

REEDY CREEK IMPROVEMENT DISTRICT
\$47,715,000
Ad Valorem Tax Refunding Bonds
Series 2011

CLOSING DATE: APRIL 20, 2011

Bryant Miller Olive P.A.
135 West Central Blvd., Suite 700
Orlando, Florida 32801

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

**\$47,715,000
Ad Valorem Tax Refunding Bonds
Series 2011**

**TIME, DATE AND PLACE
OF PRE-CLOSING**

March 30, 2011 immediately following
District Board meeting
Reedy Creek Improvement District
1900 Hotel Plaza Boulevard
Lake Buena Vista, Florida 32830
Telephone: (407) 828-3548
Fax: (407) 828-5076

**TIME, DATE AND PLACE
OF CLOSING**

10:00 A.M. April 20, 2011
BY PHONE

PARTIES TO FINANCING

District	Reedy Creek Improvement District
Bank:	JPMorgan Chase Bank, N.A.
Special Counsel to District:	Lee G. Schmudde, Esq.
Bond Counsel:	Bryant Miller Olive P.A.
District's Financial Advisor	Dunlap & Associates, Inc.
Escrow Agent	U.S. Bank National Association
Counsel to Bank	Edwards Angell Palmer & Dodge LLP

RESOLUTION NO. 519

A RESOLUTION OF THE REEDY CREEK IMPROVEMENT DISTRICT SUPPLEMENTING RESOLUTION NO. 245 ADOPTED ON NOVEMBER 15, 1991, AS AMENDED; AUTHORIZING THE ISSUANCE OF REEDY CREEK IMPROVEMENT DISTRICT AD VALOREM TAX REFUNDING BONDS, SERIES 2011 IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$47,800,000 TO PROVIDE FOR THE REFUNDING OF ALL OF THE DISTRICT'S AD VALOREM TAX BONDS, SERIES 2001A; DELEGATING TO THE PRESIDENT AND THE SECRETARY OR THE DISTRICT COMPTROLLER THE AUTHORIZATION TO AWARD THE SALE OF THE 2011 BONDS ON A NEGOTIATED BASIS TO JPMORGAN CHASE BANK, N.A., AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND AN INTEREST RATE LOCK AGREEMENT WITH RESPECT TO THE 2011 BONDS AND AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO THE REFUNDED 2001A BONDS; AUTHORIZING THE DISTRICT TO ACT AS REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT WITH RESPECT TO SUCH BONDS; AUTHORIZING U.S. BANK NATIONAL ASSOCIATION TO ACT AS ESCROW AGENT WITH RESPECT TO THE REFUNDED 2001A BONDS; MAKING CERTAIN FINDINGS, REPRESENTATIONS AND COVENANTS WITH RESPECT THERETO; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "Board") of the Reedy Creek Improvement District (the "District") previously adopted a Resolution on April 4, 1972 (the "1972 Resolution") authorizing the issuance of certain ad valorem tax bonds and additional bonds thereunder on a parity therewith; and

WHEREAS, on November 15, 1991, the District adopted Resolution No. 245 (the "1991 Resolution") providing for the amendment and restatement of the 1972 Resolution as provided therein; and

WHEREAS, on April 11, 2001, the District adopted Resolution No. 398 (the "2001A Resolution") supplementing and amending the 1991 Resolution (the 1991 Resolution as supplemented by the 2001A Resolution is hereinafter referred to as the "Bond Resolution") to authorize the issuance of the District's Ad Valorem Tax Bonds, Series 2001A; and

WHEREAS, as a result of a decline in interest rates the District now desires to issue bonds pursuant to the Bond Resolution and this Resolution, payable on a parity with the bonds outstanding under the Bond Resolution, in an aggregate principal amount not exceeding \$47,800,000 to provide for the refunding of all of the District's Ad Valorem Tax Bonds, Series 2001A (the "2001A Bonds") as more particularly described in Exhibit A hereto; and

WHEREAS, the District received proposals from fourteen financial institutions in response to the District's request for proposals dated December 7, 2010; and

WHEREAS, the Board hereby determines, based on recommendations from Dunlap & Associates, Inc., the District's financial advisor and District staff, that the proposal from JPMorgan Chase Bank, N.A. (the "Bank") dated January 14, 2011, to refund the 2001A Bonds (the "Proposal"), a copy of which is attached hereto as Exhibit B, contains the terms and provisions that are most favorable for the District; and

WHEREAS, the Board wishes to authorize entering into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") for the Refunded Bonds, in a form acceptable to counsel to the District and the District's Comptroller, to provide for the payment of the Refunded Bonds and to appoint U.S. Bank National Association to act as escrow agent thereunder; and

WHEREAS, the Board wishes to authorize entering into a Loan Agreement (the "Loan Agreement"), with the Bank, the purchaser of the Ad Valorem Tax Refunding Bonds, Series 2011 (the "2011 Bonds") in a form that is acceptable to counsel to the District and the District's Comptroller which incorporates the terms and provisions of the Proposal; and

WHEREAS, because of the current conditions existing in the market for securities similar to the 2011 Bonds, the Board finds it appropriate to delegate to the President and the Secretary or the District Comptroller, the authority to accept the offer from JPMorgan Chase Bank, N.A. to purchase the 2011 Bonds, pursuant to the terms of the Bond Resolution and the Loan Agreement; and

WHEREAS, the Refunded Bonds are not subject to redemption prior to June 1, 2011 and the District desires to lock in an interest rate on the Series 2011 Bonds at this time in order to preserve the debt service savings related to the refunding of the Refunded Bonds, it is the desire of the Board to authorize entering in to an interest rate lock agreement with the Bank subject to the parameters set forth herein; and

WHEREAS, the Board desires to take certain other actions with respect to, and to make other authorizations related to, the refunding of the Refunded Bonds and the issuance of the 2011 Bonds;

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

Section 1. Authority. This Resolution is adopted pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967, Chapter 132, Florida Statutes, and other applicable provisions of law (collectively, the "Act") and the Bond Resolution.

Section 2. Definitions. All terms used herein in capitalized form, unless otherwise defined herein, shall have the same meanings as are ascribed to such terms in the Bond

Resolution. All terms defined in the preamble hereto shall have the meanings ascribed therein. As used herein, the following terms shall have the meanings set forth below:

"2001A Bonds" means the Reedy Creek Improvement District Ad Valorem Tax Bonds, Series 2001A.

"Bank" means JPMorgan Chase Bank, N.A. and its successors and assigns.

"Closing Date" means the respective date of issuance of the 2011 Bonds.

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

"District Comptroller" means the Deputy District Administrator/Comptroller of the District.

"Escrow Agent" means U.S. Bank National Association, appointed hereunder to serve as escrow agent under the Escrow Deposit Agreement, its successors or assigns.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement between the District and the Escrow Agent, pursuant to which a portion of the proceeds of the 2011 Bonds, together with investment earnings thereon and certain other funds and investments will be held in irrevocable escrow for the payment of the principal of and interest on the Refunded 2001A Bonds.

"Paying Agent" means the District, serving hereunder as Paying Agent, Registrar and Authenticating Agent.

"President" means the President or Vice President of the Board.

"Rebate Year" means, with respect to the 2011 Bonds issued hereunder, the twelve-month period commencing on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary of such Closing Date in the following year, except that the first Rebate Year with respect to the 2011 Bonds shall commence on the Closing Date and the final Rebate Year shall end on the date of final maturity of such Series of 2011 Bonds; or such other period as regulations promulgated by the United States Department of Treasury may prescribe.

"Refunded 2001A Bonds" means the 2001A Bonds maturing on and after June 1, 2012.

"Secretary" means the Secretary to the Board.

Section 3. Findings and Awards.

A. The District is authorized by the Act to own, acquire, construct, equip, operate, improve and maintain roads located within or outside of the District and projects of all types and descriptions and facilities for the carrying out of the functions of the District and to issue ad valorem tax bonds to pay all or part of the cost of the acquisition, construction, maintenance and operation of any project authorized by the Act.

B. The primary livelihood of the residents and taxpayers of the District is tourism and the provision of improvements to the roads and other public ways of the District will enhance the District and benefit the residents and taxpayers thereof by promoting development and having a positive impact on the general economy of the District.

C. It is necessary, desirable, and in the best interest of the District that 2011 Bonds be issued to currently refund the Refunded 2001A Bonds.

D. The 2011 Bonds will not be issued until all conditions relating to the issuance of Additional Bonds under the Bond Resolution have been met, including, but not limited to, (i) the Maximum Bond Service Requirement on all Bonds issued under the Bond Resolution and then Outstanding and the 2011 Bonds shall not exceed eight-five percent (85%) of the estimated annual collections from Ad Valorem Taxes calculated as provided in the Bond Resolution, and (ii) the principal amount of 2011 Bonds together with all other Bonds then outstanding will not exceed in the aggregate fifty percent (50%) of the assessed value of the taxable property within the District, and when issued, the 2011 Bonds will be payable on a parity with the District's Outstanding unrefunded Ad Valorem Tax Bonds, Series 2004A, Ad Valorem Tax Bonds, Series 2004B, Ad Valorem Tax Bonds, Series 2005A, Ad Valorem Tax Refunding Bonds, Series 2005B Bonds, Ad Valorem Tax Refunding Bonds, Series 2010 and with any other additional parity bonds hereafter issued under the terms of the Bond Resolution.

E. The District will issue the 2011 Bonds with the intent that the interest thereon will be excludable from the gross income of the Holders thereof for federal income tax purposes.

F. It is hereby found, determined and declared that a negotiated sale of the 2011 Bonds to the Bank is in the best interest of the District because a privately placed bank loan and duration of maturity of the 2011 Bonds will save the District considerable time and expense as compared to selling the 2011 Bonds in a public sale.

G. It is hereby ascertained, determined and declared that it is in the best interest of the District to authorize the President and the Secretary or District Comptroller to accept the offer from the Bank to purchase the 2011 Bonds at a private negotiated sale upon the terms and conditions set forth herein and in the Proposal.

H. The Bank will provide to the District, prior to the sale of the 2011 Bonds, a disclosure statement regarding the 2011 Bonds containing the information required by Section 218.385(6), Florida Statutes.

I. The District is authorized under the Act and Chapter 132, Florida Statutes, to issue refunding bonds and to deposit the proceeds thereof in escrow to provide for the payment when due of the principal of, interest on and redemption premiums, if any, in connection with the Refunded 2001A Bonds.

J. The 2011 Bonds to refund the Refunded 2001A Bonds shall only be issued at a lower average net interest cost rate than the average net interest cost rate of the Refunded 2001A Bonds and the rate of interest borne by the 2011 Bonds shall not exceed the maximum interest rate established pursuant to the terms of Section 215.84, Florida Statutes. It is estimated that the present value of the total debt service savings anticipated to accrue to the District from the issuance of the 2011 Bonds, calculated in accordance with Section 132.35(2), Florida Statutes, shall be at least 5.0% of the aggregate principal amount of the Refunded 2001A Bonds.

K. The principal amount of the 2011 Bonds to be used to refund the Refunded 2001A Bonds shall not exceed an amount sufficient to pay the sum of the principal amount of the Refunded 2001A Bonds that are outstanding on the date of issuance of the 2011 Bonds, the aggregate amount of unmatured interest payable on the Refunded 2001A Bonds to and including the date that they are called for redemption, the applicable redemption premiums related to the Refunded 2001A Bonds that are called for redemption, and the costs of issuance of the 2011 Bonds all in accordance with Section 132.35, Florida Statutes.

L. The sum of the present value of the total payments of both principal and interest to become due on the 2011 Bonds (excluding all such principal and interest payments as will be made with moneys held by the Escrow Agent under the Escrow Deposit Agreement) allocated to the refunding of the Refunded 2001A Bonds and the present value of costs of issuance of the 2011 Bonds, if any, not paid with proceeds of the 2011 Bonds, will be less than the present value of the principal and interest payments to become due at their stated maturities, or earlier mandatory redemption dates, on the Refunded 2001A Bonds.

M. The first and last installment of principal of the 2011 Bonds shall mature, or be subject to mandatory redemption, not later than the date of the first and last stated maturity or mandatory redemption of the Refunded 2001A Bonds occurring after the issuance of the 2011 Bonds.

N. The 2011 Bonds shall not be issued until such time as the District Comptroller shall have filed a certificate with the Board setting forth the present value of the total debt service savings which will result from the issuance of the 2011 Bonds to refund the Refunded 2001A Bonds, computed in accordance with the terms of Section 132.35, Florida Statutes, and demonstrating mathematically that the 2011 Bonds are issued at a lower net average interest cost rate than the Refunded 2001A Bonds.

O. The 2011 Bonds shall only be issued at a rate of interest not exceeding the maximum interest rate established pursuant to the terms of section 215.84, Florida Statutes.

Section 4. Resolution to Constitute a Contract. In consideration of the acceptance of the 2011 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution, together with the Bond Resolution and the Loan Agreement, shall be deemed to be and shall constitute a contract between the District and the Bondholders of the 2011 Bonds. The covenants and agreements set forth herein, in the Bond Resolution and in the Loan Agreement to be performed by the District shall be for the equal benefit, protection and security of the Bondholders, and the 2011 Bonds shall be of equal rank and without preference, priority of or distinction over any other thereof, except as expressly provided herein.

Section 5. Authorization of Refunding. The current refunding of the Refunded 2001A Bonds is hereby authorized. The District hereby authorizes (i) the deposit and pledge of a sufficient portion of the proceeds of the 2011 Bonds, together with interest earnings thereon, and certain other funds of the District, if necessary, to pay the principal of and interest on the Refunded 2001A Bonds, (ii) the investment and reinvestment of a portion of the proceeds from the sale of 2011 Bonds in Government Obligations for the purpose of effecting the defeasance of the Refunded 2001A Bonds, (iii) the calling of the Refunded 2001A Bonds prior to their dates of maturity as set forth in the related Escrow Deposit Agreement, (iv) the disbursement of unneeded principal and income, if any, from the funds and accounts created and established pursuant to such Escrow Deposit Agreement to the District in accordance with the terms of such Escrow Deposit Agreement. The District hereby elects to call and redeem the Refunded 2001A Bonds on June 1, 2011.

Within 30 days after the respective delivery of the 2011 Bonds, the District hereby authorizes and directs the Escrow Agent to send a notice by first class mail of the refunding of the Refunded 2001A Bonds and the call schedule with respect thereto as set forth in the Escrow Deposit Agreement to the following information services: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, 23rd Floor, New York, New York 10007; Standard & Poor's, Securities Evaluations, Called Bond Department, 55 Water Street, 45th Floor, New York, New York 10041 and The Depository Trust Company, 55 Water Street, 25th Floor, New York, New York 10041. The Escrow Agent is hereby directed in the name of the District, to cause notice of such call to be given as required by law and by the terms of the Refunded 2001A Bonds and the Escrow Deposit Agreement.

Section 6. Authorization of 2011 Bonds. Subject and pursuant to the provisions of this Resolution and any subsequent resolutions adopted by the Board in connection with the 2011 Bonds and prior to the issuance thereof, (i) the 2011 Bonds of the District to be known as "Reedy Creek Improvement District, Ad Valorem Tax Refunding Bonds, Series 2011" are hereby authorized to be issued in an aggregate principal amount not exceeding \$47,800,000 to refund the Refunded 2001A Bonds and the payment of a portion of the costs of issuance of the Series 2011 Bonds, with the exact principal amount to be determined in accordance with the terms hereof.

Section 7. Delegation to President and Secretary or District Comptroller: Terms and Form of 2011 Bonds.

A. The President and the Secretary or the District Comptroller are hereby authorized and directed to award the sale of the 2011 Bonds to the Bank and to approve the terms thereof, including, without limitation, the principal amounts thereof, the series designations thereof, the date thereof, the interest rates with respect thereto, the purchase price thereof and the redemption terms with respect thereto in accordance with the terms of the Proposal, provided, however, that in no event shall (i) the principal amount of the 2011 Bonds exceed \$47,800,000, (ii) the purchase price of the 2011 Bonds equals the par amount of the Bonds, (iv) the present value of the total savings anticipated to accrue to the District upon refunding the Refunded 2001A Bonds be less than 5.0% of the aggregate principal amount of the Refunded 2001A Bonds, or (v) the interest rates exceed the maximum rates permitted by applicable law.

B. The 2011 Bonds shall bear interest from their respective dates, payable semiannually on the first day of June and the first day of December of each year, commencing December 1, 2011, at the rate, and shall mature in accordance with the schedules, set forth or incorporated by reference in the Loan Agreement and approved by the President and the Secretary or the District Comptroller, such approval to be conclusively evidenced by their execution of the Loan Agreement. The principal of the 2011 Bonds shall be payable either in annual or semiannual installments, as shall be set forth in the Loan Agreement and approved by the President and the Secretary or the District Comptroller, the execution thereof to be conclusive evidence of such approval.

The 2011 Bonds may be issued as a fully registered certificated bond or bonds in the denomination of \$5,000 each or any integral multiple thereof and shall be issued as current interest bonds. In all cases, interest on the 2011 Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

Section 8. Redemption Provisions. The 2011 Bonds shall be subject to redemption at the option of the District prior to their stated date of maturity upon the payment of the redemption price equal to the par amount of the 2011 Bonds to be redeemed plus accrued interest to the date of redemption and the breakage fee as determined pursuant to the terms of the Loan Agreement.

Section 9. Funds and Accounts.

A. Establishment of and Payments from the Series 2011 Rebate Account. There is hereby established and created a trust account within the Rebate Fund created pursuant to the Bond Resolution to be designated (i) "Reedy Creek Improvement District Ad Valorem Tax Refunding Bonds, Series 2011 Rebate Account" (hereinafter referred to as the "Series 2011 Rebate Account") into which amounts shall be deposited as set forth below.

The District covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and calculations of the Rebate Amount for the 2011 Bonds for each Rebate Year within twenty-five (25) days after the end of such Rebate Year and within twenty-five (25) days after the final maturity of the Series of 2011 Bonds. On or before the expiration of each such period, the District shall deposit into the Series 2011 Rebate Account from any legally available funds of the District, an amount equal to the Rebate Amount with respect to the 2011 Bonds for such Rebate Year. The District shall use such moneys deposited in the related Series 2011 Rebate Account only for the payment of the Rebate Amount with respect to such Series of 2011 Bonds to the United States as required by the Bond Resolution, which payments shall be made in installments, commencing not more than thirty (30) days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of the 2011 Bonds. In complying with the foregoing, the District may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in a Series Rebate Account after payment in full of all such 2011 Bonds issued hereunder and after payment in full of the Rebate Amount with respect to the 2011 Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the District for any lawful purpose.

Section 10. Application of Proceeds of 2011 Bonds. The proceeds from the sale of the 2011 Bonds shall be applied by the District as follows:

(i) Upon issuance of the 2011 Bonds there shall be paid to the Escrow Agent an amount to be provided in the Escrow Deposit Agreement for the defeasance of the Refunded 2001A Bonds; and

(ii) The balance of the proceeds from the sale of the 2011 Bonds shall be paid to the District and used to pay the costs of issuing the 2011 Bonds.

Section 11. Form of 2011 Bonds. The 2011 Bonds shall be in substantially the form provided in Exhibit C hereto, subject to such changes, omissions and insertions and such filling of blanks as the officers executing the same shall approve, such execution to be conclusive evidence of such approval.

Section 12. Approval of Loan Agreement for 2011 Bonds. The Board hereby authorizes the execution and delivery of the Loan Agreement with such terms as are consistent with Sections 7 and 8 hereof and the Proposal which shall be approved by counsel to the District and the District Comptroller upon the advice of Bond Counsel to the District. The execution by the President to be conclusive evidence of such approval. Upon receipt of a disclosure statement from the Banks, the President and the Secretary or the District Comptroller are hereby authorized to accept an offer of the Bank to purchase the 2011 Bonds in an aggregate principal amount not exceeding \$47,800,000, and at a purchase price of not less than par, upon

the terms and conditions set forth in the Loan Agreement, and, so long as the present value of the total savings to accrue to the District upon refunding the Refunded 2001A Bonds shall be not less than 5.0% of the aggregate principal amount of the Refunded 2001A Bonds. The President and the Secretary or the District Comptroller are hereby authorized to execute and deliver the Loan Agreement for and on behalf of the District pursuant to the terms hereof and of the Loan Agreement.

Section 13. Paying Agent, Registrar and Authenticating Agent. The Board hereby appoints itself as the initial Paying Agent, Registrar and Authenticating Agent in connection with the 2011 Bonds under the terms of the Bond Resolution.

Section 14. Escrow Deposit Agreement. The Board hereby authorizes entering into an Escrow Deposit Agreement. The President and Secretary to the Board are hereby authorized to execute on behalf of the Board, the Escrow Deposit Agreement in the form which shall be approved by counsel to the District and the District Comptroller upon the advice of Bond Counsel to the District. Execution by the President shall be conclusive evidence of such approval.

Section 15. Interest Rate Lock Agreement. The Board hereby authorizes entering into an Interest Rate Lock Agreement. The President and Secretary to the Board or the District Comptroller are hereby authorized to execute on behalf of the Board, the Interest Rate Lock Agreement in the form which shall be approved by counsel to the District and the District Comptroller upon the advice of the Financial Advisor and Bond Counsel to the District. Execution by the President or the District Comptroller shall be conclusive evidence of such approval.

Section 16. Escrow Agent. The Board hereby appoints U.S. Bank National Association, as Escrow Agent in connection with the Refunded 2001A Bonds under the terms of the Escrow Deposit Agreement.

Section 17. Authorizations.

A. The President and the Secretary or their duly authorized alternative officers are hereby authorized and directed on behalf of the District to execute the 2011 Bonds (including any temporary bond or bonds) as provided in the Bond Resolution and herein and any of such officers is hereby authorized and directed upon the execution of the 2011 Bonds in substantially the form and manner set forth herein, to deliver the 2011 Bonds in the amounts authorized to be issued hereunder to the Registrar for authentication and delivery to or upon the order of the Bank pursuant to the Loan Agreement upon payment of the purchase price.

B. The President and Secretary or the District Comptroller, and such other officers of the Board legally authorized to take action in their absence, are each designated as agents of the Board and the District in connection with the issuance and delivery of the 2011 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 2011 Bonds, the Loan Agreement, Interest Rate Lock Agreement and Escrow Deposit Agreement and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Bond Resolution or any action relating to the 2011 Bonds heretofore taken by the Board. Such officers and those so designated are hereby charged with the responsibility for the issuance of the 2011 Bonds.

Section 18. Severability. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the 2011 Bonds issued hereunder.

Section 19. Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the District, and the owners and holders of the 2011 Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto, and the Holders from time to time of the 2011 Bonds issued hereunder.

Section 20. Controlling Law: Members of Governing Body of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized by the Act and provided by the constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board or the District in his individual capacity, and, to the extent permitted by law, neither the members of the Board nor any official executing the 2011 Bonds shall be liable personally on the 2011 Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Board or such members thereof.

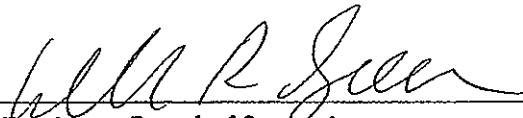
Section 21. Repeal of Inconsistent Resolutions. All resolutions or portions thereof previously adopted by the Board, other than the Bond Resolution, which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

Section 22. Effective Date. This Resolution shall become effective immediately upon its adoption.

This Resolution is hereby approved and adopted by the Board of Supervisors of the Reedy Creek Improvement District, this 26th day of January, 2011.

REEDY CREEK IMPROVEMENT DISTRICT

(SEAL)



Vice President, Board of Supervisors

ATTEST

 1/27/11

Secretary, Board of Supervisors

EXHIBIT A

Refunding Project Description

Current refunding of the following Series 2001A Bonds.

\$47,650,000 Series 2001A Serial Bonds

Date (June 1)	Principal Payment
2012	\$4,975,000
2013	5,205,000
2014	5,475,000
2015	5,765,000
2016	6,070,000
2017	6,395,000
2018	6,715,000
2019	7,050,000

The Refunded Series 2001A Bonds will be called for optional redemption on June 1, 2011, at the par amount thereof, without premium, together with accrued interest thereon.

EXHIBIT B

FORM OF BANK PROPOSAL

1/14/11



CREDIT FACILITY PROPOSAL

Direct Purchase of Tax-Exempt Non Bank-Qualified Bond issued by Reedy Creek Improvement District in the amount of up to \$47,800,000



1/14/11

Ann Blakeslee, Comptroller
Reedy Creek Improvement District
1900 Hotel Plaza Boulevard
Lake Buena Vista, FL 32830

Dear Ann:

On behalf of JPMorgan Chase Bank, National Association ("JPMorgan Chase"), we are pleased to propose for discussion indicative terms to Reedy Creek Improvement District (the "Borrower") for the direct purchase of a non bank-qualified tax exempt bond in an amount up to \$47,800,000 subject to the following terms and conditions described herein (the "Proposal").

JPMorgan Chase has been the market leader in public finance credit for over 35 years. JPMorgan Chase ranks among the largest providers of credit facilities in the Municipal market today. Our deep familiarity with this sector is viewed as a strong benefit by the Municipal clients with whom we do business. We believe that our experience in providing credit support, coupled with our long experience in deal execution, will ensure an efficient, cost-effective transaction for Reedy Creek Improvement District.

The proposed indicative terms provided here for discussion do not represent an offer or commitment to lend on the part of JPMorgan Chase, and would be subject due diligence, credit analysis and approval, and documentation of detailed terms and conditions satisfactory to JPMorgan Chase. Should any part of this proposal conflict with Reedy Creek Improvement District's structuring parameters, we would be happy to discuss mutually acceptable alternatives.

Should you have any questions about any aspect of this proposal, please do not hesitate to contact me at 407-236-5464. Thank you and we look forward to working with Reedy Creek Improvement District and its financing team.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Leif G. Chase". The signature is fluid and cursive, with the first and last names being more prominent.

Leif G. Chase
Senior Vice President



REEDY CREEK IMPROVEMENT DISTRICT

Direct Purchase Tax-Exempt Non Bank Qualified Bond

Summary of Terms and Conditions

1/14/11

This Summary of Terms and Conditions (the "Term Sheet") is confidential and is intended as a statement of indicative terms only, and is provided to facilitate additional discussion. It is a proposal only and not a commitment by JPMorgan Chase Bank, N.A. (the "Bank") to provide financing. *The Bank shall not have any commitment or obligation hereunder unless and until it executes a commitment letter or a definitive loan agreement.* The pricing and terms included in this Term Sheet are based on market conditions on the date hereof and are subject to change.

Borrower:	Reedy Creek Improvement District (The "Borrower")
Purchaser:	JPMorgan Chase Bank, N.A. ("JPMorgan Chase" or the "Bank"). Please refer to Exhibit I for information on the Purchaser.
Bond:	An amount not to exceed \$47,800,000 Direct Purchase Tax-Exempt Non Bank-Qualified Bond. The Bond will NOT be designated by the Authority as a "qualified tax exempt obligation" under Section 265(b) of the Internal Revenue Code. Purchaser will take Physical Delivery of the Bond at closing.
Purpose:	Proceeds of the bonds will be used to refund the 2012-2019 maturities of the Ad Valorem Tax Refunding Bonds, Series 2001A and pay for costs of issuance.
Bond Maturity Date:	June 1, 2019
Bond Day/Year:	30/360
Interest Rates and Other Fees:	The interest rate on the Bond and Other Fees are set forth in Exhibit II.
Maximum Interest Rate:	No limitation shall exist in any Resolution that restricts the Bank Rate to any rate lower than other such maximum rate permitted by law.
Interest Rate Clawback:	Bank will require the inclusion of a customary clawback provision as protection against the possibility of the interest rate payable on advances exceeding the maximum permissible rate thereof.
Indicative Pricing Perishability:	Rates and fees on Exhibit II are indicative only as of January 13, 2011 are subject to market conditions at all times until Bank shall commit in writing otherwise.
Drawdown:	The Bond will be fully drawn on the date of issuance.

**Bond Amortization/
Repayment:**

Principal will be repaid annually beginning June 1, 2012 through June 1, 2019 to provide level debt service as estimated below. The amortization shown below does not include estimated costs of issuance of \$150,000. Interest will be repaid semi-annually at a rate as denoted in Exhibit II.

6/1/2012	4,975,000
6/1/2013	5,205,000
6/1/2014	5,475,000
6/1/2015	5,765,000
6/1/2016	6,070,000
6/1/2017	6,395,000
6/1/2018	6,715,000
6/1/2019	7,050,000
	\$47,650,000

Security:

The proposed facility will be secured by a priority lien on ad valorem taxes collected by the District, levied at a rate not to exceed 30 mills per annum on the assessed value of all taxable property in the District. The proposed Bond will be on parity with the 1998B, 2004A, 2004B, 2005A, and 2005B Ad Valorem Tax Bonds.

**Conditions
Precedent:**

Usual and customary conditions to issuance of the Bond including acceptable legal documentation which shall include an opinion of bond counsel that the Bond is exempt from federal and State of Florida taxation.

Additionally, the Borrower must have absence of default or unmatured default, absence of material litigation and lack of material adverse change from the Borrower's financial condition and operations as reflected in the financial statements of the Borrower as of September 30, 2009. Additional conditions precedent to the issuance of the Bond will include:

1. The Bank not becoming aware of any information affecting either the Borrower or this transaction which is inconsistent in a material manner with what has been previously disclosed to the Bank and such information is true and correct in all material respects.
2. The absence of any situation occurring which would, in the opinion of the Bank, materially adversely affect the Borrower or this transaction.
3. The Borrower currently maintains all necessary approvals, orders, authorizations, consents, licenses, certificates and permits from all applicable governmental authorities, which are or may be required to operate its facilities.
4. The Borrower shall have delivered other customary closing documentation, including, without limitation, legal opinions of counsel to the borrower acceptable to the Bank.
5. The Borrower shall have delivered a Bond, Loan Agreement and any other documents required to secured and support the Borrower's obligations under the Facility, and an opinion of Borrower's Counsel as to the execution and delivery of the Bond, Loan Agreement and all other loan documents, each in form and substance acceptable to the Bank.
6. The Bond shall not be separately rated by any bond rating agency.
7. Receipt of satisfactory opinion of bond counsel that the Bond is exempt from


CHASE

federal and State of Florida taxation. Further, the Purchaser will sign a customary investment letter relating to the private placement of the Bond.

Additional Conditions:	The Bond shall not be rated by any rating agency, shall not be DTC eligible, shall not contain a CUSIP number and shall not be marketed during any period in which the Bond is held by the Bank pursuant to any Official Statement, Offering Memorandum or any other disclosure documentation.
Representations and Warranties:	Usual representations and warranties for like situated borrowers and the Facility's type and tenor, including, without limitation, absence of material adverse change, absence of material litigation, absence of default or potential default and continued accuracy of representations.
Loan Documents:	The terms of this financing will be evidenced by agreements, instruments and documents ("Loan Documents") usual and customary for a Direct Purchase Tax-Exempt Bond. The Loan Documents must be acceptable to the Bank and its counsel.
Covenants	<p>The facility will include customary affirmative covenants including, without limitation, the delivery of financial statements, reports, accountants' letters, projections, officers' certificates and other information requested by the Bank; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of books and records; right of the Bank to inspect property and books and records; notices of defaults, litigation and other material events; and compliance with all covenants of Resolution No. 245.</p> <p>The Facility will contain customary negative covenants typical for a Facility of this type, will incorporate by reference all negative covenants contained in other parity debt, and would include financial covenants deemed appropriate by Bank which provide an ongoing assessment of the strength and performance of Borrower.</p>
Reporting Covenants:	<p>Unless otherwise requested, the Borrower will provide the following items in an electronic format acceptable to the Bank.</p> <ol style="list-style-type: none">1. Annual, audited, consolidated and consolidating financial statements of the Borrower within 180 days of the fiscal year end.2. Additional information as reasonably requested by the Bank.
Financial Covenants:	The Loan Agreement will incorporate by reference covenants contained in Resolution No. 245 and other Related Bond Documents and said covenants and provisions will be deemed to be for the benefit of the Bank. Any amendments to, or waiver of, said provisions will require the consent of the Bank. Incorporated financial covenants will include, but may not be limited to, the following:



1. The District covenants to levy each year such millage, not exceeding 30 mills on each dollar of assessed valuation of the property within the District, that will produce a sum equal to the amounts required to be deposited in the Sinking Fund (debt service payments) in such fiscal year. If, in any Fiscal Year, the ad valorem taxes actually collected shall be less than the amount required, then the amount of the deficit shall be added to the amount of ad valorem taxes required to be levied in the next succeeding year or years. Such tax, however, shall not exceed 30 mills in any fiscal year.
2. MADS on existing and any additional bonds < 85% of collections from ad valorem taxes
3. Principal amount of all bonds proposed and outstanding < 50% of assessed value

Events of Default:

The Events of Default will be those usual and customary for like situated borrowers and the Facility's type and tenor, including, without limitation, failure to pay principal, interest, and other facility obligations when due; failure of representations and warranties; breach of covenants in facility loan documents; failure to pay judgments when due; commencement bankruptcy, or similar proceeding or act of insolvency; compromise of guaranty, collateral or other credit support; merger, dissolution or similar corporate event; cross-default to payment and terms of other obligations; and material adverse change in Borrower's financial condition, business or reputation or in market conditions.

Participations:

The Bank does not anticipate engaging a participant in this transaction; however we reserve the right to utilize a participant at a later date. Therefore the Bank may, in its sole discretion, sell participations in the Facility and disclose information to prospective participants and share, at its option, any fees with such participants.

Governing Law:

All aspects of the credit(s) being discussed including this Term Sheet and any loan documents would be governed by the laws of the State of Florida.

Counsel:

JPMorgan Chase will engage Edwards Angell Palmer & Dodge LLP as the Bank's legal counsel. Richard Miller and/or Mark-David Adams will be acting in the capacity of lead attorney representing the Bank. The Bank will agree to cap legal expenses at \$5,000 plus expenses not to exceed \$500, based on the scope of the financing as presented.

Richard J. Miller, P.A. & Mark David Adams, P.A.
Edwards Angell Palmer & Dodge LLP
525 Okeechobee Boulevard
Suite 1600
West Palm Beach, Florida 33401
561-820-0274
888-325-9184
rmiller@eapdlaw.com
madams@eapdlaw.com

Expenses:

Upon the acceptance of a commitment, all legal expenses of the Bank, plus costs and expenses and other documentation fees incurred as a direct or indirect result of the preparation and review of the Loan documents, will be reimbursed by the Borrower whether or not the Facility closes.



**Expected Timing of
Bank Credit Decision:**

Satisfactory due diligence, in the Bank's sole discretion, consists of, but may not be limited to, a full review of requested financial statements and financing documents and discussions with management.

Should the Borrower request financing substantially on the terms outlined herein, Bank's credit decision would be made within approximately one week after such request and completion of due diligence.

Any offer or commitment, if and when made, will be in a separate writing so stating, following credit decision by Bank. No offer or commitment should be implied or relied upon prior to the Bank's issuance of an express written commitment.

Tax Gross Up:

If interest on the Bond is determined to be taxable for any reason the interest on the Bond will increase from the effective date of such taxability to the taxable equivalent rate per annum.

Change In Law:

If there is a change in the Internal Revenue Code, the regulations promulgated there under or in the interpretation thereof by any court, administrative authority or other governmental authority (other than a taxable event) which takes effect after the Acceptance Date of this letter and which changes the effective yield on the Bond to the Bank, including but not limited to, changes in federal income tax rates, the interest rate on the Bond will increase accordingly to compensate for such changes in effective yield on the Bond.

Yield Protection:

The Bond shall contain customary provisions (a) protecting the Bank against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Bank for "breakage costs" incurred in connection with, among other things, any prepayment of the Bond in whole or in part on a day prior to the Maturity Date.

Information Sharing:

The Borrower agrees that the Bank may provide any information or knowledge the Bank may have about the Borrower or about any matter relating to the facilities described in this Term Sheet to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers, potential purchasers, participants or assignees of facilities described in this letter. The Borrower agrees that the Bank may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights and obligations in the facilities described in this letter to one or more purchasers whether or not related to the Bank.



Confidentiality Statement: The terms of this Term Sheet are for Borrower's confidential use and may not be disclosed by it to any other person other than its employees, attorneys, board members and financial advisors (but not other commercial lenders), and then only in connection with the transactions being discussed and on a confidential basis, except where disclosure is required by law, or where the Bank consents to the proposed disclosure; *provided, however*, that the Borrower (and each employee, representative or other agent of the Borrower) may disclose to any and all persons, without limitation of any kind, the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are or have been provided to the Borrower relating to such tax treatment or tax structure, except that, with respect to any document or similar item that in either case contains information concerning such tax treatment or tax structure of the transactions contemplated hereby as well as other information, this proviso will only apply to such portions of the document or similar item that relate to such tax treatment or tax structure of the transactions contemplated hereby.

The Bank may, from time to time, be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower may have conflicting interests regarding the transaction described herein and otherwise. The Bank confirms that it will not use confidential information obtained from the Borrower by virtue of the potential transaction contemplated by this commitment or our other relationships with the Borrower in connection with the performance by Bank of such services for other companies. The Bank will not use in connection with the potential transaction contemplated by this commitment, or furnish to you, confidential information obtained from other companies.

* * *

This Term Sheet is intended as an outline only and does not purport to summarize all the conditions, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the financing contemplated hereby.



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Exhibit I

INFORMATION ON JPMORGAN CHASE

**Bank's Credit
Ratings:**
Public Ratings for JPMorgan Chase Bank, N.A.

	S&P	Moody's	Fitch
Long Term Ratings:	AA-	Aa1	AA-
Short Term Ratings:	A-1+	P-1	F1+
Outlook:	Negative	Negative	Stable

*All three rating agencies upgraded JPMorgan ratings during February and March 2007. Standard and Poor's subsequently downgraded the Bank's Long Term Rating while maintaining the negative outlook on December 19, 2008. Moody's downgraded the Bank's Long Term Rating from Aaa on January 15, 2009 and changed the outlook from Stable on March 4, 2009.

Annual Report:

The Bank's most recent annual report can be accessed via the following website:

<http://www.jpmorgan.com>

Bank Contacts:

Leif G. Chase
Senior Vice President
420 S. Orange Ave., Ste 250
Orlando, FL 32801
(407) 236-5464
(407) 218-5355
(407) 325-1817
EMAIL: leif.g.chase@chase.com



Exhibit II

Pricing and Other Fee Information

Interest Rates ¹Fixed Rate
Option:

Fixed rates are available and will be based on current market conditions. Based on current rates, the following indicative Fixed Rates (as of January 13, 2010) are available and subject to change daily:

Bond Maturity	Fixed Rate ^{2,3}
June 1, 2019	2.63%

1. Interest Rates are based on a 360-day year and are quoted on a per annum basis.
2. Rates based on Bond amortization as estimated on page 2 of this term sheet. Refer to Exhibit III for Rate Lock Language.
3. The Bond may be prepaid prior to the Bond Maturity date subject to our standard "breakage costs".

Other Interest or Fees

Default Rate: Base Rate* + 4.00%

* Base Rate (a/k/a the "Corporate Bank Floating Rate") is defined as the higher of (i) JPMorgan Chase Bank's Prime Rate and (ii) Adjusted One Month LIBOR Rate. Adjusted One Month LIBOR Rate is defined as the sum of 2.50% plus the quotient of (a) the LIBOR Rate on the immediately preceding business day for dollar deposits with a maturity equal to one month, divided by (b) one minus the Reserve Requirement applicable to dollar deposits in the London interbank market with a maturity equal to one month.



LOAN AGREEMENT

This LOAN AGREEMENT (the "Agreement") is made and entered into as of April 20, 2011, and is by and between the Reedy Creek Improvement District, a public corporation and special taxing district of the State of Florida, and its successors and assigns (the "District"), and JPMorgan Chase Bank, N.A., a national banking association, and its successors and assigns, as holder(s) of the hereinafter defined Bond (the "Bank").

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I DEFINITION OF TERMS

Section 1.01 Definitions. The words and terms used in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings:

"Agreement" shall mean this Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Ad Valorem Taxes" shall have the meaning as set forth in the Bond Resolution.

"Bond" means the District's Ad Valorem Tax Refunding Bond, Series 2011 in substantially the form attached to the Supplemental Resolution.

"Bond Counsel" means an attorney-at-law or firm of such attorneys having expertise in the legal aspects of the issuance of indebtedness by states and political subdivisions thereof.

"Bond Resolution" means the District's Resolution 245 duly adopted on November 15, 1991, as supplemented by the Supplemental Resolution.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Bank is lawfully closed.

"Closing Date" means the date so indicated in the Bond.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"Event of Default" shall mean an event of default specified in Section 21 of Resolution 245 of the District, which shall constitute an Event of Default under this Agreement.

"Loan" shall mean the loan by the Bank to the District contemplated hereby.

"Loan Amount" means \$47,715,000.

"Loan Documents" means this Agreement, the Bond Resolution and the Bond.

"Notice Address" means,

As to the District:	Reedy Creek Improvement District
	PO Box 10,170
	1900 Hotel Plaza Blvd
	Lake Buena Vista, FL 32830
As to the Bank:	JPMorgan Chase Bank, N.A.
	420 S. Orange Avenue
	Suite 250
	Orlando, Florida 32801

or to such other address as either party may have specified in writing to the other using the procedures specified in Section 7.06.

"Principal Office" means, with respect to the Bank, the office located at 420 S. Orange Avenue, Suite 250, Orlando, Florida 32801, or such other office as the Bank may designate to the District in writing.

"State" means the State of Florida.

"Supplemental Resolution" means Resolution 519 duly adopted by the District on January 26, 2011.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II REPRESENTATIONS OF DISTRICT

The District represents and warrants to the Bank that:

Section 2.01 Powers of District. The District is a public corporation and special taxing district of the State, duly organized and validly existing under the laws of the State. The District has the power to borrow the amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure the Bond in the manner contemplated hereby and to perform and

observe all the terms and conditions of the Loan Documents on its part to be performed and observed.

Section 2.02 Authorization of Loan. The District had, has, or will have, as the case may be, at all relevant times, full legal right, power, and authority to execute the Loan Documents, to make the Bond, and to carry out and consummate all other transactions contemplated hereby, and the District has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The District has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Bond to the Bank and to that end the District warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Bond. The Bond has been duly authorized, executed, issued and delivered to the Bank and constitutes the legal, valid and binding obligation of the District enforceable in accordance with the terms thereof and the terms hereof, and is entitled to the benefits and security of the Bond Resolution and this Agreement, subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights, heretofore or hereinafter enacted, to the extent constitutionally applicable, and provided that its enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Bond or the execution and delivery of or the performance by the District of its obligations under this Agreement, the Bond Resolution and the Bond have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

The Loan Agreement and the Bond evidencing the District's repayment obligation to the Bank under the Loan Agreement shall constitute an Additional Bond within the meaning of the Bond Resolution issued in compliance with the terms, conditions and limitations contained in Section 15E thereof which shall have an equal lien on the tax proceeds deposited in the Ad Valorem Taxes Fund created by the Bond Resolution and rank equally in all respects with the Bonds, as defined in the Bond Resolution, issued thereunder.

Section 2.03 No Violation of Law or Contract. The District is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound, the breach of which could result in a material and adverse impact on the financial condition of the District or the ability of the District to perform its obligations hereunder and under the Bond. The making and performing by the District of this Agreement and the Bond will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the District is a party or by which the District is bound, the breach of which could result in a material and adverse impact on the financial condition of the District or the ability of the District to perform its obligations

hereunder and under the Bond.

Section 2.04 Pending or Threatened Litigation. There are no actions or proceedings pending against the District or affecting the District or, to the knowledge of the District, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the District, or which question the validity of this Agreement, the Bond Resolution or the Bond or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

Section 2.05 Financial Information. The financial information regarding the District furnished to the Bank by the District in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the District from that presented in such information.

ARTICLE III COVENANTS OF THE DISTRICT

Section 3.01 Affirmative Covenants. For so long as any of the principal amount of or interest on the Bond is outstanding or any duty or obligation of the District hereunder or under the Bond remains unpaid or unperformed, the District covenants to the Bank as follows:

(a) **Payment.** The District shall pay the principal of and the interest on the Bond at the time and place and in the manner provided in the Bond Resolution and in the Bond.

(b) **Use of Proceeds.** Proceeds from the Bond will be used only to currently refund the District's Ad Valorem Tax Bonds, Series 2001A maturing on and after June 1, 2012 and to pay closing costs of the Loan.

(c) **Notice of Defaults.** The District shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing at its Notice Address upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank with such written notice, a detailed statement by a responsible officer of the District of all relevant facts and the action being taken or proposed to be taken by the District with respect thereto.

(d) **Maintenance of Existence.** The District will take all legal action within its control in order to maintain its existence until all amounts due and owing from the District to the Bank under this Agreement and the Bond have been paid in full.

(e) **Records.** The District agrees that any and all records of the District with respect to the Loan shall be open to inspection by the Bank or its representatives at all reasonable times at the offices the District.

(f) Financial Statements. The District will cause an audit to be completed of its books and accounts and shall furnish to the Bank audited year-end financial statements of the District certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the District and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. The District shall provide the Bank with the District's audited financial statements for each fiscal year ending on or after September 30, 2010 within 180 days after the end thereof. The District shall provide the Bank additional information as reasonably requested by the Bank.

(g) Notice of Liabilities. The District shall promptly inform the Bank in writing of any actual or potential contingent liabilities or pending or threatened litigation of any amount that could reasonably be expected to have a material and adverse effect upon the financial condition of the District or upon the ability of the District to perform its obligation hereunder and under the Bond.

(h) Insurance. The District shall maintain such liability, casualty and other insurance as is reasonable and prudent for similarly situated governmental entities of the State of Florida.

(i) Compliance with Laws. The District shall comply with all applicable federal, state and local laws and regulatory requirements, the violation of which could reasonably be expected to have a material and adverse effect upon the financial condition of the District or upon the ability of the District to perform its obligation hereunder and under the Bond.

(j) Payment of Document Taxes. In the event the Bond or this Agreement should be subject to the excise tax on documents or the intangible personal property tax of the State, the District shall pay such taxes or reimburse the Bank for any such taxes paid by it.

Section 3.02 Negative Covenants. For so long as any of the principal amount of or interest on the Bond is outstanding or any duty or obligation of the District hereunder or under the Bond remains unpaid or unperformed, the District covenants to the Bank as follows:

(a) No Amendment to Bond Resolution. The District shall not amend the Bond Resolution without the prior written consent of the Bank.

(b) No Adverse Borrowings. The District shall not issue or incur any indebtedness or obligation if such would materially and adversely affect the ability of the District to pay debt service on the Bond or any other amounts owing by the District under this Agreement.

Section 3.03 Automatic Payment Procedure. On the due date thereof, the District hereby authorizes the Bank to automatically deduct from a bank account of the District designated to the Bank the amount of any payment of principal or interest due from the District to the Bank under this Agreement or the Bond. If the funds in the account are insufficient to

cover any payment, the Bank shall not be obligated to advance funds to cover the payment. The Bank covenants that it shall not debit the District's account for any amount in excess of the principal and interest due from the District to the Bank as the same becomes due.

Section 3.04 Registration and Exchange of Bond. The Bond is owned by JPMorgan Chase Bank, N.A. The ownership of the Bond may only be transferred, and the District will transfer the ownership of the Bond, upon written request of the Bank specifying the name, address and taxpayer identification number of the transferee, and the District will keep a record setting forth the identification of the owner of the Bond.

Section 3.05 Bond Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated, or be destroyed, stolen or lost, the District shall issue and deliver a new Bond, in exchange and in substitution for such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost and upon the Bank furnishing the District proof of ownership thereof and indemnity reasonably satisfactory to the District and paying such expenses as the District may incur all in accordance with the Bond resolution.

Section 3.06 Payment of Principal and Interest. The District promises that it will promptly pay the principal of and interest on the Bond at the place, on the dates and in the manner provided therein.

Section 3.07 Officers and Employees of the District Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Loan Agreement or the Bond or for any claim based hereon or thereon or otherwise in respect thereof, shall be had against any officer, agent or employee, as such, of the District past, present or future, it being expressly understood (a) that the obligation of the District under this Agreement and under the Bond is solely a corporate one, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the officers, agents, or employees, as such, of the District, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such officer, agent, or employee, as such, of the District under or by reason of the obligations, covenants or agreements contained in this Agreement and under the Bond, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Bond on the part of the District.

Section 3.08 Business Days. In any case where the due date of interest on or principal of the Bond is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Bank.

Section 3.09 Tax Representations, Warranties and Covenants of the District.

(a) The District hereby covenants and represents that it has taken and caused to be

taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Bond to be and remain excluded from the gross income of the Bank for federal income tax purposes to the extent set forth in the Code, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The District acknowledges that the continued exclusion of interest on the Bond from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The District hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The District hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Bond or other funds of the District to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Bond to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The District further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Sections 103(b)(2) and 148 of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the District covenants and agrees:

(1) to pay to the United States of America at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Bond, plus any income attributable to such excess (the "Rebate Amount");

(2) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code; and

(3) to comply with all representations and restrictions contained in any Certificate as to Arbitrage and Other Tax Matters executed by the District in connection with the Bond.

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

(b) The District will comply with, and timely make or cause to be made all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service.

(c) The District will not use, invest, direct or permit the investment of the proceeds of the Bond or any investment earnings thereon in a manner that will result in the Bond becoming a "private activity bond" within the meaning of Sections 141 and 145 of the Code.

(d) The District will not use or permit to be used more than ten percent (10%) of the proceeds of the Bond (including any amounts used to pay costs associated with issuing the Bond), including all investment income earned on such proceeds directly or indirectly, in any trade or business carried on by any person who is not the District or a state or political subdivision or instrumentality thereof as those terms are used in Section 103 of the Code (an "Exempt Person").

(e) The District will not use or permit the use of any portion of the proceeds of the Bond, including all investment income earned on such proceeds, directly or indirectly, to make or finance loans to persons who are not Exempt Persons.

(f) The District has not entered into, and will not enter into, any arrangement with any person or organization (other than an Exempt Person) which provides for such person or organization to manage, operate, or provide services with respect to more than 10% of the property refinanced with the proceeds of the Bond (a "Service Contract"), unless the guidelines set forth in Revenue Procedure 97-13 (or the guidelines set forth in Revenue Procedure 93-19, to the extent applicable, or any new, revised or additional guidelines applicable to Service Contracts) (the "Guidelines"), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or an opinion of nationally recognized Bond Counsel which allows for a variation from the Guidelines.

(g) The District will not cause the Bond to be treated as "federally guaranteed" for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149 of the Code. For purposes of this paragraph, the Bond shall be treated as "federally guaranteed" if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Bond will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b)(3) of the Code.

The terms "debt service," "gross proceeds," "net proceeds," "proceeds," and "yield" have

the meanings assigned to them for purposes of Section 148 of the Code.

ARTICLE IV CONDITIONS OF LENDING

The obligations of the Bank to lend hereunder are subject to the following conditions precedent:

Section 4.01 Representations and Warranties. The representations and warranties set forth in this Agreement, the Bond Resolution and the Bond are and shall be true and correct on and as of the date hereof and as of the date of each Advance.

Section 4.02 No Default. On the date hereof, and as of the date of each Advance, the District shall be in compliance with all the terms and provisions set forth in the Loan Documents on its part to be observed or performed, and no Event of Default nor any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

Section 4.03 Supporting Documents. On or prior to the date hereof, the Bank shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Bank (such satisfaction to be evidenced by the purchase of the Bond by the Bank):

(a) the opinion of the attorney for the District or bond counsel to the District, regarding the due authorization, execution, delivery, validity and enforceability of the Bond Resolution, this Agreement and the Bond;

(b) the opinion of bond counsel to the District to the effect that, (1) the interest on such Bond is excluded from gross income for federal income tax purposes and such Bond is not an item of tax preference under Section 57 of the Code, and (2) the Bond and the income thereon are exempt from the Florida excise tax on documents and intangible personal property tax; and

(c) such additional supporting documents as the Bank may reasonably request.

ARTICLE V FUNDING THE LOAN

Section 5.01 The Loan. The Bank hereby agrees to lend to the District the Loan Amount on the date hereof and upon the terms and conditions set forth in this Agreement. The District agrees to repay the principal amount borrowed plus interest thereon, upon the terms and conditions set forth in this Agreement and the Bond.

Section 5.02 Description and Payment Terms of the Bond. To evidence the obligation

of the District to repay the Loan, the District shall make and deliver to the Bank the Bond in the form as described in the Supplemental Resolution.

ARTICLE VI EVENTS OF DEFAULT

Section 6.01 Reserved.

Section 6.02 Effect of Event of Default.

Upon the happening of an Event of Default the Bank shall have the remedies available as provided in the Bond Resolution.

ARTICLE VII MISCELLANEOUS

Section 7.01 No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power, remedy hereunder or under the Bond shall operate as a waiver of the Bank's rights, powers and remedies hereunder or under the Bond Resolution, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 7.02 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except in writing signed by the Bank and the District. The District agrees to pay all of the Bank's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the District's request or behest.

Section 7.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 7.04 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 7.05 Term of Agreement. Except as otherwise specified in this Agreement,

this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the District in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Bond is outstanding.

Section 7.06 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to the Notice Address.

Section 7.07 Applicable Law; Venue. This Agreement shall be construed pursuant to and governed by the substantive laws of the State. The District and the Bank waive any objection either might otherwise have to venue of any action lying in Orange or Osceola County, Florida.

Section 7.08 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The District shall have no rights to assign any of its rights or obligations hereunder without the prior written consent of the Bank.

Section 7.09 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 7.10 Attorneys Fees. To the extent legally permissible, the District and the Bank agree that in any suit, action or proceeding brought in connection with this Agreement or the Bond (including any appeal(s)), the prevailing party shall be entitled to recover costs and attorneys' fees from the other party.

Section 7.11 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Bond embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 7.12 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of out the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

REEDY CREEK IMPROVEMENT DISTRICT

By: Thomas B DeWolf

Name: Thomas B. DeWolf

Title: President, Board of Supervisors

JPMORGAN CHASE BANK, N.A.

By: Leif G Chase

Name: Leif G. Chase

Title: Senior Vice President

Exhibit III

Forward Rate Lock

This forward-starting fixed rate lock-in is attached to and made a part of that certain Term Sheet dated January 14, 2011 issued by the Lender, JPMorgan Chase Bank, N.A., and accepted by the Borrower, The Reedy Creek Improvement District.

Rate Lock Date: January 27, 2011

Rate Lock Funding Date: April 20, 2011

Rate Lock Amount \$47,715,000.00

Rate 2.75%

In order to lock the rate for this transaction, Borrower agrees that if for any reason (other than Lender's gross negligence or willful misconduct) the full Rate Lock Amount is not funded in accordance with the terms of the financing documents by the Rate Lock Funding Date, then Borrower shall pay to Lender a Reinvestment Premium within 5 business days of Lender's written request. "Reinvestment Premium" means the difference of:

- (i) the net present value of the Scheduled Payments discounted at the 10-Year Interest Rate Swap rate as reported on the Federal Reserve H.15 report effective on the Rate Lock Date and
- (ii) the net present value of the Scheduled Payments discounted at the 10-Year Interest Rate Swap rate as reported on the Federal Reserve H.15 report as effective on the Rate Lock Funding Date.

If (i) is greater than (ii) then, no Reinvestment Premium is due. If (ii) is greater than (i), the difference shall be paid to Lender as stated above. "Scheduled Payments" means page 7 titled BOND DEBT SERVICE shown on the attached Refunding Numbers dated January 27, 2011.

JPMorgan Chase Bank, N.A.

By: Jackie L. Watson
Name: Jackie L. Watson
Title: Underwriter

The Reedy Creek Improvement District

By: Bill Warren 4/27/11
Name: Bill Warren
Title: District Administrator

UNITED STATES OF AMERICA
STATE OF FLORIDA
REEDY CREEK IMPROVEMENT DISTRICT
AD VALOREM TAX REFUNDING BOND,
SERIES 2011

INTEREST		ORIGINAL DATED
RATE:	MATURITY DATE:	DATE
2.75%	June 1, 2019	April 20, 2011

REGISTERED OWNER: JPMorgan Chase Bank, N.A.

PRINCIPAL

AMOUNT: FORTY SEVEN MILLION SEVEN HUNDRED FIFTEEN THOUSAND DOLLARS

Reedy Creek Improvement District (hereinafter called the "District"), for value received, hereby promises to pay to the Registered Owner above, or to its registered assigns or legal representatives, to the extent and from the sources pledged therefor, as described herein, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, upon presentation and surrender hereof at the principal office of the District, as Registrar and Paying Agent (the "Registrar") and to pay to the extent and from the sources herein described, interest on the principal sum from the date hereof, subject to adjustment as provided herein, or from the sources herein described interest on the principal sum, or until provisions for the payment thereof has been duly made, such interest being payable semi-annually on the first day of June and the first day of December of each year, commencing on December 1, 2011. Interest will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the District maintained by the Bond Registrar at the close of business on the fifteenth (15) day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice by deposit in the U.S. mails, postage prepaid, by the District to the Registered Owners of Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day (whether or not a business day) preceding the date of mailing. Payment of interest on the Bond may, at the option of any owner of Bonds, be transmitted by wire transfer to such Registered Owner to the bank account number on file with the Paying Agent as of the Record Date. If any date for the payment of

principal of, premium, if any, or interest on any Bonds is not a business day, the date for such payment shall be the next succeeding business day and payment on such date shall have the same force and effect as if made on the nominal date of payment. Payment of an amortization installment shall not require presentment by the Registered Owner and the District shall otherwise maintain records of such payment.

In all cases, interest on the Bond shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

As used in this Bond:

"Prime Rate" shall mean a rate of interest equal to the announced prime commercial lending rate per annum of the Registered Owner. The Prime Rate is a reference rate for the information and use of the Registered Owner in establishing the actual rate to be charged to the District. The Prime Rate is purely discretionary and is not necessarily the lowest or best rate charged any customer. The Prime Rate shall be adjusted from time to time without notice or demand as of the effective date of any announced change thereof.

"Taxable Rate" means a rate equal to the Prime Rate times that percentage which after the Determination of Taxability will result in the same after-tax yield to the Registered Owner of this Bond as before said Determination of Taxability.

In the event a Determination of Taxability shall have occurred, the rate of interest on this Bond shall be increased to the Taxable Rate, effective retroactively to the date on which the interest payable on this Bond is includable for federal income tax purposes in the gross income of the Registered Owner thereof. In addition, the Registered Owner of this Bond or any former Registered Owners of this Bond, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States of America by the Registered Owner or former Registered Owners of this Bond as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the District within sixty (60) days following the Determination of Taxability and demand by the Registered Owner. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on this Bond is includable for federal income tax purposes in the gross income of the Registered Owner thereof, which notice or notification is not contested by either the District or any Registered Owner of this Bond, or (ii) a determination by a court of competent jurisdiction that the interest payable on this Bond is includable for federal income tax purposes in the gross income of the Registered Owner thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the District to the effect that interest on this Bond is includable for federal income tax purposes in the gross income of the Registered Owner thereof.

In the alternative, in the event that interest on this Bond during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of this Bond, then the interest rate on this Bond shall be increased during such period by an amount equal to: $(A-B) \times C$ where:

- (A) "A" equals the Taxable Rate (expressed as a percentage);
- (B) "B" equals the interest rate on this Bond (expressed as a percentage); and
- (C) "C" equals the portion of this Bond the interest on which has become taxable as the result of such tax change (expressed as a decimal).

In addition, the Registered Owner of this Bond or any former Registered Owner of this Bond, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Registered Owner or former Registered Owners of this Bond as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the District within sixty (60) days following the Determination of Taxability and demand by the Registered Owner.

In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on this Bond on a tax-exempt basis, changes from the Maximum Corporate Tax Rate then in effect, which causes a reduction in yield on this Bond, the interest rate on this Bond that is bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on this Bond by a fraction equal to $(1-A \text{ divided by } 1-B)$, where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment.

So long as any portion of the principal amount of this Bond or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on this Bond or causes a reduction in yield on this Bond (other than by reason of a change described above) to the Registered Owner or any former Registered Owners of this Bond, including without limitation the imposition of any excise tax or surcharge thereon, or (b) if, as result of action by any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Registered Owner or any former Registered Owners of this Bond (other than by reason of a change described above or by reason of any action, failure to act on the part of the Registered Owner or any former Registered Owner of this Bond), by reason of the ownership of this Bond, the District shall reimburse any such Registered Owner within five (5) days after receipt by the District of written demand for such payment, and, to the extent permitted by law, the District agrees to indemnify each such Registered Owner against any loss, cost, charge or expense with respect to any such change. The determination of the after-tax yield calculation shall be calculated by the

Registered Owner, and such calculation, in the absence of manifest error, shall be binding on the District and the Registered Owner.

Any amount payable to the Registered Owner hereunder which is not paid when due shall bear interest at the "Default Rate." For purposes of this Bond, the term "Default Rate" shall mean the higher of (1) JP Morgan Chase Bank's Prime Rate and (2) the "Adjusted One-Month LIBOR Rate" (as hereinafter defined) plus 4%. "Adjusted One-Month LIBOR Rate" shall mean the sum of 2.50% plus the quotient of (a) the LIBOR Rate on the immediately preceding business day for dollar deposits with a maturity equal to one-month, divided by (b) one minus the "Reserve Requirement" applicable to dollar deposits in the London interbank market with a maturity equal to one month. The Default Rate shall be determined as of the day immediately following the date on which any amount payable to the Registered Owner hereunder is not paid when due.

If any principal of or interest on this Bond is not paid when due, this Bond and any amount so in default shall bear interest at the Default Rate until such default is cured. Anything provided herein or in this Bond to the contrary notwithstanding, in no event shall this Bond bear interest in excess of the Maximum Rate. In the event the Interest Rate exceeds the Maximum Rate, this Bond shall continue to bear interest at the Maximum Rate regardless of the reduction of the Interest Rate to a rate less than the Maximum Rate until such time as interest shall accrue on this Bond in an amount (the "Excess Interest") that would have accrued thereon had the Interest Rate not been limited by the Maximum Rate. Upon the Maturity Date, in consideration for the limitation of the rate of interest otherwise payable on this Bond, the District shall pay to the Registered Owner of this Bond a fee equal to the amount of the unpaid amount of all unpaid deferred Excess Interest.

"Maximum Rate" means the maximum rate of interest permitted for non-rated governmental bonds as set forth in Section 215.84(3), Florida Statutes, as may be amended from time to time.

This Bond is subject to optional redemption by the District prior to maturity at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date and the payment of the Redemption Premium.

For purposes of the foregoing, the term "Redemption Premium" shall mean the sum of the differences between (a) each scheduled interest payment which would have been made on the redeemed amount if such redemption had not occurred and (b) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Registered Owner shall be deemed to have entered into as of the date of such redemption (the "Replacement Swap") covering its payment obligations under an interest rate swap which the Registered Owner shall be deemed to have entered into when the redeemed amount was originally funded, with each such difference discounted to a present value as of the date of redemption using the fixed interest rate of the Replacement Swap as the applicable discount rate. The District acknowledges that the Registered Owner might not fund or hedge its fixed-

rate loan portfolio or any redemption thereof on a loan-by-loan basis at all times, and agrees that the foregoing is a reasonable and appropriate method of calculating liquidated damages for any redemption irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to the loan evidenced by this Bond. All calculations and determinations by the Registered Owner of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

The Bond is subject to mandatory redemption by lot prior to its scheduled final maturity, on June 1 in the years and in the amortization installments set forth below at a redemption price of 100% of the amortization installment plus accrued interest to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2012	\$5,290,000	2016	\$6,055,000
2013	5,560,000	2017	6,220,000
2014	5,740,000	2018	6,390,000
2015	5,895,000	2019	6,565,000

This Bond is one of an authorized issue of bonds in the aggregate principal amount of \$47,715,000 of like date, tenor and effect, except as to number, maturity (unless all bonds mature on the same date) and interest rate (unless all bonds bear the same interest rate), issued to provide for the refunding of all of the District's Ad Valorem Tax Bonds, Series 2001A and the payment of the costs of issuance of the Series 2011 Bonds, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapter 67-764, Laws of Florida, Special Acts of 1967 (the "Act") and Chapter 132, Florida Statutes, and other applicable provisions of law and resolutions duly adopted by the Board of Supervisors of the District in connection with the issuance of the Bonds on November 15, 1991, and January 26, 2011 (collectively, the "Resolutions"). The terms and provisions of the Loan Agreement by and between the District and the Registered Owner of the Bond are incorporated herein by reference as if set forth herein verbatim. This Bond is subject to all the terms and conditions of the Resolutions and the Loan Agreement, and capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Resolutions.

The Resolutions provide that the Bonds, together with the interest thereon, are payable from and secured by a lien upon and pledge of the first proceeds collected by the District from ad valorem taxes levied at a rate not exceeding thirty (30) mills on the dollar per annum on the assessed value of all taxable property in the District on a parity with the lien thereon and pledge thereof in favor of the holders of the District's outstanding Ad Valorem Tax Bonds, Series 2004A, the District's outstanding Ad Valorem Tax Bonds, Series 2004B, the District's outstanding Ad Valorem Tax Bonds, Series 2005A, the District's outstanding Ad Valorem Tax

Refunding Bonds, Series 2005B and the District's outstanding Ad Valorem Tax Refunding Bonds, Series 2010 and with any other bonds issued on a parity pursuant to the Resolution.

Reference is made to the Resolutions for the provisions, among others, relating to the terms, lien and security for the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds, and the extent of and limitations on the District's rights, duties and obligations, to all of which provisions the registered owner hereof assents by acceptance hereof.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolutions until the Certificate of Authentication endorsed hereon shall have been signed by the Registrar.

The registration may be transferred upon the registration books upon delivery thereof to the principal office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar duly executed by the owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Resolutions enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. The District and the Registrar may charge the owner of such Bond for the registration of every transfer or exchange of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the District) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

It is hereby certified and recited that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Florida, that all acts, conditions and things required to exist, to happen, and to be performed precedent to the issuance of this Bond exist, have happened been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Bonds of this issue does not violate any constitutional or statutory limitation, or provision.

This Bond is and has all the qualities and incidents of an investment security under the Uniform Commercial Code Investment of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Reedy Creek Improvement District has issued this Bond and has caused the same to be signed by its President and attested and countersigned by its Secretary, either manually and with their facsimile signatures, and a facsimile of its seal to be reproduced hereon, all as of the 20th day of April, 2011.

REEDY CREEK IMPROVEMENT DISTRICT

By: Thomas B DeWoz
President

[SEAL]

ATTESTED AND COUNTERSIGNED:

By: Bill Warren
Secretary