



CAPTIVA EROSION PREVENTION DISTRICT RESOLUTION 2024-07

A RESOLUTION OF THE CAPTIVA EROSION PREVENTION DISTRICT APPROVING THE CONTRACT AGREEMENT WITH PUBLIC RESOURCES ADVISORY GROUP, INC. FOR FINANCIAL ADVISORY SERVICES

WHEREAS, the Captiva Erosion Prevention District ("District") is authorized by Chapter 2000-399, Laws of Florida as a beach and shore preservation district; and

WHEREAS, The District has developed and adopted a comprehensive beach and shore preservation and a beach maintenance program for the area within its jurisdiction; and

WHEREAS, The District has partnered with the federal, state, and County governments to accomplish its successful beach programs; and

WHEREAS, The District has published on a duly noted agenda, reviewed, discussed, and taken public comment on May 13th, 2024; and

WHEREAS, The District desires to approve and authorize Executive Director and CEPD Chairman to execute the contract agreement with PUBLIC RESOURCES ADVISORY GROUP, INC. FOR FINANCIAL ADVISORY SERVICES

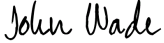
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CAPTIVA EROSION PREVENTION DISTRICT OF LEE COUNTY, FLORIDA THAT:

Section 1. The Board of Commissioners of the Captiva Erosion Prevention District does hereby authorize and approve:

THE CONTRACT AGREEMENT WITH PUBLIC RESOURCES ADVISORY GROUP, INC. FOR FINANCIAL ADVISORY SERVICES **set forth in Exhibit A** to this Resolution.

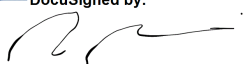
Section 2. This Resolution shall become effective immediately upon adoption.

DULY INTRODUCED, PASSED, AND ENACTED by the CEPD Board of Commissioners of the CAPTIVA EROSION PREVENTION DISTRICT, on Captiva Island, in Lee County, Florida on May 13th, 2024.

DocuSigned by:

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CEPD Chairman John Wade

ATTEST: DocuSigned by:

DC0A8779E14D4C5...
CEPD Executive Director Daniel Munt
Approved as to legal sufficiency:

DocuSigned by:

0CDB79C96D79490...
CEPD Attorney Ralf Brookes

Record of the Vote:
Commissioner Walter Aye
Treasurer Pyle Aye
Secretary Laird Aye
Vice Chairman Miville Aye
Chairman Wade Aye



April 16, 2024

Daniel Munt
Executive Director
Captiva Erosion Prevention District
P.O. Box 365
Captiva, Florida 33924

Dear Mr. Munt:

Public Resources Advisory Group, Inc. ("PRAG") welcomes the opportunity to provide independent municipal financial advisory services to the Captiva Erosion Prevention District (the "District") in connection with a potential special assessment financing for beach nourishment, erosion control and coastal protection.

The purpose of this letter is to confirm the scope of PRAG's engagement and fee structure in connection with the proposed financing. It is our understanding that you will be providing the project scope and costs and any necessary assessment methodology report. Based on the nature of the improvements, we expect that the project would qualify for tax-exempt financing, but Bond Counsel will need to provide an opinion as to the tax-exemption as well as the requirements for any public notices and/or referendum. Given the size of the financing, we expect a fixed-rate bank loan would be more cost effective than a bond issue due to the low issuance costs and lack of requirement for a bond rating.

PRAG has performed an initial review of the District's financial statements, budget and operations. We do note that as the District currently has outstanding debt any new financing will need to conform to any conditions that are contained in the existing bond documents.

PRAG will provide the following services in connection with the refinancing:

- Review the conditions and requirements pertaining to additional debt under the District's existing debt;
- Review project costs and recommend a financial structure to the District;
- Develop a task list and schedule for the financing;
- Draft and distribute a Request for Proposals for commercial banks active in the tax-exempt loan market;
- Evaluate the terms and pricing of all bank proposals and recommend a bank to the District;
- Coordinate the efforts of the District's staff, legal counsel and bank counsel to develop the loan documents;
- Review and comment on all documents associated with the financing;
- Prepare required debt service schedules;



- Participate in any public meetings required in connection with the financing, as requested;
- Review the assessment methodology and other supporting documentation; and
- Document and coordinate the loan closing process.

As Project Manager, I would be responsible for the direct delivery of advisory services to the District. I have over 35 years of experience in commercial banking, public finance investment banking, public-private partnerships and municipal financial advisory services. I am a registered Series 50, Municipal Advisor Representative and a Series 54, Municipal Advisor Principal and am based in our downtown St. Petersburg office. Others on the District's financing team will include Natalie Sidor, Senior Managing Director and Mickey Johnston, Senior Managing Director.

PRAG will be paid a flat fee of \$40,000 to represent the District as Municipal Advisor for the financing with the scope of services indicated herein for a single loan. If two loans are required in order to provide short-term funding in anticipation of future grants as well as long-term funding, PRAG would be paid an additional \$15,000. Our fee may be adjusted with the approval of the District if additional services not currently contemplated are required. Actual out of pocket expenses for travel in accordance with Florida statutes will also be reimbursed by the District at closing. Payment of our fee and expenses are contingent upon a successful closing of the financing and will be paid from the proceeds of the financing. Our engagement would terminate after the closing of the financing. In addition, our engagement may be terminated with or without cause by the District with 30 day's notice. As we are a regulated entity, I have enclosed our required disclosures for your review.

We look forward to the opportunity to work with the District.

Sincerely,

PUBLIC RESOURCES ADVISORY GROUP

A handwritten signature in blue ink that reads "Wendell G. Gaertner".

Wendell G. Gaertner
Senior Managing Director

Accepted:

A DocuSign signature block showing the text "DocuSigned by:" above a handwritten signature "Daniel Munt" in blue ink. Below the signature is a small alphanumeric code "060A8779E14B405".

Daniel Munt, Executive Director

Cc: John Wade, Chair, Captiva Erosion Protection District Board



ADDENDUM REQUIRED DISCLOSURES

The Captiva Erosion Prevention District (the “District”) has retained Public Resources Advisory Group, Inc. (“PRAG”) as an independent registered municipal advisor to assist with the scope of services pursuant to the letter agreement dated April 26, 2024 (the “Agreement”) and attached hereto. Some of these activities qualify as municipal advisory activities pursuant to Section 15B of the Securities Exchange Act of 1934. As a registered municipal advisor, PRAG is required to have written documentation of its agreement with you and must provide certain information to you. This Addendum to the Agreement is provided under Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, effective June 23, 2016, in connection with the municipal advisory services we will be providing to you. This Addendum will serve as the written documentation required under MSRB Rule G-42 of certain specific terms, disclosures and other items of information relating to our municipal advisory relationship as of the date this letter is signed by PRAG.

1. Scope of Services

(a) Services to be provided: The scope of services with respect to PRAG’s engagement with the District is as provided in the Agreement (the “Scope of Services”).

(b) Limitations on Scope of Services: The Scope of Services is subject to such limitations as may be provided in the Agreement.

2. Term. The term of PRAG’s engagement as municipal advisor and the terms on which the engagement may be terminated are as provided in the Agreement.

3. Municipal Advisor’s Regulatory Duties When Servicing the District. MSRB Rule G-42 requires that PRAG make a reasonable inquiry as to the facts that are relevant to the District’s determination whether to proceed with a course of action or that form the basis for the advice provided by PRAG to the District with respect to municipal financial products or the issuance of municipal securities, including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues, based on all the facts and circumstances. The rule also requires that PRAG undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. PRAG is also required under the rule to use reasonable diligence to know the essential facts about the District and the authority of each person acting on the District’s behalf.

Accordingly, PRAG will seek the District’s assistance and cooperation, and the assistance and cooperation of the District’s agents, with the carrying of these regulatory duties, including providing to PRAG accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, if the District provides direction to PRAG to review a recommendation made by a third party, PRAG requests that the District provide any information it has received from such third party relating to its recommendation.

4. Compensation. The form and basis of compensation for PRAG’s services as municipal advisor are as provided in the Agreement.

5. Disclosures of Conflicts of Interest. MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. Accordingly, PRAG makes the following disclosures with respect to material conflicts of interest in connection with the Scope of Services under this Agreement, together with explanations of how PRAG addresses or intends to manage or mitigate each conflict.



With respect to all of the conflicts disclosed below, PRAG mitigates such conflicts through its adherence to its fiduciary duty to the District, which includes a duty of loyalty to the District in performing all municipal advisory activities for the District. This duty of loyalty obligates PRAG to deal honestly and with the utmost good faith with the District and to act in the District's best interests without regard to PRAG's financial or other interests.

(a) Compensation-Based Conflicts: The fees and expenses due under this Agreement and the payment of such fees shall be contingent upon the delivery of the issue. While this form of compensation is customary in the municipal securities market, this may present a potential conflict of interest because it could create an incentive for PRAG to recommend unnecessary financings or financings that are disadvantageous to the District.

The fees charged are in a fixed amount as a transaction fee, and this arrangement could provide PRAG an incentive to recommend less time-consuming alternatives or fail to do a thorough analysis of the alternatives.

(b) Other Municipal Advisor Relationships: PRAG serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the District. For example, PRAG serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the District under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, PRAG could potentially face a conflict of interest arising from these competing client interests.

6. Disclosures of Information Regarding Legal Events and Disciplinary History. MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, PRAG sets out below required disclosures and related information in connection with such disclosures.

There are no legal or disciplinary events that are material to the District's evaluation of PRAG or the integrity of PRAG's management or advisory personnel disclosed, or that should be disclosed, on any Form MA and Form MA-I filed with the SEC. The District may electronically access PRAG's most recent Form MA and each most recent Form MA-I filed with the SEC at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

PRAG has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

7. Future Supplemental Disclosures. As required by MSRB Rule G-42, this letter may be supplemented or amended, from time to time as necessary, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of PRAG. PRAG will provide the District with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Other Required Disclosure (G-10)

The MSRB website at www.msrb.org, includes the Municipal Advisory client brochure that describes the protections that may be provided by the MSRB Rules and how to file a complaint with an appropriate regulatory authority.