



Larson Consulting Services
10151 University Blvd, #117
Orlando, Florida 32817
407-496-1597
jlarson@larsonconsults.com

MEMORANDUM

TO: Prospective Respondents

FROM: Mr. Shawn Krauel
President & CEO, Central Florida Fair, Inc. ("CFF" or "Fair")

Jeff Larson, President
Larson Consulting Services, Financial Advisor to CFF

RE: Central Florida Fair, Inc., (1) \$5,000,000 Capital Improvement Revenue Refunding Bonds, Series 2018, (2) \$500,000 Revolving Line of Credit Facility

DATE: September 17, 2018

The Central Florida Fair, Inc. is requesting a proposal for (1) up to \$5,000,000 for a Capital Improvement Revenue Refunding Bonds, Series 2018 ("2018 Bonds") for (a) the financing of the next phase of its 5 year Capital Improvement Plan, (b) paying off an existing Bank Note of approximately \$1 Million, and (c) cost of issuance, and (2) a \$500,000 Revolving Line of Credit Facility for general working capital needs.

For the Series 2018 Bond, each Lender is requested to provide in their response fixed rate options, for (a) the initial two (2) year Interest Only Period and (b) a subsequent eight (8) year Term Out Period. The final amount of the Bonds will be issued at closing, up to \$5,000,000. All interest rate options should be based on readily identifiable indices, and the Central Florida Fair, Inc. requests that you hold these indices through November 30, 2018. Closing is projected for November 30, 2018. The 2018 Bonds will be supported by (1) a first lien on Fair Project revenues, (2) an assignment of all Fair rental revenues, and (3) a mortgage and security agreement on Fair property and assets. The Central Florida Fair, Inc. is planning to issue approximately \$5,000,000 in Ten year Bonds in November 2018 to finance its next phase of capital projects. As detailed in the Exhibit, proforma Debt Service Coverage for the proposed 2018 Bonds for years 3 to 9 of the Term Period is 1.49X to 1.52X, exclusive of the proposed balloon payment in year ten. It would be the plan of the Central Florida Fair, after consultation with its Financial Advisor and Board, to refinance the 2018 Bonds prior to final maturity and the balloon payment in year Ten, and to incorporate at that time, if not sooner, any additional CIP requirements, subject to Bank approval. In addition, please provide your response for a \$500,000 revolving line of credit facility ("line of credit") to be secured by an assignment over lease rentals. The line of credit is expected to be used for short term working capital needs and priced as a margin over either LIBOR or Prime.

As noted in the Central Florida Fair, Inc. 2018 Audit, the Central Florida Fair, Inc. has a Note currently with a local bank with a final maturity of June 2021. \$1,054,073 was outstanding on the Note as

of May 31, 2018 (reference to page 10 of the 2018 Audit). This Note would be paid off via the Series 2018 Bonds.

Bankers Day

The Fair and its Financial Advisor are anticipating a Banker's Day at the Fair on or around October 8th subject to management's availability. This will enable any potential respondent to meet with management, hear a presentation on the Fair and the proposed projects, and take a tour of the existing facilities. It is expected to start at 10:00 a.m. and end with a light lunch at noon.

RESPONSE DUE DATE

Responses will be due by 2:00 p.m. on October 10, 2018

Enclosed is a description of the Central Florida Fair, Inc., Request for Proposal, Summary of Proposed Terms for the proposed 2018 Bonds, and proforma Coverage Ratios. The Central Florida Fair's Historical audits for FYE 2013-2018 are provided in the Exhibit, and the budget for FYE May 31, 2019 is available upon request to the Financial Advisor. The Central Florida Fair does not currently have any underlying ratings and is also investigating bond financing options with its Financial Advisor and a select group of regional investment banks.

Upon your review of the enclosed, please do not hesitate to get in touch with Jeff Larson, Larson Consulting, at Telephone: 407-496-1597, Email: jl Larson@larsonconsults.com. Any questions should be provided in writing, and all questions and answers or additional information will be provided to all lenders, or investment bankers, with a copy to the Central Florida Fair.

**REQUEST FOR BANK CREDIT FACILITY PROPOSALS FOR
(1) UP TO \$5,000,000 CAPITAL IMPROVEMENT
REVENUE REFUNDING BONDS, SERIES 2018 (THE “2018 BONDS”)
(2) \$500,000 REVOLVING LINE OF CREDIT**

**CENTRAL FLORIDA FAIR, INC. ORLANDO, FLORIDA
September 17, 2018**

I. INTRODUCTION:

The Central Florida Fair, Inc., Orlando, Florida (“CFF” or “the Fair”) hereby solicits responses for the (1) up to \$5,000,000 Series 2018 Bonds and (2) \$500,000 Revolving Line of Credit in accordance with the terms, conditions, and specifications outlined in this Request for Proposal and the attached “Summary of Proposed Terms”.

The Fair is in Orange County and was incorporated under provisions of Chapter 7388 of the Law of Florida acts of 1917, as a not-for-profit corporation. It is a not-for-profit 501c3 corporation per IRS regulations and was established to operate exclusively for educational purposes by conducting and generating public fairs or expositions for the benefit and development of agricultural, horticulture, livestock, and other resources of Central Florida. The Fair operates the Central Florida Fair during the spring of each year and rent its facilities to the general public for the remainder of the year. The governing body of the Fair consists of a 30 member Board of Directors and an Executive Committee or Board of Trustees of 10 members (see Exhibit). The Fair’s Chief Executive Officer is Mr. Shawn Krauel and his bio has been provided in the Exhibit. The Fair under Mr. Krauel’s leadership has experienced a steady record of growth in revenues, reaching a high in FYE 2018 of \$4,658,786 (2013: \$3,084,805). Please note that the Fair has been able to arrange a grant of \$5,000,000 from FDOT to construct its stormwater system. This will eliminate the prior difficulty of having events affected during heavy rain periods.

The proposed up to \$5,000,000 Series 2018 Bonds will provide funds for (a) the cost of issuance, (b) the payoff of an existing secured bank note of approximately \$1,000,000, and (c) priority CIP projects. The new assets will provide additional capital resources and for the annual Central Florida Fair and other leasable space, as depicted in the Historical and Projected Financial Summary in the Appendix. The Fair also would work with the selected lender and Larson Consulting on establishing the \$500,000 Revolving line of credit and discuss establishing its banking and operational accounts with that bank.

Proposals are subject to Financial Advisor and Fair Staff review, and Central Florida Fair Board approval.

II. PROPOSAL DUE DATE:

Responses for the Credit Facility Proposal will be due at the Office of the Executive Director of the Fair no later than 2:00 p.m. EST, October 10, 2018. Please include in the Proposal along with your transmittal letter (1) the proposed Bank Contact Officer(s), (2) firm name of proposed Bank’s Counsel and fees (review only), (3) Fixed Rate Funding Options for both (i) the Two Year Interest Only Period and (ii) the Eight Year Term Period of the \$5 Million Credit Facility, (4) a comparable Florida Experience list for the last three years (limit experience to 3 pages), and (5) three recent Florida references for comparable financings. Incomplete and/or proposals received after the due date will not be accepted. Proposals for the Credit Facility shall be marked: “Series 2018 Bonds, Central Florida Fair, Inc. of Orlando, Florida” and delivered to the attention of Mr. Shawn Krauel, Central Florida Fair, Executive Director, as noted below:

Labeled: “Series 2018 Bonds Proposal, Central Florida Fair, Inc. of Orlando, Florida”
Mr. Shawn Krauel, Central Florida Fair, Inc.
President & CEO
Central Florida Fair, Inc.
4603 W. Colonial
Orlando, FL 32808

An additional copy should be emailed to the Fair’s Financial Advisor by 2:00 p.m. EST, October 10, 2018.

Email: jl Larson@larsonconsults.com

Labeled: “Series 2018 Bonds Proposal, Central Florida Fair, Inc. of Orlando, Florida”

III. SUBMISSIONS OF PROPOSALS:

(A) ACCEPTANCE/REJECTION/MODIFICATION TO PROPOSAL:

The Fair reserves the right to negotiate modifications to Proposals that it deems acceptable, to reject any and all Proposals, and to waive minor irregularities in the procedures or to award to other than the low respondent if it is in the best interest of the Fair.

(B) PROPOSALS BINDING:

All Proposals for the Series 2018 Bonds should be binding until November 30, 2018.

IV. ADDITIONAL INFORMATION:

Any questions regarding this proposal should be directed in writing to the Fair’s Financial Advisor, Jeff Larson, President, Larson Consulting Services, at (407) 496-1597 and/or email jl Larson@larsonconsults.com. As mentioned earlier, the Fair is working to arrange a “Banker’s Day” at the Fair to provide a tour, some additional information, and address any questions on or around October 8th (details to follow). Following input from Fair Staff, the Financial Advisor will provide any additional information from these questions and answers to all respondents, in the interest of fairness. ***This, however, is in no way intended to discourage any innovative or unique proposals beyond those required in this RFP.***

Please note that any verbal or written contact by a respondent or its representatives or agents with Central Florida Fair, Inc. Staff, Central Florida Fair, Inc. Management, Central Florida Fair, Inc. Attorney, Central Florida Fair, Inc. Bond Counsel, or Central Florida Fair, Inc. Board Members or Executive Committee members may result in a disqualification of that respondent.

UP TO \$5,000,000
REQUEST FOR CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS,
SERIES 2018 (THE “2018 BONDS”)
CENTRAL FLORIDA FAIR, ORLANDO, FLORIDA

Summary of Proposed Terms

Issuer/Borrower: Central Florida Fair, Inc. of Orlando, Florida (“the Fair”)

Conduit Issuer: Florida Development Finance Corporation, Orlando

Financial Advisor: Larson Consulting Services, Orlando, Florida

Bond Counsel: Michael Williams, Esq., Akerman LLP., Orlando, Florida

Fair Counsel: Joseph Stanton, Esq., Nelson & Mullins, Orlando, Florida

Amount: (1) Series 2018 Bonds up to and not to exceed \$5,000,000 for (a) cost of issuance, (b) refinancing of existing secured bank Note (approximately \$1,000,000) and (c) Capital Improvement Projects of approximately \$3,925,000.
(2) Revolving Line of Credit: Up to \$500,000

2018 Project: Please refer to the CIP Summary in the Exhibit.

Tax Exemption: (1) The 2018 Bonds will be a Non BQ secured obligation due to having the Bonds issued via a Conduit Issuer. It is anticipated that the Fair’s Bond Counsel will prepare the Bond/Award Resolution, Bonds, and other Credit Facility documentation for review by Lender’s Counsel and work closely with the Fair’s Counsel and Lender’s Counsel on the security and mortgage documents, and assignment of rental agreement, including a Bond Counsel opinion. (2) The Revolving Line of Credit is expected to be based on a floating rate at a margin over either 1 month LIBOR or Prime.

Award Date: Following a review of the proposals and recommendation to the Fair’s Executive Committee by its Financial Advisor, the Fair expects to select the bank on or around October 11th, with a formal award date by the Board is expected on or around October 16th, 2018.

Est. Closing Date: Estimated to be November 30, 2018, with a preclosing/signing on November 29, 2018, at Bond Counsel’s Orlando office, following Fair Board action noted above.

Purpose of the 2018 Bond:
To provide funds to the Fair in the form of a tax-exempt, non BQ Bond for the financing of the 2018 Project. The Term Out Period for the 2018 Bonds is established to provide the Fair with the flexibility to term out the outstanding debt under the 2018 Bonds following an initial Two Year Interest Only Period, so as to better match the term of the debt with the underlying assets, and as an alternative to other sources of longer term, permanent financing, including but not limited to County, State or Federal Grants, taxable or tax exempt long term bond issues.

It is requested that an initial Two Year Interest Only Period ending on September 30, 2020 be provided, paying interest each March 31 and September 30 beginning March 31, 2019. The Eight Year Term Period will begin on October 1, 2020 with

the first principal payment due September 30, 2021, a final maturity of September 30, 2028, and will be structured on a level debt service basis for the first seven years of the Term Period at a not-to-exceed \$300,000 annually, with semi-annual interest each March 31 and September 30, with a final balloon payment of approximately \$4,618,900 due at maturity. Please refer to the Exhibit Material for proforma Sources and Uses and Debt Service Schedules. PLEASE BONDS IF YOUR INSTITUTION IS NOT ABLE TO PROVIDE A TOTAL TERM OF UP TO THE REQUESTED TEN (10) YEARS, PLEASE PROVIDE THE LENGTH OF THE TERM OUT PERIOD THAT MAY BE AVAILABLE BEGINNING ON OCTOBER 1, 2020.

Purpose of the Line of Credit:

Pay off existing line of credit and provide for general working capital needs of the Fair (\$145,000 outstanding as of May 31, 2018).

Authority:

Will be governed by the typical bond authorizing documents and opinions prepared by Bond Counsel and the Fair's Attorney and approved by selected Lender and its Counsel. The Fair expects to utilize industry standard revenue and security definitions and an Additional Bonds Test of a minimum (Net legally available Revenues divided by maximum annual debt service (MADS years three through nine) on all Fair debt of 1.20X as provided in the Exhibit.

**Documentation
And Legal
Counsel Opinion:**

The Fair's obligation to repay any fees will be documented in a manner typical of similar credit facilities, together with the customary closing papers and legal opinions from the Fair's Attorney, Lender's Counsel and Bond Counsel, as needed.

Security:

The 2018 Bonds will be payable from, and secured by, (1) a first lien on all Fair revenues, (b) an assignment on all Fair rental revenues, and (c) a security and mortgage agreement on all Fair property assets. The Fair will provide a UCC Financing Statement, updated Appraisal, Corporate Resolution, Agreement to Provide Insurance, a Sources and Uses, and Debt Service Amortization Schedule (via its Financial Advisor), and other real estate documentation.

The Line of Credit will be secured by an assignment on all Fair rental revenues.

Please refer to Exhibit A for a Historical Summary and Proforma financial projections.

Repayment Terms:

Please refer to Exhibit A for the proforma 2018 Bonds' Sources and Uses and debt service schedules. Following the Interest Only period, principal repayments on the 2018 Bonds will be structured on a level semi-annual principal and interest basis for the initial seven years of the Term Period (years 3 to 9), with a balloon in year 10.

**Early Prepayment and
Rate Quotes:**

2018 Bonds: The bidder shall specify clearly any prepayment restrictions and penalties, or "make-whole" provisions, if any, including any prepayment period for the Interest Only Period and Term Period. The Fair is requesting consideration of a *fixed* Non BQ Rate Option for the Interest Only and Term Periods (with or without a prepayment penalty).

All rate quotes are to be based on an acceptable market standard index of (A) a percentage (%) of Prime or (B) a percentage of 1 Month or 6 Month LIBOR for the variable rates, and an index based on U.S. Treasury Rates or other typical indices for the fixed rates. If the bank is not able to hold its fixed rate until closing, please indicate when the rate will be locked in.

Revolving Line of Credit: Expected to be paid off annually, and rates based off a quoted spread over either one month LIBOR or Prime.

2018 Bonds

Fees and Expenses:

Please state the fees and expenses of the lender, if any, and its counsel that are applicable if Lender's Counsel is asked to only review documents provided by the Fair's Attorney and Bond Counsel, and provide Lender's Counsel standard other real estate, security, and other documentation for Fair finance and legal team's review. All fees and expenses of the lender and their counsel under either scenario or other representatives of the lender shall be the obligation of the lender; however, such amount may be paid out of cost of issuance draw at closing and should be expressed as a not-to-exceed level. Such costs will be considered in determining the most favorable proposal.

Bond Counsel and the Financial Advisor will reach out to the selected lender on the 2018 Bonds and its Counsel to see if that Bank's standard Revolving line of Credit documents can be utilized.

Exhibit A

A. Please review the attached documents for additional information.

1. Central Florida Fair, Inc.'s 2014, 2015, 2016, 2017, and 2018 Audits and 2018-19 Budget.
2. Historical Financial Summary, Projections, and Proforma Debt Service Coverage (excludes balloon payment in year Ten).
3. Proforma Sources and Uses Schedules and debt service schedules for proposed 2018 Bonds for the initial Two Year Interest Only Period and Eight Year Term Period. Please Bonds that these are based on preliminary assumptions at assumed interest rates during the Interest only Period, and an estimated fixed rate for the Term Period.
4. Preliminary Financing Timetable, Series 2018 Bonds (see attached).
5. Distribution List, Series 2018 Bonds (see attached).
6. List of Fair's Board Members and Executive Committee Members.
7. Management Bios.
8. Schematic Site Plan of Existing Fair Assets.
9. Schematic Site Plan (and renderings) of Series 2018 CIP Projects.
10. Commercial Real Estate evaluation and appraisal as of February 20, 2017.