CAPITAL TRUST AUTHORITY

315 Fairpoint Drive • Gulf Breeze, Florida 32561 • Office 850-934-4046

July 30, 2026

VIA EMAIL

Ms. Monica Cepero, County Administrator
County Administrator's Office
Broward County Governmental Center
115 S. Andrews Ave., Room 409
Fort Lauderdale, FL 33301
mcepero@broward.org

Re: Action Requested: Adoption of a resolution by the Board of County Commissioners of Broward County, Florida for the purposes of Section 147(f) of the Internal Revenue Code, approving the issuance by the Capital Trust Authority of its Bonds (as hereinafter defined) for the purpose of financing or refinancing, including through reimbursement, (i) the acquisition, construction, expansion, rehabilitation, renovation, improvement and equipping of the Facilities (as hereinafter defined) via the acquisition of the membership interests in the entities that own such assets and/or through the acquisition of such assets directly from one or more sellers; (ii) the funding of one or more debt service reserve funds, if deemed necessary or desirable; (iii) the funding of certain liquidity and other reserve funds, if deemed necessary or desirable; (iv) the funding of capitalized interest, if deemed necessary or desirable; (v) the funding of working capital expenditures, if deemed necessary or desirable; and (vi) the payment of certain costs of issuing the Bonds (collectively, the "Project")

Dear Ms. Cepero:

I am the Executive Director of the Capital Trust Authority ("CTA"). CTA was created in 2022 through enabling Florida Statutes that provide for governmental entities to sponsor and facilitate public purpose financings that meet applicable state and federal laws. We work with numerous governmental entities throughout the nation to issue tax-exempt and taxable debt in order to provide capital funding of projects beneficial to the citizens of Florida. CTA has been asked to serve as issuer of bonds to finance or refinance, including through reimbursement, the acquisition, construction, expansion, rehabilitation, renovation, improvement and equipping of various substance use disorder and behavioral health treatment facilities and sober living facilities, three (3) of which are located in Broward County, Florida (the "County"). The proceeds of the Bonds (as hereinafter defined) will be loaned to MUNIficent USR, LLC, a Delaware limited liability company, and certain related Florida limited liability companies (as fully set forth in the attached Notice of Public Hearing and referred to collectively as the "Borrower"), each of whose sole direct or indirect member is MUNIficent Foundation, a Delaware charitable nonstock corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), as more fully described below.

The CTA has agreed to issue its revenue bonds in an amount not to exceed $210,000,000 (the "Bonds"), in one or more series, from time to time pursuant to a plan of financing, of tax-exempt qualified 501(c)(3) bonds or taxable bonds, senior and subordinate, and loan the proceeds thereof to the Borrower. The Borrower plans to use a portion of the proceeds of the Bonds to acquire, construct, expand, rehabilitate, renovate, improve and/or equip the Facilities via the acquisition of the membership interests in the entities that own such assets and/or through the acquisition of such assets directly from one or more sellers, three (3) of which facilities are located in the County (the "County Facilities") and the remaining three (3) of which are located in the City of Port St. Lucie, Florida (together with the County Facilities, the "Facilities").

The County Facilities are described as follows:

(A) Ignite Recovery Center, an approximately 6,903 square foot, outpatient mental health treatment facility, located at 4850 W Oakland Park Blvd., Suite 257, Lauderdale Lakes, Broward County, Florida 33313, including related facilities, fixtures, furnishings and equipment (a maximum principal amount of $28,765,000 of the Bonds is expected to be allocated to this site);

(B) Ignite Sober Living – Fort Lauderdale, an approximately 6,000 square foot, 10-bed sober living facility, located at 1501-1503 Northeast 12th Street, Fort Lauderdale, Broward County, Florida 33304, including related facilities, fixtures, furnishings and equipment (a maximum principal amount of $12,000,000 of the Bonds is expected to be allocated to this site); and

(C) Ignite Sober Living – Oakland Park, an approximately 7,340 square foot, 22-bed sober living facility, located at 1286 NE 30th Street, Oakland Park, Broward County, Florida 33334, including related facilities, fixtures, furnishings and equipment (a maximum principal amount of $12,000,000 of the Bonds is expected to be allocated to this site).

In order for the Bonds to be issued as tax-exempt bonds, certain requirements of the Code relating to the issuance of the Bonds must be met. One such requirement is the approval by the County of the use of the proceeds of the Bonds within the County in accordance with the Tax Equity and Fiscal Responsibility Act ("TEFRA"), as required by Section 147(f) of the Code. Accordingly, CTA, on behalf of the Borrower, respectfully requests that the County, at a meeting of its Board of County Commissioners (the "Board"), consider providing its TEFRA approval by resolution of the Board. We have reviewed the Board's meeting schedule, and we believe the Board's meeting on August 20, 2026 will provide adequate time for the TEFRA resolution to be finalized and to provide the citizens of the County with notice. In addition, the Code requires there to be a public hearing regarding the Bonds prior to Board's consideration of the TEFRA resolution. With the County's permission, CTA, will publish the required notice of public hearing (the "TEFRA Notice"), and will conduct the public hearing on behalf of the Board and provide the Board with a Report of Hearing Officer, which will include a signed summary of the proceedings, minutes transcribed by a court reporter and an affidavit of publication evidencing publication of the TEFRA Notice. The law requires this hearing to be no sooner than seven (7) days following the published date of the TEFRA Notice.

We have been in contact with the County Attorney's Office. We will work with the County Attorney's Office and County Staff in the Finance and Administrative Services Department and provide them with the following proposed form of a TEFRA resolution to be considered by the Board, including several exhibits thereto. As shall be stated in the TEFRA resolution, **the County will have absolutely no liability with respect to the Project or to pay principal of or interest on the Bonds and the issuance of the Bonds will not result in any obligation, financial or otherwise, of the County**. The Bonds will be limited obligations of CTA, payable solely from the revenue derived from the Borrower and pledged to the payment of the Bonds. The documentation expressly provides that the Bonds **are not** obligations of the County, and **the County, the Board and its employees and agents have been granted appropriate indemnity**.

For any professional counsel and advice, the County may deem necessary to solicit, the Borrower will make restitution for all reasonable expenses incurred by the County, including payment of the fees and expenses of the County's bond counsel. In particular, the Borrower will pay the $2,500 fee meant to cover the time expended by County Staff and the County Attorney's Office.

We truly believe this financing is a positive for all involved. We are pleased to be a part of it, and appreciate the County giving our request for TEFRA approval due consideration.

If there is a problem with scheduling this matter for consideration at the Board's August 20, 2026 meeting, or if you or any of the members of the Board or your staff require any additional information, please contact me at your earliest convenience.

Sincerely,

Denis A. McKinnon, III
Executive Director

cc: Annika E. Ashton, Esq.
Claudia Capdesuñer, Esq.
Stephen Farmer, CFO, Broward County
John W. Hutchinson, Esq.
Sharone Levy, Esq.
Julie K. Seymour, Esq.
(All with enclosures)

Attachments:
Form of TEFRA Resolution