

EXPLANATION OF CONSENT AGENDA ITEM E.2.c.(36) – October 28, 2015

ITEM:

Consideration of approving Canaveral Port Authority's (CPA) Staff and its financial advisor to appoint Greenberg Traurig, P.A. as its disclosure counsel and to negotiate terms and execute an engagement letter for the capital markets transaction anticipated to close in first quarter 2016.

EXPLANATION

The agreement outlines the scope of services required for annual disclosure reports, compliance with applicable federal securities laws and preparation of offering documents for use with CPA's anticipated debt offering. Preparation of the bond purchase agreements will also be a part of the engagement. Greenberg Traurig will work with Tom Giblin, our bond counsel, on this engagement

A draft contract is attached for your convenience.

Staff recommends approval

Prepared by Rodger Rees

DISCLOSURE COUNSEL ENGAGEMENT LETTER

September __, 2015

Greenberg Traurig, P.A.
Attention: Jean E. Wilson
450 South Orange Avenue, Suite 650
Orlando, Florida 32801

Ladies and Gentlemen:

This Engagement Letter sets forth the terms of the engagement of Greenberg Traurig, P.A. (the "Firm") to serve as Disclosure Counsel to the Canaveral Port Authority (the "Authority").

The scope of the services that the Firm will provide as Disclosure Counsel to the Authority, the basis upon which the Firm will be compensated for such services, and the other terms of the engagement are as follows and will be governed by the terms of this Engagement Letter:

I. SCOPE OF SERVICES FOR SERVICES AS DISCLOSURE COUNSEL

Throughout the term of the engagement, the Firm shall provide at least the services described in this Section, when requested by the Authority, and shall maintain staffing and capabilities equivalent to those in place when the Firm was selected.

A. Services Relative to Formulation of Comprehensive Policies and Standardized Documents for Primary and Secondary Disclosure

It is the Authority's desire to accomplish certain objectives relating to continuing disclosure requirements prior to the issuance of any new debt, if possible. This would include, but not necessarily be limited to: (a) review and update of current written continuing disclosure policy; (b) assistance with further development of standardized disclosure documents/language and electronic publications (including websites); (c) review and assistance with its annual disclosure reports to be filed in connection with its various Continuing Disclosure Undertakings (the "Annual Disclosure Reports"); and (d) adequate training of Authority staff. The Authority is also desirous of obtaining assistance regarding continuing disclosure requirements in connection with primary debt offerings and other financial matters, as needed. Therefore, the Authority is requesting the Firm to provide the following types of services:

1. Assist the Authority in reviewing and updating current written policy to provide continuing disclosure in compliance with its Continuing Disclosure Undertakings and applicable federal securities law.

2. Assist the Authority in further developing standardized disclosure documents/language for use in connection with primary debt offerings. Said documents/language to include, but not be necessarily limited to:
 - (a) Written agreement for the benefit of the bondholders committing to provide annual updates of certain financial information and operating data and notice of certain events (the "Continuing Disclosure Undertaking").
 - (b) Language to be included in the Authority's offering documents describing its compliance history with its Continuing Disclosure Undertakings; and
 - (c) Prepare the form of bond purchase agreement to be entered into between the Authority and the senior managing underwriter (the "Bond Purchase Agreement").
3. Provide training to Authority staff regarding applicable federal securities law, the Continuing Disclosure Undertakings and the responsibilities of Authority staff with respect thereto.

B. Services Relative to Primary Debt Offerings

1. Serve as a member of the Authority's financing team.
2. Assist the Authority in determining the information and specific language to be included in its offering documents for bond and/or note issuances, including conducting necessary due diligence to ensure full disclosure.
3. Advise as to disclosure requirements relative to issuance of the debt instrument(s).
4. Assist the Authority in ensuring the following disclosure requirements are met:
 - (a) Disclosure of potential conflicts of interest and material financial relationships among issuers, advisors, and underwriters, including those arising from political contributions;
 - (b) Disclosure regarding the terms and risks of securities being offered;
 - (c) Disclosure of the Authority's financial condition, results of operation and cash flows, where relevant; and
 - (e) Disclosure of instances of noncompliance with any previous continuing disclosure undertakings during the preceding five years.

5. Prepare, with the assistance of financing team members, the preliminary and final offering documents and any amendments thereto and review all marketing efforts. This includes, but is not limited to: fixed and variable rate debt (single mode or multi-modal), new money and refunding debt, tax-exempt or taxable debt, and other financial instruments, reports, presentations, and obligations that the Authority and/or its agencies, subdivisions, enterprise funds and subsidiaries may undertake.
6. Negotiate and prepare the Bond Purchase Agreement and the Continuing Disclosure Undertaking (consistent with the forms identified in A.2.(a) and (c) above).
7. By request, review transcripts of all proceedings in connection with Authority financings and provide advice regarding any corrective action that may be necessary with respect to the Authority's federal securities law obligations and outstanding or upcoming debt issuances.
8. Render appropriate opinions as to the adequacy and completeness of information included in the offering documents relating to Authority financings, including rendering a standard 10(b)-5 or other similar opinion to the Authority with respect to each such offering document, and a reliance letter to the senior managing underwriter.
9. Assist the Authority in connection with compliance with applicable federal and state securities laws.
10. Attend meetings with Authority staff and officials, the Authority's Bond Counsel, financial advisors, underwriting team, rating agencies, consultants and others, if necessary, for development or dissemination of information in connection with the issuance of debt instruments.

C. Services Relative to the Annual Disclosure Report and Event Notices

1. Assist the Authority in determining what types of financial information/operating data should be included in its Annual Disclosure Report.
2. Review the Annual Disclosure Report and event notices (mandatory and voluntary) and provide appropriate comments and recommendations for modification.

It is understood that the Chief Financial Officer, or his or her designee, is designated as the representative of the Authority pursuant to this Engagement Letter and the Authority employee to whom all communications pertaining to the day-to-day conduct of this Engagement Letter shall be addressed. The Authority may, from time to time, notify the Firm of additional employees to whom communications regarding day-to-day conduct of this Agreement may be addressed.

III. LEGAL FEES

For services in connection with the issuance of bonds, notes or other similar debt by the Authority, the Authority will pay the Firm a fixed fee of [\$/1,000] plus actual expenses incurred payable at closing, unless otherwise agreed to by the Authority and the Firm. It is expected that payment for services rendered as Disclosure Counsel will be paid from proceeds of the financing.

The foregoing fee schedule shall be subject to the following provisions: (a) in no event will the fee for the Firm's services as Disclosure Counsel in connection with any issue of bonds or notes described above be more than [\$/]; and (b) for transactions in which the fees calculated pursuant to the above schedule would be less than [\$/], the Firm's fees will be subject to negotiation between the parties. Notwithstanding the foregoing, the parties reserve the right to mutually agree to negotiate a fee for each transaction based upon an analysis of the complexity and number of legal issues involved in connection with each such transaction.

All fees for services in connection with the issuance of bonds, notes or other similar debt by the Authority are contingent upon delivery of the bonds or notes, and payment shall be made upon delivery of the bonds/notes or at such time thereafter as the Firm shall bill for such services; provided, however, if the Authority elects to terminate or discontinue pursuing a transaction, the parties will, within thirty (30) days after such decision by the Authority, mutually agree as to a reasonable fee for the work performed in connection with each such transaction.

For services rendered on matters unrelated to a particular issuance of bonds or notes, the Firm shall be compensated at an hourly rate of:

Shareholders	\$350
Associates	\$275
Paralegal	\$100

When the Firm bills on an hourly basis, it shall provide the Authority with a report which identifies the date each service was performed, a brief description of the service performed, the employee at the Firm who performed the service, the number of hours billed, the rate charged per hour, and the total fee. The foregoing documentation will be provided with each invoice for payment as verification for charges.

IV. EXPENSES

Expenses actually incurred will be billed to the Authority whether or not a transaction is completed and a maximum not to exceed amount could be negotiated up front based on the facts and circumstances regarding the transaction. Expenses shall be limited to \$1,500 per transaction and shall be substantiated. The expense limit is exclusive of filing fees such as publications and notices, if any, and transcript expenses.

V. TERM OF ENGAGEMENT AND TERMINATION

The services of the Firm will commence upon the execution of this Engagement Letter by both the Firm and the Authority, and shall be in effect for one (1) year from such date and will be automatically extended for four (4) additional one (1) year periods thereafter, until terminated in accordance with this Engagement Letter. The Firm will serve as Disclosure Counsel on any transaction initiated between now and the end of the engagement term regardless of the actual date the financing is closed. However, the Firm will serve under this Engagement Letter at the pleasure of the Authority, and the engagement may be terminated by the Authority at any time, with or without cause, without penalty. If earlier terminated, the Firm will be paid for all costs incurred to the date of termination subject to the conditions set forth above. Finally, the Firm has no assurances that there will be a minimum number of financings, or that there will be any financings, during the term of this engagement.

VI. REPRESENTATION, COVENANTS AND WARRANTIES

By executing this Engagement Letter, the Firm represents, covenants, and warrants to the Authority as follows:

- A. The Firm's assigned lawyers have substantial experience in municipal bond law, applicable securities law, tax law, local government law, the trial and appeal of bond validation actions and the issuance of tax-exempt municipal bonds;
- B. The Firm will advise the Authority immediately if representation of a client could adversely affect the judgment or quality of service to be rendered by the Firm in its representation of the Authority and/or result in a material or direct conflict of interest; and
- D. The Firm's lawyers have sufficient time to execute and fulfill the duties of Disclosure Counsel to the Authority and are not burdened by professional responsibilities or workload or by personal or other constraints that would interfere in any material respect with the Firm's obligations hereunder.

VII. MISCELLANEOUS

- A. Assignment. As stated above, the services to be rendered under this Engagement Letter are personal to the Firm and may not be assigned, either directly or indirectly, to any other person or firm.
- B. Amendments. This Engagement Letter may be amended only by written instrument signed by both the Firm and the Authority.
- C. Independent Contractor Status. In the performance of legal services hereunder, the Firm is an independent contractor. The assigned attorneys shall not hold themselves out as employees, agents or servants of the Authority. The Firm and

assigned attorneys do not have the power or authority to bind the Authority in any promise, agreement or representation other than as specifically provided in this Engagement Letter.

- D.** Key Personnel. The Firm designates Jean E. Wilson as the primary attorney to provide services to the Authority and will be assisted from time to time by other members of the Firm as deemed appropriate to the needs of the particular transaction.

The Firm's acceptance of the terms of this Engagement Letter is evidenced below. This Engagement Letter shall not take effect and the Authority shall not be bound hereby, unless and until this Engagement Letter is signed by the Firm and returned to and received by the Authority.

We look forward to working with you and the Firm.

Sincerely,

CANAVERAL PORT AUTHORITY

By: _____
Name: _____
Date: _____

The terms and conditions hereof are accepted and the representations, covenants, and warranties herein are confirmed:

GREENBERG TRAUIG, P.A.

By: _____
Jean E. Wilson,
Co-Managing Shareholder
Date: _____