

CAPITAL TRUST AGENCY

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January 25, 2019

VIA EMAIL

Ms. Bertha W. Henry
County Administrator
Broward County Board of County Commissioners
115 South Andrews Avenue
Fort Lauderdale, Florida 33301
By E-Mail: bhenry@broward.org

Re: Broward County TEFRA Approval Requested in Connection with the Issuance of Bonds by the Capital Trust Agency to Finance the Acquisition of Paragon Academy of Technology and Sunshine Elementary Charter School by Sunshine Elementary Charter School, Inc., located in the City of Hollywood, Broward County, Florida

Dear Ms. Henry:

I am the Executive Director of the Capital Trust Agency (the "CTA"). The CTA was created in 1999 through enabling Florida Statutes that provide for governmental entities to sponsor and facilitate public purpose financings that meet applicable state and federal laws. In particular, the CTA was created pursuant to the provisions of Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes. The CTA is authorized to issue its bonds for qualifying projects both inside and outside of the State of Florida. We have worked with numerous counties and municipalities throughout Florida to issue tax-exempt and taxable debt to provide capital funding of projects beneficial to the citizens of Florida.

The CTA has been asked to issue not to exceed \$8,500,000 of its Educational Facilities Revenue Bonds (Paragon Academy of Technology and Sunshine Elementary Charter School Project) (the "Bonds"). The CTA intends to loan the proceeds of the Bonds to Sunshine Elementary Charter School, Inc., a Florida not-for-profit corporation (the "Borrower") to be used by the Borrower to acquire, renovate, install and equip an existing charter school facility occupied by two charter schools known as Paragon Academy of Technology and Sunshine Elementary Charter School, which are located at 502 N. 28th Avenue, Hollywood, Broward County, Florida 33020 (collectively, the "Project").

The issuance of the Bonds through the CTA is a more efficient way for the Borrower to raise capital, since the financing team assembled by the Borrower and the CTA have worked on several transactions together through the CTA, and is confident that it can meet the requirements of the CTA for this transaction. Under the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the issuance of the Bonds to finance the Project will require a TEFRA approval from Broward County (the "County"), being a political jurisdiction in

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which the Project is situated, following a public TEFRA hearing with respect to the issuance of the Bonds and the Project to be financed thereby.

The Borrower is requesting that the County hold a TEFRA hearing to give the public notice as required by the Section 147(f) of the Code of the proposed issuance of the Bonds and the Project to be financed thereby, and that the County grant the TEFRA approval, following the TEFRA hearing, to the issuance of the Bonds, as required by Section 147(f) of the Code. The CTA, on behalf of the Borrower, desires to cooperate with the County in the issuance of the Bonds for purposes of Chapter 163, Florida Statutes, and Section 159.29, Florida Statutes. The Borrower hereby respectfully requests that the TEFRA hearing be held and the TEFRA approval be considered at the February 26, 2019 meeting of the Broward County Board of County Commissioners (the "County Commission").

The Code requires that notice of the TEFRA hearing be published at least 14 days prior to the hearing date. With permission of County staff we prepared and published the TEFRA Notice in accordance with the requirements of the Code.

The Bonds will be special, limited obligations of the CTA, payable solely from the debt service payments required to be made by the Borrower to the CTA and the other security to be pledged by the Borrower with respect to the Bonds. Neither the County, the City of Hollywood nor the State of Florida will be obligated in any respect relating to the Bonds to be issued.

The Borrower and its counsel would attend the County Commission meeting and be available to answer questions, if any.

Please let me know if we can provide any additional information to the County Commission with respect to the foregoing request. Thank you in advance for your assistance.

Sincerely,



Ed Gray III
Executive Director

CC: Annika E. Ashton, Esq.
Stephen Farmer