

Capital Trust Agency, Inc.

Thursday, December 2, 2021

8:00AM.

Meeting of the Board of Directors

315 Fairpoint Drive
Gulf Breeze, FL 32561

As Manager of CTA CDE, LLC and CTA CDE – Sub
1,2,3,4,5

Meeting called by: Denis A. McKinnon, III

Type of meeting: Regular

Facilitator: Burt Snooks
Chairman

Note Taker: Connie Beargie
Office Administrator

Attendees: Burt Snooks (Chairman), Gary Michaels (Vice Chairman), Bob Cleveland (Secretary), Chris Kemp (Asst. Secretary), Deborah Roche (Board Member), Tom Naile (Councilman), Harrison Wilder (Board Member), Kareem Spratling (Bond Counsel), Michael Stebbins (Counsel), Samantha Abell (City Manager), and Denis McKinnon (Executive Director).

Please bring: Attached supplements

Agenda

<u>Item:</u>	<u>Description:</u>	<u>Presenter:</u>
1.	Call to Order	Burt Snooks
2.	Approval of Minutes: 11-18-2021 and 11-23-2021	Denis McKinnon, III
3.	Authorizing Resolution #34-21 – Alura Senior Living Amendments	Denis McKinnon, III
4.	Authorizing Resolution #35-21 – VOA Estero Amendments	Denis McKinnon, III
5.	Award Resolution #36-21 – Tallahassee Classical School	Denis McKinnon, III
6.	Award Resolution #37-21 – Imagine Charter School - Milestones	Denis McKinnon, III
7.	Award Resolution #38-21 – Lake Worth	Denis McKinnon, III
8.	Award Resolution #39-21 – Lake Osborne	Denis McKinnon, III
7.	Adjourn	Burt Snooks

**MINUTES OF THE
CAPITAL TRUST AGENCY, INC.**

The 219th meeting of the Capital Trust Agency, Inc., Gulf Breeze, Florida, was held at the Gulf Breeze City Hall at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, November 18, 2021 at 8:00 a.m.

The following Board Members were present: Burt Snooks (Chairman), Gary Michaels (Vice-Chairman), Bob Cleveland (Secretary), Deborah Roche (Board Member), Chris Kemp (Assistant Secretary), and Tom Naile (Board Member). Also attending was Denis McKinnon (Executive Director), and Michael Stebbins (CTA Counsel). Attending via telephone conference was Kareem Spratling (BMO Bond Counsel) and Phil Guistolise (Trinity Partners). Special guest was Zach Rheuban, Project Manager for Blue Ocean Holdings, LLC

AGENDA ITEM:

Approval of Minutes: 10/18/2021

DISCUSSION:

No discussion

MOTION/ACTION:

Tom Naile made a motion to approve the 10/18/2021 minutes as presented. Gary Michaels seconded the motion. Vote for approval was 6-0.

AGENDA ITEM:

Approval of Minutes: 10/28/2021

DISCUSSION:

No discussion

MOTION/ACTION:

Tom Naile made a motion to approve the 10/28/2021 minutes as presented. Bob Cleveland seconded the motion. Vote for approval was 6-0.

AGENDA ITEM:

Award Resolution #32-21 – Kingdom Development, Inc (WPB Portfolio)

DISCUSSION:

Kingdom Development, West Palm Beach project consists of 3 multi-family housing facilities with a combined total of 308 units. Sunset Place is the largest of the 3 with 191 units and is in need of the most renovation. Lancaster has 78 units and is in need of minor repairs. Charmer is the smallest with 39 units and has the smallest number of repairs to be completed.

Denis McKinnon stated that he, Deborah Roche and Phil Guistolise recently inspected the properties in order to learn more about the renovations, repairs and security issues with each property. Deborah Roche stated that the Sunset property will need 100% new roofs and upgraded security cameras, motion lights and individual unit key fobs.

Denis McKinnon stated that the bonds will have a 15-year maturity, callable after 7 years in order to refinance, payoff or sell. Bob Cleveland asked that Kingdom's intentions are after the 7-year period. Zach Rheuban with Blue Ocean Holdings responded that they intend to keep the properties.

Gary Michaels asked if all three properties had security cameras. Zach Rheuban responded that they have security cameras in the common areas and plan to install more cameras.

Zach Rheuban stated that wall mounted AC units are to be installed in several bedrooms because the existing PTAC units are not sufficient to reach the bedrooms. Phil Guistolise stated that he applauds this renovation as most for profit organizations would be ok with the existing air conditioning.

Bob Cleveland asked if the units are 100% occupied, and 35% of the units are to be reduced to 80% area median income (AMI), please explain how the rent rolls show an increase, and how does the increase in rent rolls help the existing renters. Zach Rheuban responded that the increase is due to a 3% cost of living increase and the AMI scale is targeted to replacement units/renters.

Chris Kemp asked if mold mediation is included in the capital improvement reserves. Zach Rheuban stated that if damage is discovered, additional operating reserves will kick in. Bob Cleveland asked if operating reserves can be used for capital improvements. Kareem Spratling stated that it can be done, however, it cannot be done in reverse: capital improvements cannot be set aside for operating reserves.

Bob Cleveland asked why the seller would be willing to sell for 60 MM when the appraised value is 90 MM. Bob also asked for an explanation of the 2 MM contract assignment for the Purchase and Sale Agreement (PSA), the 2 MM developer fee and the \$200,000 Home Office Fee. Zach Rheuban responded that the 2 MM PSA is for the independent investor who currently holds the contract to purchase, and the second 2 MM is to Blue Ocean for development fees, and the \$200,000 Home Office fee is for the Kingdom Development. Bob stated this does not include the \$200,000 additional monthly asset management fee to Blue Ocean.

Gary Michaels asked if the budgeted costs are accurate for the proposed scope of work. For example, the estimated cost for replacing 191 sliding glass doors is \$230,000 and that seems rather low. Zach Rheuban responded that these numbers were pulled from a previous project recently completed in the area. Bob Cleveland cautioned that the budgeted numbers are not hard bids and can result in cost overruns. Mike Stebbins stated that if they encounter any significant changes, CTA would need to be notified of a Material Event.

Zach Rheuban stated the asset management fee would be used as a contingency fee if needed for out-of-pocket expenses. Bob Cleveland said it is not Blue Ocean's responsibility to pay for cost overruns because they are not the borrower, or even the management company.

Bob Cleveland questioned why an 80 MM project only has 5-10 MM in improvements. Denis McKinnon stated that we are not asked to underwrite the project, only determine if it meets public purpose. Bob Cleveland asked if he disagrees with the underwriter, and the numbers as presented, is it reasonable that he would vote no on the project. Kareem Spratling responded that he could indeed vote no if he believes the payout to the players outweighs the benefit to public purpose.

Deborah Roche stated that although this type of project is definitely needed in this area, in her opinion, the development numbers are too high.

Kareem stated the transaction is lawful, CTA would receive a legal opinion from a sophisticated Bond Council, the project qualifies with state law purposes, and it has a basic level of public purpose because we have a LURA that will be recorded with the property that requires the property to be used for affordable public housing purpose. The decision for the board is to decide if there is a sufficient level of public purpose for your own analysis. Kareem suggested writing specific contractual obligations and requirements into the motion for approval in order to increase public purpose. Bob Cleveland said the proposed requirements are ambiguous and difficult to regulate.

Chris Kemp suggested that the borrower and developer be given another opportunity to come back to the board with a revised plan showing a more detailed scope of work, additional rehab funds, a more conservative development fee in order to migrate towards a middle ground. Bob Cleveland said if he saw additional money being spent in rehab, some movement towards a more conservative development fee that doesn't outweigh improvement costs, a deal that would benefit the people living there, the public purpose that they are helping people is mitigated 1000%.

Zach Rheuban agreed that it would be beneficial to postpone action today and allow them to come back with a stronger case.

MOTION/ACTION:

No Action Taken.

AGENDA ITEM:

Award Resolution #33-21 – Kingdom Development, Inc (Kensington Villas)

DISCUSSION:

Discussion postponed until further information is received from Kingdom Development.

MOTION/ACTION:

No Action Taken.

AGENDA ITEM:

Supplemental Resolution #31-21 – Marie Selby Botanical Gardens

DISCUSSION:

The CTA board previously approved an Authorizing Resolution for The Marie Selby Botanical Gardens in the amount of \$30,000,000, however, the borrower's Guaranteed Maximum Price (GMP) came back \$6,000,000 higher than expected.

The Borrower's president, Jennifer Rominiecki has already raised an additional \$3,000,000 in pledges order to assist with this increase.

MOTION/ACTION:

Bob Cleveland made a motion to approve Supplemental Resolution #31-21 as presented. Chris Kemp seconded the motion. Vote for approval was 5-0.

No other formal business of the board was taken and the meeting adjourned at approximately 9:40 pm.

Minutes submitted by: _____ Connie Beargie, Office Administrator

Approved by: _____ Burt Snooks, Chairman

MINUTES OF THE CAPITAL TRUST AGENCY, INC.

The 220th meeting of the Capital Trust Agency, Inc., Gulf Breeze, Florida, was held at the Gulf Breeze City Hall at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, November 23, 2021 at 8:00 a.m.

The following Board Members were present: Burt Snooks (Chairman), Bob Cleveland (Secretary), Chris Kemp (Assistant Secretary), Harrison Wilder (Board Member), and Tom Naile (Board Member). Also attending was Denis McKinnon (Executive Director. Attending via telecommunications conference was Kareem Spratling (BMO), Mike Stebbins (Counsel), William Leach (Kingdom Development, Inc.), Zach Rheuban (Blue Ocean Holdings), Woody Vaughn (Holland & Knight Bond Counsel), Ron Bell (Coates Rose Borrower's Counsel), and Phil Guistolise (Trinity Partners).

AGENDA ITEM:

Award Resolution #32-21 – Kingdom Development, Inc (WPB Portfolio)
Award Resolution #33-21 – Kingdom Development, Inc. (Kensington Villas)

DISCUSSION:

Denis McKinnon began the meeting by providing a summary of the CTA Board Meeting held the Thursday prior on 11/18/2021 as it related to the Kingdom Development transactions (Resolutions 31-21 and 32-21).

Denis McKinnon and Phil Guistolise explained the changes that had occurred to the transaction between the two meetings.

As it relates to Kingdom West Palm Beach Portfolio, Blue Ocean Holdings and Kingdom made the following changes:

1. The Optional Redemption Period was increased from 7 years to 10 years;
2. Blue Ocean's Development Fee was reduced by \$1,000,000;
3. \$550,000 is put back into the project as capital expenditures; and
4. \$450,000 was set aside to create a Rent Subsidy Reserve Account to reduce rents for those tenants qualifying as 60% of Area Median Income (AMI) or below; and
5. Beginning year 4, Blue Ocean's ongoing asset management fee is reduced by approximately \$100,000 to maintain the Rent Subsidy Reserve through the life of the bonds.

As it relates to Kingdom Kensington Villas, Blue Ocean Holdings and Kingdom made the following changes:

1. The Optional Redemption Period was increased from 7 years to 10 years;
2. Blue Ocean's Development Fee was reduced by \$775,000;
3. \$500,000 is put back into the project as capital expenditures; and

4. \$275,000 was set aside to create a Rent Subsidy Reserve Account to reduce rents for those tenants qualifying as 60% of Area Median Income (AMI) or below; and
5. Beginning year 4, Blue Ocean's ongoing asset management fee is reduced by approximately \$100,000 to maintain the Rent Subsidy Reserve through the life of the bonds.

Denis responded to a question asked during the 11/18/21 meeting of "How does this deal meet public purpose?" The apartments are currently market rate apartments offering no subsidies or rental restrictions. The purpose of this transaction is for Kingdom Development to take the market rate apartments and convert them to rental restricted apartments. The owner will enter into a Land Use Restriction Agreement that will define rental restrictions that will go with the land and be enforced no matter who the owner of the properties is.

Denis compared LIHTC transactions to this transaction. This transaction is not intended to be a rehab of the existing facilities; rather, it is intended to reduce and restrict rents on day one. One of the properties does require substantial rehab. Consequentially, bond proceeds will be used to finance rehab on the Lancaster Apartments by approximately \$5,000,000.

William Leach of Kingdom Development thanked the board for their guidance at the last meeting making the transaction that much stronger. Zach Rheuban said the intention of the owner is to hold the property until it qualifies for LIHTC financing and hold for another 15 years thereafter.

Bob Cleveland asked if tenants will be kicked out of the property based upon rent rolls increasing. William Leach stated the owner does not intend to remove tenants. According to the current tenant levels, the 60% of AMI test will be easy to meet and up to 25% of tenants may qualify for up to 120% of AMI.

William Leach said the rent must be set based upon AMI to create stable income to the property. Kingdom Development has zero interest in displacing tenants. Zach Rheuban stated the business model does not require increasing rents from the start.

Harrison Wilder asked if the transaction met requirements under Florida and Federal law. Kareem Spratling stated there is very clear case law in the State of Florida that public purpose findings by governmental bodies such as CTA are not to be disturbed by the courts. There is a sophisticated Bond Counsel delivering a Bond Counsel opinion, a sophisticated Borrower's Counsel, and sophisticated Underwriter's Counsel. BMO states this meets the bottom line of public purpose.

Woody Vaughn, Bond Counsel of Holland & Knight, stated their firm does many LIHTC deals where net income goes directly to the owners of the project. In this 501c3 transaction, there is no bleed of profit going to any individuals in this transaction.

Burt Snooks pointed out the transaction partners took the recommendations of the CTA board and complied with them. Phil Guistolise compared the developer fee on a LIHTC deal to this 501c3 transaction. The developer fee on a LIHTC transaction would be between \$12,000,000 and \$15,000,000. That fee is limited by a rate set by the State of Florida.

Holland & Knight left the meeting at this time.

Harrison Wilder stated the Developer and Owner both made concessions to the transaction and wants to better understand Mr. Cleveland's position on the transaction. Mr. Cleveland stated the developer has moved toward the middle, but the concern comes from the way the transactions were presented and whether or not the deals met a public purpose due to the fees charged by the developer. Consternation also comes from the sale of a PSA for \$2,000,000 and the fact that the properties reportedly sold for \$20,000,000 less than this purchase price one year prior.

Chris Kemp stated the deal will benefit the lives of the people who live in the properties or who will live in the properties. If Kingdom does not purchase the property, the properties will receive negligible investment and the people there will not see improvement to their lives.

Tom Naile stated the borrower team recognized and conceded to the CTA Board demands.

MOTION/ACTION:

Chris Kemp made a motion to approve resolutions 32-21 and 33-21. Tom Naile seconded. Vote for approval was 4-1.

Tom Naile, Zach Rheuban, William Leach, and Ron Bell left the meeting at this point.

NEW BUSINESS:

Kareem Spratling and Denis McKinnon discussed the two other housing transactions in the CTA pipeline. Kareem stated the CTA board is as good as it gets, but disagrees with previous advice as to the level of scrutiny the CTA Board should delve into at meetings. Kareem Spratling stated the Board should not approve a deal where it definitively knows or has reason to know the deal will default, but they are not intended to be underwriters for the transaction.

MOTION/ACTION:

No action required.

No other formal business of the board was taken and the meeting adjourned at approximately 9:15 am.

Minutes submitted by: _____ Denis A. McKinnon, III, Executive Director

Approved by: _____ Burt Snooks, Chairman

TO: Capital Trust Agency Board of Directors
FROM: Denis McKinnon, III
RE: Alura Senior Living – Resolution 34-21
DATE: December 2, 2021

On July 30, 2018, CTA issued \$32,780,000 in tax-exempt bonds on behalf of Alura Senior Living; an assisted living and memory care facility located in Rockledge, FL (the “project”). After the General Contractor, Straticon, commenced work on the project pursuant to a construction contract with the borrower, a dispute arose between the borrower and Straticon which included issues regarding the bidding process utilized by Straticon and the invoices it submitted, as well as pay applications submitted to the borrower for work not completed and change orders not approved. In February 2019, the borrower terminated Straticon for breach of contract and later filed suit. In November 2019, CTA subsequently issued \$33,610,000 in tax-exempt and taxable bonds to refund the 2018 bonds and continue construction of the project with a new contractor.

In connection with the borrower’s suit against Straticon, at the time the 2019 bonds were issued, it was contemplated that the proceeds of any judgement would be deposited into the 2019 trust estate. The borrower and Straticon have reached a confidential settlement regarding the lawsuit which will result in the borrower receiving monthly payments. Alura has also incurred approximately \$1,000,000 in legal fees relating to the lawsuit.

Greenwich Investment Management, the bond purchaser, has agreed to amend the loan agreement to allow a portion of those monthly payments to be deposited into the trust estate to fund working capital and for the borrower to use a portion to pay, or reimburse itself for, its legal fees.

The resolution and amendment to the Loan Agreement allow for the deposits into working capital. CTA staff recommends approval of Resolution 34-21.

RESOLUTION 34-21

A RESOLUTION OF THE GOVERNING BOARD OF THE CAPITAL TRUST AGENCY (THE "ISSUER") AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LOAN AGREEMENT BY AND BETWEEN THE ISSUER AND PREMIUM EDGE, LLC, RELATIVE TO THE ISSUER'S SENIOR LIVING REVENUE BONDS (ALURA SENIOR LIVING PROJECT), SERIES 2019A AND TAXABLE SERIES 2019B; PROVIDING FOR CERTAIN AMENDMENTS TO THE RELATED LOAN AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Capital Trust Agency (the "Issuer") has issued and there remains outstanding (i) \$32,515,000 in aggregate principal amount of its Capital Trust Agency Senior Living Revenue Bonds (Alura Senior Living Project), Series 2019A (the "Series 2019A Bonds"), and (ii) \$1,095,000 in aggregate principal amount of its Capital Trust Agency Senior Living Revenue Bonds (Alura Senior Living Project), Taxable Series 2019B (the "Series 2019B Bonds" and, together with the Series 2019A Bonds, the "Series 2019 Bonds") for the purpose of providing funds to (a) finance or refinance, including through reimbursement, all or part of the costs of the acquisition, construction, development, furnishing, installation and equipping of an independent living, assisted living, and memory care facility for the elderly, including real estate, related facilities, fixtures, furnishings and equipment and comprised of approximately 33 independent living units, 69 assisted living units and 25 memory care units, located in the City of Rockledge, Brevard County, Florida (the "Project"), (b) refund all of the remaining amount outstanding of the Capital Trust Agency Senior Living Revenue Bonds (Rockledge Senior Living Project), Series 2018, with an original aggregate principal amount of \$32,780,000, (c) fund certain capitalized interest on the Series 2019 Bonds, and (d) pay certain costs of issuing the Series 2019 Bonds;

WHEREAS, pursuant to the Original Loan Agreement, the Issuer funded a loan (the "Loan") to Premium Edge, LLC (the "Borrower"), and the Borrower has agreed to (i) apply the proceeds of the Loan as more specifically provided herein and in the Indenture (as defined herein) to pay a portion of the costs of acquiring, constructing, developing, furnishing and equipping of the Project, including financing certain reserves, capitalized interest and issuance costs, (ii) make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2019 Bonds when due (whether at maturity, by redemption, acceleration or otherwise), and (iii) observe the other covenants and agreements and make the other payments set forth herein;

WHEREAS, the Series 2019 Bonds were issued and are secured by that certain Trust Indenture dated as of November 1, 2019 (the "Indenture") by and between the Issuer and UMB Bank, N.A. (together with its successor and assigns, the "Trustee"), as successor trustee to U.S. Bank National Association;

WHEREAS, the Issuer, at the request of the Borrower, and the Borrower desire to amend the Original Loan Agreement, subject to the receipt of the written consent of the Bondholder Representative (as hereinafter defined) and the Trustee; and

WHEREAS, the Borrower has advised the Issuer that the Bondholder Representative has indicated that it will consent to the amendments to the Original Loan Agreement by affixing its signature thereto and the Bondholder Representative shall direct the Trustee to also consent to such amendments as required by Section 12.02 of the Indenture.

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

SECTION 1. DEFINITIONS. Unless the context otherwise requires, terms used in this resolution (herein, this "Resolution") in capitalized form and not otherwise defined shall have the meanings ascribed thereto in the hereinafter defined First Amendment.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 159, Part II, Chapter 163, Part I, Chapter 166, Part II, Chapter 167, Florida Statutes, as amended; Ordinance No. 05-97 duly enacted by the City Council (the "City Council") 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 by the City Council on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance 2-00 duly enacted by the Town Council (the "Town Council") of Century, Florida (the "Town"), on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11 duly enacted by the Town Council on May 7, 2001 and October 3, 2011, respectively; 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. 116 to the Interlocal Agreement dated as of October 7, 2019, Resolution No. 44-19, duly adopted by the City Council on October 7, 2019, and Resolution No. 16-19 duly adopted by the Town Council on October 7, 2019, and Resolution Nos. 24-19 and 29-19, duly adopted by the Issuer on September 19, 2019 and October 17, 2019, respectively (the "Original Issuer Resolutions"), and other applicable provisions of law (collectively, the "Act").

SECTION 3. ADOPTION OF RECITALS. The foregoing recitals are hereby adopted by the Issuer.

SECTION 4. CONDITIONAL APPROVAL OF FIRST AMENDMENT TO LOAN AGREEMENT. The First Amendment to Loan Agreement (the "First Amendment to Loan Agreement") by and between the Issuer and the Borrower, in substantially the form submitted to this meeting and attached hereto as Exhibit A, is 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. The effectiveness and delivery of the First Amendment to Loan Agreement shall be subject to the prior receipt of the

written consent of the Bondholder Representative and the Trustee pursuant to Section 12.02 hereof.

SECTION 5. AUTHORIZATION OF ALL OTHER NECESSARY ACTION. The Chairman, Vice-Chairman, Secretary, Assistant Secretary, Executive Director, issuer's counsel, bond counsel and special counsel are each designated agents of the Issuer in connection with the execution and delivery of the First Amendment to Loan Agreement, 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 First Amendment to Loan Agreement, which are not inconsistent with the terms and provisions of this Resolution and other actions relating to the Series 2019 Bonds and the Bond Documents heretofore taken by the Issuer.

SECTION 6. SEVERABILITY. In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution and they shall be construed and enforced without consideration of such illegal or invalid provisions.

SECTION 7. NO PERSONAL LIABILITY. No covenant, stipulation, obligation or agreement contained in this Resolution, the Series 2019 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 Series 2019 Bonds or other documents related to the issuance of the Series 2019 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 8. REPEALER. All provisions of resolutions of the Issuer in conflict with the provisions of this Resolution, including, but not limited to the Original Issuer Resolutions, are, to the extent of such conflict, superseded and repealed.

SECTION 9. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

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Adopted this 2nd day of December, 2021.

CAPITAL TRUST AGENCY

By: _____
Rupert J. Snooks, Chairman

Attested this 2nd day of December, 2021.

By: _____
Robert F. Cleveland, Secretary

[Signature Page to Resolution]

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. 34-21 and supporting exhibit as the same were duly adopted and passed at a public meeting of the Capital Trust Agency on the 2nd day of December, 2021, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this ___ day of December, 2021.

(SEAL)

By: _____
Secretary

EXHIBIT A

First Amendment to Loan Agreement

TO: Capital Trust Agency Board of Directors
FROM: Denis McKinnon, III
RE: VOA Estero – Resolution 35-21
DATE: December 2, 2021

On October 11, 2016, CTA issued \$6,000,000 bond anticipation notes on behalf of Volunteers of America (VOA) to finance preconstruction costs of an assisted living facility to be located in Estero, FL. The CTA then issued \$13,885,000 in Capital Appreciation Notes on November 9, 2017 to VOA.

The original developer of the project was Greystone Partners who was replaced in April of 2021 by LifeStar Senior Living LLC to continue to provide development consulting services for the project. LifeStar has pared down the size of the original project and has reconfigured it toward a phased approach rather than completing the full construction at once.

The Majority Bond Holder, Principal Street Partners, has requested that CTA authorizing a supplemental trust agreement between CTA and US Bank extending the maturity of the 2017 notes. A breakdown of the agreement in principle between the Majority Bond Holder and the Borrower is below:

- The final maturity of the 2017 BANs will be extended to June 30, 2022.
- The difference in interest accreted at the default interest rate of 18% subsequent to the default date of October 31, 2020 and the original 10% accreted interest rate will be forgiven.
- The Majority Holder will lend, on a taxable basis at an interest rate of 10%, an additional \$500,000 to the Borrower.
- Lifestar, with the assistance of an investment banking firm, will use its best efforts to arrange for the private placement of up to \$1,700,000 of additional taxable debt at an interest rate of 10%.
- Collectively, these new borrowings are herein referred to as the 2021 Corporate Notes.
- In consideration for the provision of additional Project funds by the issuance of the 2021 Corporate Notes, the 2017 BANs holders will agree to provide the 2021 Corporate Note holders with a priority claim on cash proceeds generated from any liquidation of existing collateral in the event, for whatever reason, the Project does not achieve the necessary financial and development requirements for successful closing on Permanent Financing. (The primary collateral is the land owned by the Borrower on which the Project is to be constructed.)
- Should the Project achieve the necessary financial and development requirements to enable the Borrower to close on Permanent Financing, as currently contemplated, all 2017 BANs holders will receive 100% of the original principal amount of their investment on the date of closing of the Permanent Financing.
- Additionally, if the Borrower is successful in securing Permanent Financing for the Project and obtains the consent of the permanent debt holders, each 2017 BANs holder will be granted a proportionate interest in a subordinated and unsecured note with repayment subject to, among other things, payment of operating expenses of the Project and achieving certain covenants which may be in excess of covenants associated with the Permanent Financing. The Borrower will use its best efforts to establish a par amount for this note based in part on receipt of a feasibility study prepared in connection with the Permanent financing demonstrating sufficient Project cash flow to pay debt service on the Permanent Financing and meet as yet to be

established financial and occupancy requirements prior to any payment on the this note. No assurance is given that the Borrower will be successful in this effort. Financial markets conditions at the time of issuance of the Permanent Financing may limit the par amount of this note or eliminate the ability of the Borrower to issue this note in its entirety. Should the permanent debt holders consent to this note, no assurance is given the note will be in an amount sufficient to fully pay the accreted interest on the 2017 BANS.

- Volunteers of America National Services (“VOANS”) and its affiliate Gulf Care, Inc. (“GCI”) will at closing on the Permanent Financing will also be granted an unsecured and subordinated note on parity with the note granted to the 2017 BANS holders The GCI note in the amount of \$1,412,000 represents principal and interest on pre-development loans to the Project. Additionally, VOANS will receive a note in the amount of \$500,000 for funds loaned to the Project for pre-development expenses. Any payments made on the subordinated notes to VOANS, GCI and to the holders of the 2017 BANS will be made on a “pro rata” basis and all notes will accrue simple interest at a rate of 1.75%.
- Specific repayment parameters on the unsecured and subordinated notes, if issued, will be subject to the final terms and conditions of the Permanent Financing and other requirements to assure that the Project retains sufficient cash to meet its Permanent Financing and operational financial obligations.

CTA Staff recommends approval of Resolution 35-21.

Memorandum

Date: November 1, 2021

To: Holders of \$13,885,000, Capital Trust Agency, Retirement Facility Bond Anticipation Notes, (The Colonnade of Estero Pre-Development Project), Series 2017; CUSIP Number 14052W CZ8

From: Principal Street Partners, LLC

Subject: Information regarding the status of restructure negotiations between the Borrower and Majority Holder of the Series 2017 Bond Anticipation Notes (the "2017 BANs")

This Memorandum is informational only and the contemplated terms and conditions outlined herein are subject to change at any time. All existing 2017 BANs holders will be provided with a disclosure document containing all supplemental amendments, agreements and required 2017 BANs holder consents at such time as those documents have been completed and approved by the Agency, Borrower and the Majority Holder all as defined herein.

This Memorandum includes a summary of the restructuring and additional borrowing plans as presently contemplated by the Borrower, hereinafter defined, and Principal Street Partners, LLC (the "Majority Holder") of the 2017 BANs.

The 2017 BANs were issued by the Capital Trust Agency (the "Agency") on November 9, 2017 on behalf of VOANS SW Florida Healthcare, Inc., a Florida not-for-profit corporation (the "Borrower"). Proceeds of the 2017 BANs were used to fund certain pre-development expenses for the proposed Colonnade of Estero senior living project (the "Project") to be located in Estero, Florida. The 2017 BANs were issued as Capital Appreciation Notes at an interest rate of 10.0% with all interest accruing to a maturity date of November 1, 2020. The 2017 BANs were not paid when due on November 1, 2020 and on that date began accruing interest at a default interest rate of 18%.

The original developer of the Project, GCD Florida, LLC, a subsidiary of Greystone Partners II, LP ("Greystone"), a Las Colinas, TX developer/manager of senior living communities, was responsible for both Project development and for pre-marketing of the Project's independent living units to a minimum reservation level of 70%. This pre-marketing was expected to be accomplished prior to the 2017 BAN's maturity date of November 1, 2020. Upon issuance of the 2017 BANs Greystone projected a sales and development process of approximately three years with principal and accreted interest on the 2017 BANs being paid through the issuance of permanent tax exempt financing on or before October 31, 2020. Due to the COVID-19 pandemic and other factors, Greystone was unable to achieve the required independent living pre-marketing goals for the Project within this time period.

Subsequently, Greystone was replaced as Project developer and in April of 2021 the Borrower engaged LifeStar Senior Living, LLC and its affiliates ("LifeStar") to provide development consulting services for the Project. LifeStar, in conjunction with a new Project architect, has reconfigured and phased the Project, including downsizing the number of independent living units in the first phase and eliminating the planned skilled nursing facility, with skilled nursing services required of the Project as a continuing care retirement community to be provided at The Preserve, a facility in Fort Myers, Florida owned and operated by an

affiliate of the Borrower. As of the date of this Memorandum, approximately 72% of the independent living units under this new Project configuration have been reserved by prospective residents with 10% deposits of the entrance fee for that particular unit, a minimum presale level at which long-term revenue bonds issued to finance construction of the Project are typically issued (the "Permanent Financing").

The Borrower, LifeStar and the Majority Holder believe a successful Project can be developed, albeit on a longer timeframe than originally planned and will require additional pre-development funds. The primary needs for additional pre-development funds are to pay Project architectural expenses and to continue the independent living unit marketing efforts. Permanent Financing cannot be obtained without a guaranteed maximum price construction contract from a general contractor, which is dependent upon having a complete set of construction/architectural plans.

Accordingly, the Borrower, LifeStar and the Majority Holder have agreed in principle to a plan of restructuring of the 2017 BANs and for the provision of additional borrowing to complete the pre-development phase of the Project. The goal is for the Project to be in a position on or before June 30, 2022 where Permanent Financing can be arranged and construction will commence.

The principal terms and conditions of the proposed 2017 BAN's restructuring, as contemplated, but not yet in final form, are as follows:

- The final maturity of the 2017 BANs will be extended to June 30, 2022.
- The difference in interest accreted at the default interest rate of 18% subsequent to the default date of October 31, 2020 and the original 10% accreted interest rate will be forgiven.
- The Majority Holder will lend, on a taxable basis at an interest rate of 10%, an additional \$500,000 to the Borrower.
- Lifestar, with the assistance of an investment banking firm, will use its best efforts to arrange for the private placement of up to \$1,700,000 of additional taxable debt at an interest rate of 10%.
- Collectively, these new borrowings are herein referred to as the 2021 Corporate Notes.
- In consideration for the provision of additional Project funds by the issuance of the 2021 Corporate Notes, the 2017 BANs holders will agree to provide the 2021 Corporate Note holders with a priority claim on cash proceeds generated from any liquidation of existing collateral in the event, for whatever reason, the Project does not achieve the necessary financial and development requirements for successful closing on Permanent Financing. (The primary collateral is the land owned by the Borrower on which the Project is to be constructed.)
- Should the Project achieve the necessary financial and development requirements to enable the Borrower to close on Permanent Financing, as currently contemplated, all 2017 BANs holders will receive 100% of the original principal amount of their investment on the date of closing of the Permanent Financing.
- Additionally, if the Borrower is successful in securing Permanent Financing for the Project and obtains the consent of the permanent debt holders, each 2017 BANs holder will be granted a proportionate interest in a subordinated and unsecured note with repayment subject to, among other things, payment of operating expenses of the Project and achieving certain covenants which may be in excess of covenants associated with the Permanent Financing. The Borrower will use its best efforts to establish a par amount for this note based in part on receipt of a feasibility study prepared in connection with the Permanent financing demonstrating sufficient Project cash flow to pay debt service on the Permanent Financing and meet as yet to be established financial and occupancy requirements prior to any payment on the this note.

No assurance is given that the Borrower will be successful in this effort. Financial markets conditions at the time of issuance of the Permanent Financing may limit the par amount of this note or eliminate the ability of the Borrower to issue this note in its entirety. Should the permanent debt holders consent to this note, no assurance is given the note will be in an amount sufficient to fully pay the accreted interest on the 2017 BANS.

- Volunteers of America National Services (“VOANS”) and its affiliate Gulf Care, Inc. (“GCI”) will at closing on the Permanent Financing will also be granted an unsecured and subordinated note on parity with the note granted to the 2017 BANS holders. The GCI note in the amount of \$1,412,000 represents principal and interest on pre-development loans to the Project. Additionally, VOANS will receive a note in the amount of \$500,000 for funds loaned to the Project for pre-development expenses. Any payments made on the subordinated notes to VOANS, GCI and to the holders of the 2017 BANS will be made on a “pro rata” basis and all notes will accrue simple interest at a rate of 1.75%.
- Specific repayment parameters on the unsecured and subordinated notes, if issued, will be subject to the final terms and conditions of the Permanent Financing and other requirements to assure that the Project retains sufficient cash to meet its Permanent Financing and operational financial obligations.

Please note these terms are preliminary only and subject to change as circumstances may require. Any change may materially negatively impact the recovery of principal and interest on the 2017 BANS.

If this restructuring plan is not implemented due to failure to obtain approval from all 2017 BANS holders or for any other reason, recovery of the investors’ original 2017 BANS investment will be limited to whatever proceeds are available from the liquidation of collateral, largely the land upon which the Project is to be constructed. An appraisal dated November 12, 2017 was obtained in connection with the issuance of the 2017 BANS. This appraisal indicated a land value of \$8,900,000. No appraisal has been obtained subsequent to the issuance of the 2017 BANS. No representation with regards to the current value of the land either before or after related liquidation and Trustee expenses is expressed by either the Borrower, Majority Holder, LifeStar or any other party.

In summary, the Majority Holder believes the contemplated restructuring plan outlined herein which facilitates the Borrower’s ability to issue the 2021 Corporate Notes to fund completion of the necessary architectural plans and fund continued marketing efforts will best position the Project to obtain Permanent Financing which, in turn, will achieve the highest possible recovery of principal and interest for all 2017 BANS holders.

This Memorandum is informational only and the contemplated terms and conditions outlined herein are subject to change at any time. All existing 2017 BANS holders will be provided with a disclosure document containing risk factors and all supplemental amendments, agreements and required 2017 BANS holder consents at such time as those documents have been completed and approved by the Agency, Borrower and the Majority Holder all as defined herein.

RESOLUTION 35-21

A RESOLUTION OF THE GOVERNING BOARD OF THE CAPITAL TRUST AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT BY AND BETWEEN THE ISSUER AND U.S. BANK NATIONAL ASSOCIATION RELATIVE TO THE ISSUER'S RETIREMENT FACILITY BOND ANTICIPATION NOTES (THE COLONNADE OF ESTERO PRE-DEVELOPMENT PROJECT) SERIES 2017; EXTENDING THE MATURITY OF SUCH NOTES; PROVIDING FOR OTHER AMENDMENTS TO THE RELATED TRUST AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Capital Trust Agency (the "Issuer") and U.S. Bank National Association (the "Trustee") entered into that certain Trust Agreement, dated as of November 1, 2017 (the "Trust Agreement"), which, pursuant to the Act (as hereinafter defined), provided for the issuance by the Issuer of its Retirement Facility Bond Anticipation Notes (The Colonnade of Estero Pre-Development Project) Series 2017 (the "Series 2017 Notes"); and

WHEREAS, proceeds of the Series 2017 Notes were loaned to VOANS SW Florida Healthcare, Inc. (the "Company"), a Florida not-for-profit corporation, under a Loan Agreement, dated as of November 1, 2017 between the Company and the Issuer (the "Loan Agreement") for the purpose of financing or refinancing the pre-construction and development costs of the Project (as defined in the Loan Agreement); and

WHEREAS, based upon representations of the Trustee and the Company, the Series 2017 Notes matured on November 1, 2020, but remain unpaid and are currently subject to the terms of that certain Forbearance Agreement dated and effected as of November 30, 2020 (the "Forbearance Agreement") among the Company, the Trustee, and Principal Street Partners, as the majority holder (in such capacity, the "Majority Holder") and Holder Representative (as defined in the Trust Agreement); and

WHEREAS, under the terms of the Forbearance Agreement, the Company, the Bond Trustee, the Majority Holder and Holder Representative agreed to pursue and effect certain amendments to the Trust Agreement including, an extension of the maturity date of the Series 2017 Notes to June 30, 2022, and certain other amendments set forth therein and herein, subject to the receipt of the written consent of 100% of the beneficial holders of the Series 2017 Notes; and

WHEREAS, at the request of the Company, the Issuer and the Trustee have agreed to the extension of the maturity date for the Series 2017 Notes and the other amendments, subject to the receipt of the written consent of 100% of the beneficial holders of the Series 2017 Notes and authorization, direction and indemnification from the Company; and

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

SECTION 1. DEFINITIONS. Unless the context otherwise requires, terms used in this resolution (herein, this "Resolution") in capitalized form and not otherwise defined shall have the meanings ascribed thereto in the hereinafter defined Supplemental Trust Agreement.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 159, Part II, Chapter 163, Part I, Chapter 166, Part II, Chapter 167, Florida Statutes, as amended; Ordinance No. 05-97 duly enacted by the City Council (the "City Council") 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 by the City Council on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance 2-00 duly enacted by the Town Council (the "Town Council") of Century, Florida (the "Town"), on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11 duly enacted by the Town Council on May 7, 2001 and October 3, 2011, respectively; 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. 67 to the Interlocal Agreement dated as of July 18, 2016, Resolution No. 17-16, duly adopted by the City Council on July 18, 2016, and Resolution No. 13-16 duly adopted by the Town Council on July 11, 2016 and Resolution Nos. 01-16 and 11-16, duly adopted by the Issuer on January 5, 2016 and September 13, 2016, respectively (the "Original Issuer Resolutions"), and other applicable provisions of law (collectively, the "Act").

SECTION 3. ADOPTION OF RECITALS. The foregoing recitals are hereby adopted by the Issuer.

SECTION 4. CONDITIONAL APPROVAL OF SUPPLEMENTAL TRUST AGREEMENT. The Supplemental Trust Agreement (the "Supplemental Trust Agreement") by and between the Issuer and the Trustee in substantially the form submitted to this meeting and attached hereto as Exhibit A, is 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. The effectiveness and delivery of the Supplemental Trust Agreement shall be subject to the prior receipt of the written consent of 100% of the holders of the Outstanding Series 2017 Notes as required by Section 11.02 of the Indenture.

Additionally, the Trustee shall, at the expense of the Company, provide notice of the proposed Supplemental Trust Agreement to be mailed by first class mail, postage prepaid, to all holders of the Series 2017 Notes as required by Section 11.02 of the Indenture.

SECTION 5. AUTHORIZATION OF ALL OTHER NECESSARY ACTION. The Chairman, Vice-Chairman, Secretary, Assistant Secretary, Executive Director, issuer's counsel, bond counsel and special counsel are each designated agents of the Issuer in connection with the

execution and delivery of the Supplemental Trust Agreement, 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 Supplemental Trust Agreement, including, but not limited to replacement Series 2017 Notes, which are not inconsistent with the terms and provisions of this Resolution and other actions relating to the Series 2017 Notes and the Bond Documents heretofore taken by the Issuer.

SECTION 6. SEVERABILITY. In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution and they shall be construed and enforced without consideration of such illegal or invalid provisions.

SECTION 7. NO PERSONAL LIABILITY. No covenant, stipulation, obligation or agreement contained in this Resolution, the Series 2017 Notes 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 Series 2017 Notes or other documents related to the issuance of the Series 2017 Notes 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 8. REPEALER. All provisions of resolutions of the Issuer in conflict with the provisions of this Resolution, including, but not limited to the Original Issuer Resolutions, are, to the extent of such conflict, superseded and repealed.

SECTION 9. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

[Remainder of Page Intentionally Left Blank]

Adopted this 2nd day of December, 2021.

CAPITAL TRUST AGENCY

By: _____
Rupert J. Snooks, Chairman

Attested this 2nd day of December, 2021.

By: _____
Robert F. Cleveland, Secretary

[Signature Page to Resolution]

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. 35-21 and supporting exhibit as the same were duly adopted and passed at a public meeting of the Capital Trust Agency on the 2nd day of December, 2021, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this ___ day of December, 2021.

(SEAL)

By: _____
Secretary

EXHIBIT A

Supplemental Trust Agreement

TO: Capital Trust Agency Board of Directors
FROM: Denis A. McKinnon, III
RE: Tallahassee Classical School, Inc. – Award Resolution 36-21
DATE: December 2, 2021

Introduction

Tallahassee Classical School, Inc. (“TCS” or the “Borrower”) has submitted an application to the Capital Trust Agency (the “Agency”) for the issuance of not to exceed \$16,500,000 of tax-exempt bonds to finance or refinance a \$13,000,000 construction loan and the acquisition of 2 adjacent parcels of land.

This project first came before you in April of 2021.



Description of the Applicant

TCS is a 501(c)(3) nonprofit based in Florida. The Borrower opened its doors for the first time to the 2020-21 school year for students in grades K-8.

The school is a combination K-8 elementary and middle charter school serving over 550 students.

Tallahassee Classical’s charter allows for 750 students in grades K-12. The school anticipates opening a new grade each year; and, to have total enrollment of 750 by the 2024-25 school year. The school’s current waitlist has 39 students. According to the Hamlin, approximately 35% of students qualify for the free and reduced lunch program.

Description of the Project

The project proposes that CTA issue tax-exempt and taxable bonds on behalf of the Borrower to finance and refinance a construction loan with an interest rate of 6.5%. Additionally, bond proceeds will be used to acquire 2 parcels of land adjacent to the charter school.

Summary of Proposed Financing

The Applicant requests the issuance of not to exceed \$16,500,000 in fixed rate, tax-exempt and taxable bonds, to be underwritten RBC Capital (the "Underwriter"). Proceeds of the Bonds will be used to finance the acquisition of the charter school facility, fund debt service reserves, and pay costs of issuance of the Bonds. To the extent that issuance costs exceed 2% of the par amount of the tax-exempt bonds, a taxable series will be issued to cover the balance of the issuance costs. The Bonds will have a 35-year final maturity and will be optionally callable at par after 10 years. The amortization of the bonds will be structured to result in level annual debt service over the life of the issue.

A Sources and Uses is below.

SOURCES AND USES OF FUNDS

Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021

Preliminary, subject to change

Dated Date 12/29/2021
Delivery Date 12/29/2021

Sources:	Educational Facilities Revenue Bonds, Series 2021	Taxable Educational Facilities Revenue Bonds, Series 2021	Total
Bond Proceeds:			
Par Amount	14,220,000.00	345,000.00	14,565,000.00
Premium	118,420.70		118,420.70
	<u>14,338,420.70</u>	<u>345,000.00</u>	<u>14,683,420.70</u>
Uses:			
Project Fund Deposits:			
Loan Takeout	12,586,465.52		12,586,465.52
Parcel Acquisitions	295,800.00		295,800.00
RE Due Diligence	50,000.00		50,000.00
	<u>12,932,265.52</u>		<u>12,932,265.52</u>
Other Fund Deposits:			
Reserve Fund	806,202.73	19,559.77	825,762.50
Capitalized Interest Fund	311,146.98	7,548.92	318,695.90
	<u>1,117,349.71</u>	<u>27,108.69</u>	<u>1,144,458.40</u>
Delivery Date Expenses:			
Cost of Issuance	214,853.82	238,771.18	453,625.00
Underwriter's Discount	69,546.19	77,288.02	146,834.21
	<u>284,400.01</u>	<u>316,059.20</u>	<u>600,459.21</u>
Other Uses of Funds:			
Contingency	4,405.46	1,832.11	6,237.57
	<u>14,338,420.70</u>	<u>345,000.00</u>	<u>14,683,420.70</u>

It is anticipated that the Bonds will not be rated investment grade rated. As such, the Bonds will be sold in \$100,000 denominations and any integral multiple of \$5,000 in excess thereof and will be restricted to sophisticated investors (accredited investors and qualified institutional buyers). This comports with CTA policy regarding bonds not receiving investment grade rating.

Recommendation

It is the recommendation of CTA staff that the Board adopt Resolution 36-21 approving the issuance of not to exceed \$16,500,000 on behalf Tallahassee Classical School, Inc. We look forward to seeing you at our meeting on 12/2.

Attachments

CTA Checklist
Sources & Uses
Resolution 36-21

Key Data

Project Type:
Public Charter School

Rating:
No rating

Source of Repayment:
Educational Funding from
State & Federal Sources

Credit Enhancement:
N/A

Debt Authorization:
Up to \$16,500,000

Sale Type:
Negotiated Sale to the Underwriter

Compliance Issue Highlights

- **Public purpose:** Refinancing the school's \$13,000,000 construction loan and acquisition of 2 adjacent properties.
- **Legal authorization:** CTA will rely on the bond counsel opinion stating the bonds meet the requirements that will qualify this transaction for tax-exempt financing. At this time, bond counsel feels no need for further bond validation. All necessary TEFRA notices and approvals have been obtained.
- **Project's expected success:** The Borrower has entered into its 3rd year of operations with a substantial increase to its student population year over year. The school enjoys strong leadership from its board of directors and has a positive impact on the surrounding Tallahassee area. The school will refinance the existing loan at a substantially reduced interest rate.
- **OS preparation responsibilities:** Watson Sloane will be preparing the Offering Statement. Other transactional documents are being prepared by Bryant Miller Olive. We have worked previously with Watson Sloane and deem them to be a qualified firm and having adequate bond law experience to prepare the offering document. Bryant Miller Olive is familiar to CTA and has a positive history in properly representing the participants in publicly traded transactions. All parties involved have been reviewing and commenting on the documents during the drafting process. RBC Capital Markets is serving as Underwriter. Capital Trust Agency has a positive history of transactions with this Underwriter
- **Offering Statement:** The information for the OS has been and is continually reviewed by staff, consultants and counsels and appears to be reasonable and conservative. The bonds are being offered in \$100,000 denominations to qualified investors, in keeping with CTA's policy issuing non-investment grade rated bonds.
- **Material events:** There have been no material events since inducement.
- **Outside professional selection, reliability and compensation:** The, borrower, consultants and their respective legal counsels are all reputable parties that have established and known practices in their field. Each of the professionals engaged in the financing are persons or entities having no known reasons to question their ethical standards. We believe them to be capable in their roles and reputable parties to properly structure this debt issuance. Compensation is within acceptable ranges for a financing of this type in the judgment of the Executive Director based on comparisons to other recent and similar project financings.
- **Conflicts of interest:** There are not currently, nor are there expected to be, any conflicts of interest in this transaction. Should this change, the relationships will be fully disclosed and steps will be taken to

ensure such relationships are acceptable with the proposed financing. The transaction related to this financing will all be done fairly and without imbedded costs outside of what is required.

- **Continuing disclosure duty assumptions:** The Borrower will enter into a Disclosure Dissemination Agreement with Digital Assurance Certification, LLC as the Dissemination Agent prior to closing. The Borrower is obligated to send, or cause to be sent, all continuing disclosures. CTA has no obligation to provide any updated information related to itself or the Project pursuant to the Disclosure Agreement or otherwise.

Financial Information

Attached are sources and uses.

Tallahassee Classical School
Statement of Revenues, Expenditures, and Changes in Fund Balances
Projection at 95% Enrollment / Includes Phase II Expansion

	Actual 2020-2021	Budgeted 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026
Projected Enrollment*	403	562	707	840	973	1151
<i>Increase</i>		159	145	133	133	178
<i>% Change</i>		39%	26%	19%	16%	18%
Revenues:						
Total Federal	\$ 877,819	\$ 885,690	\$ 746,449	\$ 799,343	\$ 470,103	\$ 557,092
Total State	\$ 3,702,106	\$ 3,872,139	\$ 4,701,550	\$ 5,835,914	\$ 6,844,195	\$ 8,184,518
Total Local	\$ 86,149	\$ 114,850	\$ 103,749	\$ 106,644	\$ 109,577	\$ 112,548
TOTAL REVENUES	\$ 4,666,074	\$ 4,872,679	\$ 5,551,748	\$ 6,741,901	\$ 7,423,875	\$ 8,854,158
<i>% Change</i>		4%	14%	21%	10%	19%
Expenditures:						
Instructional	2,211,536	2,953,457	3,082,051	3,438,643	3,825,837	4,324,581
Support for Instruction	35,327	60,748	61,628	62,406	57,442	58,376
Governing Board of Directors	18,634	161,883	40,278	41,166	41,300	42,480
Administration	539,069	945,021	479,354	552,952	742,932	754,411
Salaries	266,539	474,027	297,400	358,523	519,043	526,829
Health Insurance		26,687	13,344	16,012	24,019	24,019
Dental		500	510	520	531	541
Life		300	306	312	318	325
Other Benefits		26,080	26,602	27,134	27,676	28,230
Social Security		24,121	18,439	22,228	32,181	32,663
Medicare		5,641	4,312	5,199	7,526	7,639
Unemployment		269	35	42	63	63
SIMPLE IRA		14,221	8,922	10,756	15,571	15,805
Worker's Compensation		-	2,974	3,585	5,190	5,268
Admin contract		161,000	-	-	-	-
Travel		-	-	-	-	-
Travel		11,858	12,095	12,337	12,584	12,835
Office Technology		5,000	5,100	5,202	5,306	5,412
Office Furniture and Equipment		5,000	5,100	5,202	5,306	5,412
Office Supplies		15,000	15,300	15,606	15,918	16,236
Software Licenses		10,000	10,200	10,404	10,612	10,824
Technology stipend		107,753	-	-	-	-
Postage and Shipping		1,000	1,020	1,040	1,061	1,082
Bank and Credit Card Processing Fees		1,000	1,020	1,040	1,061	1,082
Printing		6,000	6,120	6,242	6,367	6,495
Coffee/Planning Room Supplies		3,000	3,060	3,121	3,184	3,247
Admin and Staff Training		5,000	5,100	5,202	5,306	5,412
Contract Services		30,810	31,426	32,054	32,696	33,349
Employee Recognition		1,000	1,020	1,040	1,061	1,082
Safety Patrol		200	204	208	212	216
Fundraiser Expenses		5,000	5,100	5,202	5,306	5,412
Dues and Subscriptions		3,832	3,909	3,987	4,067	4,148
Rental Equipment		300	306	312	318	325
Yearbook		422	431	439	448	457
Facility Acquisition and Construction		3,975	15,950	-	-	-
Fiscal		16,273	17,460	17,009	17,229	17,454
Food Service Costs		144,984	247,489	252,439	257,488	262,637
Central Services		143,950	154,115	152,580	155,388	158,167
Operation of Plant		421,726	434,641	449,053	455,644	461,812
Maintenance of Plant		1,148	3,000	10,000	10,500	11,000
Administrative Technology Services		11,468	104,865	92,865	92,865	92,865
Community		-	-	-	-	-
Debt Service		554,588	462,750	828,600	1,188,600	1,189,600
Total Expenditures	\$ 4,102,678	\$ 5,561,378	\$ 5,465,856	\$ 6,272,881	\$ 6,861,046	\$ 7,391,760
Revenues Over (Under) Expenditures	\$ 563,396	\$ (688,699)	\$ 85,892	\$ 469,020	\$ 562,829	\$ 1,462,399
Total Other Financing Sources (Uses)		(99,018)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 464,378	\$ (688,699)	\$ 85,892	\$ 469,020	\$ 562,829	\$ 1,462,399
Fund Balance Beginning	\$ 355,669	\$ 820,047	\$ 131,348	\$ 217,240	\$ 686,260	\$ 1,249,089
Fund Balance Ending	\$ 820,047	\$ 131,348	\$ 217,240	\$ 686,260	\$ 1,249,089	\$ 2,711,488
Adjustments to Income						
Debt Service	\$ 554,588	\$ 462,750	\$ 828,600	\$ 1,188,600	\$ 1,189,600	\$ 1,192,600
Adjusted Income Available for Debt Service	\$ 1,117,984	\$ (225,949)	\$ 914,492	\$ 1,657,620	\$ 1,752,429	\$ 2,654,999
Pro Forma Annual Debt Service Coverage			1.10	1.39	1.47	2.23
Pro Forma Series 2021 MADS Coverage Ratio			1.10	2.00	2.11	3.20
Pro Forma Combined MADS Coverage Ratio*				1.39	1.47	2.23
Series 2021 Covenant			1.00x	1.10x	1.10x	1.10x
Ending Cash Balance	\$ 882,459	\$ 193,760	\$ 279,652	\$ 748,672	\$ 1,311,501	\$ 2,773,900
Days Cash on Hand	81	13	19	45	73	143
Series 2021 Covenant		10 Days	15 Days	30 Days	45 Days	45 Days

TABLE OF CONTENTS

Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021-----
Preliminary, subject to change

Report	Page
Educational Facilities Revenue Bonds, Series 2021	
Sources and Uses of Funds	1
Aggregate Debt Service	2
Bond Summary Statistics	3
Bond Pricing	4
Bond Debt Service	6
Net Debt Service	7
Cost of Issuance	8

SOURCES AND USES OF FUNDS

Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021

Preliminary, subject to change

Dated Date 12/29/2021
Delivery Date 12/29/2021

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<hr/>			
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	14,338,420.70	345,000.00	14,683,420.70
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Uses:	Educational Facilities Revenue Bonds, Series 2021	Taxable Educational Facilities Revenue Bonds, Series 2021	Total
<hr/>			
Project Fund Deposits:			
Loan Takeout	12,586,465.52		12,586,465.52
Parcel Acquisitions	295,800.00		295,800.00
RE Due Diligence	50,000.00		50,000.00
	<hr/>		<hr/>
	12,932,265.52		12,932,265.52
Other Fund Deposits:			
Reserve Fund	806,202.73	19,559.77	825,762.50
Capitalized Interest Fund	311,146.98	7,548.92	318,695.90
	<hr/>	<hr/>	<hr/>
	1,117,349.71	27,108.69	1,144,458.40
Delivery Date Expenses:			
Cost of Issuance	214,853.82	238,771.18	453,625.00
Underwriter's Discount	69,546.19	77,288.02	146,834.21
	<hr/>	<hr/>	<hr/>
	284,400.01	316,059.20	600,459.21
Other Uses of Funds:			
Contingency	4,405.46	1,832.11	6,237.57
	<hr/>		<hr/>
	14,338,420.70	345,000.00	14,683,420.70
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AGGREGATE DEBT SERVICE

Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021

Preliminary, subject to change

Period Ending	Educational Facilities Revenue Bonds, Series 2021	Taxable Educational Facilities Revenue Bonds, Series 2021	Aggregate Debt Service
07/01/2022	310,847.15	7,848.75	318,695.90
07/01/2023	639,862.50	185,525.00	825,387.50
07/01/2024	638,987.50	182,875.00	821,862.50
07/01/2025	823,112.50		823,112.50
07/01/2026	825,762.50		825,762.50
07/01/2027	823,062.50		823,062.50
07/01/2028	825,187.50		825,187.50
07/01/2029	821,962.50		821,962.50
07/01/2030	823,562.50		823,562.50
07/01/2031	824,812.50		824,812.50
07/01/2032	820,712.50		820,712.50
07/01/2033	824,450.00		824,450.00
07/01/2034	822,550.00		822,550.00
07/01/2035	825,225.00		825,225.00
07/01/2036	822,262.50		822,262.50
07/01/2037	823,875.00		823,875.00
07/01/2038	824,850.00		824,850.00
07/01/2039	825,187.50		825,187.50
07/01/2040	824,887.50		824,887.50
07/01/2041	823,950.00		823,950.00
07/01/2042	822,375.00		822,375.00
07/01/2043	824,150.00		824,150.00
07/01/2044	825,025.00		825,025.00
07/01/2045	825,000.00		825,000.00
07/01/2046	824,075.00		824,075.00
07/01/2047	822,250.00		822,250.00
07/01/2048	824,525.00		824,525.00
07/01/2049	825,675.00		825,675.00
07/01/2050	820,700.00		820,700.00
07/01/2051	824,825.00		824,825.00
07/01/2052	822,600.00		822,600.00
07/01/2053	824,250.00		824,250.00
07/01/2054	824,550.00		824,550.00
07/01/2055	823,500.00		823,500.00
07/01/2056	1,651,100.00		1,651,100.00
	28,779,709.65	376,248.75	29,155,958.40

BOND SUMMARY STATISTICS
**Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021**

 Preliminary, subject to change

Dated Date	12/29/2021
Delivery Date	12/29/2021
First Coupon	07/01/2022
Last Maturity	07/01/2056
Arbitrage Yield	4.345876%
True Interest Cost (TIC)	4.420870%
Net Interest Cost (NIC)	4.437328%
All-In TIC	4.658456%
Average Coupon	4.428704%
Average Life (years)	22.620
Weighted Average Maturity (years)	23.103
Duration of Issue (years)	13.755
Par Amount	14,565,000.00
Bond Proceeds	14,683,420.70
Total Interest	14,590,958.40
Net Interest	14,619,371.91
Total Debt Service	29,155,958.40
Maximum Annual Debt Service	1,651,100.00
Average Annual Debt Service	844,964.18

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2024	345,000.00	100.000	4.500%	2.013	79.35
Term Bond due 2031	1,690,000.00	100.000	3.500%	6.506	1,352.00
Term Bond due 2041	3,255,000.00	101.643	4.250%	15.355	2,571.45
Term Bond due 2051	4,995,000.00	101.235	4.500%	25.367	3,896.10
Term Bond due 2056	4,280,000.00	100.076	4.500%	32.963	3,295.60
	14,565,000.00			22.620	11,194.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	14,565,000.00	14,565,000.00	14,220,000.00
+ Accrued Interest			
+ Premium (Discount)	118,420.70	118,420.70	118,420.70
- Underwriter's Discount	-146,834.21	-146,834.21	
- Cost of Issuance Expense		-453,625.00	
- Other Amounts			
Target Value	14,536,586.49	14,082,961.49	14,338,420.70
Target Date	12/29/2021	12/29/2021	12/29/2021
Yield	4.420870%	4.658456%	4.345876%

BOND PRICING

Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021

Preliminary, subject to change

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Educational Facilities Revenue Bonds, Series 2021, Term Bond due 2031:									
	07/01/2022		3.500%	3.500%	100.000				
	07/01/2023	25,000	3.500%	3.500%	100.000				
	07/01/2024	25,000	3.500%	3.500%	100.000				
	07/01/2025	210,000	3.500%	3.500%	100.000				
	07/01/2026	220,000	3.500%	3.500%	100.000				
	07/01/2027	225,000	3.500%	3.500%	100.000				
	07/01/2028	235,000	3.500%	3.500%	100.000				
	07/01/2029	240,000	3.500%	3.500%	100.000				
	07/01/2030	250,000	3.500%	3.500%	100.000				
	07/01/2031	<u>260,000</u>	3.500%	3.500%	100.000				
		1,690,000							
Educational Facilities Revenue Bonds, Series 2021, Term Bond due 2041:									
	07/01/2032	265,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	4,353.95
	07/01/2033	280,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	4,600.40
	07/01/2034	290,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	4,764.70
	07/01/2035	305,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	5,011.15
	07/01/2036	315,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	5,175.45
	07/01/2037	330,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	5,421.90
	07/01/2038	345,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	5,668.35
	07/01/2039	360,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	5,914.80
	07/01/2040	375,000	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	6,161.25
	07/01/2041	<u>390,000</u>	4.250%	4.040%	101.643 C	4.127%	07/01/2031	100.000	6,407.70
		3,255,000							53,479.65
Educational Facilities Revenue Bonds, Series 2021, Term Bond due 2051:									
	07/01/2042	405,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	5,001.75
	07/01/2043	425,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	5,248.75
	07/01/2044	445,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	5,495.75
	07/01/2045	465,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	5,742.75
	07/01/2046	485,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	5,989.75
	07/01/2047	505,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	6,236.75
	07/01/2048	530,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	6,545.50
	07/01/2049	555,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	6,854.25
	07/01/2050	575,000	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	7,101.25
	07/01/2051	<u>605,000</u>	4.500%	4.340%	101.235 C	4.425%	07/01/2031	100.000	7,471.75
		4,995,000							61,688.25
Educational Facilities Revenue Bonds, Series 2021, Term Bond due 2056:									
	07/01/2052	630,000	4.500%	4.490%	100.076 C	4.496%	07/01/2031	100.000	478.80
	07/01/2053	660,000	4.500%	4.490%	100.076 C	4.496%	07/01/2031	100.000	501.60
	07/01/2054	690,000	4.500%	4.490%	100.076 C	4.496%	07/01/2031	100.000	524.40
	07/01/2055	720,000	4.500%	4.490%	100.076 C	4.496%	07/01/2031	100.000	547.20
	07/01/2056	<u>1,580,000</u>	4.500%	4.490%	100.076 C	4.496%	07/01/2031	100.000	1,200.80
		4,280,000							3,252.80
Taxable Educational Facilities Revenue Bonds, Series 2021, Term Bond due 2024:									
	07/01/2022		4.500%	4.500%	100.000				
	07/01/2023	170,000	4.500%	4.500%	100.000				
	07/01/2024	<u>175,000</u>	4.500%	4.500%	100.000				
		345,000							
		14,565,000							118,420.70

BOND PRICING**Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021**

Preliminary, subject to change

Dated Date	12/29/2021
Delivery Date	12/29/2021
First Coupon	07/01/2022
Par Amount	14,565,000.00
Premium	118,420.70
Production	14,683,420.70
Underwriter's Discount	-146,834.21
Purchase Price	14,536,586.49
Accrued Interest	
Net Proceeds	14,536,586.49

BOND DEBT SERVICE

Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021

Preliminary, subject to change

Dated Date 12/29/2021
Delivery Date 12/29/2021

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2022			318,695.90	318,695.90
07/01/2023	195,000	** %	630,387.50	825,387.50
07/01/2024	200,000	** %	621,862.50	821,862.50
07/01/2025	210,000	3.500%	613,112.50	823,112.50
07/01/2026	220,000	3.500%	605,762.50	825,762.50
07/01/2027	225,000	3.500%	598,062.50	823,062.50
07/01/2028	235,000	3.500%	590,187.50	825,187.50
07/01/2029	240,000	3.500%	581,962.50	821,962.50
07/01/2030	250,000	3.500%	573,562.50	823,562.50
07/01/2031	260,000	3.500%	564,812.50	824,812.50
07/01/2032	265,000	4.250%	555,712.50	820,712.50
07/01/2033	280,000	4.250%	544,450.00	824,450.00
07/01/2034	290,000	4.250%	532,550.00	822,550.00
07/01/2035	305,000	4.250%	520,225.00	825,225.00
07/01/2036	315,000	4.250%	507,262.50	822,262.50
07/01/2037	330,000	4.250%	493,875.00	823,875.00
07/01/2038	345,000	4.250%	479,850.00	824,850.00
07/01/2039	360,000	4.250%	465,187.50	825,187.50
07/01/2040	375,000	4.250%	449,887.50	824,887.50
07/01/2041	390,000	4.250%	433,950.00	823,950.00
07/01/2042	405,000	4.500%	417,375.00	822,375.00
07/01/2043	425,000	4.500%	399,150.00	824,150.00
07/01/2044	445,000	4.500%	380,025.00	825,025.00
07/01/2045	465,000	4.500%	360,000.00	825,000.00
07/01/2046	485,000	4.500%	339,075.00	824,075.00
07/01/2047	505,000	4.500%	317,250.00	822,250.00
07/01/2048	530,000	4.500%	294,525.00	824,525.00
07/01/2049	555,000	4.500%	270,675.00	825,675.00
07/01/2050	575,000	4.500%	245,700.00	820,700.00
07/01/2051	605,000	4.500%	219,825.00	824,825.00
07/01/2052	630,000	4.500%	192,600.00	822,600.00
07/01/2053	660,000	4.500%	164,250.00	824,250.00
07/01/2054	690,000	4.500%	134,550.00	824,550.00
07/01/2055	720,000	4.500%	103,500.00	823,500.00
07/01/2056	1,580,000	4.500%	71,100.00	1,651,100.00
	14,565,000		14,590,958.40	29,155,958.40

NET DEBT SERVICE

Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021

Preliminary, subject to change

Period Ending	Principal	Interest	Total Debt Service	Reserve Fund	Capitalized Interest Fund	Net Debt Service
07/01/2022		318,695.90	318,695.90		318,695.90	
07/01/2023	195,000	630,387.50	825,387.50			825,387.50
07/01/2024	200,000	621,862.50	821,862.50			821,862.50
07/01/2025	210,000	613,112.50	823,112.50			823,112.50
07/01/2026	220,000	605,762.50	825,762.50			825,762.50
07/01/2027	225,000	598,062.50	823,062.50			823,062.50
07/01/2028	235,000	590,187.50	825,187.50			825,187.50
07/01/2029	240,000	581,962.50	821,962.50			821,962.50
07/01/2030	250,000	573,562.50	823,562.50			823,562.50
07/01/2031	260,000	564,812.50	824,812.50			824,812.50
07/01/2032	265,000	555,712.50	820,712.50			820,712.50
07/01/2033	280,000	544,450.00	824,450.00			824,450.00
07/01/2034	290,000	532,550.00	822,550.00			822,550.00
07/01/2035	305,000	520,225.00	825,225.00			825,225.00
07/01/2036	315,000	507,262.50	822,262.50			822,262.50
07/01/2037	330,000	493,875.00	823,875.00			823,875.00
07/01/2038	345,000	479,850.00	824,850.00			824,850.00
07/01/2039	360,000	465,187.50	825,187.50			825,187.50
07/01/2040	375,000	449,887.50	824,887.50			824,887.50
07/01/2041	390,000	433,950.00	823,950.00			823,950.00
07/01/2042	405,000	417,375.00	822,375.00			822,375.00
07/01/2043	425,000	399,150.00	824,150.00			824,150.00
07/01/2044	445,000	380,025.00	825,025.00			825,025.00
07/01/2045	465,000	360,000.00	825,000.00			825,000.00
07/01/2046	485,000	339,075.00	824,075.00			824,075.00
07/01/2047	505,000	317,250.00	822,250.00			822,250.00
07/01/2048	530,000	294,525.00	824,525.00			824,525.00
07/01/2049	555,000	270,675.00	825,675.00			825,675.00
07/01/2050	575,000	245,700.00	820,700.00			820,700.00
07/01/2051	605,000	219,825.00	824,825.00			824,825.00
07/01/2052	630,000	192,600.00	822,600.00			822,600.00
07/01/2053	660,000	164,250.00	824,250.00			824,250.00
07/01/2054	690,000	134,550.00	824,550.00			824,550.00
07/01/2055	720,000	103,500.00	823,500.00			823,500.00
07/01/2056	1,580,000	71,100.00	1,651,100.00	825,762.50		825,337.50
	14,565,000	14,590,958.40	29,155,958.40	825,762.50	318,695.90	28,011,500.00

COST OF ISSUANCE

Tallahassee Classical School
Educational Facilities Revenue Bonds, Series 2021-----
Preliminary, subject to change

Cost of Issuance	\$/1000	Amount
Financial Advisor	7.38071	107,500.00
Bond Counsel	4.46275	65,000.00
Borrower's Counsel	3.60453	52,500.00
Special Real Estate Counsel	2.40302	35,000.00
Underwriter's Counsel	7.20906	105,000.00
Issuer Fees	4.55716	66,375.00
Issuer's Counsel	0.61792	9,000.00
Trustee	0.53210	7,750.00
Trustee's Counsel	0.37762	5,500.00
	<u>31.14487</u>	<u>453,625.00</u>

RESOLUTION NO. 36-21

A RESOLUTION OF THE GOVERNING BOARD OF THE CAPITAL TRUST AGENCY AWARDDING SALE OF NOT TO EXCEED \$16,500,000 CAPITAL TRUST AGENCY EDUCATIONAL FACILITIES REVENUE BONDS (TALLAHASSEE CLASSICAL SCHOOL INC. PROJECT), IN ONE OR MORE SERIES OF TAX-EXEMPT QUALIFIED 501(C)(3) BONDS OR TAXABLE BONDS, FOR THE PURPOSE OF FINANCING A LOAN PROGRAM TO FINANCE AND REFINANCE THE HEREIN DESCRIBED FACILITIES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A LOAN AGREEMENT FOR SUCH BONDS; ACKNOWLEDGING THE USE OF OFFERING MATERIALS IN CONNECTION WITH MARKETING SUCH BONDS AND OTHER ACTIONS IN CONNECTION WITH DELIVERY OF 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. 150 to the Interlocal Agreement, dated November 1, 2021, 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, educational facilities, 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 Tallahassee Classical School Inc., a Florida not for profit corporation (the "Borrower"), whose principal place of business is 4141 Artemis Way, Tallahassee, Florida 32311, to issue its revenue bonds to finance and refinance 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 and refinancing, including through reimbursement, the Facilities hereinafter described; and

WHEREAS, pursuant to the Act and the Plan of Finance, the Issuer did on October 18, 2021, duly adopt Resolution No. 21-21 (the "Inducement Resolution") expressing its intent to issue its not to exceed \$16,500,000 revenue bonds in one or more series of tax-exempt qualified 501(c)(3) bonds or taxable bonds (collectively, the "Bonds") to authorize 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 refinancing of all or a portion of certain existing indebtedness of the Borrower, which financed the acquisition, construction, installation and equipping of a charter school facility serving up to 750 students in grades K-12, known as "Tallahassee Classical School," located on approximately ten (10) acres of land at 4141 Artemis Way, Tallahassee, Florida 32311 (collectively, the "Existing Site"), consisting of approximately 42 classrooms on approximately 48,500 square feet, including related facilities, fixtures, furnishings and equipment (collectively, the "Existing Facilities"); (ii) the acquisition of two (2) vacant parcels of real property adjacent to the Existing Site, consisting of approximately 3.4 acres located at the corner of Tram Road and Artemis Way in Tallahassee, Florida, in a development known as "SouthWood," for future use by Tallahassee Classical School (together with the Existing Facilities, the "Facilities"); (iii) the funding of a reserve account with respect to the Bonds; (iv) the funding of capitalized interest for the Bonds; and (v) the payment of certain costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), a telephonic public hearing was scheduled and held on behalf of the county in which the Facilities are located (the "County") on October 22, 2021, and elected representative approval was received from the Governor of the State (the "Host Jurisdiction"), as an applicable elected representative of the State on November 9, 2021 (the "Host Jurisdiction TEFRA Approval"); and

WHEREAS, pursuant to Section 147(f) of the Code, a public hearing was scheduled and held on behalf of the Issuer on November 1, 2021, in the City Council Chambers located at 1070 Shoreline Drive, Gulf Breeze, Florida 32561, and the elected representative approval was received on November 1, 2021; and

WHEREAS, by Resolution No. 63-2021, duly adopted by the City Council of the City on November 1, 2021, Resolution No. 22-2021 duly adopted by the Town Council of the Town on November 1, 2021, the Inducement Resolution, this Resolution and receipt of the Host Jurisdiction TEFRA Approval, approvals have been duly and validly provided for pursuant to the Act to issue revenue bonds for the purpose of providing funds to finance and 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 \$16,500,000, pursuant to a Trust Indenture more particularly described herein (the "Indenture") between the Issuer and Regions Bank (the "Trustee"); and

WHEREAS, the Issuer has determined that issuing its Bonds for the purposes of financing and refinancing the Project serves a public purpose and is in the best interest of the citizens and residents of the County, the Host Jurisdiction and the people of the State, to implement the Program through the financing and refinancing of the Project, and to loan the proceeds of the Bonds to the Borrower pursuant to the hereafter described Loan Agreement (the "Loan 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

WHEREAS, the Issuer desires to acknowledge the use and distribution of a Preliminary Limited Offering Memorandum (the "Preliminary Limited Offering Memorandum") and a Limited Offering Memorandum (the "Limited Offering Memorandum") in connection with the marketing of the Bonds and to authorize the taking of all other necessary action in connection with the issuance and delivery of the Bonds.

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 series designated "Educational Facilities Revenue Bonds (Tallahassee Classical School Inc. Project)," with such priority among series and additional descriptive titles as may be set forth in the Indenture, the aggregate principal amount of all of the Bonds being not to exceed \$16,500,000. The proceeds of the Bonds shall be used to fund the financing and refinancing, including through reimbursement, of the Project by making a Loan to the Borrower, all as defined in the Indenture, in the manner described in the Indenture and the Loan Agreement.

Section 2. Award of Bonds; Bond Purchase Agreement.

The matters set forth in the penultimate preamble hereof, require that the Bonds be sold pursuant to a negotiated 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 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 and by RBC Capital Markets, LLC (the "Underwriter"), is hereby authorized pursuant to Section 218.385, Florida Statutes, as amended. Further, the Chairman, the Executive Director or each of their designees are hereby authorized and

empowered, on behalf of the Issuer, to authorize the inclusion of one or more additional co-managing underwriter in the marketing and sale of the Bonds.

The interest rates on the Bonds shall be established as provided in the Indenture 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 Underwriter's Negotiated Sale Disclosure Statement attached hereto as Exhibit A, which, by this reference thereto, is incorporated herein, is hereby accepted and placed on record in the minutes of the Issuer.

The Chairman, Vice-Chairman or Executive Director of the Issuer is hereby authorized to enter into such bond purchase agreement for the sale of the Bonds as the Borrower may recommend and the Executive Director of the Issuer may approve, with such provisions or modifications not inconsistent with this Resolution as may be approved by the officer executing the same, such approval to be presumed by his execution thereof.

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 Indenture.

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 Indenture.

Section 5. Approval of Documents.

The Indenture in substantially the form attached hereto as Exhibit B, which, by this reference thereto, is incorporated herein, the other documents referred to therein, the Loan Agreement in substantially the form attached hereto as Exhibit C, which, by this reference thereto, is incorporated herein, a tax certificate, and other documents necessary or desirable to implement the financing and refinancing of the Project (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. Preliminary and Final Limited Offering Memorandum.

The use and distribution by the Underwriter of a Preliminary Limited Offering Memorandum substantially in the form attached hereto as Exhibit D, which, by this reference thereto, is incorporated herein, in connection with the offering and sale of the Bonds is hereby acknowledged. The sections of the Preliminary Limited Offering Memorandum relating to the Issuer shall be subject to such changes, modifications, insertions or omissions as may be approved by the authorized officers of the Issuer including incorporation of the provisions recommended by legal counsel to the Issuer to comply with applicable securities laws, and the sections of the Preliminary Limited Offering Memorandum relating to the Issuer are hereby approved and adopted by the Issuer. The Issuer is acting solely as a conduit issuer of the Bonds. The Issuer is authorized to deem the information contained in the Preliminary Limited Offering Memorandum under the heading "THE ISSUER" and under the subheading "LITIGATION – Issuer," as approved by this Resolution, "final" as of the date hereof, solely for the purposes and within the meaning of paragraph (b)(1) of Rule 15c2-12 of the United States Securities and Exchange Commission in effect from time to time, and any successor provisions to such rule. The final Limited Offering Memorandum shall be substantially in the form of the attached Preliminary Limited Offering Memorandum, with such changes, modifications, insertions and omissions as may be determined by the Underwriter and the Borrower. The use and distribution by the Underwriter of the final Limited Offering Memorandum in connection with the offering and sale of the Bonds is hereby acknowledged.

In adopting this Resolution, the Issuer hereby disclaims any responsibility for the Limited Offering Memorandum except for the information described as having been provided by the Issuer and expressly disclaims any responsibility for any other information included as part of the Limited Offering Memorandum.

Section 7. 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 8. Designation of Trustee, Paying Agent and Registrar.

Regions Bank, is hereby designated and approved as Trustee, Paying Agent and Registrar for the Bonds.

Section 9. 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, Issuer's Counsel and Bond Counsel for the Issuer 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 9(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 10. Public Purpose Determinations.

Based solely upon information provided by the Borrower, the Issuer, as a "local agency" pursuant to Chapter 159, Part II, Florida Statutes, hereby makes the following determinations:

(i) the Facilities are appropriate to the needs and circumstances of, and make a significant contribution to the economic growth of the County and the State, provide or preserve gainful employment, promote commerce within the State of Florida, serve a public purpose by providing educational facilities within the meaning of Chapter 159, Part II, Florida Statutes, and advance the economic prosperity and the general welfare of the State of Florida and its people;

(ii) the Borrower is the financially responsible party and is fully capable and willing to fulfill (A) its obligations under the financing documents, including the obligation of the Borrower to make loan repayments under the Loan Agreement in the amounts and at the times required to provide for the timely payment of the principal of, premium, if any, and interest on the Bonds herein authorized, and (B) all other obligations and responsibilities imposed under the financing documents;

(iii) the County is able to cope satisfactorily with the impact of the Facilities and is able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, necessary for the Facilities, including operation, repair and maintenance thereof and on account of any increase in population or other circumstances resulting therefrom;

(iv) adequate provision will be made in the financing documents for the operation, repair and maintenance of the Facilities at the expense of the Borrower and for the payment by the Borrower of certain fees and expenses incurred in connection with the

issuance of the Bonds, and that the loan repayments under the Loan Agreement are sufficient to pay the principal of, premium, if any, and interest on the Bonds herein authorized; and

- (v) the Facilities constitute a "project" within the meaning of the Act.

In accordance with Section 159.29, Florida Statutes, the foregoing determinations of public purpose shall be final and conclusive.

Section 11. 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, the Underwriter and the Trustee 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, the Underwriter and the Trustee.

Section 12. 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 13. 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 14. 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.

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Section 15. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this 2nd day of December, 2021.

CAPITAL TRUST AGENCY

By: _____
Rupert J. Snooks, Chairman

Attested this 2nd day of December, 2021

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. 36-21 and supporting exhibits as the same were duly adopted and passed at a public meeting of the Capital Trust Agency on the 2nd day of December, 2021, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this ___ day of December, 2021.

(SEAL)

By: _____
Secretary

EXHIBIT A

FORM OF NEGOTIATED SALE DISCLOSURE STATEMENT

[DATE]

Capital Trust Agency
Gulf Breeze, Florida

Tallahassee Classical School Inc.
Tallahassee, Florida

Re: \$_____ Capital Trust Agency Educational Facilities Revenue Bonds (Tallahassee
Classical School Inc. Project), Series 2021 (the "Bonds")

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and in reference to the issuance of Bonds as set forth above, RBC Capital Markets, LLC (the "Underwriter"), makes the following disclosures to Capital Trust Agency (the "Issuer") and by Tallahassee Classical School Inc., a Florida not for profit corporation (the "Borrower"). All capitalized terms not otherwise defined herein shall have the respective meanings specified in the Bond Purchase Agreement dated the date hereof among the Underwriter, the Issuer and the Borrower (the "Bond Purchase Agreement"). The Underwriter is acting as underwriter in connection with the offering or sale of the Bonds. The underwriting fees to be paid to the Underwriter in the Bond Purchase Agreement are equal to [____]% of the total face amount of the Bonds.

(a) The expenses estimated to be incurred by the Underwriter in connection with the issuance of the Bonds are itemized on Schedule A hereto.

(b) Names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter and who enters into an understanding with either the Issuer or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the Issuer and the Underwriter for the purpose of influencing any transaction in the purchase of the Bonds:

[None]

(c) The amount of underwriting spread expected to be realized is \$[____] per \$1,000 of the Bonds and consists of the following components including the management fee indicated:

	<u>Per \$1,000</u>
Management Fee	
Average Takedown	
Expenses	
Total	

(d) No fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Bonds, to any persons not regularly employed or retained by the Underwriter (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Underwriter, as set forth in Schedule A attached hereto.

(e) The name and address of the Underwriter connected with the Bonds is:

RBC Capital Markets, LLC
100 2nd Avenue South, Suite 800
St. Petersburg, Florida 33701
Mike Glover, Managing Director

(f) *Truth in Bonding Statement.* The Bonds are being issued for purpose of financing or refinancing, including through reimbursement, (i) the refinancing of all or a portion of certain existing indebtedness of the Borrower, which financed the acquisition, construction, installation and equipping of a charter school facility serving up to 750 students in grades K-12, known as "Tallahassee Classical School," located on approximately ten (10) acres of land at 4141 Artemis Way, Tallahassee, Florida 32311 (collectively, the "Existing Site"), consisting of approximately 42 classrooms on approximately 48,500 square feet, including related facilities, fixtures, furnishings and equipment, (collectively, the "Existing Facilities"); (ii) the acquisition of two (2) vacant parcels of real property adjacent to the Existing Site, consisting of approximately 3.4 acres located at the corner of Tram Road and Artemis Way in Tallahassee, Florida, in a development known as "SouthWood," for future use by Tallahassee Classical School; (iii) the funding of a reserve account with respect to the Bonds; (iv) the funding of capitalized interest for the Bonds; and (v) the payment of certain costs of issuing 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 Loan 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.

This statement is for informational purposes only and shall not affect or control the actual terms and conditions of the Bonds.

RBC CAPITAL MARKETS, LLC

By: _____
Name: _____
Title: _____

SCHEDULE A

[INSERT SCHEDULE OF EXPENSES]

EXHIBIT B
FORM OF TRUST INDENTURE

EXHIBIT C
FORM OF LOAN AGREEMENT

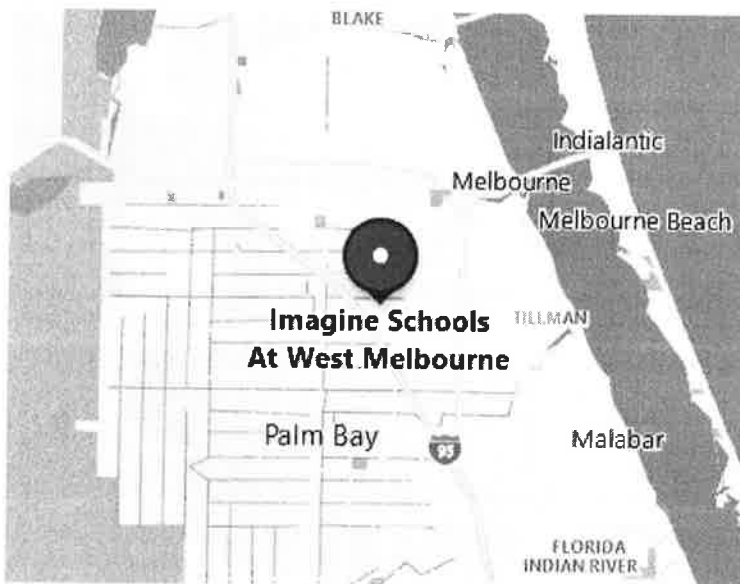
EXHIBIT D

FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

TO: Capital Trust Agency Board of Directors
FROM: Denis A. McKinnon, III
RE: Imagine Schools at West Melbourne, Inc. – Award Resolution 37-21
DATE: December 2, 2021

Introduction

Imagine Charter School at West Melbourne. (“Imagine” or the “Borrower”) has submitted an application to the Capital Trust Agency (the “Agency”) for the issuance of not to exceed \$18,500,000 of tax-exempt bonds to finance the acquisition and equipping of an existing approximately 55,000 square foot charter school facility to accommodate 850 students in grades K-8 in Melbourne, FL.



Description of the Applicant

Imagine is a 501(c)(3) nonprofit based in Florida. The school was founded in 1998 as Milestones Community School, Inc.

The school is a combination K-8 elementary and middle charter school serving approximately 540 students.

Description of the Project

The project proposes that CTA issue tax-exempt and taxable bonds on behalf of the Borrower to finance the acquisition of the 55,000 square foot charter school facility currently leased from the potential investor, Rosemawr.

Summary of Proposed Financing

The Applicant requests the issuance of not to exceed \$18,500,000 in fixed rate, tax-exempt and taxable bonds, to be underwritten Piper Sandler (the “Underwriter”). Proceeds of the Bonds will be used to finance the acquisition of the charter school facility, fund debt service reserves, and pay costs of issuance of the Bonds. To the extent that issuance costs exceed 2% of the par amount of the tax-exempt bonds, a taxable series will be issued to cover the balance of the issuance costs. The Bonds will have a 35-year final maturity and will be optionally callable at

par after 10 years. The amortization of the bonds will be structured to result in level annual debt service over the life of the issue.

A Sources and Uses is below.

Sources:	Series 2021A (Tax-Exempt Senior)	Series 2021B (Tax-Exempt Subordinate)	Series 2021C (Taxable)	Total
Bond Proceeds:				
Par Amount	14,420,000	2,750,000	370,000	17,540,000
Original Issue Discount	(432,600)	(82,500)	(11,100)	(526,200)
	13,987,400	2,667,500	358,900	17,013,800
Uses:	Series 2021A (Tax-Exempt Senior)	Series 2021B (Tax-Exempt Subordinate)	Series 2021C (Taxable)	Total
Project Fund Deposits:				
Property Acquisition	13,304,667	2,544,080		15,848,747
Capital Improvements	335,935	64,065		400,000
Capital Needs Assessment	8,398	1,602		10,000
	13,649,000	2,609,747		16,258,747
Delivery Date Expenses:				
Cost of Issuance	113,595	21,663	316,241	451,500
Underwriter's Discount	174,805	33,337	39,184	247,325
Capital Needs Reserve Account	50,000			50,000
	338,400	55,000	355,425	748,825
Other Uses of Funds:				
Additional Proceeds		2,753	3,475	6,228
	13,987,400	2,667,500	358,900	17,013,800

It is anticipated that the Bonds will not be rated investment grade. As such, the Bonds will be sold in \$100,000 denominations and any integral multiple of \$5,000 in excess thereof and will be restricted to sophisticated investors (accredited investors and qualified institutional buyers). This comports with CTA policy regarding bonds not receiving investment grade rating.

Discussion from Inducement

Please recall that during inducement, CTA staff and the Board had significant hesitations with this transaction. Rosemawr Wealth Management is the supposed bond purchaser on this transaction. In addition, Rosemawr also owns the property being purchased by Imagine. The Board voted to approve Inducement and also required 2 appraisals. The borrower team has agreed to this approach and is currently being appraised. Those appraisals have not yet come back, but this award resolution will be contingent upon the purchase price of the facility being at or below appraised value. We will not be able to close if the property is being sold for more than appraised value.

Another comment/request from Inducement was for Rosemawr to make significant concessions to the borrower to ensure this transaction meets public purpose. CTA Staff believes Rosemawr has done that. Please find the attached memo from the school's Financial Advisor, Ford & Associates detailing concessions made by Rosemawr and the Management Company.

Recommendation


It is the recommendation of CTA staff that the Board adopt Resolution 37-21 approving the issuance of not to exceed \$18,500,000 on behalf Imagine Charter School at West Melbourne, Inc. We look forward to seeing you at our meeting on 12/2.

Attachments

CTA Checklist
Sources & Uses
Resolution 37-21



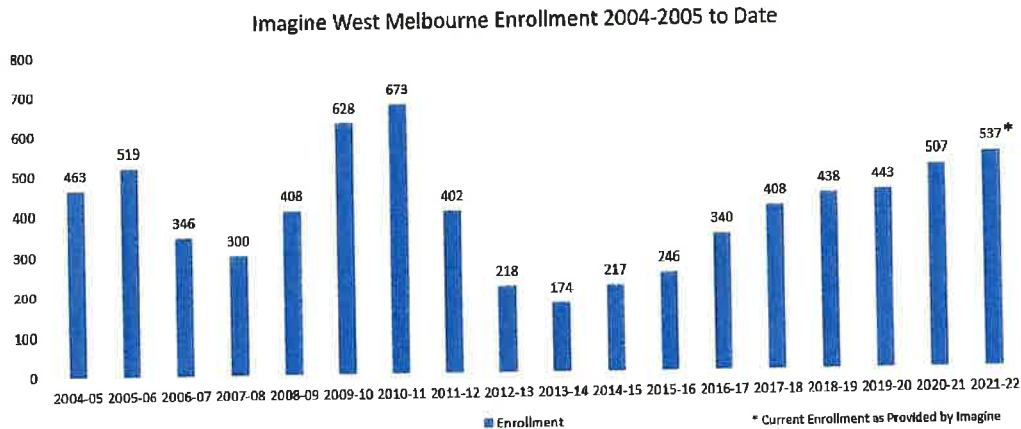
Memorandum

To: Denis McKinnon, Capital Trust Agency
From: Jerry W. Ford 
Date: 11/23/2021
Re: Imagine West Melbourne, Financing Summary

As you requested, this memo provides an overview of the Imagine West Melbourne, Series 2021 transaction. In addition, it provides information about changes negotiated among the key stakeholders from the time Rosemawr submitted its original term sheet in April through the final agreements that are pending approval with CTA.

Background: Milestones Community School, Inc. dba Imagine Schools at West Melbourne (the "School" or "Milestones") currently operates a K-6 program in a facility with an approximate capacity of 850 students. The School's charter allows Milestones to offer K-8 program and was recently renewed, extending the K-8 authorization. According to the Charter School Annual Report for Milestones published by Brevard Public Schools in January 2021, 100% of the School's student population is designated as economically disadvantaged.

Based on data for the fiscal years ending June 30, 2005 through 2021 contained in the Brevard Public Schools, Charter School Renewal Program Review for Imagine Schools at West Melbourne dated January 2021, the School's enrollment reached a peak of 673 in 2010-2011 with the School operating the full K-8 program allowed by its charter. By the end of the 2012-2013 school year, K-8 enrollment had dropped to 218. The following year, the school narrowed its services and did not enroll grades 7 and 8, and overall enrollment declined to 174. Since that time, Milestones and its contracted management company, Imagine Schools, Inc. ("Imagine") have made a strong and continuing commitment to overcome challenges and to help the School to reach its potential. That commitment has included an investment in staffing and oversight, and a significant financial investment by Imagine. At the same time, the population in the vicinity of the School has grown considerably due to significant residential development immediately surrounding the School's site.



Current Lease Structure: It is our understanding that since its origination through March of this year, Imagine's finance affiliate Schoolhouse Finance LLC ("SHF") had leased the facility from the developer. In March, 2021 Rosemawr purchased the facility and became the Lessor. SHF sub-leases the facility to Milestones at a rate that includes their lease fee plus an administrative fee. The current lease runs through 2041 and contains an annual inflation-based escalation clause that increase payments by a minimum of 1.5% and a maximum of 2.0% per year. Lease payments for the fiscal year ending June 30, 2022 total approximately \$1,604,000. Using the 1.5% floor for the escalation of lease payments, the fiscal 2041 lease payments will total approximately \$2,077,000.

The high lease payments relative to the School's population have created severe financial strain on the School for many years, making it impossible for Milestones to pay their full lease payments, the full Imagine Indirect Cost Allocation (which represented the primary portion of Imagine's compensation), or the Imagine Fee. Due to the school's financial stress Imagine never billed, nor did they collect any portion of the Imagine Fee. During that period, Imagine and Milestones have significantly improved the performance of the School as demonstrated by eight straight years of enrollment growth and a significant improvement in the School's grade assigned by the State of Florida.

In addition to enrollment growth and improvements in academic performance, Imagine has made significant annual monetary contributions to the School preventing it from falling below State required financial thresholds. Based on information provided by Imagine, from fiscal 2008 through 2021 Imagine contributed more than \$15 million in the form of lease payment and Indirect Cost Allocation offsets. In addition, Imagine never charged or received the additional management fee that their contract provided for. The management agreement between Imagine and Milestones contained a provision limiting Imagine's contributions to \$2.5 million, an amount they reached in early Fiscal Year 2013. Imagine has continued to make contributions well in excess of the originally contemplated amount and far greater than those contractually required.

Those amounts have not accrued and are not a debt of Milestones. As enrollment has grown the amount of the annual offsets has decreased but have not been eliminated. At present, Milestones has not paid their sub-lease payment to SHF in full and SHF is not current in their lease payments to

Rosemawr. Placing the School on a reasonable financial footing where such offsetting contributions are not required is a key factor in moving forward with the financing.

The Proposed Financing: After Rosemawr's purchase of the facility in March, they presented a proposal to Milestones in April under which they would sell the facility to Milestones. Under Rosemawr's offer, Milestones would issue bonds to purchase the facility and Rosemawr would be the purchaser of the bonds. The key points driving the transaction were that:

- Rosemawr would sell the facility at a profit and earn a high yield on the bonds reflective of the distressed nature of the credit
- SHF would no longer be the lessee and would not be responsible for any lease payment shortfalls
- Projected annual debt service would have been approximately \$500,000 lower than the corresponding lease payments

The financing includes three series. Series A will contain an amount of bonds which would allow it to meet the 91% loan to value requirements of the Rosemawr fund into which those bonds will be placed, Series B will contain an amount that covers the costs in excess of the Series A loan to value requirements, while the taxable Series C will pay for the costs that cannot be included in either of the two tax-exempt series.

Ford & Associates was engaged in late June as the financial advisor to Milestones. Based on our analysis, we did not believe that the School would be financially sustainable based on the requirements of the original term sheet and in the absence of further financial commitments from Imagine.

Key Changes to Terms and Conditions: Upon reviewing the original term sheet and business provisions of the management agreement, we requested that Imagine prepare conservative projection of enrollment, revenues, and expenses for the period through FY2029. Based on those projections, we evaluated several structuring scenarios as did the underwriter Piper Sandler. As a result, we concluded that several changes would need to be agreed to by Rosemawr and by Imagine in order for Milestones to be in a position to have a reasonable opportunity for financial success if they agreed to issue the bonds. As a result, Rosemawr agreed to make several changes to their original term sheet including:

- Lowering the blended interest rate on the Series A&B tax-exempt bonds from 6.25% to 6.00%
- Increasing the purchase price on the bonds from 95% to 97%
- Effectively lowering the yield on the tax-exempt bonds from 6.61% to 6.21%
- Improved optional redemption provisions

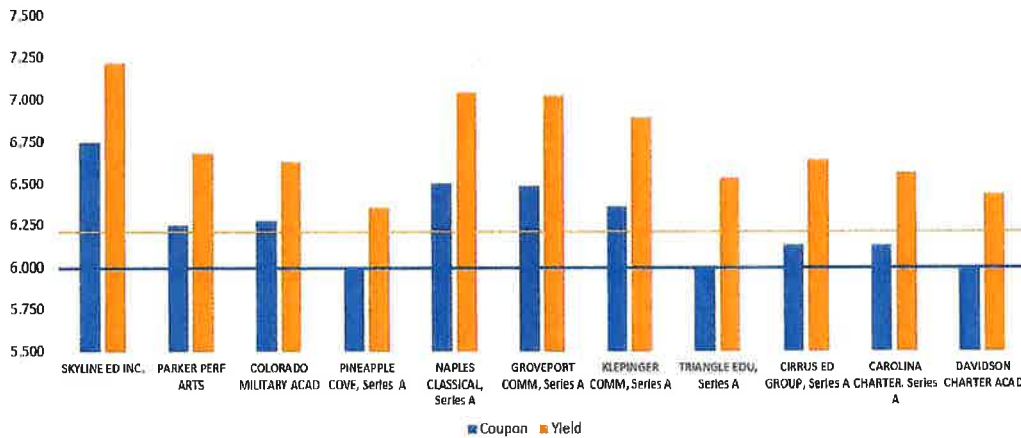
Imagine revised its management contract with Milestones and, consistent with its longstanding commitment to the School, agreed to modifications including the following:

- Subordination of its Indirect Cost Allocation to debt service on the bonds
- Elimination of the Imagine Fee
- Waiver of all fees for fiscal years 2022 and 2023, an amount exceeding \$1.6 million
- Downward adjustment of Imagine compensation from their contracted rate to the extent needed to meet Debt Service Coverage and Days Cash on Hand covenants up to a

cumulative amount of \$750,000 beginning fiscal 2024. Such downward adjustments constitute fee waivers, not deferrals

As we have discussed, the Series 2021 issue will not, in our opinion, be an “on market” transaction. Milestones is a distressed credit. As we have discussed, Rosemawr is the owner of the facility and lessor to SHF, who is in arrears on their lease payments. Although Rosemawr could have declared a default under the terms of the lease, they have chosen not to do so. They do, however, have the ability to dictate terms and conditions consistent with their risk assessment. Nonetheless, Rosemawr has been willing make concessions that have significantly improved the transaction relative to other Rosemawr transactions. While we do not claim that it is complete, we compiled a list of all Rosemawr transactions that we could locate with interest rates at 6.00% and higher from January 1, 2020 to August 31, 2021. In the graph below, the horizontal lines represent the coupon and yield for the West Melbourne tax-exempt transaction.

Rosemawr Charter Transactions w/LOM
Maturity Dates on June 15, 2055 - 2061
January 1, 2020 - August 31, 2021



Only three of the transactions that we found had 6.00% coupons. Two of those three had purchase prices of 95%, while the third had a purchase price of 94%. The 97% purchase price of the Imagine West Melbourne transaction results in a combined tax-exempt yield to maturity of 6.21%, the lowest of the transactions that we identified. Purchases prices on the transactions represented in the graph above ranged from 93% to 95% according to the information we obtained from Bloomberg and from EMMA. Rosemawr may well have other transactions with lower coupons and lower yields that we were not able to identify, but the transactions depicted in the chart above all contain a similar credit profile to Milestones, in that they all have significant credit risk.

At the end of the day, if Imagine is able to manage to the enrollment and financial projections that they have provided, the transaction will give the School the opportunity to achieve financial stability. If that occurs, and if market conditions are favorable, Milestones would be able to refinance the transaction

November 23, 2021

under more favorable conditions within 10 years. In the interim and based on the current sizing assumptions, projected annual debt service on the new bonds will be more than \$500,000 less than the fiscal 2022 lease payments. That differential grows over time and by 2041, that difference is projected to be more than \$750,000. Between closing and the expiration of the lease at the end of fiscal 2041, the transaction should generate in excess of \$12 million in cash flow savings and present value savings greater than \$6 million when compared to the existing lease.

Asked by Ford & Associates to review this memorandum, Piper Sandler provided the following input: "Piper Sandler believes negotiations over the past 5 months have resulted in millions of public dollar benefit to the Borrower and their operations over the life of the bonds. This benefit is increased further when compared to an event the school stepped in as lessee under the current landlord arrangement. Furthermore, the negotiations have improved outcomes for the Borrower in both upside credit events (refunding early as markets permits, decreased overall leverage improving refunding economics) and downside events (management fee deferrals, enrollment misses, covenants breaches, etc). Board training and the capital needs assessment will also provide a valuable "spot check" on the organization and the asset to be purchased prior to closing."

If you or your board members have any questions, or need additional information, I am happy to help you. We appreciate CTA's assistance in moving forward.

Key Data

Project Type: Public Charter School	Rating: No rating
Source of Repayment: Educational Funding from State & Federal Sources	Credit Enhancement: N/A
Debt Authorization: Up to \$18,500,000	Sale Type: Negotiated Sale to the Underwriter

Compliance Issue Highlights

- **Public purpose:** Financing the acquisition and equipping of a charter school facility located in Melbourne, FL.
- **Legal authorization:** CTA will rely on the bond counsel opinion stating the bonds meet the requirements that will qualify this transaction for tax-exempt financing. At this time, bond counsel feels no need for further bond validation. All necessary TEFRA notices and approvals have been obtained.
- **Project's expected success:** With this financing, the school will have the opportunity to realize significant net present value savings of \$12,000,000 over the life of the bonds. The current lease structure is designed to be onerous on the tenant and the take out will give the school the financial breathing room to succeed.
- **OS preparation responsibilities:** Ballard Sparham will be preparing the Offering Statement. Other transactional documents are being prepared by Ice Miller and Watson Sloane. We have worked previously with these firms and deem them to be a qualified firm and having adequate bond law experience to prepare the offering document. Bryant Miller Olive is familiar to CTA and has a positive history in properly representing the participants in publicly traded transactions. All parties involved have been reviewing and commenting on the documents during the drafting process. Piper Sandler is serving as Underwriter. Capital Trust Agency has a positive history of transactions with this Underwriter
- **Offering Statement:** The information for the OS has been and is continually reviewed by staff, consultants and counsels and appears to be reasonable and conservative. The bonds are being offered in \$100,000 denominations to qualified investors, in keeping with CTA's policy issuing non-investment grade rated bonds.
- **Material events:** There have been no material events since inducement.
- **Outside professional selection, reliability and compensation:** The, borrower, consultants and their respective legal counsels are all reputable parties that have established and known practices in their field. Each of the professionals engaged in the financing are persons or entities having no known reasons to question their ethical standards. We believe them to be capable in their roles and reputable parties to properly structure this debt issuance. Compensation is within acceptable ranges for a financing of this type in the judgment of the Executive Director based on comparisons to other recent and similar project financings.
- **Conflicts of interest:** There are not currently, nor are there expected to be, any conflicts of interest in this transaction. Should this change, the relationships will be fully disclosed and steps will be taken to

ensure such relationships are acceptable with the proposed financing. The transaction related to this financing will all be done fairly and without imbedded costs outside of what is required.

- **Continuing disclosure duty assumptions:** The Borrower will enter into a Disclosure Dissemination Agreement with Digital Assurance Certification, LLC as the Dissemination Agent prior to closing. The Borrower is obligated to send, or cause to be sent, all continuing disclosures. CTA has no obligation to provide any updated information related to itself or the Project pursuant to the Disclosure Agreement or otherwise.

Financial Information

Attached are sources and uses and additional financial informations.



Imagine Schools at West Melbourne

Presentation to: Capital Trust Agency

**Capital Trust Agency
Educational Facilities Revenue Bonds
(Imagine Schools at West Melbourne Project)
\$14,420,000* Series 2021A (Senior)
\$2,750,000* Series 2021B (Subordinate)
\$370,000 Taxable Series 2021C (Subordinate)**

**preliminary, subject to change*

Table of Contents

- I. Overview of Imagine West Melbourne**
- II. Financial Performance**
- III. Plan of Finance**

Section I

Overview of Imagine West Melbourne

Introduction and History

- Milestones Community School, Inc. d/b/a Imagine Schools at West Melbourne (the “Borrower”) operates Imagine Schools at West Melbourne (the “School” or “Imagine West Melbourne”) a tuition-free, open enrollment public charter school
- The Borrower is a Florida not for profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).
- The Borrower was incorporated on April 23, 1997, and opened in the fall of 1998 serving grades five through eight.
- The Borrower expanded to include grades kindergarten through fourth by the 2000-2001 school year and expanded even further to include grades seven and eight by the 2008-2009 school year. However, the School stopped serving students in seventh and eighth grade after the 2012-2013 school year.
- The School began the 2021-2022 school year with grades kindergarten through sixth and does not plan to expand the School to include grades seventh through twelfth.
- The School employs Imagine Schools, Inc., a Delaware nonprofit corporation and an organization described in Section 501(c)(3) of the Code, as its outside manager (the “Management Company”), pursuant to an Operating Agreement

SCHOOL YEAR	SCHOOL GRADE	GRADES SERVED	NUMBER OF STUDENTS
2016-17	C	K-6	340
2017-18	C	K-6	408
2018-19	B	K-6	438
2019-20	NA	K-6	443
2020-21	NA	K-6	502

Mission and Vision

MISSION

We partner with parents to provide a rigorous learning experience with a focus on academic growth in a safe environment that emphasizes the values of community, student voice, and high expectations to give students a love of learning that will stay with them through school, university and beyond.

VISION

We inspire excellence in education through developing character and enriching minds of all students, becoming the leading school of choice in Brevard County.

Governance

BOARD OF DIRECTORS (THE "BOARD")

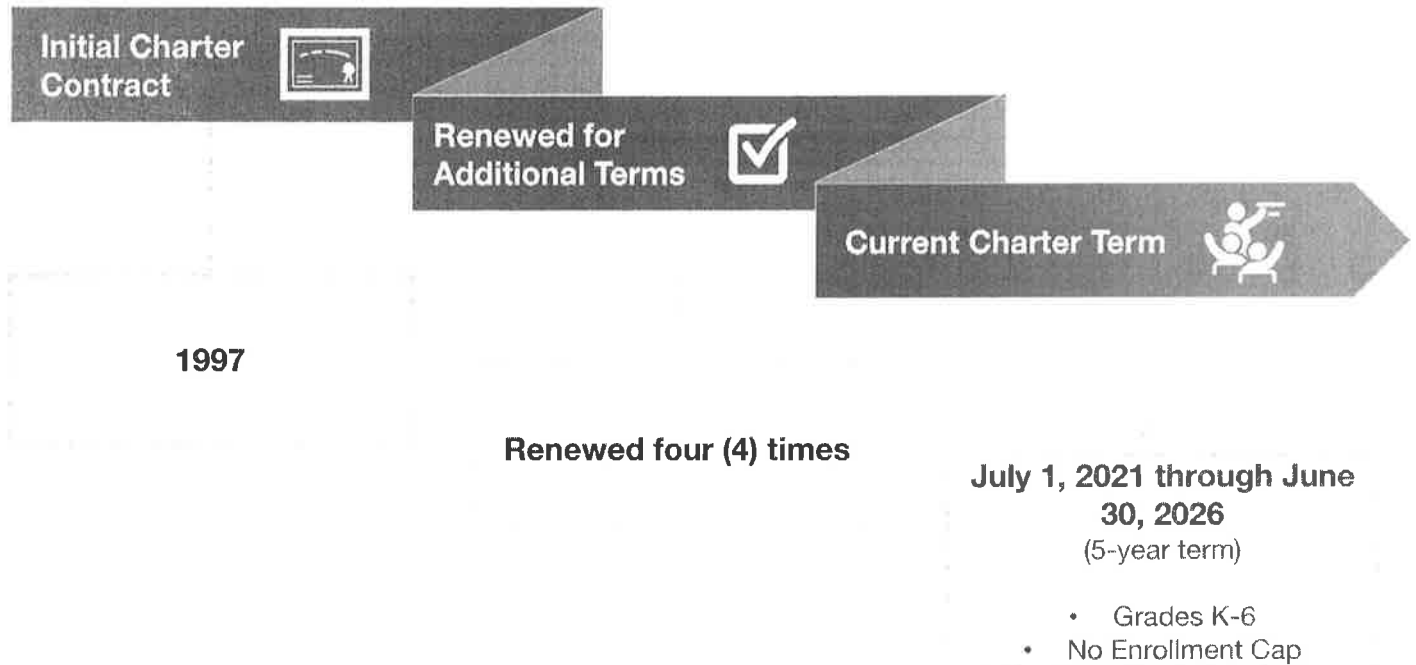
- Governs the School
- Consists of five (5) sitting members
- The following individuals currently serve as members of the Board:

BOARD MEMBER	ROLE
Melissa Koretsky	Board Chair
Bill McMullen	Treasurer
Michael Russell	Member
Jennifer Spedick-Sikoski	Member
Jessica Dell-Peaks	Member

Charter Contract

SPONSOR

- The School District of Brevard County, Florida (the “District” or the “Sponsor”)
- Operating and existing under the laws of the State of Florida



Historic and Projected Enrollment

The table below shows historical enrollment for the 2017-2018 through the 2021-2022 school year. Enrollment data is based on student head count.

	HISTORIC ENROLLMENT			
	2017-2018	2018-2019	2019-2020	2020-2021
K	75	87	78	89
1	68	77	86	94
2	54	68	76	93
3	69	51	61	75
4	59	63	48	60
5	52	51	51	45
6	31	41	43	46
	408	438	443	502

The table below shows projected enrollment for the 2021-2022 through the 2028-2029 school year.

PROJECTED ENROLLMENT	
2021-2022	560
2022-2023	599
2023-2024	635
2024-2025	673
2025-2026	714
2026-2027	756
2027-2028	802
2028-2029	850

Competing School Performance

The tables below reflect the comparative test scores of School and competing schools for the 2018-2019 school year. (The FSA tests were not administered and no grades were issued in the State for the 2019-2020 school year due to the COVID-19 pandemic.)

	2019 Grade	2018 Grade	2017 Grade	English Language Arts Achieve	English Language Arts Learning Gains	English Language Arts Learning Gains of the Lowest 25%	Math Achieve	Math Learning Gains	Math Learning Gains of the Lowest 25%	Science Achieve	Social Studies Achieve	Middle School Acceleration	Total Points Earned	Percent of Possible Points
Imagine Schools at West Melbourne	B	C	C	54%	61%	71%	47%	62%	57%	48%	N/A	N/A	400	57%
Riviera Elementary	B	C	B	50	57	61	60	73	60	60	N/A	N/A	421	60
Discovery Elementary	C	C	C	51	54	52	52	50	37	43	N/A	N/A	339	48
Jupiter Elementary	C	C	C	47	57	66	48	59	47	34	N/A	N/A	358	51
Palm Bay Elementary	C	C	D	47	52	43	47	59	42	45	N/A	N/A	335	48
Turner Elementary	C	C	C	45	53	60	44	57	41	43	N/A	N/A	343	49
University Park Elementary	C	C	D	41	45	59	35	49	38	35	N/A	N/A	302	43

State Grade

The table below outlines the School's performance and grades for the 2016-2017 through 2018-2019 school years. (The FSA tests were not administered and no grades were issued in the State for the 2019-2020 school year due to the COVID-19 pandemic. The FSA test was administered in the 2020-2021 school year, and each school had the option to publish grades. [The Borrower has elected not to publish the School's 2020-2021 grade.] See a further description of current testing procedures under "State Exam Performance."

	STATE GRADE		
	Grade	Total Points Earned	Percent of Points Earned
2016-2017	C	343	49%
2017-2018	C	297	42
2018-2019	B	400	57
2019-2020	N/A	N/A	N/A
2020-2021	N/A	276	39

Academics

The FSA test results are shown on the tables below

**LANGUAGE ARTS PERFORMANCE RESULTS
PERCENTAGE OF STUDENTS SCORING SATISFACTORY OR ABOVE**

2017-2018 School Year			
Grade	School	District	Statewide
3	55%	63%	57%
4	33	57	56
5	39	54	55
6	56	63	52

2018-2019 School Year			
Grade	School	District	Statewide
3	52%	64%	58%
4	52	61	58
5	53	60	56
6	54	60	54

2020-2021 School Year			
Grade	School	District	Statewide
3	48%	60%	54%
4	40	58	52
5	40	59	54
6	53	62	52

Academics

The FSA test results are shown on the tables below

**MATH PERFORMANCE RESULTS
PERCENTAGE OF STUDENTS SCORING SATISFACTORY OR ABOVE***

2016-2017 School Year			
<u>Grade</u>	<u>School</u>	<u>District</u>	<u>Statewide</u>
5	29%	58%	61%
6	48	68	52

2017-2018 School Year			
<u>Grade</u>	<u>School</u>	<u>District</u>	<u>Statewide</u>
5	38%	60%	60%
6	37	67	55

2020-2021 School Year			
<u>Grade</u>	<u>School</u>	<u>District</u>	<u>Statewide</u>
5	22%	54%	51%
6	63	63	45

*FSA is only administered for the fifth and sixth grades at the School.

Academics

The FSA test results are shown on the tables below

**SCIENCE PERFORMANCE RESULTS
PERCENTAGE OF STUDENTS SCORING SATISFACTORY OR ABOVE***

Grade	2017-2018 School Year		Statewide
	School	District	
5	42%	57%	55%

Grade	2018-2019 School Year		Statewide
	School	District	
5	47%	56%	53%

Grade	2020-2021 School Year		Statewide
	School	District	
5	24%	52%	47%

*FSA is only administered for the fifth grade at the School.

Section III

Financial Performance

Historical Financial Performance

Balance Sheet

	Audited			
	2018	2019	2020	2021
Assets				
Cash and Investments	\$ 178,964	\$ 185,887	\$ 190,092	\$ 328,415
Due From Other Agencies	67,703	107,797	155,940	252,954
Accounts Receivable	1,430	4,499	10,580	11,025
Prepaid Items & Deposits	3,855	15,504	1,430	1,430
Net Due To/From Management Company	37,907	32,268	-	-
Due From Other Funds	171,399	22,015	144,163	205,049
Total Assets	\$ 461,258	\$ 367,970	\$ 502,205	\$ 798,873
Liabilities and Fund Balances				
<i>Liabilities</i>				
Salaries and Benefits Payable	\$ 112,914	\$ 121,486	\$ 135,313	\$ 162,016
Accounts Payable	260	35,168	1,331	2,788
Unearned Revenues	-	2,251	-	-
Net Due To/From Management Company	-	-	110,378	323,666
Due to Other Funds	171,399	22,015	144,163	205,049
Total Liabilities	\$ 284,573	\$ 180,920	\$ 391,185	\$ 693,519
<i>Fund Balance</i>				
Nonspendable	\$ 5,285	\$ 15,504	\$ 1,430	\$ 1,430
Restricted	171,399	171,545	109,589	103,923
Unassigned	1	1	1	1
Total Fund Balances	\$ 176,685	\$ 187,050	\$ 111,020	\$ 105,354
Total Liabilities and Fund Balances	\$ 461,258	\$ 367,970	\$ 502,205	\$ 798,873

Historical Financial Performance

Income Statement

	Audited			
	2018	2019	2020	2021
Revenues				
Federal Through State and Local	\$ 598,833	\$ 631,825	\$ 700,270	\$ 973,745
State	3,182,240	3,687,398	3,767,984	4,443,596
Local and Other	357,367	230,659	201,493	222,618
Contributions	1,424,303	1,192,157	1,169,129	261,421
Total Revenues	\$ 5,562,743	\$ 5,742,039	\$ 5,838,876	\$ 5,901,380
Expenditures				
Current - Education	\$ 5,462,351	\$ 5,708,147	\$ 5,841,856	\$ 5,866,295
Capital Outlay	53,641	23,527	73,050	40,751
Total Expenditures	\$ 5,515,992	\$ 5,731,674	\$ 5,914,906	\$ 5,907,046
Net Change in Fund Balance	\$ 46,751	\$ 10,365	\$ (76,030)	\$ (5,666)
Beg. Fund Balance	129,934	176,685	187,050	111,020
End Fund Balance	\$ 176,685	\$ 187,050	\$ 111,020	\$ 105,354

Historical Financial Performance

Metrics

	Audited			
	2018	2019	2020	2021
Enrollment	408	438	443	502
Revenues	\$ 5,562,743	\$ 5,742,039	\$ 5,838,876	\$ 5,901,380
Expenditures	5,515,992	5,731,674	5,914,906	5,907,046
Excess Revenues over Expenditures	\$ 46,751	\$ 10,365	\$ (76,030)	\$ (5,666)
Days Cash on Hand				
Total Expenditures*	\$ 5,462,351	\$ 5,708,147	\$ 5,841,856	\$ 5,866,295
Average Daily Expenditures	14,965	15,639	16,005	16,072
Cash and Cash Equivalents**	7,565	14,342	80,503	224,492
Days Cash on Hand	1	1	5	14
Historic Debt Service Coverage				
Excess Revenues over Expenditures	\$ 46,751	\$ 10,365	\$ (76,030)	\$ (5,666)
+ Capital Outlay	53,641	23,527	73,050	40,751
+Lease Expense	1,588,123	1,616,709	1,649,043	678,694
Available for Debt Service	1,688,515	1,650,601	1,646,063	713,779
Historic Lease Coverage	1.06	1.02	1.00	1.05
Proforma MADS Coverage				
Proforma MADS	1,357,055	1,357,055	1,357,055	1,357,055
Proforma MADS Coverage	1.24	1.22	1.21	0.53
Operating Margin	30.35%	28.75%	28.19%	12.10%
*Excludes Capital Outlay				
**Excludes Restricted Cash				

Projected Financial Performance

	2022	2023	2024	2025	2026	2027	2028	2029
Enrollment	560	599	635	673	714	756	802	850
Revenues:								
Federal	638,520	697,757	719,582	739,076	759,095	786,782	815,858	846,404
ESSER	421,097	421,097	421,097	-	-	-	-	-
VPK	164,925	148,433	133,589	66,795	-	-	-	-
Imagine Contribution	-	-	-	-	-	-	-	-
Capital Projections Fund	655,865	705,144	731,407	760,005	565,415	469,418	422,727	400,697
FEFP Funding	4,174,027	4,439,973	4,807,943	5,204,676	5,639,559	6,097,985	6,606,068	7,149,159
Supplemental Revenue	163,345	168,245	173,292	178,491	183,846	189,361	195,042	200,893
Total Revenues	6,217,779	6,580,649	6,986,912	6,949,042	7,147,915	7,543,546	8,039,695	8,597,154
Expenses:								
Imagine Indirect	-	-	838,429	833,885	857,750	905,226	964,763	1,031,658
General Expenses	4,655,247	4,934,197	5,218,517	5,116,010	5,325,015	5,589,795	5,864,023	6,146,600
Rent (through Dec)	738,832	-	-	-	-	-	-	-
Total Expenses (Excl D/S)	5,394,080	4,934,197	6,056,947	5,949,895	6,182,765	6,495,020	6,828,787	7,178,259
Income before Debt Service	823,700	1,646,452	929,965	999,147	965,150	1,048,526	1,210,909	1,418,895
Net Debt Service								
Principal	-	-	-	-	-	-	-	60,000
Interest	504,703	1,056,355	1,056,355	1,056,355	1,056,355	1,056,355	1,056,355	1,056,355
Other Ongoing Expenses	-	27,540	27,540	27,540	27,540	27,540	18,770	18,759
CAPI	-	-	-	-	-	-	-	-
Net Debt Service	504,703	1,083,895	1,083,895	1,083,895	1,083,895	1,083,895	1,075,125	1,135,114
Change in Fund Balance	318,997	562,557	(153,930)	(84,748)	(118,745)	(35,369)	135,784	283,781

Projected Financial Performance

	2022	2023	2024	2025	2026	2027	2028	2029
Change in Fund Balance	318,997	562,557	(153,930)	(84,748)	(118,745)	(35,369)	135,784	283,781
Coverage Ratio:								
Change in Fund Balance	318,997	562,557	(153,930)	(84,748)	(118,745)	(35,369)	135,784	283,781
Plus: Principal, Interest, CAPI	504,703	1,056,355	1,056,355	1,056,355	1,056,355	1,056,355	1,056,355	1,116,355
Available for Debt Service	823,700	1,618,912	902,425	971,607	937,610	1,020,986	1,192,139	1,400,136
Coverage Ratio (after mgmt fees)	1.63	1.53	0.85	0.92	0.89	0.97	1.13	1.25
<i>Covenant</i>	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Coverage Ratio (before mgmt fees)	1.63	1.53	1.65	1.71	1.70	1.82	2.04	2.18
<i>Covenant</i>	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20
Pro Forma MADS	1,298,505	1,298,505	1,298,505	1,298,505	1,298,505	1,298,505	1,298,505	1,298,505
Pro Forma MADS Coverage	0.63	1.25	0.69	0.75	0.72	0.79	0.92	1.08
Days Cash on Hand:								
Beginning Cash	220,000	538,997	1,101,553	947,623	862,876	744,131	708,762	844,545
Change in Fund Balance	318,997	562,557	(153,930)	(84,748)	(118,745)	(35,369)	135,784	283,781
Ending Cash	538,997	1,101,553	947,623	862,876	744,131	708,762	844,545	1,128,326
Days Cash on Hand	33.35	66.81	48.44	44.78	37.38	34.13	39.00	49.54
<i>Days Cash on Hand Covenant</i>		15.00	25.00	35.00	45.00	45.00	45.00	45.00
Net Debt Service as a % of Total Revenues								
Net Debt Service	504,703	1,083,895	1,083,895	1,083,895	1,083,895	1,083,895	1,075,125	1,135,114
Total Revenues	6,217,779	6,580,649	6,986,912	6,949,042	7,147,915	7,543,546	8,039,695	8,592,154
Net Debt Service as a % of Total Revenues	8.12%	16.47%	15.51%	15.60%	15.16%	14.37%	13.37%	13.20%
MADS as % of Total Revenues								
MADS	1,298,505	1,298,505	1,298,505	1,298,505	1,298,505	1,298,505	1,298,505	1,298,505
Total Revenues	6,217,779	6,580,649	6,986,912	6,949,042	7,147,915	7,543,546	8,039,695	8,592,154
MADS as % of Total Revenues	20.88%	19.73%	18.58%	18.69%	18.17%	17.21%	16.15%	15.10%

Section III

Plan of Finance

Plan of Finance

The Borrower has requested that the Issuer issue the Series 2021 Bonds and loan the proceeds thereof pursuant to the Loan Agreement in order to pay the costs of the project consisting of the

- i. financing (including through reimbursement) all or a portion of the costs of the acquisition, installation and equipping of a charter school facility located at 3355 Imagine Way, West Melbourne, Florida (collectively, the “Series 2021 Facilities”)
- ii. funding capitalized interest on the Series 2021 Bonds, and
- iii. paying costs associated with the issuance of the Series 2021 Bonds (collectively, the “Series 2021 Project”).

Preliminary Sources and Uses of Funds

Sources:	Series 2021A (Tax-Exempt Senior)	Series 2021B (Tax-Exempt Subordinate)	Series 2021C (Taxable)	Total
Bond Proceeds:				
Par Amount	14,420,000	2,750,000	370,000	17,540,000
Original Issue Discount	(432,600)	(82,500)	(11,100)	(526,200)
	13,987,400	2,667,500	358,900	17,013,800
Uses:	Series 2021A (Tax-Exempt Senior)	Series 2021B (Tax-Exempt Subordinate)	Series 2021C (Taxable)	Total
Project Fund Deposits:				
Property Acquisition	13,304,667	2,544,080		15,848,747
Capital Improvements	335,935	64,065		400,000
Capital Needs Assessment	8,398	1,602		10,000
	13,649,000	2,609,747		16,258,747
Delivery Date Expenses:				
Cost of Issuance	113,595	21,663	316,241	451,500
Underwriter's Discount	174,805	33,337	39,184	247,325
Capital Needs Reserve Account	50,000			50,000
	338,400	55,000	355,425	748,825
Other Uses of Funds:				
Additional Proceeds		2,753	3,475	6,228
	13,987,400	2,667,500	358,900	17,013,800

Preliminary Net Debt Service

Period Ending	Principal	Interest	Total Debt Service	Cap Trust Annual Fee	Other Ongoing Fees	Net Debt Service
6/15/2022		504,703	504,703			504,703
6/15/2023		1,056,355	1,056,355	17,540	10,000	1,083,895
6/15/2024		1,056,355	1,056,355	17,540	10,000	1,083,895
6/15/2025		1,056,355	1,056,355	17,540	10,000	1,083,895
6/15/2026		1,056,355	1,056,355	17,540	10,000	1,083,895
6/15/2027		1,056,355	1,056,355	17,540	10,000	1,083,895
6/15/2028		1,056,355	1,056,355	8,770	10,000	1,075,125
6/15/2029	60,000	1,056,355	1,116,355	8,759	10,000	1,135,114
6/15/2030	80,000	1,052,005	1,132,005	8,725	10,000	1,150,730
6/15/2031	105,000	1,046,205	1,151,205	8,680	10,000	1,169,885
6/15/2032	125,000	1,038,593	1,163,593	8,624	10,000	1,182,217
6/15/2033	140,000	1,029,530	1,169,530	8,559	10,000	1,188,089
6/15/2034	170,000	1,021,150	1,191,150	8,483	10,000	1,209,633
6/15/2035	195,000	1,010,970	1,205,970	8,394	10,000	1,224,364
6/15/2036	220,000	999,285	1,219,285	8,292	10,000	1,237,577
6/15/2037	250,000	986,125	1,236,125	8,176	10,000	1,254,301
6/15/2038	290,000	971,165	1,261,165	8,044	10,000	1,279,209
6/15/2039	325,000	953,785	1,278,785	7,892	10,000	1,296,677
6/15/2040	360,000	934,310	1,294,310	7,723	10,000	1,312,033
6/15/2041	385,000	912,740	1,297,740	7,538	10,000	1,315,278
6/15/2042	400,000	889,665	1,289,665	7,500	10,000	1,307,165
6/15/2043	425,000	865,705	1,290,705	7,500	10,000	1,308,205
6/15/2044	455,000	840,240	1,295,240	7,500	10,000	1,312,740
6/15/2045	480,000	812,975	1,292,975	7,500	10,000	1,310,475
6/15/2046	510,000	784,205	1,294,205	7,500	10,000	1,311,705
6/15/2047	540,000	753,635	1,293,635	7,500	10,000	1,311,135
6/15/2048	570,000	721,265	1,291,265	7,500	10,000	1,308,765
6/15/2049	605,000	687,095	1,292,095	7,500	10,000	1,309,595
6/15/2050	645,000	650,830	1,295,830	7,500	10,000	1,313,330
6/15/2051	685,000	612,145	1,297,145	7,500	10,000	1,314,645
6/15/2052	720,000	571,070	1,291,070	7,500	10,000	1,308,570
6/15/2053	765,000	527,900	1,292,900	7,500	10,000	1,310,400
6/15/2054	810,000	482,015	1,292,015	7,500	10,000	1,309,515
6/15/2055	860,000	433,445	1,293,445	7,500	10,000	1,310,945
6/15/2056	915,000	381,865	1,296,865	7,500	10,000	1,314,365
6/15/2057	965,000	326,980	1,291,980	7,500	10,000	1,309,480
6/15/2058	1,025,000	269,085	1,294,085	7,500	10,000	1,311,585
6/15/2059	1,085,000	207,590	1,292,590	7,500	10,000	1,310,090
6/15/2060	1,150,000	142,495	1,292,495	7,500	10,000	1,309,995
6/15/2061	1,225,000	73,505	1,298,505	385	10,000	1,308,890
	17,540,000	30,888,760	48,428,760	347,244	390,000	49,166,004

Covenants

COVERAGE COVENANT

Commencing in the fiscal year ending June 30, 2022 through June 30, 2026, the School shall have a Debt Service Coverage ("DSC") ratio of 1.10x Annual Debt Service ("ADS") before the payment of Management Fees based on audited financial statements. Failure to realize a 1.10x ADS DSC ratio or more shall trigger the selection of a financial consultant. Beginning in the fiscal year ending June 30, 2027, and every fiscal year thereafter, the DSC ratio shall increase to 1.2x. Coverage shall be measured quarterly on a rolling 12-month basis. Payment of testing period Management Fees for any testing period in which the coverage after accounting for the payment of current testing period Management Fees would cause the testing period coverage to fall below 1.05x ADS shall be an event of default.

LIQUIDITY COVENANT

Commencing June 30, 2022, the School shall have Days Cash on Hand ("DCOH" (See Appendix D for applicable definitions)) as set forth below. Testing shall occur semi-annually on June 30 and December 31. Failure to realize the minimum DCOH level shall trigger the selection of a financial consultant.

FY 2022: 15 days

FY 2023: 25 days

FY 2024: 35 days

FY 2025: 45 days

ENROLLMENT COVENANT

The School shall realize a minimum enrollment level equal to or greater than 85% of the pro forma projections for fiscal years 2022 through 2026 dated September XX, 2021, as set forth in Appendix B hereto. Unless resulting from an act of God, failure to realize the minimum enrollment level shall trigger the selection of an academic consultant. For the avoidance of doubt any event related to COVID-19 shall not constitute an act of God.

ACADEMIC COVENANT

The School shall realize a minimum published/publicly available state academic performance grade of "C" (or its equivalent) or better commencing in the 2022-23 academic year, subject to any changes in legislation or adjudication of the school grade system. Failure to realize a minimum published/publicly available grade level shall trigger the selection of an academic consultant with experience with charter schools and charter school laws in Florida.

Disclosure

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RESOLUTION NO. 37-21

A RESOLUTION OF THE GOVERNING BOARD OF THE CAPITAL TRUST AGENCY AWARDING SALE OF NOT TO EXCEED \$18,500,000 CAPITAL TRUST AGENCY EDUCATIONAL FACILITIES REVENUE BONDS (IMAGINE SCHOOLS AT WEST MELBOURNE PROJECT), IN ONE OR MORE SERIES OF TAX-EXEMPT QUALIFIED 501(C)(3) BONDS OR TAXABLE BONDS, FOR THE PURPOSE OF FINANCING A LOAN PROGRAM TO FINANCE AND REFINANCE THE HEREIN DESCRIBED FACILITIES; AUTHORIZING EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND A LOAN AGREEMENT FOR SUCH BONDS; ACKNOWLEDGING THE USE OF OFFERING MATERIALS IN CONNECTION WITH MARKETING SUCH BONDS AND OTHER ACTIONS IN CONNECTION WITH DELIVERY OF 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. 149 to the Interlocal Agreement, dated November 1, 2021, 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, educational facilities, 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 Milestones Community School, Inc. d/b/a Imagine Schools at West Melbourne, Inc., a Florida not for profit corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"),

and/or one or more related and/or affiliated entities (collectively, the "Borrower"), whose principal place of business is 3355 Imagine Way, Melbourne, Florida 32904, to issue its revenue bonds to finance or refinance 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 Facilities hereinafter described; and

WHEREAS, pursuant to the Act and the Plan of Finance, the Issuer did on October 18, 2021, duly adopt Resolution No. 22-21 (the "Inducement Resolution") expressing its intent to issue its not to exceed \$18,500,000 revenue bonds in one or more series of tax-exempt qualified 501(c)(3) bonds or taxable bonds (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, installation, improvement and equipping of an existing approximately 54,707 square foot educational facility to accommodate approximately 850 students in grades K-8 at an educational institution known as Imagine Schools at West Melbourne, located on an approximately 10-acre parcel located at 3355 Imagine Way, West Melbourne, Florida 32904, including related facilities, fixtures, furnishings and equipment (collectively, the "Facilities"); (ii) the funding of a debt service reserve fund for the Bonds, if deemed necessary or desirable; (iii) the funding of a capital needs reserve account for the Facilities, if deemed necessary or desirable; (iv) the funding of capitalized interest for the Bonds, if deemed necessary or desirable; and (v) the payment of certain costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS, pursuant to Section 147(f) of the Code, a public hearing is scheduled to be held in the county in which the Facilities are located (the "County") on December 7, 2021, and it is expected that elected representative approval will be received on December 7, 2021, or a date no later than the execution and delivery of the Bonds (the "Host Jurisdiction TEFRA Approval"); and

WHEREAS, pursuant to Section 147(f) of the Code, a public hearing was scheduled and held on behalf of the Issuer on November 1, 2021, in the City Council Chambers located at 1070 Shoreline Drive, Gulf Breeze, Florida 32561, and the elected representative approval was received on November 1, 2021; and

WHEREAS, by Resolution No. 62-2021, duly adopted by the City Council of the City on November 1, 2021, Resolution No. 21-2021 duly adopted by the Town Council of the Town on November 1, 2021, the Inducement Resolution, this Resolution and upon receipt of the Host Jurisdiction TEFRA Approval, 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 \$18,500,000, pursuant to an Indenture of Trust more particularly described herein (the "Indenture") between the Issuer and UMB Bank, National Association (the "Trustee"); 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 the County and the people of the State, 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 hereafter described Loan Agreement (the "Loan 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

WHEREAS, the Issuer desires to acknowledge the use and distribution of a Limited Offering Memorandum (the "Limited Offering Memorandum") in connection with the marketing of the Bonds and to authorize the taking of all other necessary action in connection with the issuance and delivery of the Bonds.

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 series designated "Educational Facilities Revenue Bonds (Imagine Schools at West Melbourne Project)," with such priority among series and additional descriptive titles as may be set forth in the Indenture, the aggregate principal amount of all of the Bonds being not to exceed \$18,500,000. 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 Indenture, in the manner described in the Indenture and the Loan Agreement.

Section 2. Award of Bonds; Bond Purchase Agreement.

The matters set forth in the penultimate preamble hereof, require that the Bonds be sold pursuant to a negotiated 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 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 and by Piper Sandler & Co. (the "Underwriter"), is hereby authorized pursuant to Section 218.385, Florida Statutes, as amended. Further, the Chairman, the Executive Director or each of their designees are hereby authorized and empowered, on behalf of the Issuer, to authorize the inclusion of one or more additional co-

managing underwriter in the marketing and sale of the Bonds.

The interest rates on the Bonds shall be established as provided in the Indenture 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 Underwriter's Negotiated Sale Disclosure Statement attached hereto as Exhibit A, which, by this reference thereto, is incorporated herein, is hereby accepted and placed on record in the minutes of the Issuer.

The Chairman, Vice-Chairman or Executive Director of the Issuer is hereby authorized to enter into such bond purchase agreement for the sale of the Bonds as the Borrower may recommend and the Executive Director of the Issuer may approve, with such provisions or modifications not inconsistent with this Resolution as may be approved by the officer executing the same, such approval to be presumed by his execution thereof.

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 Indenture.

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 Indenture.

Section 5. Approval of Documents.

The Indenture in substantially the form attached hereto as Exhibit B, which, by this reference thereto, is incorporated herein, the other documents referred to therein, the Loan Agreement in substantially the form attached hereto as Exhibit C, which, by this reference thereto, is incorporated herein, a tax certificate, and other documents necessary or desirable to implement the financing or refinancing of the Project (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. Limited Offering Memorandum.

The use and distribution by the Underwriter of a Limited Offering Memorandum substantially in the form attached hereto as Exhibit D, which, by this reference thereto, is

incorporated herein, in connection with the offering and sale of the Bonds is hereby acknowledged. The sections of the Limited Offering Memorandum relating to the Issuer shall be subject to such changes, modifications, insertions or omissions as may be approved by the authorized officers of the Issuer including incorporation of the provisions recommended by legal counsel to the Issuer to comply with applicable securities laws, and the sections of the Limited Offering Memorandum relating to the Issuer are hereby approved and adopted by the Issuer. The Issuer is acting solely as a conduit issuer of the Bonds. The Issuer is authorized to deem the information contained in the Limited Offering Memorandum under the headings "THE ISSUER" and "DISCLOSURE REQUIRED UNDER FLORIDA BLUE SKY REGULATIONS" and under the subheadings "SUMMARY STATEMENT – The Issuer" and "LITIGATION – No Proceedings Against the Issuer," as approved by this Resolution, "final" as of the date hereof, solely for the purposes and within the meaning of paragraph (b)(1) of Rule 15c2-12 of the United States Securities and Exchange Commission in effect from time to time, and any successor provisions to such rule. The final Limited Offering Memorandum shall be substantially in the form of the attached Limited Offering Memorandum, with such changes, modifications, insertions and omissions as may be determined by the Underwriter and the Borrower. The use and distribution by the Underwriter of the final Limited Offering Memorandum in connection with the offering and sale of the Bonds is hereby acknowledged.

In adopting this Resolution, the Issuer hereby disclaims any responsibility for the Limited Offering Memorandum except for the information described as having been provided by the Issuer and expressly disclaims any responsibility for any other information included as part of the Limited Offering Memorandum.

Section 7. Designation of Professional Advisors.

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

Section 8. Designation of Trustee, Paying Agent and Registrar.

UMB Bank, National Association, is hereby designated and approved as Trustee, Paying Agent and Registrar for the Bonds.

Section 9. Authorization of all Other Necessary Action.

(a) The Chairman, Vice-Chairman, Secretary, Assistant Secretary, Executive Director, Issuer's Counsel, Bond Counsel and Special 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, Issuer's Counsel, Bond Counsel and Special Counsel for the Issuer 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 9(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 10. Public Purpose Determinations.

Based solely upon information provided by the Borrower, the Issuer, as a "local agency" pursuant to Chapter 159, Part II, Florida Statutes, hereby makes the following determinations:

(i) the Facilities are appropriate to the needs and circumstances of, and make a significant contribution to the economic growth of the County and the State, provide or preserve gainful employment, promote commerce within the State of Florida, serve a public purpose by providing educational facilities within the meaning of Chapter 159, Part II, Florida Statutes, and advance the economic prosperity and the general welfare of the State of Florida and its people;

(ii) the Borrower is the financially responsible party and is fully capable and willing to fulfill (A) its obligations under the financing documents, including the obligation of the Borrower to make loan repayments under the Loan Agreement in the amounts and at the times required to provide for the timely payment of the principal of, premium, if any, and interest on the Bonds herein authorized, and (B) all other obligations and responsibilities imposed under the financing documents;

(iii) the County is able to cope satisfactorily with the impact of the Facilities and is able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, necessary for the Facilities, including operation, repair and maintenance thereof and on account of any increase in population or other circumstances resulting therefrom;

(iv) adequate provision will be made in the financing documents for the operation, repair and maintenance of the Facilities at the expense of the Borrower and for the payment by the Borrower of certain fees and expenses incurred in connection with the issuance of the Bonds, and that the loan repayments under the Loan Agreement are sufficient

to pay the principal of, premium, if any, and interest on the Bonds herein authorized; and

- (v) the Facilities constitute a "project" within the meaning of the Act.

In accordance with Section 159.29, Florida Statutes, the foregoing determinations of public purpose shall be final and conclusive.

Section 11. 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, the Underwriter and the Trustee 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, the Underwriter and the Trustee.

Section 12. 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 13. 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 14. 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 15. Contingent Approval.

The approval of the issuance of the Bonds provided herein is subject to receipt of the Host Jurisdiction TEFRA Approval.

Section 16. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this 2nd day of December, 2021.

CAPITAL TRUST AGENCY

By: _____
Rupert J. Snooks, Chairman

Attested this 2nd day of December, 2021

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. 37-21 and supporting exhibits as the same were duly adopted and passed at a public meeting of the Capital Trust Agency on the 2nd day of December, 2021, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this ___ day of December, 2021.

(SEAL)

By: _____
Secretary

EXHIBIT A

FORM OF NEGOTIATED SALE DISCLOSURE STATEMENT

[DATE]

Capital Trust Agency
Gulf Breeze, Florida

Milestones Community School, Inc. d/b/a Imagine Schools at West Melbourne, Inc.
Melbourne, Florida

Re: \$_____ Capital Trust Agency Educational Facilities Revenue Bonds (Imagine Schools at West Melbourne Project), Series 2021 (the "Bonds")

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and in reference to the issuance of Bonds as set forth above, Piper Sandler & Co. (the "Underwriter"), makes the following disclosures to Capital Trust Agency (the "Issuer") and by Milestones Community School, Inc. d/b/a Imagine Schools at West Melbourne, Inc., a Florida not for profit corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and/or one or more related and/or affiliated entities (collectively, the "Borrower"). All capitalized terms not otherwise defined herein shall have the respective meanings specified in the Bond Purchase Agreement dated the date hereof among the Underwriter, the Issuer and the Borrower (the "Bond Purchase Agreement"). The Underwriter is acting as underwriter in connection with the offering or sale of the Bonds. The underwriting fees to be paid to the Underwriter in the Bond Purchase Agreement are equal to [____]% of the total face amount of the Bonds.

(a) The expenses estimated to be incurred by the Underwriter in connection with the issuance of the Bonds are itemized on Schedule A hereto.

(b) Names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter and who enters into an understanding with either the Issuer or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the Issuer and the Underwriter for the purpose of influencing any transaction in the purchase of the Bonds:

[None]

(c) The amount of underwriting spread expected to be realized is \$[_____] per \$1,000 of the Bonds and consists of the following components including the management fee indicated:

	<u>Per \$1,000</u>
Management Fee	
Average Takedown	
Expenses	
Total	

(d) No fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Bonds, to any persons not regularly employed or retained by the Underwriter (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Underwriter, as set forth in Schedule A attached hereto.

(e) The name and address of the Underwriter connected with the Bonds is:

Piper Sandler & Co.
800 Nicollet Mall, J12NPF
Minneapolis, MN 55402
Wesley Olson, Vice President

(f) *Truth in Bonding Statement.* The Bonds are being issued for purpose of financing or refinancing, including through reimbursement, (i) the acquisition, installation, improvement and equipping of an existing approximately 54,707 square foot educational facility to accommodate approximately 850 students in grades K-8 at an educational institution known as Imagine Schools at West Melbourne, located on an approximately 10-acre parcel located at 3355 Imagine Way, West Melbourne, Florida 32904, including related facilities, fixtures, furnishings and equipment (collectively, the "Facilities"); (ii) the funding of a debt service reserve fund for the Bonds, if deemed necessary or desirable; (iii) the funding of a capital needs reserve account for the Facilities, if deemed necessary or desirable; (iv) the funding of capitalized interest for the Bonds, if deemed necessary or desirable; and (v) the payment of certain costs of issuing 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 Loan 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.

This statement is for informational purposes only and shall not affect or control the actual terms and conditions of the Bonds.

PIPER SANDLER & CO.

By: _____

Name: _____

Title: _____

SCHEDULE A

[INSERT SCHEDULE OF EXPENSES]

EXHIBIT B
FORM OF INDENTURE OF TRUST

EXHIBIT C
FORM OF LOAN AGREEMENT

EXHIBIT D
FORM OF LIMITED OFFERING MEMORANDUM