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# ARMY AIR FORCE EXCHANGE SERVICE (AAFES)

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## BACKGROUND

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- Raymond James was hired by the Army Air Force Exchange Service (AAFES) to underwrite a pilot project for the construction of a Lifestyle Center that could be used as a template for such centers located on selected bases around the country.

## OBJECTIVE AND APPROACH

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- After looking at debt backed by tenant leases, it was decided that the best outcome would be achieved by issuing securities based solely on AAFES' AA Standard and Poor's rating.

## OUTCOME

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- The Notes are taxable, senior, unsecured debt of AAFES and were issued via a Private Placement to qualified buyers. The par value was \$90,000,000.
- The notes amortize over 15 years, which at that point was the longest maturity AAFES had ever issued. Given the difficulties being faced by retailers, AAFES decided not to move forward after the first center was built.