

RESOLUTION NO. 15-18

A RESOLUTION OF THE GOVERNING BOARD OF THE CAPITAL TRUST AGENCY AWARDING THE SALE OF NOT TO EXCEED \$11,500,000 CAPITAL TRUST AGENCY EDUCATIONAL FACILITIES REVENUE BONDS (SOMERSET ACADEMY ST. LUCIE PROJECT), IN ONE OR MORE SERIES, EITHER TAXABLE OR TAX-EXEMPT, OR BOTH, FOR THE PURPOSE OF FINANCING A LOAN PROGRAM TO FINANCE OR REFINANCE ALL OR A PORTION OF THE COSTS OF THE ACQUISITION OF THE HEREIN DESCRIBED EDUCATIONAL FACILITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT FOR SUCH BONDS; PROVIDING CERTAIN OTHER DETAILS IN CONNECTION WITH THE BONDS; PROVIDING FOR A SEVERABILITY CLAUSE AND A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Capital Trust Agency (the "Issuer") is a legal entity and public agency of the State of Florida (the "State"), organized and existing under the provisions of Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes, as amended; Ordinance No. 05-97 duly enacted by the City Council of the City of Gulf Breeze, Florida (the "City"), on July 7, 1997, as amended, restated and supplemented by Ordinance Nos. 04-00, 05-01 and 10-11 duly enacted on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance No. 2-00, duly enacted by the Town Council of the Town of Century, Florida (the "Town"), on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11 duly enacted on May 7, 2001 and October 3, 2011, respectively, and an Interlocal Agreement dated as of August 2, 1999, between the City and the Town, as amended and supplemented, particularly as amended and supplemented by Amendment No. 94 to the Interlocal Agreement dated May 21, 2018, with powers as a "local agency" under Chapter 159, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and is empowered pursuant to the Act to sell and deliver its revenue bonds for the purpose of financing or refinancing, including through reimbursement, and advancing the general welfare of the State and its people by providing for an educational facility, as defined by the Act; and

WHEREAS, pursuant to the Act, the Issuer may issue its revenue bonds for the purpose of developing and maintaining the public welfare and relieving the burdens of government, by financing capital facilities for for-profit and non-profit organizations and for participating public agencies within and without the State, including the Issuer; and

WHEREAS, the Issuer has been requested by Somerset Academy Foundation, Inc., a Florida corporation not for profit, whose principal place of business is 20805 Johnson Street, Pembroke Pines, Florida 33029 (the "Borrower") to issue its revenue bonds to finance the Project (as hereinafter defined) on behalf of the Borrower and fund the loan program herein described (collectively, the "Plan of Finance") for the purpose, among other things, of financing or refinancing, including through reimbursement, the acquisition by the Borrower of the educational facility hereinafter described; and

WHEREAS, pursuant to the Act and the Plan of Finance, the Issuer did on the date hereof, duly adopt Resolution No. 14-18 (the "Inducement Resolution") authorizing the issuance of its not to exceed \$11,500,000 revenue bonds in one or more tax-exempt or taxable series (collectively, the "Bonds") and authorizing a loan program (the "Program") to loan the proceeds thereof to the Borrower for the primary purpose of financing or refinancing, including through reimbursement, (i) the acquisition of the educational facility fully described on Schedule I attached hereto, which, by this reference thereto, is incorporated herein (the "Educational Facility"), (ii) certain renovations and improvements to the Educational Facility, and (iii) the payment of certain costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS, it is expected that the City Council of Gulf Breeze will consider a resolution approving the issuance of the Bonds on August 6, 2018, and by Resolution No. 06-18 duly adopted by the Town Council of Century, on July 16, 2018 approved the issuance of the Bonds; and

WHEREAS, upon the adoption of the Inducement Resolution, this Resolution and receipt of the Port St. Lucie Approval and the Gulf Breeze Approval (each as hereinafter defined), approvals will have been duly and validly provided for pursuant to the Act to issue revenue bonds for the purpose of providing funds to finance or refinance all or any part of the cost of the Project, and the Issuer now desires to issue, sell and deliver its Bonds in an aggregate principal amount of not to exceed \$11,500,000, pursuant to a Financing Agreement more particularly described herein (the "Financing Agreement") between the Issuer and Regions Capital Advantage, Inc. (the "Lender"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"): (a) public hearings were scheduled and held on behalf of the host jurisdiction on (i) July 23, 2018, at Somerset Academy St. Lucie, 4402 Southwest Yamada Drive, Port St. Lucie, St. Lucie County, Florida 34953, with respect to the educational facility as defined in Schedule I attached hereto, and (b) it is expected that elected representative approval will be received on July 23, 2018 (the "Port St. Lucie Approval"); and

WHEREAS, pursuant to Section 147(f) of the Code a public hearing is scheduled and expected to be held on behalf of the Issuer on August 3, 2018, in the City Council Chambers located at 1070 Shoreline Drive, Gulf Breeze, Florida 32561, and the elected representative approval is expected to be received on August 6, 2018 (the "Gulf Breeze Approval"); and

WHEREAS, the Issuer has determined that issuing its Bonds for the purposes of financing or refinancing the Project serves a public purpose and is in the best interest of the citizens and residents of Port St. Lucie, St. Lucie County, Florida, and the people of the State, as hereinafter described, to implement the Program through the financing or refinancing of the Project, and to loan the proceeds of the Bonds to the Borrower pursuant to the Financing Agreement; and

WHEREAS, the Issuer hereby finds that the timing, size and complexity of the financing and the present volatility of the municipal bond market require that the terms of each series of the Bonds being hereby sold be negotiated at private sale to a purchaser selected by the Borrower

and approved by the Issuer rather than offered by competitive bid at public sale in order to assure the most favorable terms in the bond market and, therefore, has determined to sell such Bonds at private, negotiated sale; and

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE CAPITAL TRUST AGENCY:

Section 1. Issuance of Bonds.

The Bonds shall be issued in one or more tax-exempt or taxable series designated "Educational Facilities Revenue Bonds (Somerset Academy St. Lucie Project)," with such series designations, priority among series and additional descriptive titles as may be set forth in the Financing Agreement, the aggregate principal amount of all of the Bonds being not to exceed \$11,500,000. The proceeds of the Bonds shall be used to fund the financing or refinancing, including through reimbursement, of the Project by making a loan to the Borrower, all as defined in the Financing Agreement, in the manner described in the Financing Agreement.

Section 2. Award of Bonds.

The matters set forth in the penultimate preamble hereof, require that the Bonds be negotiated at private sale to a purchaser selected by the Borrower and approved by the Issuer, rather than offered by competitive bid at public sale, to assure the necessary flexibility to obtain the most favorable terms in the bond market. The Issuer finds that a competitive sale of the Bonds would in all likelihood not result in better terms or interest rates than the negotiated sale of the Bonds. The sale of the Bonds to the Lender is hereby authorized pursuant to Section 218.385, Florida Statutes, as amended. The Issuer hereby finds that the requirements of Section 5 of the Inducement Resolution have been satisfied.

The interest rates on the Bonds shall be established as provided in the Financing Agreement but in any event shall not exceed 12% (except upon the occurrence and continuance of an event of default under the Indenture) and in no event shall the interest rates on the Bonds exceed the maximum rates permitted by law. The Bonds shall be sold for a price not less than 95% of the principal amount thereof, plus accrued interest, if any, with the exact price to be set forth in the final bond purchase agreement. The form of Lender's Disclosure Certificate attached hereto as Exhibit B, which, by this reference thereto, is incorporated herein, is hereby accepted and placed on record in the minutes of the Issuer.

Section 3. Description of Bonds.

The Bonds shall be issued in fully registered form, shall be dated, shall mature on the date or dates, and shall bear interest in the manner as shall be set forth in the Financing Agreement.

Section 4. Redemption Provisions.

The Bonds shall be subject to redemption prior to maturity upon the terms and in the manner as shall be set forth in the Financing Agreement.

Section 5. Approval of Documents.

The Financing Agreement in substantially the form attached hereto as Exhibit A, which, by this reference thereto, is incorporated herein, the other documents referred to therein, and other documents necessary or desirable to implement the financing or refinancing of the Educational Facility (collectively, the "Bond Documents"), are hereby approved and shall be executed by the Chairman, Vice-Chairman, or Executive Director of the Issuer, with such provisions or modifications not inconsistent with this Resolution as may be approved by the officers executing the same, such approval to be presumed by their execution thereof.

Section 6. Designation of Professional Advisors.

The Issuer hereby designates and approves Bryant Miller Olive P.A., Tampa, Florida, as Bond Counsel; Michael J. Stebbins, P.L., Pensacola, Florida, as Issuer's Counsel; and such other professional advisors as the Chairman, Vice-Chairman or Executive Director may designate.

Section 7. Designation of Lender, Paying Agent and Registrar.

Regions Capital Advantage, Inc. is hereby designated and approved as Lender, Paying Agent and Registrar for the Bonds.

Section 8. Authorization of all Other Necessary Action.

(a) The Chairman, Vice-Chairman, Secretary, Assistant Secretary, Executive Director, Issuer's Counsel and Bond Counsel are each designated agents of the Issuer in connection with the issuance and delivery of the Bonds, and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, investments or contracts on behalf of the Issuer which are necessary or desirable in connection with the sale, execution and delivery of the Bonds and the Bond Documents which are not inconsistent with the terms and provisions of this Resolution and other actions relating to the Bonds and the Bond Documents heretofore taken by the Issuer.

(b) In addition, subsequent to the issuance of the Bonds, the Chairman, Vice-Chairman, Secretary, Executive Director and Issuer's Counsel are each designated agents of the Issuer in connection with refunding or refinancing of the Bonds, and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, investments or contracts on behalf of the Issuer which are necessary or desirable in connection with the refunding or refinancing of the Bonds which comply with the terms of the Bond Documents. Notwithstanding the foregoing, the authority granted in

this Section 7(b) shall not be construed as authority for the issuance of new debt by the Issuer to be applied to the refunding or refinancing of the Bonds.

Section 9. No Third Party Beneficiaries.

Unless specifically noted, nothing in this Resolution or in the Bond Documents, express or implied, is intended or shall be construed to confer upon any person other than the Issuer, the Borrower, the holders of the Bonds and the Lender any right, remedy or claim, legal or equitable, under and by reason of any provision of this Resolution or of the Bond Documents. This Resolution and the Bond Documents are for the sole and exclusive benefit of the Issuer, the Borrower, the holders of the Bonds and the Lender.

Section 10. Severability.

In case any one or more of the provisions of this Resolution, the Bond Documents or the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution, the Bond Documents or the Bonds, as the case may be, and they shall be construed and enforced without consideration of such illegal or invalid provisions.

Section 11. No Personal Liability.

No covenant, stipulation, obligation or agreement contained in this Resolution or contained in the Bond Documents, the Bonds, or any instrument contemplated by each shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, member, agent or employee of the Issuer in his or her individual capacity, and no member of the Issuer executing the Bonds or other documents related to the issuance of the Bonds including those approved by this Resolution shall be liable personally for such documents or the obligations under each, or be subject to any personal accountability by reason of his or her delivery or execution of such documents on behalf of the Issuer.

Section 12. Repealer.

All provisions of resolutions of the Issuer in conflict with the provisions of this Resolution are, to the extent of such conflict, superseded and repealed.

Section 13. Conditions Precedent. Notwithstanding anything herein to the contrary, this Resolution shall not be effective unless and until the Port St. Lucie Approval and the Gulf Breeze Approval have been received.

Section 14. Effective Date. Subjection to Section 13 hereof, this Resolution shall take effect immediately upon its adoption.

Adopted this 17th day of July, 2018.

CAPITAL TRUST AGENCY

By: 
Rupert J. Snooks, Chairman

Attested this 17th day of July, 2018.

By: 
Robert F. Cleveland, Secretary

CERTIFICATE OF SECRETARY

I, Robert F. Cleveland, Secretary to the Capital Trust Agency, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 15-18 and supporting exhibits as the same were duly adopted and passed at a public meeting of the Capital Trust Agency on the 17th day of July, 2018, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 17th day of July, 2018.



By: _____
Secretary



EXHIBIT A
FORM OF FINANCING AGREEMENT

EXHIBIT B

FORM OF LENDER'S DISCLOSURE CERTIFICATE

REGIONS CAPITAL ADVANTAGE, INC. (the "Lender"), as purchaser of the herein defined Bonds, has negotiated with the Capital Trust Agency for the private purchase of its Educational Facilities Revenue Bonds (The Somerset Academy St. Lucie Project), Series 2018 (the "Bonds"), in the principal amount of \$_____. Prior to the award of the Bonds, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to the Lender in connection with its purchase of the Bonds (such fees and expenses to be paid by the District):

[Bank's Counsel]: \$_____

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Lender in connection with its purchase of the Bonds to any person not regularly employed or retained by the Lender (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Lender, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the District and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Bonds.

3. The origination fee to be charged by the Lender is \$_____.

4. No underwriting spread expected to be realized by the Lender.

5. No management fee is to be charged by the Lender.

6. Truth-in-Bonding Statement:

The Bonds are being issued for the purpose of financing or refinancing, including through reimbursement: (i) the acquisition of the educational facilities fully described on Schedule B attached hereto, which, by this reference thereto, is incorporated herein, (ii) the funding of capitalized interest on the Bonds, (iii) the funding of one or more debt service reserve funds for the Bonds, and (iv) the payment of certain costs of issuance of the Bonds. This debt or obligation is expected to be repaid over a period of [__] years. Total interest paid over the life of the debt or

obligation, assuming an interest rate (total interest cost) of [_____%] per annum, will be approximately \$[_____].

The source of repayment and security for this proposal to issue the Bonds is exclusively limited to certain revenues derived from the Borrower pursuant to the Financing Agreement. Because (a) such revenues may not be used by the Issuer for any purpose other than the purposes set forth in the Indenture, (b) the Issuer has no taxing power and the taxing power of the Issuer and the State of Florida is not pledged or involved in the Bonds, (c) the Bonds and the interest thereon do not constitute a debt of the Issuer within the meaning of any constitutional or statutory provision, and (d) the faith and credit of the Issuer are not pledged to the payment of the principal of or the interest on the Bonds, authorizing this debt or obligation will not result in any moneys not being available to the Issuer to finance other transactions each year for the [__] year term of the Bonds. We understand that the Issuer does not require any further disclosure from the Underwriter pursuant to Section 218.385, Florida Statutes.

7. The name and address of the Lender is as follows:

Regions Capital Advantage, Inc.
[ADDRESS]
[ADDRESS]
Attention: _____

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Lender this ____ day of _____, 2018.

REGIONS CAPITAL ADVANTAGE, INC.

By: _____
Name:
Title:

SCHEDULE I

DESCRIPTION OF THE EDUCATIONAL FACILITY

The Project consists primarily of the acquisition of an approximately 42,100 square-foot charter school facility known as Somerset Academy St. Lucie, located at 4402 Southwest Yamada Drive, Port St. Lucie, St. Lucie County, Florida 34953.