

800 N. Magnolia Avenue
Suite 1100
Orlando, Florida 32803



T: 407.956.5600
F: 407.956.5599
efflorida.com

APPROVED
BY ORANGE COUNTY BOARD
OF COUNTY COMMISSIONERS

June 26, 2013

JUL 16 2013 NP/JM

Mayor Teresa Jacobs and
Board of Orange County Commissioners
201 South Rosalind Avenue, 3rd Floor
Orlando, FL 32801

Re: Request for Approval of TEFRA Resolution for Florida Development Finance Corporation bond financing of educational facility as Consent Agenda item on July 16, 2013

Dear Mayor Jacobs:

The Florida Development Finance Corporation (the "FDFC") received an application from Renaissance Charter School, Inc. (the "Borrower") for tax exempt financing of not to exceed \$20,000,000 for a project to be located at 4140 Town Center Blvd, Hunters Creek, Orange County, Florida 32837. The Borrower will construct an approximately 104,760 square foot facility to be occupied by the Borrower or an affiliate, subsidiary, or related entity thereof. A public hearing was properly noticed and held on June 26, 2013. Attached to the resolution are proof of publication for the meeting notice and minute extract of the public hearing.

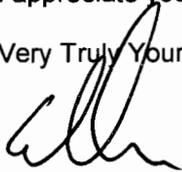
The Borrower has requested the bonds be issued by the FDFC, which is an authorized issuer of bonds under Florida law and which has, since 1994, been authorized to issue bonds within Orange County (the "County") pursuant to an interlocal agreement between the FDFC and the County. The request is authorization of bonds not to exceed \$20 million.

Specifically, we respectfully request the County adopt the following Resolution:

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY, FLORIDA APPROVING FOR THE PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE ISSUANCE OF NOT TO EXCEED \$20,000,000 OF EDUCATIONAL FACILITIES REVENUE BONDS BY THE FLORIDA DEVELOPMENT FINANCE CORPORATION TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF EDUCATIONAL FACILITIES AND RELATED COSTS WITHIN ORANGE COUNTY; AND PROVIDING AN EFFECTIVE DATE, ON BEHALF OF RENAISSANCE CHARTER SCHOOL, INC.

I appreciate your consideration of this request. If you have any questions, please let me know.

Very Truly Yours,



Bill Spivey
Executive Director

RESOLUTION NO. 2013-B-07

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY, FLORIDA APPROVING FOR THE PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE ISSUANCE OF NOT TO EXCEED \$20,000,000 OF EDUCATIONAL FACILITIES REVENUE BONDS BY THE FLORIDA DEVELOPMENT FINANCE CORPORATION TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF EDUCATIONAL FACILITIES AND RELATED COSTS, WITHIN ORANGE COUNTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS (THE "BOARD") OF ORANGE COUNTY, FLORIDA:

Section 1. Findings and Recitals. It is hereby found, ascertained, determined and declared:

A. Florida Development Finance Corporation (the "Issuer") was created by the Florida Development Finance Corporation Act, Chapter 288, Part IX, Florida Statutes (the "Act"), which provides, in part that the Issuer may issue revenue bonds to finance projects in Orange County, Florida (the "County"), for the benefit of approved Florida businesses to enhance the economic development of the State of Florida, provided that the Issuer has entered into an interlocal agreement with the local governmental agency in which the project will be located; and

B. The Issuer and the County have previously entered into an interlocal agreement, pursuant to the Act and the Florida Interlocal Cooperation Act of 1969, as amended (to the extent that the exercise of such powers is consistent with the purposes of the Act), which agreement remains in full force and effect, to permit the Issuer to issue revenue bonds to finance projects located within the jurisdictional limits of the County; and

C. The Issuer intends to issue revenue bonds in an amount not to exceed \$20,000,000 of its Educational Facilities Revenue Bonds (Renaissance Charter School, Inc. Projects), Series 2013 (the "Bonds") in one or more series of tax exempt and taxable bonds. The proceeds of the Bonds will be loaned by the Issuer to Renaissance Charter School, Inc., Red Apple Development, LLC and/or one or more of their affiliates (collectively, the "Borrowers"). The Borrowers will use the proceeds of the Bonds to (A) finance or refinance the cost of (or reimburse themselves for prior expenditures for) acquisition, construction, renovation and equipping of an approximately 104,760 square foot building and ancillary facilities expected to be operated as educational facilities, located at 4140 Town Center Blvd, Hunter's Creek, Orange County, Florida 32837 (the "Project"); (B) pay costs associated with the issuance of the Bonds.

D. The Internal Revenue Code of 1986, as amended (the "Code"), requires that the Board as the highest elected body of the County, approve the issuance of the Bonds by the Issuer after a public hearing has been conducted by the Issuer; and

E. Notice of a public hearing, as evidenced by the attached Exhibit A, was given in the form and manner required by law, as published in the *Orlando Sentinel* on June 11, 2013, affording interested individuals a reasonable opportunity to express their views both orally and in writing, on all matters pertaining to the proposed Project and the proposed issue of the Bonds; and

F. An extract of the minutes of the public hearing held by the Issuer, containing all comments and concerns, expressed orally and in writing, are attached hereto as Exhibit B; and

G. The Issuer has requested that the County approve the issuance of the Bonds so that the Bonds may be issued in compliance with the provisions of the Code; and

H. It is desirable and in the best interest of the County that the Project be located within the County and that the proposed Bonds for the financing of the Project be approved by the Board.

Section 2. Approval of Bonds. Solely for the purposes of Section 147(f) of the Code, the Board hereby approves the issuance of the proposed Bonds by the Issuer and the use of the proceeds to finance the proposed Project to be located within the County.

Section 3. Limitation. The Bonds approved hereunder and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of the County, the State of Florida or any political subdivision or agency thereof but shall be payable solely from the revenue pledged therefor pursuant to a loan agreement and/or other financing agreement entered into by the Issuer prior to or contemporaneously with the issuance of the Bonds. The approval given herein is solely for the purposes of Section 147(f) of the Code and shall not be construed as an approval of any zoning application or any regulatory permit required in connection with such Project nor creating any vested rights with respect to any land use regulations, and this Board shall not be construed by virtue of its adoption of this Resolution to have waived, or be estopped from asserting, any authority or responsibilities it may have in that regard. Additionally, the approval granted herein shall not be construed as approval by the County of the financial feasibility of the Project or of any financial matters with respect to either the Project, the Company or the Bonds. The approval granted herein is subject to the condition that any offering or sale of the proposed Bonds be accompanied by such offering documents as are necessary, in the opinion of counsel to the Issuer, to comply with the provisions of Rule 10b-5 of the Securities and Exchange Commission, and that such offering documents contain therein a recital that such offering documents and the terms of and security for the proposed Bonds have not been reviewed by and not been approved by the County and that the County makes no representations as to the Bonds or the security therefore.

Section 4. Repealing Clause. All restrictions or resolutions or portions thereof in conflict herewith are, to the extent of such conflict, hereby superseded and repealed.

Section 5. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this _____ day of **JUL 16 2013**, 2013.



**BOARD OF COUNTY COMMISSIONERS OF
ORANGE COUNTY, FLORIDA**

By: *Teresa Jacobs*
Teresa Jacobs,
Orange County Mayor

ATTEST:
Martha O. Haynie, County
Comptroller, As Clerk to the
Board of County Commissioners

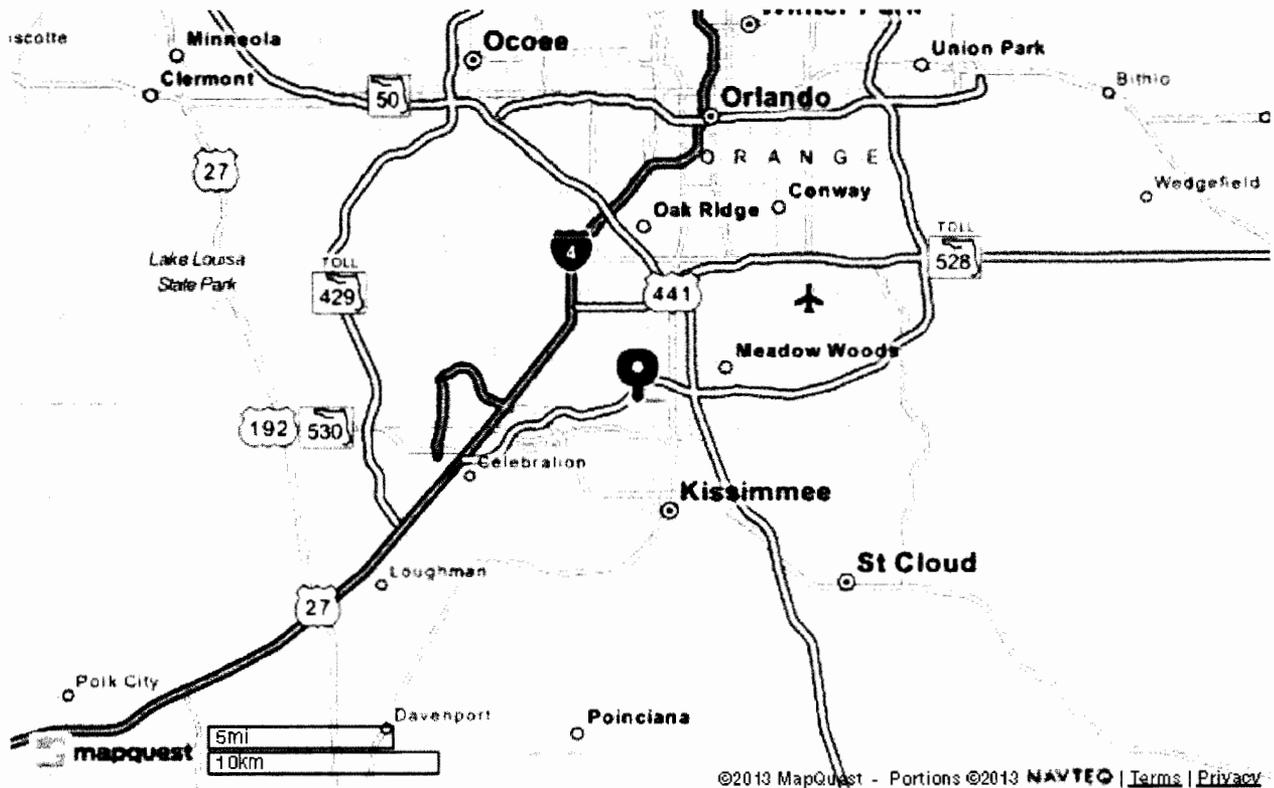
By: *Martha O. Haynie*
Martha O. Haynie, Clerk

EXHIBIT A

COPY OF NOTICE OF PUBLIC HEARING
[Attached]

FLORIDA DEVELOPMENT FINANCE CORPORATION NOTICE OF PUBLIC HEARING

For the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, notice is hereby given that the Florida Development Finance Corporation ("FDFC") will hold a public hearing on June 26, 2013 at 1:00 p.m., or as soon thereafter as practicable at 800 North Magnolia Avenue, Suite 1100, Orlando, Florida 32803, in connection with the proposed issuance and sale of not to exceed \$20,000,000 of its Educational Facilities Revenue Bonds (Renaissance Charter School, Inc. Projects), Series 2013 (the "Bonds") in one or more series of tax exempt and taxable bonds. The proceeds of the Bonds will be loaned by the FDFC to Renaissance Charter School, Inc., Red Apple Development, LLC and/or one or more of their affiliates (collectively, the "Borrowers"). The Borrowers will use the proceeds of the Bonds to (A) finance or refinance the cost of (or reimburse themselves for prior expenditures for) acquisition, construction, renovation and equipping of an approximately 104,760 square foot building and ancillary facilities expected to be operated as educational facilities, located at 4140 Town Center Blvd, Hunter's Creek, Orange County, Florida 32837, as shown in the map below (the "Project"); and (B) pay costs associated with the issuance of the Bonds.



The Project will be owned by one or more of the Borrowers. An affiliate of Charter Schools USA, Inc. will be the initial manager of each Project.

The Bonds are being issued under the authority of the Florida Development Financing Corporation Act of 1993, as amended (the "Act"). The Bonds shall be payable solely from the revenues derived from a loan and other financing documents to be executed between the FDFC and the Borrowers prior to or contemporaneously with the issuance of the Bonds. Such Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of the State of Florida or any political subdivision or agency thereof. Issuance of the Bonds is subject to several conditions including satisfactory documentation and receipt of necessary approvals for the financing. The aforementioned meeting shall be a public meeting and all persons who may be interested will be given an opportunity to be heard concerning the same. Written comments may also be submitted prior to the hearing to the Florida Development Finance Corporation at 800 North Magnolia Avenue, Suite 1100, Orlando, Florida 32803, directed to the Executive Director. Comments made at the hearing are for the consideration of the Governor of the State of Florida and will not bind the FDFC as to any action it may take.

ALL PERSONS FOR OR AGAINST SAID APPROVAL CAN BE HEARD AT SAID TIME AND PLACE. IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE FDFC WITH RESPECT TO SUCH HEARING OR MEETING (S)HE WILL NEED TO ENSURE THAT A VERBATIM RECORD OF SUCH HEARING OR MEETING IS MADE WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS BASED.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate in this proceeding should contact the FDFC no later than seven (7) days prior to the proceeding at the address given in this notice or by telephone at (407) 956-5695.

By order of the FDFC.

**FLORIDA DEVELOPMENT FINANCE
CORPORATION**

EXHIBIT B

EXTRACT OF MINUTES OF PUBLIC HEARING
[Attached]

800 N. Magnolia Avenue
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Orlando, Florida 32803



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Florida Development Finance Corporation Extract from Report of Public Hearing

EXTRACT from the report of the Public Hearing held at Enterprise Florida Inc. located at 800 North Magnolia Avenue, Suite 1100, Orlando, Florida 32803 on June 26, 2013 regarding the proposed tax-exempt issuance by Florida Development Finance Corporation ("Corporation") of its Educational Facilities Revenue Bonds for Renaissance Charter School, Inc. ("School") for the purpose of finance or refinance the cost of (or reimburse themselves for prior expenditures for) acquisition, construction, renovation and equipping of an approximately 104,760 square foot building and ancillary facilities expected to be operated as educational facilities, located at 4140 Town Center Blvd, Hunter's Creek, Orange County, Florida 32837 (the "Project").

Present on behalf of the Corporation was Bill Spivey. Also present was Mr. Art Robbins who was neither for nor against the Project.

Mr. Spivey announced that public notice of the hearing was given according to statutory requirement of the Internal Revenue Code Section 147(f).

No objection to the Project was made by any person either at the hearing or by written communication prior to the hearing. The Corporation finds that the Project is an eligible project pursuant to the Florida Development Finance Corporation Act of 1993, as amended, and to have met applicable criteria. For this reason and for economic benefits that will accrue to the community, the Corporation recommends approval for the Project by the St. Lucie County Board of County Commissioners and by the Governor of Florida.

Orlando Sentinel

Broad And Cassel
390 N ORANGE AVE
SUITE 1100
ORLANDO, FL 32801-1640

Before the undersigned authority personally appeared Pam L. Davis/Tamela Vargas/Deborah M. Toney, who on oath says that s/he is the Legal Advertising Representative of Orlando Sentinel, a daily newspaper published in Orange County, Florida; that the attached copy of advertisement, being a Public Hearing in the matter of June 26, 2013 at 1:00 PM in the Orange County __, was published in said newspaper in the issue(s); of

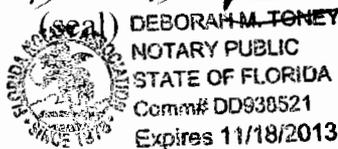
06/11/13

Affiant further says that the said Orlando Sentinel is a newspaper published in said Orange County, Florida, and that the said newspaper has heretofore been continuously published in said Orange County, Florida, each week day and has been entered as second-class mail matter at the post office in said Orange County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that s/he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

The foregoing instrument was acknowledged before me this 11 day of June, 2013, Pam L. Davis/Tamela Vargas/Deborah M. Toney, who is personally known to me and who did take an oath.

Tamela Vargas

Deborah M. Toney



1242025

FLORIDA DEVELOPMENT FINANCE CORPORATION NOTICE OF PUBLIC HEARING

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HEARING OR MEETING, (S)HE WILL NEED TO ENSURE THAT A VERBATIM RECORD OF SUCH HEARING OR MEETING IS MADE WHICH RECORD ENCLOSES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS BASED.

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By order of the FDFC.

FLORIDA DEVELOPMENT FINANCE CORPORATION

COR124025

06/11/2013

Staff Memorandum

Florida Development Finance Corporation ("FDFC")

Florida Development



Finance Corporation

To: FDFC Board of Directors

From: Bill Spivey, Executive Director

Date: June 24, 2013

Subject: Project Summary and Salient Features Overview

Borrower: Charter School USA d/b/a Renaissance Charter Schools, Inc. ("Renaissance")

REFERENCE: Florida Statutes, Chapter 159 and Chapter 288

BORROWER INFORMATION:

Company Type: Charter Schools

Website: <http://www.charterschoolsusa.com/>

Borrower Location: 6245 N. Federal Highway
5th Floor
Fort Lauderdale, FL 33308

Principal Operating Officer: Mr. Richard Garcia
Chief Financial Officer
Phone: 954.202.3500
Email: rgarcia@charterschoolusa.com



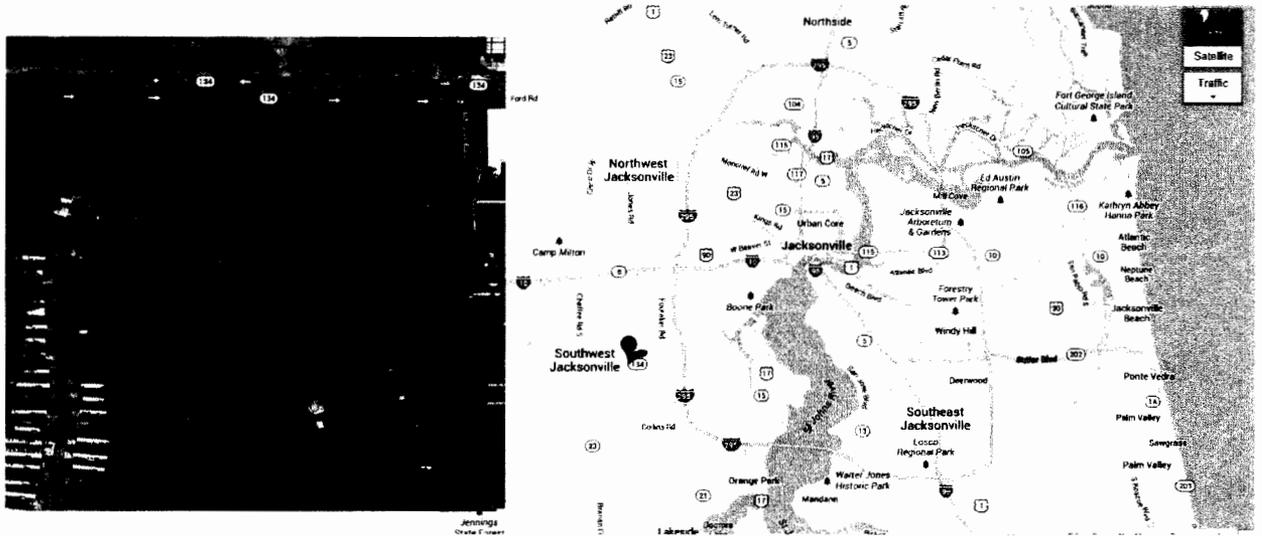
School Description: There will be five (5) start-up schools constructed with this bond.

Enrollment History: None, but each will be designed to accommodate approximately 1,145 students in grades K-8.

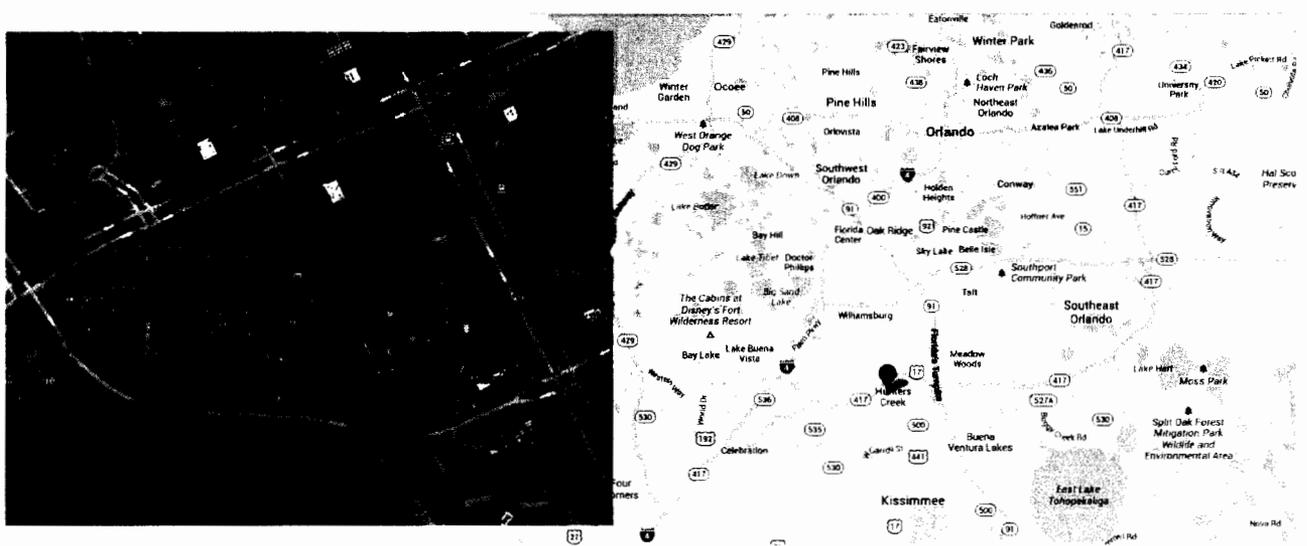
PROJECT INFORMATION:

New Money Financing

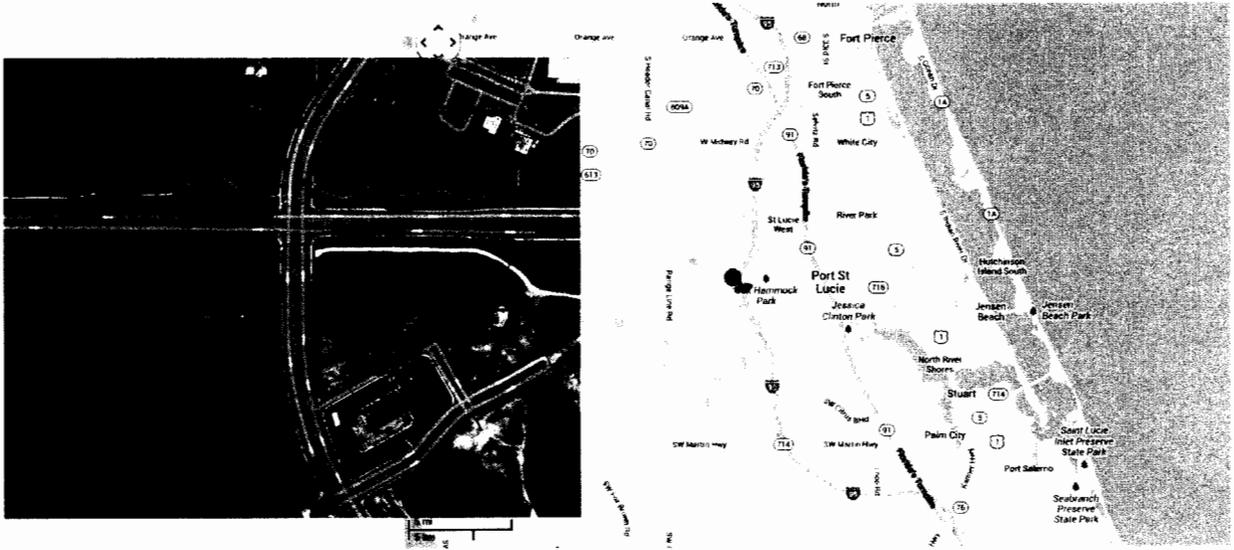
- a. **Duval Charter School at Westside (Duval County):** finance or refinance the cost of (or reimburse themselves for prior expenditures for) acquisition, construction, renovation and equipping of an approximately 63,789 square foot facility to be operated as educational facilities, located at 9238 103rd Street, Jacksonville, Duval County, Florida 32210



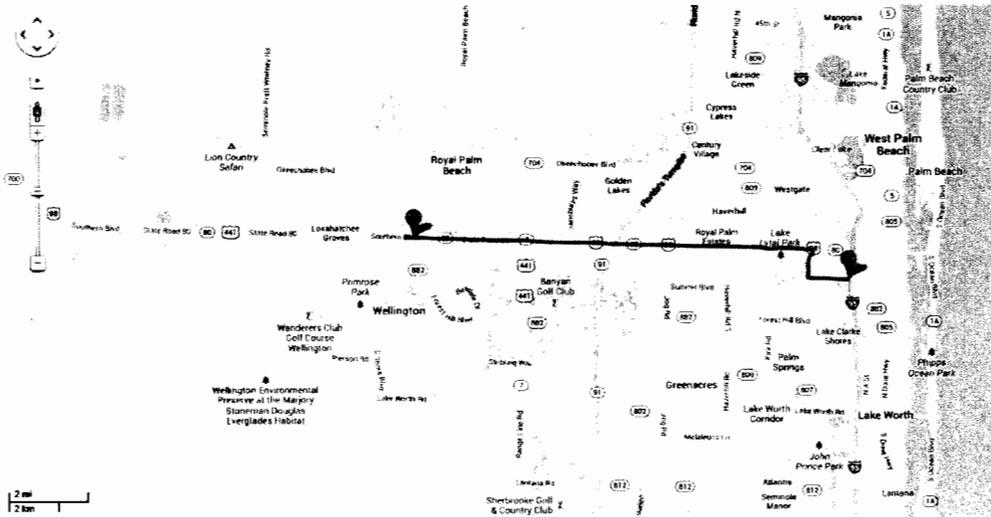
- b. **Renaissance Charter School at Hunter's Creek (Orange County):** finance or refinance the cost of (or reimburse themselves for prior expenditures for) acquisition, construction, renovation and equipping of an approximately 104,760 square foot building and ancillary facilities expected to be operated as educational facilities, located at 4140 Town Center Blvd, Hunter's Creek, Orange County, Florida 32837. *Site is currently under construction and expects a Certificate of Occupancy by the end of July to early August timeframe.*



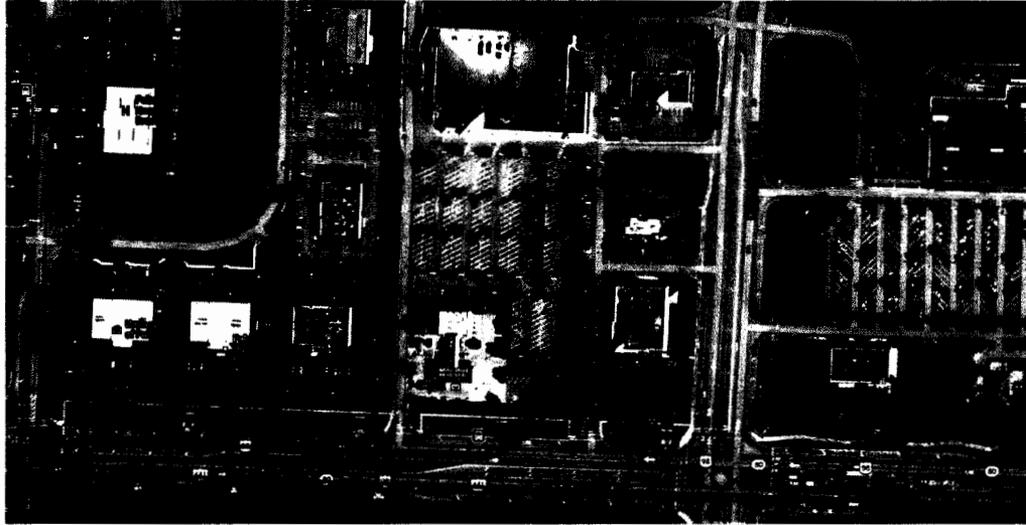
- c. Renaissance Charter School at Tradition (St. Lucie County): finance or refinance the cost of (or reimburse themselves for prior expenditures for) acquisition, construction, renovation and equipping of an approximately 64,466 square foot building and ancillary facilities expected to be operated as educational facilities, located at 10900 SW Tradition Pkwy, Port St. Lucie, St. Lucie County, Florida 34987



- d. Palm Beach County: There are two (2) schools in this county.



- a. Renaissance Charter School at Palms West: finance or refinance the cost of acquisition, construction, renovation and equipping of an approximately 61,566 square foot building and ancillary facilities expected to be operated as educational facilities, located at 12031 Southern Blvd., Loxahatchee, Palm Beach County, Florida 33470



- b. Renaissance Charter School at Summit: finance or refinance the cost of acquisition, construction, renovation and equipping of an approximately 63,789 square foot building and ancillary facilities expected to be operated as educational facilities, located at 2001 Summit Boulevard, West Palm Beach, Palm Beach County, Florida 33406



FINANCING PLAN AND STRUCTURE:

Financing Type:

- Direct Placement
- Private Placement or Limited Offering
- Public Offering

Bond type: Educational Facilities Refunding Revenue Bonds
TEFRA Not-To-Exceed: \$20,000,000 ea.; \$100,000,000 aggregate
Series A: \$72,000,000 Tax-Exempt (Est.)
Series B: \$6,000,000 Taxable (Est.)
PAB Category: qualified 501(c)3
FFBBP Pool Type: NA
FFBBP \$ request: NA

Underlying Rating: Non-rated
Minimum Demons: \$100K
Big-Boy Letter: No, 10(b)(5) Opinion and Certification from Underwriter
Credit Enhancement: None
Other terms: NA
Maturity date: 30 years through 6/15/2044
Amortization: P&I paid monthly over 30 years
Rate Type: Fixed Rate
Uses of Funds:

Uses:	Series 2013A (Tax-Exempt)	Series 2013B (Taxable)	Total
Project Fund Deposits:			
Acquisition Fund	49,667,840.00	5,520,000.00	55,187,840.00
Interim Financing Costs	1,250,377.22		1,250,377.22
Soft Costs/Reimbursables	500,000.00		500,000.00
FF&E and Technology	4,361,390.00		4,361,390.00
RAD Development Fee	2,759,392.00		2,759,392.00
CSUSA Fee	1,379,696.00		1,379,696.00
	<u>59,918,695.22</u>	<u>5,520,000.00</u>	<u>65,438,695.22</u>

Max. Annual Debt Service: \$6.8M (est.)
CAPI: \$3.5M (est.) through 6/15/2014
DSRF: \$6.2M
ABT: No
Additional Reserves: none

Repayment: FEFP and Capital Outlay (after three year period) paid toward Management Fees and Lease Payments
Backstop: ½ Management Fees pledge, Lien on Mortgage

DSCR per Forecast from Applicant:

	2014	2015	2016	2017	2018
Net Income available for DS					
Duval Charter at Westside	\$ 632,865	\$ 1,531,461	\$ 1,980,240	\$ 1,947,851	\$ 2,129,376
RCS at Hunter Creek	\$ 632,328	\$ 1,518,394	\$ 1,974,289	\$ 1,951,908	\$ 2,184,682
RCS at Tradition	\$ 685,796	\$ 1,667,971	\$ 2,143,081	\$ 2,119,190	\$ 2,257,695
RCS at Palms West	\$ 698,503	\$ 1,598,611	\$ 2,067,936	\$ 2,013,185	\$ 2,179,018
RCS at Summit	\$ 883,713	\$ 1,636,461	\$ 2,113,886	\$ 2,053,165	\$ 2,221,463
MADS					
Duval Charter at Westside	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863
RCS at Hunter Creek	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863
RCS at Tradition	\$ 1,457,913	\$ 1,457,913	\$ 1,457,913	\$ 1,457,913	\$ 1,457,913
RCS at Palms West	\$ 1,296,213	\$ 1,296,213	\$ 1,296,213	\$ 1,296,213	\$ 1,296,213
RCS at Summit	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863	\$ 1,350,863
DSCR					
Duval Charter at Westside	0.47	1.13	1.47	1.44	1.58
RCS at Hunter Creek	0.47	1.12	1.46	1.44	1.62
RCS at Tradition	0.47	1.14	1.47	1.45	1.55
RCS at Palms West	0.54	1.23	1.60	1.55	1.68
RCS at Summit	0.65	1.21	1.56	1.52	1.64

Lender/Underwriter: BB&T Capital Markets (Charlotte, NC)
 Contact: Michael Braun
 Phone: 704.954.1418
 Email: mbraun@bbandtcm.com

Trustee: Regions Bank (Little Rock, AR)
 Contact: Shelli Jordan
 Phone: 501.371.8996
 Email: shelli.jordan@regions.com

TEFRA PROCESS:

1. Jurisdiction: Multiple Counties (Duval, Orange, St. Lucie, Palm Beach)
2. Bonding Limitations: None
3. Projected Timetable:
 - a. TEFRA Advertising submittal deadline: June 7th
 - b. TEFRA Publishing date: May 11th and 13th
 - c. TEFRA Public Hearing: May 26th and 28th (Palm Beach 7/16)
 - d. TEFRA Approvals: July 16th and 23rd
 - e. TEFRA Governor's Office Package: July 24th
 - f. TEFRA Governor's Office Approval: August 23rd
 - g. FDFC Board meeting advertising date: August 23rd
 - h. FDFC Board Approval: August 29th
 - i. RCS Authorizing Resolution: week of Sept 2nd
 - j. Pre-closing/Closing: week of Sept 23rd

ECONOMIC IMPACT:

Jobs Existing: 0

Average Wage Existing: \$0

Projected jobs in next 3 years: 450

Projected average wage: \$35,450

PROJECT COST ESTIMATE

Schedule A - Project Costs

Cost:	Dural @ Weeside			Gardens West			Hunter's Creek		
	Bond Funds:	Other Funds:	Amount:	Bond Funds:	Other Funds:	Amount:	Bond Funds:	Other Funds:	Amount:
A. Land	\$ 1,087,000		\$ 1,087,000	\$ 1,150,000		\$ 1,150,000	\$ 1,087,000		\$ 1,087,000
B. Building	\$ 9,779,420		\$ 9,779,420	\$ 10,350,000		\$ 10,350,000	\$ 9,779,420		\$ 9,779,420
	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Existing Building Construction Period of _____ Months								
C. Equipment (new)	\$ /95,509		\$ 795,509	\$ 800,550		\$ 800,550	\$ 961,409		\$ 961,409
D. Equipment Qualified Remanufactured (used)	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
F. Rehabilitation Buildings	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
G. Construction Period Interest	\$ 442,268		\$ 442,268	\$ 484,278		\$ 484,278	\$ 344,888		\$ 344,888
H. Other Capitalized Costs fees, engineers, architects, etc.	\$ 914,982		\$ 914,982	\$ 962,500		\$ 962,500	\$ 914,982		\$ 914,982
I. Other Costs: including any refinancing or refunding of outstanding bonds	\$ 2,550,463		\$ 2,550,463	\$ 2,555,563		\$ 2,555,563	\$ 2,550,463		\$ 2,550,463
Totals	\$ 15,569,642		\$ 15,569,642	\$ 16,302,901		\$ 16,302,901	\$ 15,638,162		\$ 15,638,162

\$ 94,679,121

Cost:	Palms West			Summit			Traditions		
	Bond Funds:	Other Funds:	Amount:	Bond Funds:	Other Funds:	Amount:	Bond Funds:	Other Funds:	Amount:
A. Land	\$ 1,050,000		\$ 1,050,000	\$ 1,100,000		\$ 1,100,000	\$ 1,196,000		\$ 1,196,000
B. Building	\$ 9,150,000		\$ 9,450,000	\$ 9,900,000		\$ 9,900,000	\$ 10,759,000		\$ 10,759,000
	<input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Existing Building Construction Period of _____ Months								
C. Equipment (new)	\$ 948,708		\$ 948,708	\$ 802,792		\$ 802,792	\$ 959,262		\$ 959,262
D. Equipment Qualified Remanufactured (used)	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
F. Rehabilitation Buildings	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
G. Construction Period Interest	\$ -		\$ -	\$ 463,222		\$ 463,222	\$ -		\$ -
H. Other Capitalized Costs fees, engineers, architects, etc.	\$ 887,500		\$ 887,500	\$ 925,000		\$ 925,000	\$ 996,625		\$ 996,625
I. Other Costs: including any refinancing or refunding of outstanding bonds	\$ 2,487,931		\$ 2,487,931	\$ 2,555,563		\$ 2,555,563	\$ 2,686,813		\$ 2,686,813
Totals	\$ 14,824,139		\$ 14,824,139	\$ 15,746,577		\$ 15,746,577	\$ 16,597,700		\$ 16,597,700

SCHEDULE D

BACKGROUND

GENERAL INFORMATION REGARDING CHARTER SCHOOLS USA, INC.

Charter Schools USA, Inc. ("CSUSA") is Florida's largest private operator of public charter schools serving students from kindergarten through 12th grade. **CSUSA contracts with municipalities and public charter school boards to plan, develop, operate and meet educational and financial performance goals as outlined in School District-approved charter contracts. Over the course of fifteen years of research, development and school operations. CSUSA's team of educators, administrators and operators have refined and implemented a research-based curriculum and school design. CSUSA opened its first school in 1998. In the 2013-2014 school year, CSUSA expects to enroll almost 50,000 students in 59 schools located across the States of Florida, Georgia, Louisiana, Illinois, Indiana, Michigan and North Carolina.**

Management of CSUSA

CSUSA's management team is led by **Jonathan K. Hage, President and Chief Executive Officer**. Mr. Hage founded CSUSA in 1997 and CSUSA presently has **over 4,500 employees across Florida, Georgia, Indiana, Illinois and Louisiana**. Under Mr. Hage, CSUSA started the **nation's first charter school-in-the-workplace**, the first municipal charter high school and the largest, municipal charter middle-high school.

In 2003, Mr. Hage helped form the nation's first national association for the emerging private education service industry, the National Council of Education Providers (NCEP). Representing the \$1+ billion industry, Mr. Hage serves as the founding president and chairman of the board of NCEP, based in Washington, D.C.

Mr. Hage was appointed to the National Steering Committee of the Bush/Cheney 2004 Campaign as an education advisor and spokesperson, promoting the **charter school movement** through commentaries to Education Week, Fox News and other national media. During the 1992 Presidential race, Mr. Hage developed research material for President George H. W. Bush.

Prior to establishing CSUSA, Mr. Hage was President and Chief Executive Officer of Integrated Strategies Group, Inc. ("ISG"), a **corporate and government affairs** consulting firm serving government, non-profit, political and corporate clients. **Prior to ISG, Mr. Hage was Director of Research for Jeb Bush's Foundation for Florida's Future where he worked on education, tax and welfare reform.** Mr. Hage wrote and researched articles on State reform issues and has regularly testified before the Florida House and Senate. Mr. Hage also assisted in the early development of the first charter school in Florida, the Liberty City Charter School, a collaboration between Jeb Bush and T. Willard Fair, President of the Miami Urban League.

From 1990-1994, Mr. Hage served as Research Associate in Foreign Policy and Defense Studies for The Heritage Foundation, a Washington, D.C. based think-tank, where he researched, wrote and published public policy studies and articles. He has also served on multiple public boards including Broward County's Charter Task Force and the State of Florida's Charter Review Panel appointed by the Senate President.

Mr. Hage served in the United States Army, Army National Guard and Army Reserves as a commissioned officer in the Special Forces (Green Berets), from 1986-1996 and was discharged honorably. He holds a B.A. in Political Science from the University of Colorado and an M.A.L.S. in International Affairs and Economics from Georgetown University. Mr. Hage currently serves as the Chair of the Broward Sheriff's Foundation and Board of Trustees for the Pine Crest School and former Board of Directors for Goodwill Industries, Child Net and Associated Industries of Florida. He and his wife, Sherry, and their four children live in the Fort Lauderdale area.

Debbie Von Behren is Chief Strategic Officer for CSUSA. Her professional career spans three decades and includes elementary, secondary and post-secondary education as well as strategic planning, organizational development and executive leadership. Prior to joining CSUSA, she was co-founder and president of VBA Consulting Group, an organizational development and strategic planning consulting company. As president of

across district lines. Magnet schools are specialized public schools offering unique programs, such as curricula emphasizing math, science or the arts.

State Takeover Statutes. Some states have exercised their ability under local law to divest local school boards of their authority to manage an identified school or schools within the district. These states include, among others, Indiana, Florida, Maryland, New Jersey, Michigan and Pennsylvania.

The CSUSA Solution **PERFORMANCE**

CSUSA offers school districts and charter boards a vehicle for overcoming many of the inherent constraints that have impeded systemic reform of public schools.

The guiding vision of CSUSA schools is the production of high academic achievement for all learners, attained through a curriculum rooted in:

- solid educational research aligned to individual state standards,
- the CSUSA Educational Model,
- continuous assessment of data related to student performance,
- analysis of student learning gains, and a staff that understands that without student engagement, learning will not be successful.

Charter Schools USA's Proven Academic Successes

- ***High Academic Achievement*** – Collectively, CSUSA's schools perform favorably against its peers (with an "A" rating in the State of Florida). Several individual schools are the highest rated school in their district and many schools have received high awards of distinction including the National Blue Ribbon Award.
- ***Customer Satisfaction*** – Annually more than 90% of students re-commit to return and parent satisfaction measures also exceed 90%
- ***Durability*** – CSUSA has been a pioneer in the charter school movement, opening its first charter school in 1998 and experiencing steady growth ever since
- ***Diversity*** – CSUSA operates successful charters in inner city, suburban, and rural communities. The majority of students enrolled in CSUSA's schools are of minority status; more than 55% qualify for Free and Reduced Lunch through the National School Lunch Program (NSLP); and the rate of students designated as English Language Learners and/or ESE equals or exceeds comparable district averages. In accordance with federal and state anti-discrimination laws, the schools will not discriminate on the basis of race, gender, ethnicity, national or ethnic origin, or disability in the admission of students.

In order to educate the community on the choices available CSUSA uses a variety of media channels to advertise the schools, including television, newspaper, radio, and direct mail. CSUSA conducts direct mail campaigns to the respective communities using the school district's public database of students. It also conducts a routine monthly mailing to new residents of the area. Typically, advertising campaigns invite prospective applicants to attend an open house at the respective school. During enrollment season (January–July) each school conducts open houses on a weekly or bi-weekly basis. However, the schools also direct prospects to CSUSA website to apply online.

CSUSA receives and reviews monthly financial statements and academic progress reports to ensure that expenditures and academic results are consistent with the goals of each school and the CSUSA community. Each school has a clear budget and a Business Manager to monitor financial expenditures at the school, consistent with the budget. The Business Manager reports to CSUSA's team of accountants who reviews routine expenditures and purchase orders to ensure financial compliance of procedures.

CSUSA's Academic Goals

The CSUSA solution includes five equally critical and mutually reinforcing Educational Goals:

Goal No 1: Students will demonstrate academic improvement and success by either meeting high standards or making annual learning gains as defined by the Florida A+ Plan, the Georgia Performance Standards, the Michigan or the Louisiana Accountability System. The organization understands and is dedicated to ensuring that all children have a fair, equal, and significant opportunity to obtain a high-quality education and to continually strive for academic excellence on challenging State academic achievement standards and the State academic assessment.

Goal No 2: Every CSUSA-managed school will make adequate progress with the lowest 25% in reading.

Goal No 3: Every CSUSA-managed school will improve writing performance by 1% or maintain a minimum of 90% proficiency as required by No Child Left Behind (NCLB).

Goal No 4: The goal of NCLB is to have 100 percent of students proficient by 2013-2014. Each state has set intermediate goals for reading and mathematics for all schools and all students across grade levels in order to reach 100 percent proficiency by the end of the 2013-14 academic year. The CSUSA model ensures that every effort is made to meet this deadline.

School Years	Percent Proficient in Math	Percent Proficient in Reading
2011-2012	86%	86%
2012-2013	93%	93%
2013-2014	100%	100%

Goal No 5: Each CSUSA-managed school in Florida will improve its Science performance by 2% of FCAT 2.0 Science, which measures Florida student achievement in science by assessing student progress on benchmarks established by the Common Core Florida Performance Standards. In years where proficiency exceeds 90%, schools will improve their science performance by 1% each year.

In addition:

- ◆ All students maintain a portfolio demonstrating and charting improvement and mastery of skills required at the student's particular grade level. This portfolio will be part of the Personal Learning Plan (PLP), which is the compendium of parent, student, and teacher conferences. The PLP establishes academic goals for each individual student in relation to the student's performances and progress.
- ◆ In the Parent Satisfaction Survey, which is distributed to parents every year, the percentage of parents who will agree or strongly agree to the statement, "I would recommend our charter school to a friend," will be no less than 90%.

The successful implementation of the CSUSA Solution at any school facility will be affected by multiple factors, some of which are not in the control of CSUSA. While CSUSA has developed its curriculum, management, assessment and instructional models based on the experience of its personnel in primary and secondary educational facilities in several states, there can be no guarantee that any program will be successful, or that the successes at any school can be repeated in another location.

- Progress Reports

Annual Yearly Progress ("AYP") measures compliance (on a percentage basis) with the criteria set forth in the No Child Left Behind Act. In addition, some Florida schools (based upon size and years in operation) are graded based upon the Florida A+ Plan, assigning points based upon student performance in areas such as math, reading and writing. Collectively, Charter Schools USA's schools perform favorably against its peers with an "A" rating in the State of Florida. Several individual schools are the highest rated schools in their district and many schools have received high awards of distinction including the National Blue Ribbon Award.

The chart below shows the 2011-2012 FCAT Grades and AYP data where available:

Charter Schools USA School Grade & AYP Highlights											
County	School	2009 Grade	2010 Grade	2011 Grade	2012 Grade	2009 AYP Met	2010 AYP Met	2011 AYP Met	2009 AYP % Met	2010 AYP % Met	2011 AYP % Met
Broward	Coral Springs Charter School	A	A	A	A	N	N	N	95%	92%	82%
Broward	Hollywood Academy of Arts & Science (Elementary)	A	A	A	A	N	Y	N	97%	100%	90%
Broward	Hollywood Academy of Arts & Science (Middle)	A	A	A	A	N	N	N	95%	95%	95%
Broward	North Broward Academy of Excellence (Elementary)	B	A	A	A	N	Y	N	95%	100%	85%
Broward	North Broward Academy of Excellence (Middle)	A	A	A	A	N	N	N	85%	87%	95%
Broward	Renaissance Charter School at Coral Springs				A						
Broward	Renaissance Charter School at Plantation				B						
Duval	Duval Charter School at Arlington			C	C			N			79%
Duval	Duval Charter School at Baymeadows				A						
Duval	Duval Charter High School at Baymeadows				A						
Hillsborough	Winthrop Charter School				C						
Hillsborough	Woodmont Charter School				D						
Lee	Bonita Springs Charter School	A	A	A	A	Y	N	N	100%	97%	87%
Lee	Cape Coral Charter School	C	A	B	B	N	Y	N	90%	100%	82%
Lee	Gateway Charter High School	B	B	A	A	N	N	N	87%	90%	87%
Lee	Gateway Charter School	A	A	A	A	Y	N	N	100%	97%	92%
Lee	Gateway Intermediate Charter School	A	A	A	A	N	N	N	95%	92%	77%
Lee	Six Mile Charter Academy	A	B	B	A	Y	N	N	100%	85%	79%
Miami-Dade	Aventura Charter Elementary School	A	A	A	A	Y	Y	Y	100%	100%	100%
Miami-Dade	Downtown Miami Charter School	C	D	B	A	N	N	N	90%	82%	90%
Miami-Dade	Keys Gate Charter School	A	A	B	B	N	Y	N	97%	100%	77%
Miami-Dade	Keys Gate Charter High School				A						
Miami-Dade	Renaissance Elementary Charter School	A	A	A	A	Y	Y	Y	100%	100%	100%
Miami-Dade	Renaissance Middle Charter School	A	A	A	A	Y	Y	N	100%	97%	92%
Osceola	Four Corners Charter School	A	A	A	A	Y	N	N	90%	82%	77%
Osceola	P.M. Wells Charter Academy	B	B	B	B	N	N	N	87%	92%	90%
Osceola	Canoe Creek Charter Academy	B	A	A	B	N	N	N		74%	82%
St. Lucie	Renaissance Charter School at St. Lucie		C	A	B		N	N			79%

- CSUSA and Adequate Yearly Progress

NCLB imposes strict expectations for schools, by which 100% of their students must achieve proficiency by 2014, but gives states a wide range in terms of variables. Florida has set intermediate goals for reading and mathematics in order to reach 100% proficient by the end of the 2013-2014 academic school year. Therefore, for each group of school years, schools must meet a higher percentage of proficiency in reading and math. Under the Act states have flexibility to craft their own standards, select their own tests, and define proficiency in reading and math as they choose; as a result, proficiency standards (which take the form of cut scores on state tests) vary widely in their rigor and consistency. Florida's cut scores range from the 30th to the 53rd percentile making Florida's proficiency standards hard to achieve. Further, Florida does not apply a confidence interval (margin of error) to proficiency rate calculations (percentage of students achieving proficient or higher on state test). This means that in Florida, schools will have greater difficulty in achieving their annual targets than they would in states that employ confidence intervals.

Our historical performance in the State of Florida demonstrates our ability to achieve high performance towards AYP. As depicted within the charts below, in 2010 35% of CSUSA operated schools met 100% of the AYP criteria as set by the State of Florida. Only 14% of schools within Florida met AYP; therefore, CSUSA operated schools are 21 percentage points above the state average or 150% higher.

Percent of CSUSA Schools Meeting AYP						
School Year	2006	2007	2008	2009	2010	2011
CSUSA Schools	81%	76%	35%	39%	35%	10%
Florida	40%	33%	24%	23%	14%	10%

Percent of AYP Criteria Met by CSUSA Schools as Compared to State of Florida						
School Year	2006	2007	2008	2009	2010	2011
CSUSA Schools	97%	94%	94%	95%	93%	87%
Florida	79%	77%	77%	72%	64%	56%

CSUSA schools have some of the highest academic results in the state averaging an "A" in the Florida schools. This grade is calculated by averaging the grades of all of the schools currently being managed by CSUSA. In 2012 CSUSA had only one "D" school, which was a new start up school that unfortunately experienced several staff changes, along with a leadership change during the school year. There were also two schools rated "C," one a new start up school. All other schools in Florida received either an "A" or a "B". This has resulted even as CSUSA educates a higher minority population than the state as a whole. During 2012 Downtown Miami Charter School, once graded an "F" school received an "A". In addition, all four Charter Schools USA Florida High Schools received an "A" rating. In 2010, Renaissance Elementary Charter School was one of the top 5 schools with the highest academic achievement in Miami-Dade County, the largest school district in Florida and was also awarded a federal dissemination grant to mentor a struggling charter school in Miami-Dade County. In 2009, Renaissance Elementary Charter School was awarded the United States Department of Education's Blue Ribbon Award.

Due to CSUSA's priority of academic rigor within its schools, CSUSA is the first education management company in the nation to be awarded the SACS CASI accreditation seal. This is a prestigious educational achievement that provides CSUSA with an external review by an external team of professionals in regard to academic standards to ensure student achievement that are designed to further CSUSA's improvement efforts. Further this is an internationally recognized mark of quality that makes capital outlay funds available to schools instead of having to wait for the 3-year wait time.

CSUSA has also fortified its academic programming by achieving the approval of the University of Cambridge to begin University of Cambridge International Centers at several of its schools. These schools will offer the prestigious AICE curriculum. The Cambridge University AICE curriculum is a challenging program designed to adequately prepare students for university coursework. Students in the AICE program can earn up to 30 college credits while in high school and are eligible for the Florida Bright Futures Scholarship Program. During the 2012-13 school year, out of an enrollment of 1625, there were 550 students in grades 7-10 enrolled in the Cambridge Program and 457 exams will be given at Coral Springs Charter School.

CSUSA's Academic Programming

Each school improves student learning and academic achievement in its community through the implementation of the following educational principles:

- Research Based Framework : CSUSA's Educational Model