



NOTICE TO THE HOLDERS OF

\$21,710,000

**Capital Trust Agency
Senior Housing Revenue Bonds
(Beach House at Wiregrass Ranch Project)
Series 2016A (the “Series A Bonds”)**

\$1,040,000

**Capital Trust Agency
Senior Housing Revenue Bonds
(Beach House at Wiregrass Ranch Project)
Series 2016B (the “Series B Bonds” and together
with the Series A Bonds, the “Bonds”)**

CUSIP Nos: 140532BP6, 140532BQ4¹

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RETRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.

U.S. Bank National Association serves as trustee (the “Trustee”) under the Trust Indenture (as amended or supplemented from time to time, the “Indenture”), dated as of October 1, 2016, between Capital Trust Agency (the “Agency”), as issuer, and the Trustee, pursuant to which the Agency issued the Bonds. Repayment of the Bonds is secured by, among other things, certain payments to be made pursuant to the Loan Agreement, dated as of October 1, 2016 (the “Loan Agreement”), between the Issuer and PSL Wiregrass, LP, a Texas limited partnership (the “Borrower”). Capitalized terms used but not defined in this notice have the meanings given in the Indenture.

Interest Payment Default

Pursuant to section 202 of the Indenture, an interest payment was due to Holders on account of the Bonds on April 1, 2020. As of the date of this notice, the Agency has failed to remit sufficient funds to make the interest payment due to Holders on April 1, 2020.

Section 901(a) of the Indenture provides that failure by the “Issuer to make due and punctual payment of any interest on any Bond within five (5) days after due” constitutes and Event of Default under the Indenture. Additionally, pursuant to section 601 of the Loan Agreement, the

¹ No representation is made as to the correctness of the CUSIP numbers, which are included solely for the convenience of the holders of the Bonds.

failure of the Borrower to make any payment of interest when due and payable, within five days after due constitutes an Event of Default under the Loan Agreement.

Direction from Holders

As more fully set forth in section 904 of the Indenture, the Bondholder Representative or Holders of a majority in aggregate principal amount of the outstanding Bonds may direct the time, method, and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it with respect to the Bonds. Absent direction and indemnity in accordance with the Indenture, the Trustee does not intend to exercise any remedies relating to the above-referenced interest payment default.

Reservation of Rights

The Trustee reserves all of the rights, powers, claims, and remedies available to it under the Indenture and applicable law. Prior to any distribution to Holders, to the extent permitted under the Indenture, funds held by the Trustee may be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to the Trustee. This includes, but is not limited to, compensation for Trustee time spent, and the fees and costs of counsel and other agents it employs, to pursue remedies or other actions, including the matters described in this notice

Further Information

If you have questions about this notice please direct them, in writing, to Diana Jacobs, Vice President, U.S. Bank National Association at diana.jacobs@usbank.com. Holders with other questions may contact Bondholder Services at (800) 934-6802, option #4; or, at their website, located at www.usbank.com/corp_trust/bondholder_contact.html.

Please note that the Trustee makes no recommendations, and this notice is not intended and should not be construed as investment, accounting, financial, legal, tax, or other advice by or on behalf of the Trustee, or its directors, officers, affiliates, agents, attorneys, or employees. Each person or entity receiving this notice should seek the advice of its own advisors in respect of the matters set forth herein. The Trustee may conclude that a specific response to particular inquiries from individual Holders is not consistent with equal and full dissemination of material information to all Holders. Holders should not rely on the Trustee as their sole source of information.

Please be further advised that, the Trustee will from time to time hold funds under the Indentures. To the extent it holds such funds, it may invest them pursuant to the Indenture in investments or with the use of advisory services that are provided by it and/or an affiliate. As such, the Trustee and its affiliates may receive compensation for the investment advisory, custodial, distribution and other services provided. A schedule that explains the services and costs, including the rate, formula and method of calculating such compensation, is available by contacting U.S. Bank.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

April 20, 2020