We read the minutes of the meetings of the District Board of Supervisors for the fiscal year ended September 30, 2020 and through the date of this Report to determine whether there was any discussion of whether any of the conditions of financial emergency listed in 1(a) through (e) above occurred.
4. We selected a sample of debt service payments for all bond and other long-term debt agreements during the District's fiscal year ended September 30, 2020 to determine whether payments were being made when due. As part of our debt procedures, we confirmed 100% of the debt service payments (for each of the bonds outstanding) and verified the timeliness of debt service payments on a sample basis, noting no exceptions.
5. We selected a sample of income tax withholding payments, including FICA, made during the 2020 fiscal year to determine whether payments were being made when due. As part of our payroll tests of transactions, we verified the FICA deductions for 25 individuals during the year. As part of our testing, we verified the deductions were appropriate and traced the payment of the withholding taxes including employer and employee share of FICA for our selections and determined they were paid timely.
6. We selected a sample of contributions made to the District's pension plan during the District's fiscal year ended September 30, 2020 to determine whether payments were being made when due. As part of our payroll tests of transactions, we verified the FRS deductions for 25 individuals with FRS contributions during the year. As part of our testing, we verified the deductions were appropriate and traced the payment of the employer and employee contributions for each month containing our selections and determined they were paid to the Florida Retirement System timely.
7. We selected a sample of payrolls paid during the District's fiscal year 2020 to determine whether payments to employees were being made when due. As part of our payroll procedures, we selected 25 employees. As part of our testing procedures, we obtained the payroll register for the respective pay period, identified our selection on the report, and agreed the total per the payroll register to the disbursement on the District's bank account, without exception, in order to verify that the payment was timely made.

Findings

We noted no exceptions based on the procedures performed as indicated above that would qualify as a condition of financial emergency pursuant to Section 218.503 (1), Florida Statutes, for the District during the 2020 fiscal year.



This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on management's assertion. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Ernst & Young LLP

February 5, 2021



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Report of Independent Accountants on Applying Agreed-Upon Procedures

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

We have performed the procedure enumerated below, which was agreed to by the management of the Reedy Creek Improvement District (the District), solely to assist you in evaluating management's assertion that the District's annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32 (1), *Florida Statutes*, is in agreement with the annual audited financial statements for the District's September 30, 2020 fiscal year end. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedure

We compared the financial information included in the District's annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1), *Florida Statutes*, as of and for the year ended September 30, 2020, to the District's annual audited financial statements for the 2020 fiscal year end.

Findings

We noted the financial information included in the District's annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1), *Florida Statutes*, as of and for the year ended September 30, 2020, agreed with the District's annual audited financial statements for the September 30, 2020 fiscal year end.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on management's assertion. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



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

Ernst & Young LLP

February 5, 2021



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Independent Accountant's Report

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

We have examined management's assertion that Reedy Creek Improvement District (the District) complied with Section 218.415, Florida Statutes, requiring the adoption of an investment policy that includes all of the requirements listed in Sections 218.415(1) through (15), Florida Statutes, and that the District's investments were authorized by law and in accordance with its investment policy for the year ended September 30, 2020, as required by Section 218.415(17), Florida Statutes. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the District's compliance based on our examination.

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

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

In our opinion, management's assertion that the District complied with the aforementioned requirements for the year ended September 30, 2020, is fairly stated, in all material respects.

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

Ernst & Young LLP

February 5, 2021

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Report of Independent Accountant's on Applying Agreed-Upon Procedures

The Board of Supervisors and Management
Reedy Creek Improvement District

We have performed the procedures enumerated below, which were agreed to by the management of Reedy Creek Improvement District (the District), solely to assist you in evaluating management's assertion that the District does not meet any of the indicators of deteriorating financial condition as enumerated in Section 218.39.5(b), *Florida Statutes*, as of September 30, 2020. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2020 and determined whether there were any individual governmental funds with a total fund balance deficit as of September 30, 2020. We also compared the total fund balance for the general fund as of September 30, 2020, as reported in the 2020 audited financial statements, to the total fund balance of the general fund as of September 30, 2019, as reported in the District's audited financial statements as of and for the year ended September 30, 2019.

Finding

We noted no individual governmental funds with a total fund balance deficit as of September 30, 2020. We also noted that the total fund balance for the general fund increased during the year ended September 30, 2020. This increase is indicative of a strong financial condition as total fund balance for the general fund remains positive.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2020 and determined whether there were any individual governmental funds with a fund balance deficit in that portion of fund balance not classified as restricted, committed, or non-spendable as of September 30, 2020.



Finding

We noted no individual governmental funds with a fund balance deficit in that portion of fund balance not classified as restricted, committed, or non-spendable as of September 30, 2020.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2020 and determined whether there were any individual proprietary funds with a total net position deficit as of September 30, 2020.

Finding

We noted no individual proprietary funds with a total net position deficit as of September 30, 2020.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2020 and determined whether there was a total net position deficit in the governmental activities as reported in the entity-wide financial statements as of September 30, 2020.

Finding

We noted no total net position deficit in the governmental activities reported in the entity-wide financial statements as of September 30, 2020.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2020 and determined whether there was a total net position deficit in the business-type activities reported in the entity-wide financial statements as of September 30, 2020.

Finding

We noted no total net position deficit in the business-type activities reported in the entity-wide financial statements as of September 30, 2020.

Procedure

We obtained the audited financial statements of the District as of and for the fiscal year ended September 30, 2020 and determined whether there was an unrestricted net position deficit in the governmental activities reported in the entity-wide financial statements as of September 30, 2020.



Finding

An unrestricted net position deficit of approximately \$42 Million was noted in the governmental activities reported in the entity-wide financial statements as of September 30, 2020.

Procedure

With respect to the noted deficit in unrestricted net position in the governmental activities entity-wide financial statements as of September 30, 2020, we inquired of responsible District officials as to causes for the noted deficit and whether such deficit was an indicator of deteriorating financial condition.

Finding

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on management's assertion. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Ernst & Young LLP

February 5, 2021



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Report of Independent Auditors on Compliance

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

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Reedy Creek Improvement District (the District) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report, with unmodified opinions thereon, dated February 5, 2021.

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

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

Ernst & Young LLP

February 5, 2021



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Management Letter and State Reporting Requirements

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

In planning and performing our audit of the basic financial statements of Reedy Creek Improvement District (the District) as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Other Required Disclosures

Report on the Financial Statements

We have audited the basic financial statements of the District as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 5, 2021.



Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Report of Independent Auditors on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General (collectively, the Reports). Disclosures in those Reports, which are dated February 5, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine if corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings reported during the 2020 audit.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to if the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. See separate Report of Independent Auditors on Applying Agreed-Upon Procedures dated February 5, 2021.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures that were agreed to by management of the District. See separate Report of Independent Auditors on Applying Agreed-Upon Procedures dated February 5, 2021, for our procedures and findings.



Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Management of the District has advised that the District is required to file an annual financial report, as defined in Section 218.32(1)(a), Florida Statutes, with the Florida Department of Financial Services. See separate Report of Independent Auditors on Applying Agreed-Upon Procedures dated February 5, 2021.

Additional Matters

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

Purpose of This Letter

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

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February 5, 2021