MINUTES OF THE
CAPITAL TRUST AUTHORITY, INC.

The 7th meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Tuesday, March 7, 2023 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Gary Michaels (Vice-Chairman), Bob Cleveland (Secretary), Harry Wilder (Board Member), Burt Snooks (Board Member), Tom Naile (Board Member), Christy Larkins (Board Member), and Bobby Potomski (Board Member). Also attending was Denis McKinnon (Executive Director), and Connie Beargie (Office Administrator). Attending via telephone/conference communication was Kareem Spratling (Bond Counsel), Brooke Gonzalez (Bond Counsel).

AGENDA ITEM:

Approval of Minutes: 1/12/2023

DISCUSSION:

No discussion

MOTION/ACTION:

Christy Larkins made a motion to approve the 1/12/23 minutes as presented. Tom Naile seconded the motion. Vote for approval was 8-0.

AGENDA ITEM:

Award Resolution 04-23 – River City Science Charter School

DISCUSSION:

River City Science Academy has requested financing for their 6th campus to serve students in Jacksonville, Florida. The current waitlist for this school is 4,219 students.

Kareem Spratling stated this is a private bank loan with Renasant Bank. Bob Cleveland asked why there is a 7 year call on the loan. Kareem stated this is typical of a bank to call a loan as it gives them an opportunity to refinance the terms of the loan.

Harry Wilder asked for clarification of the cross collateralization described in paragraph 4 of the Renasant Bank Loan Terms document. Kareem Spratling replied that there is a Master Trust

Indenture that is secured by a parity obligation which means that all rights, claims and/or obligations are ranked equally across the bond obligations. Christy Larkins asked if the parity obligation is considered a safety net. Kareem Spratling stated that it works both ways in that it allows for the total debt service to be paid equally, and it also can help to prop up a failing school.

Gary Michaels asked about the Turkish involvement that was reported in the past. Denis McKinnon stated that there have been no new reports regarding Mr. Gullen and the Turkish Government. Chris Kemp stated that he feels confident that Renasant Bank has met all federal regulations and performed its own due diligence prior to giving their stamp of approval. Bob Cleveland stated public concern can be worse than financials concerns. Kareem Spratling reminded the board that their legal requirement is to determine if the project meets public purpose.

MOTION/ACTION:

Christy Larkins made a motion to approve Resolution 03-23 as presented. Gary Michaels seconded. Vote for approval was 8-0.

NEW BUSINESS:

Pipeline Report

DISCUSSION:

Denis McKinnon stated that the pipeline has grown from 0 to 6 in the past month:

River City – To close in March
Heritage Park – Private Activity Bonds (PAB) have been applied for.
Land of Lakes – Application to be submitted soon
AcadeMir High School – Application to be submitted soon
Southeastern University

MOTION/ACTION:

No motion required.

NEW BUSINESS:

Capital Trust Authority Issuer Fees

DISCUSSION:

Denis McKinnon stated that Capital Trust Agency has been known in the bond industry as an expensive agency to work with, but also noted to be fast and easier to work with than other issuers. Our competition charges a one-time origination fee only, no ongoing monthly fees. Denis stated it is getting harder to maintain the higher fees and is considering a decrease to the monthly fee along with a slight increase to the origination fee in order to make us more competitive.

Gary Michaels and Bob Cleveland cautioned against lowering fees as a knee jerk reaction.

MOTION/ACTION:

No motion required.

No other formal business of the board was taken and the meeting adjourned at approximately 9:30 am.

Minutes submitted by: _____ Connie Beargie, Office Administrator

Approved by: _____ Chris Kemp, Chairman