The City of Riviera Beach

Response to Request for Proposals for Investment Banking Services for the Issuance of City of Riviera Beach, Florida Utility Special District Water and Sewer Revenue Bonds, Series 2021 RFP No. 1038-21-3

August 4, 2021

Morgan Stanley & Co. LLC

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Althea Pemsel, MS, CPSM, *Director of Procurement*
Office of the City Clerk
City of Riviera Beach
600 West Blue Heron Boulevard
Riviera Beach, FL 33404

August 4, 2021

Dear Ms. Pemsel,

On behalf of Morgan Stanley & Co. LLC, we are pleased to respond to the Request for Proposals for Underwriting Services for the City of Riviera Beach, Florida (the "City") Utility Special District (the "District") Water and Sewer Revenue Bonds, Series 2021 financing. As a global financial services firm with a leading national municipal bond underwriting franchise coupled with one of the most expansive distribution networks in the country, Morgan Stanley offers the resources necessary to serve as the District's senior manager. Our qualifications are highlighted below:

Commitment to Florida. Morgan Stanley makes it a priority to have a dedicated banking presence across the State of Florida. ***In fact, Morgan Stanley maintains a dedicated Public Finance office in Coral Springs, with two public finance bankers that cover issuers across Florida.*** Morgan Stanley is also committed to maintaining a strong physical presence in the State of Florida through Morgan Stanley Wealth Management ("MSWM"). ***In the State of Florida, MSWM has a combined 1,317 financial advisors who manage 523,317 accounts with over $228.0 billion in total assets, $16.2 billion of which are municipal bonds.*** Our deep connections with Florida issuers have made Morgan Stanley a leading underwriter in senior managed negotiated transactions in the State.

Leading Water and Sewer Utility Experience. Morgan Stanley, unlike many other firms, has a dedicated water and sewer financing team comprised of industry veterans with substantial experience financing transactions for small and large issuers across the country. From January 1, 2018 through June 30, 2021, Morgan Stanley was the #4 underwriter of fixed-rate water and sewer debt nationally, having financed over $8.0 billion across 62 transactions. Our vast experience includes transactions comparable to that of the District and makes us a strong financing partner to best position the District as it prepares to issue bonds for the first time in five years.

Top National Underwriter with Strong Capital Position. Morgan Stanley is a perennial leader in the municipal securities industry, having ranked at least #4 among all senior managers nationwide every year for over a decade. As of the quarter ended March 31, 2021, Morgan Stanley reported $12.2 billion in excess net capital, which equates to an underwriting capacity of $173.8 billion. However, Morgan Stanley realizes that the amount of a firm's capital is not meaningful unless the firm makes an absolute commitment to put its capital at risk for its clients, and we have consistently demonstrated a willingness to commit capital in underwriting our clients' new issues and bidding aggressively on competitive sales. Allocations of capital for underwriting commitments are not made to individual business units; rather, adequate capital is provided in response to business needs as they arise. Therefore, ***Morgan Stanley is firmly positioned, if necessary, to underwrite all or a portion of any of the District's Bonds to ensure that it achieves the best possible financing.***

Financing Considerations. As detailed later in our proposal, in addition to the proposed new money financing, we have presented two refunding opportunities for the District's Series 2014 and Series 2016 Bonds: 1) A public market taxable advance refunding; and 2) A private market direct purchase refunding through Morgan Stanley's Municipal Capital Solutions Group ("CSG"). In addition to providing higher NPV savings than a public market transaction, there are ***several other advantages to the private market option, including no official statement, the ability to defer ratings, faster time to market, a more efficient fee structure, and the elimination of the time-consuming marketing and investor outreach process. Importantly, CSG is also prepared to buy the District's new money transaction outright in the form of a direct purchase in order to help the District move quickly and efficiently to lock-in near all-time low rates.***

We look forward to the opportunity to work with the District as a member of its underwriting team. Please do not hesitate to reach out to us should you have any questions or require additional information.

Sincerely,

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Morgan Stanley

Section 1

Response to Request for Proposals

4.3 – Firm Overview

Firm Description and Structure. Since its founding in 1935, Morgan Stanley (the "Firm") and its employees have helped redefine the meaning of financial services, and the Firm has established itself as a pioneer within the banking industry. Today, Morgan Stanley is a global financial services firm and a market leader in investment banking, institutional securities (sales and trading), investment management and wealth management practices. The Firm continues to break new ground in assisting clients to manage strategic transactions, in pioneering the global expansion of finance and capital markets and in providing new opportunities for individual and institutional investors. We recently expanded our investor engagement and distribution capabilities through the acquisitions of E*TRADE, Eaton Vance, and Solium Capital (d/b/a Shareworks).

Morgan Stanley's Commitment to Municipal Finance. Morgan Stanley aligns its municipal investment bankers, underwriting, salesforce, traders, short-term remarketing, and capital markets groups in one cohesive organizational group under the umbrella of the Municipal Securities Department ("MSD"). The mission of our Municipal Securities Department since its inception in 1982 has reflected the Firm's overall strategy: to provide the highest caliber of investment banking and transaction execution services to meet our municipal clients' financial needs in all markets. Structurally, the Municipal Securities Department is part of Morgan Stanley's Institutional Securities business unit and contains seven banking groups: National Infrastructure (includes: Water and Sewer, Pooled Loan, and State Revolving Fund, School Districts, General Obligation, and Transportation); Project Finance and Sustainable Infrastructure; Housing and CDFIs; Public Power; Corporate-Backed; Health Care; and Higher Education. Morgan Stanley's public finance bankers are primarily located at the New York City headquarters; however, there are nine additional offices in Coral Springs, Albany, Austin, Chicago, Dallas, Denver, Los Angeles, San Francisco, and Washington D.C. (detailed above). ***Since the start of 2018, Morgan Stanley's Public Finance Team has hired eight additional bankers in order to provide more comprehensive coverage and dedicate adequate resources to our municipal clients.*** Morgan Stanley has had local banking support in the Florida market since 1993. Proving our commitment to the Sunshine State, Morgan Stanley is among only a handful of firms to have a dedicated Public Finance Office in Florida. As described above, Morgan Stanley has ten public finance offices, employing 85 Public Finance bankers and 88 in sales, trading, derivatives, and underwriting.

Public Finance Office Locations

Public Finance Headquarters 1585 Broadway, 16th Floor New York, NY 10036	**Underwriting, Sales & Trading** 1585 Broadway, 16th Floor New York, NY 10036	**Albany, New York** 80 State Street, 12th Floor Albany, NY 12207
Austin, Texas 301 Congress Avenue, Suite 1400 Austin, TX 78701	**Chicago, Illinois** 233 S. Wacker Drive, 34th Floor Chicago, Illinois 60606	**Coral Springs, Florida** 2825 University Drive, Suite 400 Coral Springs, Florida 33065
Dallas, Texas 2121 Pearl Street, 5th Floor Dallas, Texas 75201	**Denver, Colorado** 1550 Market Street, Suite 600 Denver, Colorado 80202	**Los Angeles, California** 1999 Avenue of the Stars, Suite 2400 Los Angeles, California 90067
San Francisco, California 555 California Street, Suite 2200 San Francisco, California 94104		**Washington, DC** 1747 Pennsylvania Avenue NW Washington, DC 20006

Morgan Stanley's City of Riviera Beach Utility Special District Coverage Team. Our coverage team brings together veteran professionals with significant experience in Florida and Water & Sewer coverage. ***Ayanna Louis-Charles***, Executive Director located in Coral Springs, FL, will serve as the lead banker and primary contact to the City. Ms. Louis-Charles will be responsible for deal execution and quantitative support of the City's financings and will provide the City with the full commitment of the financing team's resources. ***J.W. Howard***, Executive Director and Head of Florida Coverage, also located in Coral Springs, FL, will also serve as a primary contact to the City and provide day-to-day coverage for any engagements with the City. ***Joe Abramson***, Vice President, will serve as an additional primary contact and provide Water and Sewer sector expertise. ***Richard Weiss,*** Executive Director and Head of Water, Sewer, and SRF/Pooled Loan Banking, will provide additional sector expertise. It is important to point out that Morgan Stanley is one of only a few firms that maintains a dedicated Water and Sewer group which combines our national expertise in the sector with unparalleled local expertise in Florida. ***Will Beckford,*** Executive Director, will provide additional project oversight and execution support. ***Brian Wynne***, Managing Director, Head of Public Finance and Head of Long-Term Municipal Syndicate will supervise any transactions on which Morgan Stanley is engaged. ***Safdar Mirza***, Executive Director and Head of our Municipal Capital Markets Group, ***Greg Baugher,*** Executive Director, and ***Uyen Le,*** Associate, will provide capital markets expertise and oversight for all quantitative analysis. ***Oliver Kornberg***, Analyst, will provide banking support and assist with quantitative financial analysis.

Primary Contacts for the City

	**Contact:** Ayanna Louis-Charles, *Executive Director* **Address:** 2825 N. University Drive, Suite 400, 4th Floor Coral Springs, FL 33605 **Phone:** (954) 267-5655 **Email:** Ayanna.Louis-Charles@ms.com
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	**Contact:** Joe Abramson, *Vice President* **Address:** 1585 Broadway, 16th Floor New York, NY 10036 **Phone:** (212) 761-9105 **Email:** Joseph.Abramson@ms.com
	**Contact:** Will Beckford, *Executive Director* **Address:** 1747 Pennsylvania Avenue NW, 3rd Floor Washington D.C., 20006 **Phone:** (202) 654-2110 **Email:** Will.Beckford@ms.com

As the District's financing progresses, the Public Finance banking team will work closely with various members of our municipal syndicate desk, salesforce, and credit strategy groups. ***Daniel Kelly***, Executive Director and Co-Head of the Long-Term Syndicate, and ***Taylor Ryan***, Associate, provide our long-term underwriting efforts. ***Shannon Canning,*** Vice President, ***Judith Asuzu,*** Associate, will provide credit and investor relations expertise to ensure maximum participation among institutional, SMA, professional retail, and retail investors. They will be assisted in these efforts by ***Jason Tejada,*** Vice President. ***Zach Solomon***, Executive Director and Head of Tax-Exempt Project Finance and Sustainable Infrastructure, would be happy to work on any potential ESG-labeled transactions that the District might be interested in executing. ***Stu Perilstein***, Managing Director and Co-Head of Municipal Institutional Sales, will be responsible for coordinating marketing and distribution of the District's securities to the Firm's institutional clients. ***Lindsey Wetzel***, Executive Director and Head of Municipal Retail Sales, will work with the Firm's financial advisors to coordinate the sale of the District's bonds to the Firm's retail clients. Additionally, if market conditions or financing objectives suggest advantages to a private market solution through ***Ty Savastio***, Vice President, and ***Sarah Wells,*** Analyst, will work alongside the Morgan Stanley banking team to execute such a strategy. We have provided brief resumes for the core project team members in **Appendix B.**

Municipal Capital Solutions. Morgan Stanley formed its Municipal Capital Solutions Group ("CSG") in 2017 to provide private market financing options to the Firm's municipal issuer clients. CSG provides Morgan Stanley's clients with an opportunity to supplement the suite of traditional public market financing options with alternative solutions where Morgan Stanley's capital can be deployed. CGS is able to bridge the gap between the public and private markets and provide alternatives for clients unable or unwilling to access more traditional forms of capital. Business initiatives include direct placements, municipal market forwards, lending, securities financing, securitizations, and structured notes. To date, Morgan Stanley has executed over $6 billion in financings through the CSG and currently allocates $10 billion of the Firm's balance sheet to this group. In our response to Question 4.6 we highlight some of the benefits CSG could provide the District as it may be seeking to enter the market quickly to lock-in near all-time low rates on its upcoming new money financing and refunding opportunities.

Morgan Stanley's Commitment to Diversity and Minority Business Enterprises and Women Business Enterprises Participation. While Morgan Stanley is not a women/minority business enterprise or a service-disabled veteran owned business, we pride ourselves on being a leader in workforce diversity and in improving inclusion within the securities industry as a whole. While underwriters are prohibited from subcontracting underwriting services due to SEC regulations, Morgan Stanley has a long-standing history of working cooperatively with minority, woman-owned, and regional firms in structuring, financing, and selling municipal bonds, and our reputation for fair and equitable inclusion is unsurpassed in the industry. We recognize that equal access and equal opportunity, along with diversity in our business processes is an important part of doing business. As such, among other actions, our commitment to diversity and equal opportunity employment is reflected in our workforce. As it relates to the City, Ayanna Louis-Charles, Executive Director and Will Beckford, Executive Director are members of the City's core financing team. Our commitment to diversity also includes providing Minority and Women Business Enterprises (M/WBEs) as well as, Disadvantaged Business Enterprise (DBEs), Veteran Business Enterprises (VBEs) and Lesbian/Gay/Bisexual, Transgender (LGBT) owned businesses and other diverse businesses with an opportunity to bid on and participate in direct contracting with the Firm.

We have developed syndicate practices to optimize the ability of minority and women-owned syndicate members to distribute bonds and participate in the underwriting process. Furthermore, we have often engaged minority and women-owned firms as underwriters' counsel, including our proposed Underwriter's Counsel **Virtus LLP,** and have advocated the use of women and minority bond counsel to issuers throughout the country. In order to grow minority, women-owned or regional underwriting firm capacity and expertise in municipal finance, Morgan Stanley encourages meaningful exposure throughout the transaction and ensuring these firms have a strong level of involvement.

4.4 – Experience.

Morgan Stanley's Senior Managed Water and Sewer Negotiated Financings
1/1/2018 to 6/30/2021

	Tax-Exempt		Taxable	
	# of Issues	Par Amount ($MM)	# of Issues	Par Amount ($MM)
2018	6	605.2	--	--
2019	16	1,847.1	4	776.3
2020	15	2,479.1	6	712.0
2021 thru 6/30	12	1,288.4	3	403.3
Total	**49**	**6,219.8**	**13**	**1,891.6**

Source: SDC

Combined Utilities / Water & Sewer Experience and Qualifications. Morgan Stanley, unlike many other firms, has a dedicated water and sewer financing team with industry veterans with substantial experience financing transactions for large and small issuers across the country, many of which are similar to the District. One of the District's primary contacts, ***Joe Abramson***, is a member of this team and works closely with our dedicated Florida coverage team. As summarized in the adjacent table, from January 1, 2018 through June 30, 2021, Morgan Stanley was the #4 underwriter of fixed-rate water and sewer debt nationally, having financed over $8.0 billion across 62 transactions. Our water and sewer experience includes transactions ranging in size from several million to over a billion across the US and includes a number of transactions for issuers similar to the City, including significant regional experience. Select recent water and sewer experience includes senior managed transactions for the Hernando County Water and Sewer System, the City of Lake Worth Beach, Miami-Dade County Water and Sewer, the Jacksonville Electric Authority (JEA), North Sumter County Utility Dependent District, the Buffalo Sewer Authority, The Pittsburgh Water and Sewer Authority, Northeast Ohio Regional Sewer District, Greater Cincinnati Water Works, and the City of Toledo, amongst numerous others.

Below, please find a case study for the Hernando County and City of Lake Worth Beach transactions, which highlight examples of the value-added services we have recently provided to Florida water and sewer clients.

Hernando County, Florida [Ratings: Aa2 / AA+ (M / F)].

On April 14, 2021, Morgan Stanley served as senior manager on Hernando County, Florida's $25.565 million Taxable Water and Sewer Refunding Revenue Bonds, Series 2021A and $37.135 million Water and Sewer Refunding Revenue Bonds, Series 2021B transaction. The Series 2021A Bonds were issued to refund the County's outstanding Series 2013A Water and Sewer Refunding Revenue Bonds on a taxable basis, while the Series 2021B Bonds were issued to prepay all of the County's outstanding State Revolving Fund Loans with the Florida Department of

Environmental Protection (the "FDEP"). Morgan Stanley worked with the County and its financial advisor to evaluate a number of different rating sensitivities including analyzing the Moody's and S&P scorecards results over a multi-year period. This analysis determined that the County was best positioned for a Moody's rating upgrade and based off the S&P credit scorecard the County decided not to obtain a rating from S&P. The County also decided to increase the existing coverage requirements contained in the rate covenant and additional bonds test from 1.20x to 1.40x (net revenues and connections fees) and from 1.10x to 1.35x (net revenues only) in order to further strengthen the credit. ***As a result of this effort, Moody's upgraded the County from Aa3 to Aa2 and Fitch upgraded their outlook from "Stable" to "Positive" while it maintained the County's AA+ rating.*** To ensure sufficient appeal to a wide variety of investors across the curve, Morgan Stanley recommended a structure for the Series 2021B Bonds showing a healthy mix of 5% and sub-5% coupons. Reacting to feedback from investors during the pre-marketing period, Morgan Stanley added 3% coupons to the final three maturities. Given both strong market conditions at the time of sale and healthy demand for the County's credit, Morgan Stanley's syndicate desk was able to take advantage of historically low interest rates and lock-in healthy NPV savings for the County. The 2021A taxable refunding produced approximately $1.993 million in NPV savings (8.3% of refunded par). The 2021B tax-exempt refunding produced approximately $2.330 million in NPV savings (5.0% of refunded par), a significant achievement given that the County was taking out its SRF loans originally priced at par. ***The transaction achieved an overall All-in TIC of 1.65%.*** To ensure the success of the transaction and maximize savings to the County, Morgan Stanley ultimately underwrote $1.195 million of the Series 2021B unsold balances.

City of Lake Worth Beach, Florida, Consolidated Utility System [Ratings: A2 / AA (Ins) (M / S)].

On October 29, 2020, Morgan Stanley served as Senior Manager for the City of Lake Worth Beach, Florida's (the "City") sale of $88.930 million Consolidated Utility Revenue Bonds, Series 2020 (the "Bonds"). ***This bond sale was the inaugural issue for the City's Consolidated Utility credit. The Bonds were issued to finance the acquisition, construction, and equipping of improvements to the consolidated electric, water and sewer utility system (the "System") owned and operated by the City, and to restructure certain privately-held existing indebtedness of the System.*** With the 2020 US election looming the week following pricing and continued uncertainty in the market regarding the economic impact of the COVID-19 pandemic through the end of the year, many issuers accessed the municipal market in October in an attempt to "get ahead" of uncertain market conditions in a $69 billion record-setting wave of supply that marked the largest month of issuance on record. Morgan Stanley, the City, and the City's municipal advisor jointly determined that it would be economic to insure the entire transaction with bond insurance from Build America Mutual. The City posted an investor roadshow in order to educate investors about the new credit and generate demand for the Bonds. The investor roadshow was viewed by 19 unique investors, 3 of which placed $25.3 million in orders for the Bonds. Leading up to pricing, market conditions were stable with MMD rates remaining range-bound near all-time lows. The Bonds saw excellent demand across all maturities from a variety of accounts, ultimately receiving $168.0 million in orders for a subscription level of 1.9x, including over $1.1 million in retail orders (which includes $300K in Florida retail orders). ***The transaction achieved an All-in TIC of 2.93%. In order to ensure a successful pricing, Morgan Stanley committed to underwrite $7.0 million of the transaction without widening spreads.***

4.5 – Credit Discussion

Overview and S&P and Fitch Credit Observations. Currently, the City's Utility Special District Water and Sewer Revenue Bonds have underlying ratings of A+ by S&P Global Ratings with a stable outlook and A+ by Fitch Ratings with a stable outlook. S&P's most recent commentary on the credit is from the District's 2016 financing and S&P indicates they last reviewed the District's credit in September 2020 (S&P did affirm the City's Stormwater credit at A+ in December 2020 after it was previously placed on "CreditWatch"). While S&P did place the entire Water and Sewer sector on negative outlook in April 2020, driven by COVID-19, S&P did adjust their outlook on the sector to stable in January 2021 citing a number of broad strengths to the sector including:

- Adverse impact of the pandemic on utilities' revenues was mitigated by residential customer demand
- Many utilities have approved inflationary-sized rate increases although some have scaled back or eliminated them in final budgets which could impact future budgets and multi-year capital plans
- Number of utilities deferred pay-go capital projects or increased borrowing for committed projects to maintain or build cash reserves in response to economic uncertainty and cash flow deviations
- The magnitude of declines in median household effective buying income, increases in households below the poverty line, and the loss of major employers varied by service area with many utilities responding through assistance programs

Alternatively, Fitch has kept the entire sector on stable outlook. Our most recent experience with Fitch included a rating outlook upgrade on another Florida credit in March 2021 (Hernando County Water and Sewer) which received an outlook upgrade from AA+ stable to AA+ positive. Most recently in 2020, Fitch designated the District's rating as "Under Criteria Observation (UCO)" on April 9, 2020 following the publication of Fitch's revised rating criteria. In September 2020, Fitch affirmed the District's credit rating at A+ and the UCO designation was resolved.

Specifically focusing on the District's credit, S&P and Fitch cited a number of strengths in their most recent commentary:

- Very strong enterprise risk profile driven by service area participation in the broad and diverse Miami-Fort Lauderdale-West Palm Beach metropolitan statistical area (MSA)
- Financial metrics that include historical all-in debt service coverage of at least about 2.0x, pro forma all-in coverage of at least 1.3x
- Days cash on hand equivalent of no less than 600 days
- Exceptionally low leverage ratio (2x) – measured as net adjusted debt to adjusted funds available for debt service
- Independent legal ability to increase service rates without external approval

S&P Rating and Scorecard. In order to assess the S&P rating we are able to leverage a rating scorecard based off the District's audited FY 2020 data as well publicly available information, the District's most recent S&P rating report and rating commentary. Taking into account the most updated metrics and contemplated upcoming financing, we determined that the District maps to an A+ rating based off the S&P scorecard, before any below-the-line notching adjustments. It is clear that the metrics that were positive in S&P's 2016 detailed report remain positive and in most cases have been strengthened –most notably continued improvements in days cash on hand (> 150 days and estimated at 1,000 days based off FY 2020 data), and total unrestricted cash (~$46 million based off FY 2020 data). Given the additional leverage on the District, Debt Service Coverage drops from approximately 2.33x to 1.20x without taking into account any expected rate increases (the decrease to 1.20x holds FY 2020 Net Revenues Available for Debt Service flat and assumes $4.0MM of additional debt service through FY 2037). The detailed S&P scorecard is included in **Appendix C.** Taking into account the scorecard results and the context of the upcoming $100+ million financing that will increase the District's leverage, our expectation is the District's credit will maintain an A+ rating.

Fitch Rating. Our expectation is given that Fitch affirmed the District's rating in September 2020 following a review incorporating Fitch's updated rating methodology and the fact that Fitch's rating assessment is forward looking taking into account the FY 2021 through FY 2025 capital improvement program (CIP) including the upcoming new debt-funded water treatment plant (WTP) the District's Fitch rating will be maintained at A+. Included in the most recent rating report there were a number of rating sensitivities highlighted that could lead to positive rating action / an upgrade and a negative rating action / a downgrade:

- FY 2019 & 2020 audited results pointing to continued strong financial performance in line with historical outcomes
- Increased stability among management of the City and District
- Sustained leverage below 8x despite anticipated debt issuance
- Unanticipated capital needs that lead to a weakening in net leverage to above 10x on a sustained basis

Unlike S&P and Moody's (described further below), Fitch does not provide the tools to develop an indicative rating scorecard. In situations where we are working with new credits, we typically recommend utilizing a combination of S&P and Moody's because both firms do provide the ability to develop indicative scorecards. Given the established nature of the District's credit and the fact that Fitch recently affirmed the District's rating, we were able to utilize the detailed Fitch rating report and have confidence in our Fitch rating assessment. These various points plus our review of the District's strong FY 2020 financial results provide a strong assurance that the District will maintain an A+ Fitch rating for the upcoming financing and foreseeable future.

Moody's Rating and Scorecard. While we do not recommend the District pursue a Moody's rating (we elaborate further on our recommended rating strategy below) we do find it helpful to provide the results of the Moody's scorecard because Moody's provides the most granular indicative scorecard. Taking into account FY 2020 data and the projected additional leverage from the upcoming financing, we estimate that the Moody's rating would be A1 (2.63 score) before any below-the-line notching adjustments. The detailed Moody's scorecard is included in **Appendix C.** Similar to S&P we believe the District's credit rating aligns with the scorecard and notably the two areas of focus are the Service Area Wealth and Annual Debt Service Coverage. Both metrics have a strong weight into the scorecard rating, and we know the District is balancing the challenge of increasing rates and maintaining affordability for the ratepayers. While we do not recommend the District pursue a third rating, should the District decide to replace S&P or Fitch with Moody's we are confident Moody's would rate the District A1. Even if the District dropped Fitch and S&P ratings on the upcoming financing, they would still rate the District's outstanding Series 2014 and Series 2016 Bonds. We further elaborate on our recommended rating approach below and provide information highlighting recent trends in the number of ratings procured.

Trend in Number of Ratings to Procure and Recommendation. As shown in the adjacent chart based on new issue market reports compiled by the Municipal Market Association, in 2008 the average number of ratings per $ par for municipal bonds was 2.17. In 2016, the number of ratings per $ par had decreased to 2.05 and through July 12, 2021, that number had further decreased to 1.87 (See **Appendix C** for more information).

The broader market has moved away from utilizing three ratings in connection with a bond issuance, although there was a recent uptick in financings with three ratings gaining market share but it was mostly attributed to select issuers utilizing Kroll. While Kroll does have talented utility sector analysts and provides detailed rating reports we do not recommend considering a Kroll rating because Kroll does not provide a utility scorecard and our underwriting desk does not believe a potential "AA" level Kroll rating would provide a pricing benefit to the District. Additionally, single-rated issuances have been gaining market share but we do not believe that is the right strategy for the District for the reasons highlighted above and the fact that the upcoming financing is a significant portion of the District's CIP.

Our recommendation is that the District issue the Series 2021 financing with two ratings, utilizing S&P and Fitch. As the municipal market has evolved post-2008 credit crisis, municipal investors are performing their own credit assessment assigning their own ratings to evaluate credit quality. While public ratings represent an important market assessment, the market recognizes that this assessment can be demonstrated with fewer ratings and our underwriting desk and dedicated credit / investor relations team believes two ratings is the right strategy for the District. While a number of credits have opted for a single rating, we do not believe that is the right course of action for the District given upcoming significant new money needs.

Rating Presentation Strategy. Since the District is working on a significant financing, it should conduct a Zoom or teleconference rating meeting (to the extent the District and the rating agencies permit in-person meetings we would recommend an in-person rating meeting in New York City or inviting the rating agencies to the District's office). A comprehensive rating agency presentation should be developed that highlights various credit strengths and addresses any credit considerations. Information contained in any recent consultant reports, including ongoing regulatory monitoring reports, as well as the most recent financial statements of the District (including FY 2022 unaudited results) should provide the basic information for the presentation. A draft outline of the rating agency presentation is provided in **Appendix C**. Additionally, it will be helpful to supplement the District's audited financials to develop additional statistics to describe recent financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information across the service area. The rating agencies and investors will find this information to be helpful and it will be important to supplement it with any unaudited FY 2022 figures to show the impact from COVID-19 and results as the environment has started to normalize.

Morgan Stanley has extensive experience assisting water and sewer utilities and their financial advisors in developing comprehensive rating presentations for new credits, restructuring existing credits with amended indentures, or reintroducing existing credits to the marketplace. We have recently helped develop such presentations for Miami-Dade County Water and Sewer, the City of Lake Worth Beach Combined Utility, Hernando County Water and Sewer, the Buffalo Sewer Authority, The Pittsburgh Water and Sewer Authority, Capital Region Water (PA) Water credit and Sewer credit, the Sewerage and Water Board of New Orleans, the Greater Cincinnati Water Works, the Narragansett Bay Commission, the Metropolitan Sewer District of Greater Cincinnati, and the Metropolitan Government of Nashville and Davidson County, among others. Our work with these credits has included rating upgrades, outlook upgrades, helping to stabilize credits on the brink of downgrade, and numerous other outcomes to help ensure our issuer clients can efficiently access the public market, many of which occurred since the onset of COVID-19.

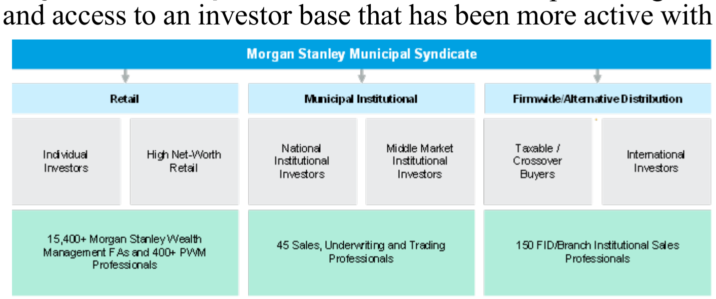
4.6 – Marketing, Distribution and Pricing

Large National and Local Retail Network. Morgan Stanley offers our municipal clients one of the largest retail distribution networks in the industry. With nearly 13,198 employees in 535 offices that cover nearly 6.7 million individual accounts with assets totaling over $2.8 trillion, including over $184.5 billion in directly held municipal securities, Morgan Stanley has substantial retail distribution capabilities to broaden the District's distribution. Municipal bonds are one of Morgan Stanley Wealth Management's ("MSWM") primary products and is the #1 fixed income product. Also of note, Morgan Stanley has a significant presence in the State of Florida, encompassing 49 retail offices. ***The MSWM system employs 1,317 financial advisors in Florida who manage 523,317 accounts with over $228.0 billion in total assets, $16.2 billion of which are municipal assets. In Palm Beach County alone, there are 3 MSWM offices, employing 100 financial advisors who manage 47,787 accounts with $21.5 billion under management, of which $1.9 billion are in directly held municipals.*** Our robust local retail practice gives us unparalleled insight into trends among Florida retail clients and access to an investor base that has been more active with the recent volatility in muni rates.

	National	Florida	Palm Beach County
Number of Offices	543	48	**3**
Number of FAs	+15,400	1,317	**110**
Accounts	6.68 MM	523,317	**47,787**
Assets	$2.8 TR	$228.0 BN	**$21.5 BN**
Directly Held Municipals	$184.5 BN	$16.2 BN	**$1.9 BN**
Municipals as % of Total	6.52%	7.17%	**8.75%**

MSWM Wealth Management Office Locations

Morgan Stanley's Comprehensive Distribution Capabilities. Morgan Stanley is one of only a few firms in the municipal industry that can offer the District comprehensive investor distribution capabilities, including a dedicated institutional municipal sales force, middle markets and high-net-worth coverage, and the largest retail distribution system in the country with a robust Florida presence. Morgan Stanley currently has 5 professionals tasked to the long-term syndicate desk. Our syndicate team works closely with the various professionals in the above chart in order to bring Morgan Stanley senior managed transactions successfully to market. As one of the largest underwriters and market makers for municipal bonds with exclusive access to one of the largest retail networks in the country, Morgan Stanley has in-depth relationships with investors and multiple points of contact. This breadth and depth of investor coverage is critical to successful issuance in the current market in which conditions can change rapidly and dramatically.



Industry-Leading Institutional Distribution Capabilities. Morgan Stanley is widely recognized as a premier institutional firm with longstanding relationships with tax-exempt and taxable institutional investors and a willingness to provide secondary market liquidity to institutional purchasers of bonds. Our global coverage of all levels of institutional investors has earned Morgan Stanley such accolades as "Bank of the Year" by IFR in 2020 and the award for "Best Investment Bank in the US" by Euromoney Magazine in 2019. Together, ***the Firm's institutional fixed income professionals have access to more than 9,000 investors who manage approximately 75% of all assets in the United States and 50% worldwide.***

Credit and Investor Relations. Unlike many other firms, Morgan Stanley offers a dedicated team exclusively devoted to Municipal Credit Strategy and Investor Outreach, led by ***Shannon Canning*** and ***Judith Asuzu,*** with assistance from ***Jason Tejada***. Ms. Canning and Ms. Asuzu stand ready to help craft the District's credit message to ensure it resonates with the credit analysts at rating agencies and investment firms in these turbulent times. This team also helps our bankers create, execute, and troubleshoot comprehensive marketing plans for municipal issuers of all types, ensuring seamless coordination between the syndicate desk, Public Finance, and Sales and Trading prior to and during each issue that we underwrite. In addition, ***a key advantage offered by the Morgan Stanley team is the resources we devote to monitoring, analyzing, and reaching out to investor targets in a data-driven manner.*** Our Investor Outreach team uses both aggregated data and up-to-the-minute information from active deals to develop a robust set of investor targets for each issue. The District can be assured that our team will be able to access and dialogue with all pockets of demand for its proposed financing.

Institutional and Professional Retail Marketing Strategies. To further ensure significant investor penetration, the District could consider the following techniques:

- ✓ **Internet Roadshow.** Internet roadshows are a cost-effective and time-efficient tool to enhance the investor outreach/marketing effort. An internet roadshow would give the District the opportunity to highlight its credit strengths and conservative financial policies and provide an overview of the proposed financing. We have recently seen an increase in slides-only presentations, which can provide investors with the key points about the issue and credit while efficiently utilizing issuer resources as well as buyers' time. We believe either a recorded or slides-only internet roadshow would be well-received in the current market. This will allow District officials an opportunity to elaborate on the budgetary impact of the COVID pandemic and enable the District to update investors on the water and sewer utility's operations, capital needs, and financial performance in advance of their proposed financing.
- ✓ **One-on-One Investor Calls.** Investor calls can be an important outreach step to encourage participation from significant "price-maker" accounts. Investors have become used to this process, and we would encourage the District to offer calls as part of its outreach process to enhance institutional investor interest and engagement. This practice has been particularly beneficial in the current market, as investors have an array of questions that relate to the effect of COVID-19 and will be eager for the opportunity to interface with the District.
- ✓ **Managing the Credit Analysis Process.** Upon mailing the POS, our dedicated Investor Outreach team will reach out to over 100+ credit analysts announcing the transaction, prepare an internal memorandum on the credit to assist the sales force in delivering a consistent message, and actively follow up with interested investors.
- ✓ **Monitoring Fund Flows.** Morgan Stanley's institutional salesforce will monitor the inflow and outflow trends of our major institutional clients very closely as it pre-markets our large transactions.

Retail Marketing Strategies. Depending on market conditions at the time of pricing, participation from retail investors could provide support to achieve a low borrowing cost. Therefore, we believe that it is important for the District to have a senior manager that has a full retail network with a strong presence to offer bonds in Florida. Because retail participation is best enhanced by an organized execution process and raising awareness, we suggest the following ideas:

- ✓ **Retail Priority.** Adding retail priority during the institutional pricing has proven to be highly successful in maximizing individuals' access to bonds in the primary market. The District could give the highest priority to Florida retail followed by Florida professional retail and finally national retail.
- ✓ **Retail Coupons.** The District could consider utilizing split-coupons (i.e. multiple coupons) in certain maturities to satisfy retail investor demands. Retail investors often prefer lower dollar prices while "professional retail" investors prefer premium coupons. Full ownership of MSWM gives our underwriters unique insights into current retail preferences and enables us to market the bonds directly to our financial advisor network and structure them based on feedback received.
- ✓ **Retail Marketing Strategy.** Morgan Stanley would work with our retail brokers to evaluate portfolios with maturing Florida bonds prior to the District's offering and aim to replace these maturing bonds with the District's bonds or offer to buy back bonds that are close to maturity from our customers so that the District's bonds can be substituted in our customers' portfolios.

Investor Targeting Strategies. A critical part of the marketing effort involves identifying, prioritizing, and interfacing with the appropriate set of investor targets. In the table on the following page, we have shown the top disclosed holders of the District's bonds and of the City's Stormwater Utility bonds. We would first target these investors as part of our marketing effort as they have shown familiarity with the District's bonds and are more likely to be active participants in any upcoming financing. In addition to the existing holders of the District's bonds, Morgan Stanley would also target the top holders of

A-rated water and sewer bonds nationally, of which MSWM, Northern Trust and Capital Group, for example, are also top holders. All of the District's top holders have been active buyers of water and sewer bonds nationally in 2021 YTD. ***Importantly, MSWM is a top holder of the District's bonds (ranking #4 overall), providing us with unique insight into this credit and access to an immediate universe of buyers.***

Top Disclosed Holders of Riviera Beach USD Water and Sewer and Stormwater Utility Bonds

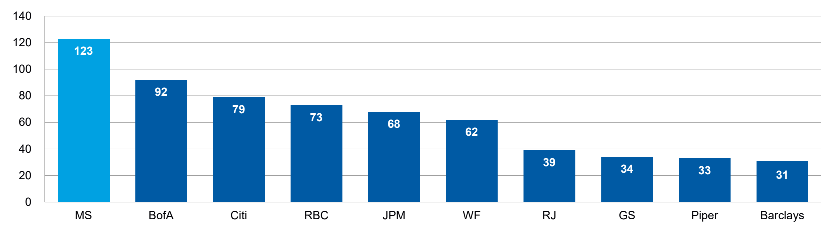
Rank	Name	Par Amount ($000)
1	State Farm	20,660
2	Northern Trust	4,255
3	Capital Group	2,495
4	**Morgan Stanley Wealth Management**	**1,895**
5	Berkshire Hathaway	265
6	JPMorgan Asset Management	25

Top Disclosed Holders of A-Rated Water and Sewer Bonds Nationally

Rank	Name	Par Amount ($000)
1	Vanguard Group	2,755,224
2	**Morgan Stanley Wealth Management**	**1,336,020**
3	Nuveen / TIAA	1,191,969
4	BlackRock	954,090
5	Capital Group	948,409
6	Franklin Resources	750,168
7	Invesco	594,725
8	Wells Capital	566,818
9	New York Life Group	477,215
10	Goldman Sachs Asset Management	470,562

ESG Investors and Considerations. Since the first Municipal Green Bonds were issued by the Commonwealth of Massachusetts in 2013, the Municipal ESG Bond market has grown to include not only Green Bonds, but also Sustainability and Social Bonds. These ESG labels allow issuers to highlight the environmental, social, and/or governance credentials of the intended use of proceeds, with the aim of attracting investors particularly interested in investing in transactions that promote an environmental and/or social good. Over $95.9 billion in ESG-labeled municipal bonds have been issued across 749 transactions. ***Morgan Stanley is proud to be the #1 underwriter of Municipal ESG Bonds since 2013 as seen in the adjacent table, having senior managed $14.1 billion in ESG bonds across 123 transactions.*** Our leadership in this sector is led by Zach Solomon, Morgan Stanley's Head of Tax-Exempt Sustainable Infrastructure. Regularly collaborating with firmwide partners in Global Sustainable Finance and Global Capital Markets, Mr. Solomon imports cutting edge ESG financing ideas from around the world to best serve our municipal clients. In fact, Morgan Stanley was the first underwriter to introduce Sustainability Bonds and Social Bonds to the municipal bond market. Combined, our leadership in the US and our connectivity to the evolutions of the ESG Bond market globally provide us with a unique knowledge we are ready to deploy for the City and the District.

Number of Senior Managed US Municipal ESG Bond Transactions By Underwriter



Estimated Pricing. The chart to the right presents the District's indicative spreads to MMD and US Treasuries. Morgan Stanley's price views and couponing structures are based on recent tax-exempt and taxable market comparables and relevant secondary market trades. We have assumed market conditions as of July 23, 2021, as requested by the District, as well as a 10-year par call. Morgan Stanley would be pleased to work with the District and its financial advisor to develop the optimal couponing structure to balance higher coupons with greater future call optionality versus a low All-In TIC. We view this initial scale as a starting point for the District's upcoming transaction and felt it was beneficial to incorporate the couponing preferences that are receiving the most investor interest in the current market.

Indicative Tax-Exempt Scale
Market Conditions as of July 23, 2021

Maturity		Rate	Spread	Coupon	Stated Yield
10/1/2022		0.06%	11	5.00%	0.17%
10/1/2023		0.09%	12	5.00%	0.21%
10/1/2024		0.16%	15	5.00%	0.31%
10/1/2025		0.27%	18	5.00%	0.45%
10/1/2026		0.38%	23	5.00%	0.61%
10/1/2027		0.50%	25	5.00%	0.75%
10/1/2028		0.60%	27	5.00%	0.87%
10/1/2029		0.69%	30	5.00%	0.99%
10/1/2030		0.78%	33	5.00%	1.11%
10/1/2031		0.84%	35	5.00%	1.19%
10/1/2032	C	0.89%	37	5.00%	1.26%
10/1/2033	C	0.93%	37	5.00%	1.30%
10/1/2034	C	0.96%	52	4.00%	1.48%
10/1/2035	C	0.98%	55	4.00%	1.53%
10/1/2036	C	1.01%	55	4.00%	1.56%
10/1/2037	C	1.04%	75	3.00%	1.79%
10/1/2038	C	1.07%	78	3.00%	1.85%
10/1/2039	C	1.10%	80	3.00%	1.90%
10/1/2040	C	1.13%	80	3.00%	1.93%
10/1/2041	C	1.16%	55	4.00%	1.71%
10/1/2042	C	1.19%	57	4.00%	1.76%
10/1/2043	C				
10/1/2044	C				
10/1/2045	C	1.28%	57	4.00%	1.85%
10/1/2046	C				
10/1/2047	C				
10/1/2048	C				
10/1/2049	C	1.34%	85	3.00%	2.19%

C = Callable Bond

Indicative Taxable Scale
Market Conditions as of July 23, 2021

Maturity		Rate	Spread	Coupon/ Yield
10/1/2022		0.20%	20	0.40%
10/1/2023		0.20%	30	0.50%
10/1/2024		0.37%	45	0.82%
10/1/2025		0.72%	45	1.17%
10/1/2026		0.72%	60	1.32%
10/1/2027		1.03%	50	1.53%
10/1/2028		1.03%	60	1.63%
10/1/2029		1.28%	50	1.78%
10/1/2030		1.28%	60	1.88%
10/1/2031		1.28%	70	1.98%
10/1/2032	C	1.28%	85	2.13%
10/1/2033	C	1.28%	95	2.23%
10/1/2034	C	1.28%	105	2.33%
10/1/2035	C	1.28%	115	2.43%
10/1/2036	C	1.28%	120	2.48%
10/1/2037	C			
10/1/2038	C			
10/1/2039	C			
10/1/2040	C			
10/1/2041	C	1.84%	90	2.74%
10/1/2042	C			
10/1/2043	C			
10/1/2044	C			
10/1/2045	C			
10/1/2046	C	1.92%	100	2.92%
10/1/2047	C			
10/1/2048	C			
10/1/2049	C	1.92%	105	2.97%

Investor Structuring Preferences. The story of 2020 and 2021YTD tax-exempt coupon preferences has been a shift away from 5% coupons. As rates have touched and remain near historical lows, investors are showing a preference for lower coupons (lower coupon = more difficult for issuer to refund for savings), and ability to provide a higher YTM for their investment funds. According to a recent survey of Morgan Stanley tax-exempt investor interest by coupon and maturity range, 4% coupons, especially after the typical 10-year call date, show increased interest compared to 5s, and this grows over time. We saw similar interest in 3s and 2s. We expect these couponing preferences to continue in this ultra-low rate environment.

New Money Summary of Results. On the next page, we have provided indicative financing results for a new money transaction taking place in October 2021 based on the expected pricing levels provided above. Our assumptions include a dated/delivery date of October 20, 2021, a final maturity in 2049, and a project fund sized in conjunction with the par amounts listed in the District's preliminary amortization in the RFP. Additionally, we structured this new money transaction to wrap around the District's outstanding Series 2014 and Series 2016 Bonds. With these assumptions, this preliminary analysis results in an ***All-In TIC / Arb Yield of 2.612% / 1.912%***. If the District were to utilize step coupon bonds, as described further below, this would generate a slightly lower ***All-In TIC / Arb Yield of 2.573% / 1.850%*** and would also result in $5.9 million less debt service over the life of the bond issue. Morgan Stanley would be pleased to work with the District and its financial advisor to determine the appropriate structuring elements (short calls, sub-5% coupons, and other tools) for the new money transaction. Additionally, Morgan Stanley would be willing to purchase the new money bonds directly, through CSG, at a premium of 30 bps to the public market scale. ***This structure has several advantages: 1) no official statement is required (now or in the future), 2) reduced issuance costs (no official statement costs, no order monitor costs), and 3) increased ease and speed of execution (ratings can be deferred and no marketing required).*** To further elaborate, Morgan Stanley could act quickly to capitalize on current low interest rates given that no official statement or marketing are required, and Morgan Stanley could agree to receive a rating on the bonds at an agreed upon date in the future (typically within three-months of pricing). We generally have been able to move from kick-off to pricing within a 4 to 6-week timeframe.

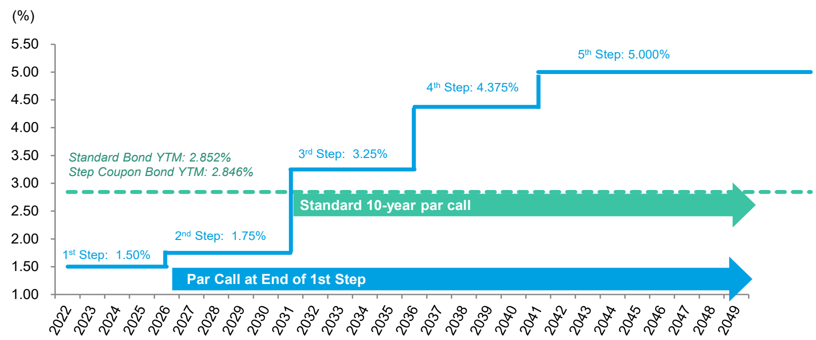
Series 2021: New Money Financing Results

Rates as of July 23, 2021

	New Money Financing	New Money Financing (with Step Coupon Bonds)
Pricing Date	October 2021	October 2021
Dated / Delivery Date	10/20/2021	10/20/2021
Par Amount	$85,770,000	$85,770,000
Stepped Coupon Bond Par Amount	-	$18,180,000
Premium	$11,599,968	$8,458,566
Project Fund Deposit	$96,941,118	$93,740,046
All-In TIC	**2.612%**	**2.573%**
Average Life (Years)	21.685	20.923
Maximum Annual Debt Service ($MM)	$8,034,000	$7,356,600
Average Annual Debt Service ($MM)	$5,333,418	$5,121,028
Total Debt Service ($MM)	$149,054,208	$143,118,517
Amortization	2022-2049	2022-2049

Potential Enhancement: Step Coupon Bonds. For the upcoming new money bond sale, we believe the District may be able to utilize step coupon bonds to increase its option value and lower its debt service costs. Step coupon bonds are fixed-rate bonds sold at par and issued with a coupon rate that "steps up" to predetermined levels if the bonds remain outstanding beyond a certain date. These coupon rates and step-up intervals are fixed at pricing. Step coupon bonds are structured with a three, four, or five-year optional par call date, permitting a refunding prior to the first step-up date or on any day thereafter. Retail investors are familiar with step coupon bonds, as they are common in the taxable bond market, and the combination of a steepening yield curve plus concerns about inflation have led investors within Morgan Stanley's retail system to begin inquiring about the availability of step coupon bonds to add diversity to their debt portfolios. Step coupon bonds have the same all-in cost to maturity for the District as a traditional premium bond. The benefits of step coupon bonds include (i) significant additional option value (due to the shorter call); (ii) lower near-term debt service (which creates capacity to shorten the average life of the bonds, reducing overall funding costs and debt service); and (iii) the opportunity to attract additional retail demand which increases competition and can result in more aggressive pricing. Please see the table above for indicative step coupon bond pricing results.

Step Coupon Bond Structure vs. Traditional Bond



Refunding Opportunities: Series 2014 and Series 2016 Bonds. In addition to the District's proposed new money financing, Morgan Stanley has also evaluated the District's Series 2014 and Series 2016 Bonds for refunding opportunities and has provided a summary of the financing results in the adjacent tables. We evaluated these refundings both on a taxable advance refunding basis as well as a forward direct purchase ("forward DP") with Morgan Stanley's CSG and have included maturity-by-maturity refunding monitors in **Appendix D.** Given the length of time until the call dates of the bonds the District is unable to execute the forward refunding transactions in the public market. To summarize the mechanics of the forward DP, Morgan Stanley's CSG could purchase the refunding bonds directly from the District. This allows the District to lock-in savings more quickly than in the public market. In fact, Morgan Stanley could use the scale from the public market new money deal as a basis to price the Forward DP, pricing our forward premium on top of that. The direct purchase bonds would be very similar to the City's other outstanding debt. They would be DTC eligible securities with CUSIPs and normal ongoing disclosures. ***Currently, Morgan Stanley's CSG would charge a premium of 135 bps for the Series 2014 Bonds and a premium of 190 bps***

Series 2014: Summary of Refunding Results

Rates as of July 23, 2021

	Taxable Advance Refunding	Tax-Exempt Forward Direct Purchase Refunding (+135 bps Forward Premium)
Pricing Date	October 2021	October 2021
Dated / Delivery Date	10/20/2021	7/3/2024
Par Amount	$15,790,000	$12,555,000
Premium	-	$1,743,440
Refunded Par	$13,905,000	$13,905,000
Maturities Refunded	Series 2014: 2025-2034	Series 2014: 2025-2034
All-In TIC	**1.982%**	**2.592%**
Amortization	2022-2034	2025-2034
Average Life (Years)	8.236	6.144
Total Cashflow Savings	$1,361,648	$1,613,313
NPV Savings	$1,205,715	$1,389,625
NPV Savings (% of Refunded Par)	**8.67%**	**9.99%**

Series 2016: Summary of Refunding Results

Rates as of July 23, 2021

	Taxable Advance Refunding	Tax-Exempt Forward Direct Purchase Refunding (+190 bps Forward Premium)
Pricing Date	October 2021	October 2021
Dated / Delivery Date	10/20/2021	7/3/2026
Par Amount	$26,935,000	$20,570,000
Premium	-	$2,190,554
Refunded Par	$22,105,000	$22,105,000
Maturities Refunded	Series 2016: 2027-2036	Series 2016: 2027-2036
All-In TIC	**2.222%**	**3.291%**
Amortization	2022-2036	2027-2036
Average Life (Years)	10.481	6.800
Total Cashflow Savings	$1,741,402	$2,289,214
NPV Savings	$1,501,669	$1,853,503
NPV Savings (% of Refunded Par)	**6.79%**	**8.38%**

for the Series 2016 Bonds for the forward delivery of the refunding bonds. This forward premium is similar to what is required from investors in public market forward delivery transactions. For the purposes of this analysis, we have assumed that the transaction will price in September 2021 and be delivered 90 days prior to each Series' respective call date. ***Notably, the Forward DP provides superior savings to the taxable advance refunding of each series, providing the District an opportunity to capture excess savings in today's low interest rate environment.*** We summarize the differences between a public market refunding and a direct purchase refunding in **Appendix D**.

Morgan Stanley would be pleased to discuss further with the District the mechanics of CSG's private market transactions and how these financing solutions could benefit the District.

4.7 – Proposed Fees and Expenses

Costs. In the adjacent table, we have outlined Morgan Stanley's proposed fees and expenses for the Series 2021 new money transaction assuming a par amount of $85.77 million as outlined in the RFP. We propose a takedown fee of $2.00/bond for all maturities, and we are not proposing a management fee. If the District decides to pursue a CSG financing, we would charge a commitment fee (analogous to takedown) of $2.00/bond for all maturities as well. We believe that this takedown structure is consistent with recent comparable transactions, but we would be happy to discuss our fees further with the District and its financial advisor.

Underwriters' Spread Detail
Series 2021 New Money Financing

Fee / Expense	Total $	$/Bond
Average Takedown	$157,540.00	2.00
Underwriter's Counsel	20,000.00	0.23
Day Loan	2,704.72	0.03
Dalnet Bookrunning System	5,771.01	0.07
Ipreo - Game Day	2,801.46	0.03
Ipreo - News Services Charge	48.99	0.00
Ipreo - Dalnet Wire Charges	97.99	0.00
DTC Charges	800.00	0.01
CUSIP Fees	1,104.00	0.01
CUSIP Disclosure Fee	35.00	0.00
Internet Roadshow	2,000.00	0.02
Total	**$192,903.17**	**$2.42**

In addition to the takedown, as a portion of the gross spread, we would include the normal and customary expenses associated with any underwriting as estimated in the table to the right. These fees are not controlled by Morgan Stanley and are estimates, subject to confirmation by each party upon determination of the transaction's final structure.

Underwriter's Counsel. Morgan Stanley is happy to recommend Virtus LLP to serve as our Underwriter's Counsel for this proposed issue. Their quoted fee is $20,000. The primary contact is Camille Evans, and she can be reached at (407) 517-9429 or cevans@virtuslaw.com.

4.8 – Firm Capital

Morgan Stanley's Strong Capital Position. ***At the end of 2021 Q1 (March 31), the Firm reported over $291.8 billion of total capital, including $106.3 billion in equity capital, $16.0 billion in net capital, and $12.2 billion in excess net capital.*** Morgan Stanley does not anticipate placing any limitations on the amount of excess net capital available to underwrite offerings for municipal clients. Allocations are not made to individual business units; rather, adequate capital is provided in response to business needs as they arise. Regulatory restrictions specify that the capital position required for the underwriting of a municipal debt transaction with two investment-grade ratings must be equal to 7% of the offering. ***Accordingly, the Firm's excess net capital of approximately $12.2 billion allows us to incur an underwriting liability into inventory of over $173.8 billion under applicable laws and regulations.*** Morgan Stanley's underwriting capacity is not based on "arranged" or "borrowed" capital. Morgan Stanley is firmly positioned, if necessary, to underwrite all or a portion of the City's financing. Morgan Stanley has consistently demonstrated its willingness to commit capital in underwriting our clients' new issues and in actively supporting those securities in the secondary market. The Firm does not make a distinction between excess net capital allocated to support primary market underwritings and secondary trading. The case study below demonstrates the types of capital commitments we have made on behalf of our Florida issuer clients.

Morgan Stanley Capital Figures
FY 2018 through 2021Q1(1)
($MM)

	2021Q1	2020	2019	2018
Total Capital(2)	291,886	290,934	251,602	252,319
Equity Capital	106,259	101,781	81,549	80,246
Net Capital(3)	15,982	12,869	13,708	13,797
Uncommitted (Excess Net) Capital(3)	12,167	9,034	10,686	11,333

(1) Data as of the year ended March 31, 2021
(2) Excludes the current portion of long-term borrowings
(3) Morgan Stanley & Co. LLC only

OUC The Reliable One

Orlando Utilities Commission [Ratings: AA / AA (S / F)].

On August 19, 2020, Morgan Stanley, led by bankers including ***J.W. Howard***, served as Senior Manager on the issuance of the Orlando Utility Commission's ("OUC") $95.115 million Utility System Revenue Refunding Bonds, Series 2020A. Proceeds of the Series 2020A Bonds were used to current refund OUC's Series 2017A Bonds. Leading up to pricing, Morgan Stanley worked with OUC and its financial advisor PFM, to produce a set of assumptions that accurately demonstrated the value of the transaction, closely monitoring the LIBOR swap / Tax-Exempt Fixed Rate Bond relationship. Given current market dynamics and risks associated with maintaining LIBOR index swaps, issuance of fixed rate bonds with a full termination of the swap provided OUC the ideal balance between economic savings and risk management. Morgan Stanley was able to execute the transaction within with a savings result that was substantially better than OUC's threshold levels, generating NPV savings of $1.44 million. ***In order to ensure a successful pricing, Morgan Stanley ultimately committed its capital to underwrite $29.910 million of bonds.***

4.9 – Prior Experience with the City

Prior Experience. Although Morgan Stanley has no recent experience with the City or the District over the past three years, the Firm did serve as a co-managing underwriter for the City's Stormwater Management Utility Revenue Bonds, Series 2016. We look forward to building our relationship with the City should we be selected to serve on the underwriting team for the City's proposed Utility Special District Water and Sewer Revenue Bonds transaction. Morgan Stanley also maintains a strong presence in the State of Florida, both in terms of its philanthropic commitment to local organizations and through its Morgan Stanley Wealth Management ("MSWM") platform. Notably, ***MSWM is the 3rd largest holder of the City's bonds across its various credits, holding $5.96 million of par. Since 2018, the Firm has 5.05% secondary market share of the City's bonds, having traded a total of $4.22 million of par across 126 trades.***

Philanthropic Commitment. Each year, Morgan Stanley contributes to our communities through a mix of corporate giving, volunteer hours, and capital commitments through a combination of corporate and employee giving. In the chart to the right, we provide examples of our philanthropic contributions in the State of Florida from 2017 to 2020.

Morgan Stanley Presence in the State of Florida. In addition to Morgan Stanley's Public Finance office in Coral Springs, the Firm maintains a strong presence in the State through its Morgan Stanley Wealth Management ("MSWM") platform. There are 48 MSWM offices in the State, which in total employ over 1,300 financial advisors who oversee more than 520,000 accounts with $228.0 billion in assets under management, of which $16.3 billion is in directly held municipal bonds.

4.10 – Required Disclosures

4.10(A) – Conflicts. The Firm has established conflicts review and clearance processes designed to identify and address actual or potential conflicts of interest relating to client mandates, including the proposed role for the District, and mandates for other clients that could raise related conflicts issues. Measures taken to address such conflicts will vary based on specific facts and circumstances and could include, as appropriate, disclosure to you of potential conflicts issues (consistent with our confidentiality obligations), or declining to proceed with the action giving rise to the conflict.

For additional information, please refer to Morgan Stanley's MSRB G-17 Letter in **Appendix E.**

4.10(B) – Litigation. Morgan Stanley & Co., LLC ("MS&Co.") is a wholly owned subsidiary of Morgan Stanley ("MS"), a Delaware holding company. MS files periodic reports with the Securities and Exchange Commission ("Commission") as required by the Securities Exchange Act of 1934, which include current descriptions of material litigation and material proceedings and investigations, if any, by governmental and/or regulatory agencies or self-regulatory organizations concerning MS and its subsidiaries, including MS&Co. As a consolidated subsidiary of MS, MS&Co. does not file its own periodic reports with the SEC. MS's SEC 10-K filings, specifically the "Legal Proceedings" sections, which describe certain developments in certain legal proceedings for the fiscal years ending December 31, 2016 through December 31, 2020 and for fiscal quarter ended March 31, 2021 can be found at https://www.morganstanley.com/about/ir/sec_filings.html.

In addition to the matters described in MS's SEC filings, in the normal course of business, each of MS and MS&Co. has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions, and other litigation, arising in connection with its activities as a global diversified financial services institution. Certain of the legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the issuers that would otherwise be the primary defendants in such cases are bankrupt or otherwise in financial distress. Each of MS and MS&Co. is also involved, from time to time, in investigations and proceedings by governmental and/or regulatory agencies or self-regulatory organizations, certain of which may result in adverse judgments, fines or penalties. The number of these investigations and proceedings has increased in recent years with regard to many financial services institutions, including MS and MS&Co. It is Morgan Stanley's general practice not to disclose information regarding governmental investigations, regulatory examinations, or administrative proceedings until any such investigation, examination or proceeding is concluded. At that time, the Firm will disclose material information regarding such matters on its Form 10-K and 10-Q for the relevant period.

In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek substantial or indeterminate damages, we cannot predict with certainty the eventual loss or range of loss related to such matters. MS is contesting liability and/or the amount of damages in each pending matter and believes, based on current knowledge, information and belief, and after consultation with counsel, that the outcome of each matter will not have a material adverse effect on the consolidated financial condition of MS, although the outcome could be material to MS's operating results for a particular future period, depending on, among other things, the level of MS's income for such period.

Appendix A

Insurance Information

4.11 – Proof of Insurance.

Morgan Stanley reviews its insurance exposure on an annual basis and policies may be modified based on the needs of the Firm. Please see the sample certificate of insurance on the following page, evidencing the Firm's general liability insurance.

CERTIFICATE OF LIABILITY INSURANCE

ACORD®

DATE (MM/DD/YYYY): 05/04/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA, Inc. 1166 Avenue of the Americas New York, NY 10036 Attn: NewYork.Certs@marsh.com Fax: 212-948-0500	**CONTACT NAME:** . **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:**
INSURED Morgan Stanley and its subsidiaries 1585 Broadway, 24th Floor New York, NY 10036	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Arch Insurance Company	11150
INSURER B : N/A	N/A
INSURER C : N/A	N/A
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** NYC-010306242-10 **REVISION NUMBER:** 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:			11GPP1052300	05/01/2021	05/01/2022	EACH OCCURRENCE	$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 2,000,000
							MED EXP (Any one person)	$ 50,000
							PERSONAL & ADV INJURY	$ 2,000,000
							GENERAL AGGREGATE	$ 10,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR EXCESS LIAB / CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Coverage.

CERTIFICATE HOLDER	CANCELLATION
Morgan Stanley 1585 Broadway 24th Floor New York, NY 10036	**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.** **AUTHORIZED REPRESENTATIVE of Marsh USA Inc.** Ricki Fitzsimmons Ricki Fitz

Appendix B

Team Member Resumes

Morgan Stanley

Morgan Stanley's City of Riviera Beach Coverage Team

Primary Contacts

Ayanna Louis-Charles
Executive Director
954-267-5655
ayanna.louis-charles@morganstanley.com

J.W. Howard
Executive Director
954-509-3532
james.howard@morganstanley.com

Joe Abramson
Vice President
212-761-9105
joseph.abramson@morganstanley.com

Water and Wastewater Coverage

Richard Weiss
Executive Director
212-761-9060
richard.weiss@morganstanley.com

Project Oversight

Brian Wynne
Managing Director and Head of Public Finance
212-761-1561
brian.wynne@morganstanley.com

Quantitative Analysis and Execution Support

Safdar Mirza
Executive Director
212-761-9050
safdar.mirza@morganstanley.com

Greg Baugher
Executive Director
212-761-9086
gregory.baugher@morganstanley.com

Uyen Le
Associate
212-761-1426
uyen.le@morganstanley.com

Will Beckford
Executive Director
202-654-2110
will.beckford@morganstanley.com

Oliver Kornberg
Analyst
212-761-5277
oliver.kornberg@morganstanley.com

Sales & Distribution

Stuart Perilstein
Co-Head of Inst. Sales
Managing Director
212-761-1486
stuart.perilstein@morganstanley.com

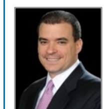
Lindsey Wetzel
Head of Municipal Retail Sales
Executive Director
415-576-2185
lindsey.wetzel@morganstanley.com

Municipal Capital Solutions

Ty Savastio
Vice President
212-761-9133
ty.savastio@morganstanley.com

Sarah Wells
Analyst
212-761-4367
sarah.wells@morganstanley.com

Project Oversight



Daniel Kelly
Executive Director
212-761-1541
daniel.kelly@morganstanley.com

Taylor Ryan
Associate
212-761-0489
taylor.ryan@morganstanley.com

ESG Specialist

Zach Solomon
Executive Director
212-761-9110
zachary.solomon@morganstanley.com

Credit Analysis and Investor Marketing

Jason Tejada
Vice President
212-761-9131
jason.tejada@morganstanley.com

Shannon Canning
Vice President
212-761-1254
shannon.canning@morganstanley.com

Judith Asuzu
Associate
212-761-9178
judith.asuzu@morganstanley.com

Primary Banking Contacts

Ayanna Louis-Charles, Executive Director and Florida Coverage Officer. Ms. Louis-Charles will serve as a primary contact to the District and provide day-to-day coverage for any engagements with the District. Ms. Louis-Charles has over 13 years of experience providing investment banking services to a wide range of issuers nationally and in the state of Florida for general state and local municipal issuers. Her underwriting appointments in Florida have included Cape Coral, the State of Florida State Board of Administration Finance Corporation, Broward County, Miami-Dade County, the Miami Beach Redevelopment Agency, Cities of Miami Beach, Lake Worth Beach, West Palm Beach, Tallahassee, Citizens Property Insurance, Broward School District and Palm Beach School District. In 2019, Ms. Louis-Charles was appointed to the serve on the board of Florida's key economic development authority, the Florida Development Finance Corporation, where she currently holds the title of Treasurer. Prior to joining Morgan Stanley in 2014, Ms. Louis-Charles was a Vice President in the Public Finance Group at Barclays Capital. She was also a Director at PNC Capital Markets in their Orlando office. Ms. Louis-Charles received a B.A. in Economics from Williams College and an M.B.A in Finance, Economics, and International Business from the University of Chicago Booth School of Business.

J.W. Howard, Executive Director and Head of Florida Coverage. Mr. Howard will serve as a primary contact to the City. He has over 30 years of experience in municipal securities and joined Morgan Stanley in 2008. He has over $50 billion of underwriting assignments for a wide range of Florida issuers and credits, including water and sewer, storm water, special revenue, special assessment, tax increment, general obligation, public power, school districts, housing, and transportation. Recently, Mr. Howard was on the lead banking team for Brightline's 2020 $950 million remarketing of its Series 2019B Surface Transportation Facility Revenue Green Bonds, the State of Florida State Board of Administration Finance Corporation's $3.5 billion Series 2020A Bonds, the City of Lake Worth Beach's $88.930 million Series 2020 Consolidated Utility Revenue Bonds, the Orlando Utilities Commission's Series 2020A $95.115 million Utility System Revenue Refunding Bonds, and JEA's $130.590 million Series 2020A Water and Sewer System Revenue Bonds. During his career, he has senior managed deals for issuers such as Cape Coral, Miami Beach, West Palm Beach, Sunrise, Tampa Bay Water, and the Counties of Palm Beach, Miami-Dade, and Broward, among others. Mr. Howard received a B.B.A. in Finance from Stetson University.

Joseph Abramson, Vice President and Water and Sewer Coverage Officer. Mr. Abramson joined Morgan Stanley's Public Finance Department in 2016 and has worked for Morgan Stanley since 2009. From 2009 to 2016, he worked in a variety of firm strategy groups at Morgan Stanley, including Morgan Stanley Bank. He has provided lead or co-lead coverage for a number of water and sewer issuers nationally as well as public and private issuers in several states and will serve as a primary contact to the District. Recently, Mr. Abramson has worked on transactions for Hernando County Water and Sewer, the City of Lake Worth Beach, JEA, Miami-Dade County Water and Sewer, The Pittsburgh Water and Sewer Authority, the Northeast Ohio Regional Sewer District, the City of Cincinnati Water System, the City of Philadelphia's Water Department, Capital Region Water, the Massachusetts Water Resources Authority, and the Trinity River Authority, among others. He will be an integral part of the finance team with day-to-day banking coverage. Mr. Abramson graduated from the University of Florida with a Bachelor of Science in Information Systems and Operations Management and received a M.B.A. from New York University's Stern School of Business.

Water and Wastewater Coverage

Richard Weiss, Executive Director and Head of the Water and Sewer Group. Mr. Weiss specializes in water and sewer utility, SRF, pooled loan, and project financings with more than 31 years and $45 billion of senior-managed transaction experience in Public Finance at Morgan Stanley. Mr. Weiss has led water and wastewater financings for Cape Coral, Miami-Dade County, Aurora, Chicago, Cleveland, Corpus Christi, Indianapolis, Jackson, Kansas City, New Orleans, Norfolk, Philadelphia, Phoenix, and Richmond as well as Capital Region Water, the Citizens Energy Group and CWA Authority, Clarksville Water, Sewer, and Gas, the District of Columbia Water and Sewer Authority, the Fairfax County Water Authority, the Greater Cincinnati Water Works, the Hampton Roads Sanitation District, the Metropolitan Government of Nashville and Davidson County, the Massachusetts Water Resources Authority, the Metropolitan District of Hartford County, the Metropolitan Sewer District of Greater Cincinnati, the Metropolitan Water Reclamation District of Greater Chicago, the New York City Municipal Water Finance Authority, the Northeast Ohio Regional Sewer District, the Pittsburgh Water and Sewer Authority, the Puerto Rico Aqueduct and Sewer Authority, the San Antonio Water System, the St. Louis Metropolitan Sewer District, and the Trinity River Authority, among others. Prior to joining Morgan Stanley's Public Finance Department, he worked for the Philadelphia Water Department as an environmental engineer and project manager involved in water and wastewater systems planning and research. Mr. Weiss is a Civil Engineering (Water Resources Program) graduate of Princeton University and Drexel University's Graduate Environmental Engineering Program. He holds an M.B.A. from the Wharton School of the University of Pennsylvania. Mr. Weiss represents Morgan Stanley as an Associate Member of the Council of Infrastructure Financing Authorities and is a member of the U.S. EPA's Environmental Financial Advisory Board, the American Water Works Association and the Water Environment Federation.

Project Oversight

Brian Wynne, Managing Director, Head of Public Finance. Mr. Wynne has been an underwriter for Morgan Stanley since 1989, and brings three decades of syndicate, sales, and trading experience to the District's financing. In addition to serving as Head of the Firm's Public Finance Department, Mr. Wynne continues to run the Long-Term Syndicate Desk in partnership with Daniel Kelly and is responsible for underwriting a variety of issues for our municipal clients. Mr. Wynne has worked with the Firm's largest municipal clients in issuing debt in both the tax-exempt and taxable market, including numerous issues for municipal clients in the State of Florida. Mr. Wynne received his B.S. from Fordham University.

Quantitative Analysis and Execution Support

Safdar Mirza, Executive Director. Mr. Mirza joined Morgan Stanley's Municipal Capital Markets Group in New York in 2002 after having worked in the Firm's San Francisco Public Finance office. Mr. Mirza is the Public Finance Department's lead quantitative banker with respect to complex financings such as pooled financings, cash flow restructurings, and multiple new money/refunding issues. He brings with him tens of billions of municipal financing experience for issuers across the United States. Prior to joining Morgan Stanley, Mr. Mirza worked at Public Financial Management, the nation's largest municipal financial advisory firm where he served state, county, and city clients on a variety of financings. Mr. Mirza received his B.A. from U.C. Berkeley in Economics.

Greg Baugher, Executive Director. Mr. Baugher joined Morgan Stanley's Public Finance Department in 2009 and is one of the Department's lead quantitative bankers. His financing experience includes transaction structuring, quantitative modeling, and tax analysis for issuers in the sectors of General Government, Water/Wastewater Utilities, State Revolving Funds, Public Power, Housing, Transportation, and Higher Education. Prior to joining Morgan Stanley, he spent four years as a financial advisor with Public Financial Management, where he was responsible for the development and implementation of analytical solutions as a member of the Quantitative Strategies Group. Mr. Baugher graduated with honors from Wake Forest University with a B.A. in Economics.

Uyen Le, Associate. Ms. Le joined Morgan Stanley's Public Finance Department in 2020 as a member of the Municipal Capital Markets Group to provide expertise in complex transaction structuring and quantitative financial modeling. Prior to joining Morgan Stanley, she spent four years at a financial advisory firm as a member of the Quantitative Strategies Group where she was responsible for developing in-house proprietary analytical products and providing quantitative analysis for issuers in the General Government, School District, and Higher Education sectors. Ms. Le graduated from Gettysburg College with a B.S in Mathematical Economics.

Will Beckford, Executive Director. Mr. Beckford joined Morgan Stanley's Public Finance Department in 2021. He previously served in various leadership roles for the City of Baltimore Development Corporation from 2002-2021; most recently as Vice President from 2017-2021. Mr. Beckford has spent more than two decades in economic development financing with a focus on infrastructure, mixed-use and commercial development. During his tenure in Baltimore, Mr. Beckford facilitated over $1 billion of private development. Mr. Beckford received his B.A. in Economics from Union College.

Oliver Kornberg, Analyst. Mr. Kornberg will provide banking and quantitative analysis support to the District. Mr. Kornberg joined Morgan Stanley's Public Finance Department in 2020, after serving as a Summer Analyst on the team in 2019. He supports a variety of Infrastructure clients across the United States, and is a member of the Firm's Florida Coverage Team. He has transaction experience with numerous water and sewer clients, including the Pittsburgh Water and Sewer Authority and the City of Clarksville, Tennessee. Mr. Kornberg received a B.B.A. from the University of Michigan's Ross School of Business, where he graduated with High Distinction.

Underwriting

Daniel Kelly, Executive Director and Deputy Head of Syndicate Underwriting. Mr. Kelly recently took on a new role as Deputy Head of the Firm's Long-Term Municipal Syndicate and leads our competitive underwriting and short-term underwriting desks. Mr. Kelly has experience working with several water and sewer issuers in the State of Florida, including Miami-Dade County Water Sewer, Hernando County, and the City of Lake Worth Beach. Prior to his new role on the long-term syndicate, he was responsible for pricing the Firm's portfolio of short-term variable-rate tax-exempt securities and for the distribution of these securities within the Morgan Stanley system, with a particular emphasis on corporations, high net worth individuals, and institutional accounts. A 22-year industry veteran, he received a B.A. in Economics from Fairfield University.

Taylor Ryan, Associate. Ms. Ryan joined Morgan Stanley in 2017 and serves as an associate on our Municipal Long-Term Syndicate Desk. She will assist Mr. Kelly with pricing and underwriting the District's financings. Ms. Ryan has experience with water and sewer issuers, including Miami-Dade County Water Sewer, the Texas Water Development Board, the Northeast Ohio Regional Sewer District, the Massachusetts Water Resources Authority, the State of Connecticut State Revolving Fund, the City of Kansas City Sanitary Sewer System, Metropolitan St. Louis Sewer District, and Metropolitan Government of Nashville and Davidson County Water and Sewer (Metro). She graduated from Hamilton College with a major in Public Policy and a minor in Mathematics.

Sales and Distribution

Stuart Perilstein, Managing Director, Co-Head National Institutional Municipal Sales. Mr. Perilstein joined Morgan Stanley in June 2000 and currently serves as Co-Head of Municipal Sales. He has developed and maintained relationships with a multitude of both institutional and retail clients, including the top bond funds, SMAs, and insurance companies in the municipal market. He holds a B.A. in Accounting and a B.A. in Statistics from Macquarie University in Sydney, Australia. Mr. Perilstein joined Morgan Stanley in June 2000 and currently serves as Co-Head of Municipal Sales. He has developed and maintained relationships with a multitude of both institutional and retail clients. Prior to his role on the municipal sales desk, Mr. Perilstein worked in Morgan Stanley's Public Finance Department and provided analytical and technical support for a wide range of issuers as a member of the Department's Southern Infrastructure Group. He holds a B.A. in Accounting and a B.A. in Statistics from Macquarie University in Sydney, Australia.

Lindsey Wetzel, Executive Director. Ms. Wetzel is Head of Municipal Products for the Capital Markets Division in the Firm's Morgan Stanley Wealth Management division. She is responsible for the development and distribution of tax-exempt fixed income credit analysis and sales ideas. Ms. Wetzel and her team leverage Firm-wide strategy and content to drive and deliver our highest conviction sales ideas to Financial Advisors and their clients as they create and maintain their investment portfolios.

Municipal Capital Solutions

Ty Savastio, Vice President. Ty joined Morgan Stanley in 2015 as a member of the Capital Markets Group after spending three years at Public Financial Management in the Quantitative Strategies Group. In 2017 he transitioned to become a member of the Municipal Capital Solutions Group. He has provided lead quantitative support for issuers in the Higher Education sector. Ty's deal experience includes over $15 billion in par issuance. He graduated from Franklin & Marshall College with a B.A. in Business, Organizations and Society.

Sarah Wells, Analyst. Sarah joined Morgan Stanley in 2019 and provides analytical and technical support for the Municipal Capital Solutions Group. Sarah worked for two years as a healthcare banking analyst and executed almost $2 billion of senior managed transactions. Since joining the Municipal Capital Solutions Group earlier this year, Sarah has supported the team in executing almost $500 million of financings across a number of financial products. Sarah graduated from the University of Virginia with a B.A. of highest distinction in economics and history.

ESG Specialist

Zach Solomon, Executive Director and Head of Project Finance and Green and Sustainable Infrastructure. Mr. Solomon is an Executive Director in Morgan Stanley's Public Finance Department and leads Morgan Stanley's US Municipal Sustainable Finance practice nationally. In this capacity, Mr. Solomon is responsible for developing Green Bond and Sustainability Bond frameworks and marketing strategies for municipal and not-for-profit issuers across the country. His responsibilities also include maintaining relationships with sustainable investing and ESG portfolio managers as well as giving municipal issuers access to Morgan Stanley's leading Investing with Impact wealth management platform. Zach's experience includes Green and Sustainability Bond transactions for: the Buffalo Sewer Authority, the Massachusetts Water Resources Authority, the Massachusetts Clean Water Trust, the Commonwealth of Massachusetts, the City of Aurora (CO), the State of Vermont, the Metropolitan Water Reclamation District of Greater Chicago, the Rhode Island Infrastructure Bank, and the State of Connecticut's State Revolving Fund program, among others. Mr. Solomon is a graduate of Georgetown University (B.A.) and Columbia Business School (M.B.A.).

Credit Analysis and Investor Marketing

Jason Tejada, Vice President. Mr. Tejada joined Morgan Stanley in January 2019. He works in conjunction with the municipal syndicate desk and Public Finance Department on issuer and investor marketing, credit strategy, and other initiatives to ensure seamless credit structuring, marketing, and pricing processes. Prior to joining Morgan Stanley, Jason was a lead underwriter for Build America Mutual Assurance Company (BAM), a municipal bond insurance company. Mr. Tejada started his career at J.P. Morgan Chase. Mr. Tejada graduated from Columbia University with a B.A. in Financial Economics.

Shannon Canning, Vice President. Shannon recently took on a new role as the lead credit contact for the Public Finance Department for municipal and not-for-profit issuers. Shannon provides credit insights to Morgan Stanley's municipal syndicate and salespeople to ensure that investors, or more specifically credit analysts, have all the information they need to make an informed credit decision on a bond. Shannon will also interface with the relevant credit analysts on the investor side to ensure that they are informed of all credit considerations that help them place orders. Prior to joining the municipal syndicate, she spent a year on the Municipal Trading Desk focusing on credit. Prior to that, she spent time in Wealth Management, specializing on trading analytics. Shannon has been at Morgan Stanley for seven years and holds a Bachelor's Degree from Quinnipiac University.

Judith Asuzu, Associate. Judith recently joined the municipal syndicate after a stint in the Morgan Stanley Experienced Professionals Program (MSEPP). Judith works in conjunction with the municipal syndicate desk and Public Finance Department on issuer and investor marketing, credit strategy, and other initiatives and will work together with Shannon to manage credit and investor relations. Prior to joining Morgan Stanley, Judith worked at Morningstar and holds a Master's Degree from Harvard University and a Bachelor's Degree from Stanford University.

Appendix C

Credit Rating Considerations

Morgan Stanley

City of Riviera Beach (FL) Utility Special District
S&P Preliminary Scorecard (FY 2020) - Post-Financing

S&P Sub-Factor					
Enterprise Risk Profile (50%)	**Category**	**Weighting**	**Statistic**	**Score**	**Weighted Score**
Economic Fundamentals	*MHHEBI | GDP Rate*	*45%*	74.0% | 2.0%	4	1.80
Industry Risk	*Macro Factors*	*20%*	Qualitative	2	0.40
Market Position	*Bill/MHHEBI | Poverty Rate*	*25%*	~1.94% | 22%	3	0.75
Operational Management	*Management Review*	*10%*	Qualitative	2	0.20
Results					**3.15**
Financial Risk Profile (50%)					
Coverage Metrics	*DSC*	*40%*	1.20x	3	1.20
Liquidity & Reserves	*DCoH | Total Cash*	*40%*	> 150 days | $46.5MM	1	0.40
Debt & Liabilities	*Debt/Cap | Pension*	*10%*	37.2% | > 70% funded	3	0.30
Financial Management	*Financial Performance*	*10%*	Qualitative	2	0.20
Results					**2.10**
Rating Equivalent					**A+**
Implied Notching					**--**
Current Rating					**A+**

			Financial Risk Profile					
			1	**2**	**3**	**4**	**5**	**6**
			Extremely Strong	**Very Strong**	**Strong**	**Adequate**	**Vulnerable**	**Highly Vulnerable**
Enterprise Risk Profile	**1**	Extremely Strong	aaa	aa+	aa-	a	bbb+/bbb	bb+/bb
	2	Very Strong	aa+	aa/aa-	a+	a-	bbb/bbb-	bb/bb-
	3	Strong	aa-	a+	a	bbb+/bbb	bbb-/bb+	bb-
	4	Adequate	a	a/a-	a-/bbb+	bbb/bbb-	bb	b+
	5	Vulnerable	bbb+	bbb/bbb-	bbb-/bb+	bb	bb-	b
	6	Highly Vulnerable	bbb-	bb-	bb-	b+	b	b-

City of Riviera Beach (FL) Utility Special District
Preliminary Scorecard - FY 2020 (Post-Financing)

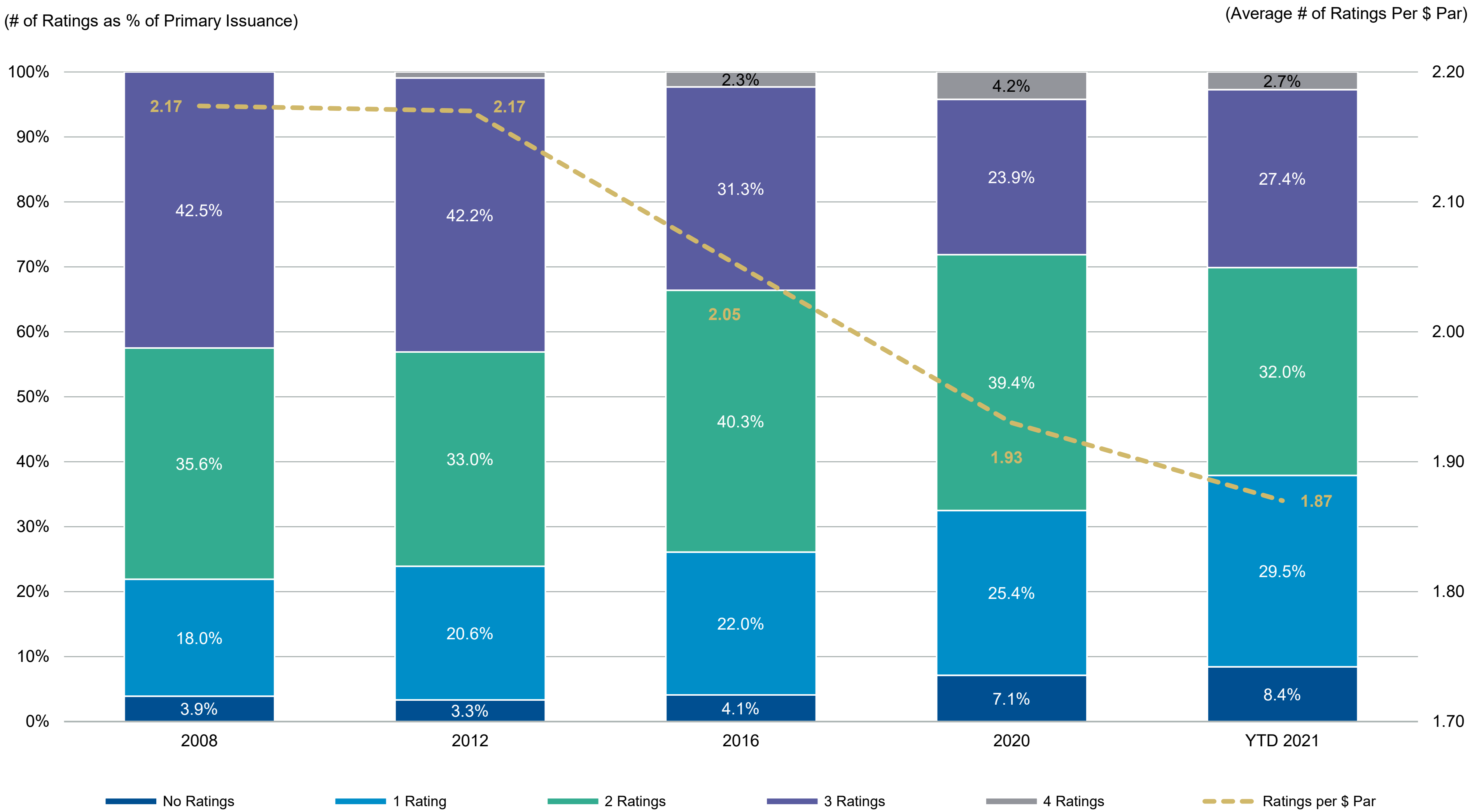
Rating Factors	Weight	Metric	Score	Weighted Score	Implied Rating	Aaa Very Strong	Aa Strong	A Moderate	Baa Weak	Ba Poor	B & Below Very Poor
System Characteristics											
Asset Condition (Remaining Useful Life)	10.00%	34 years	2.32	0.23	Aa3	> 75 Years	75 Years ≥ n > 25 Years	25 years ≥ n > 12 years	12 years ≥ n > 9 years	9 years ≥ n > 6 years	≤ 6 Years
Service Area Wealth (Median Family Income)	12.50%	74.00%	3.54	0.44	Baa1	>150%	150% ≥ n > 90%	90% ≥ n > 75%	75% ≥ n > 50%	50% ≥ n > 40%	≤ 40%
System Size (O&M)	7.50%	$15.994	3.20	0.24	A3	>$65M	$65M ≥ n > $30M	$30M ≥ n > $10M	$10M ≥ n > $3M	$3M ≥ n > $1M	≤ $1M
Financial Strength											
Annual Debt Service Coverage	15.00%	1.20x	3.68	0.55	Baa1	>2.00x	2.00x ≥ n > 1.70x	1.70x ≥ n > 1.25x	1.25x ≥ n > 1.00x	1.00x ≥ n > 0.70x	≤0.70x
Days Cash on Hand	15.00%	1,062 Days	0.50	0.08	Aaa	> 250 Days	250 Days ≥ n > 150 Days	150 Days ≥ n > 35 Days	35 Days ≥ n > 15 Days	15 Days ≥ n > 7 Days	≤ 7 Days
Debt to Operating Revenues	10.00%	2.0x	1.50	0.15	Aa1	<2.00x	2.00x < n ≤ 4.00x	4.00x < n ≤ 6.00x	6.00x < n ≤ 8.00x	8.00x < n ≤ 10.00x	≤10.00x
Management											
Rate Management	10.00%	3.0	3.00	0.30	A2	Excellent rate-setting record; no material political, practical or regulatory limits on rate increases	Strong rate-setting record; little politcal, practical, or regulatory limits on rate increases	Average rate-setting record; some political, practical, or regulatory limits on rate increases	Adequate rate-setting record; political, practical, or regulatory impediments place material limits on rate increases	Below average rate-setting record; political, practical, or regulatory impediments place substantial limits on rate increases	Record of insufficiently adjusting rates; political, practical, or regulatory obstacles prevent implementation of necessary rate increases
Regulatory Compliance and Capital Planning	10.00%	3.0	3.00	0.30	A2	Fully compliant OR proactively addressing compliance issues; Maintains sophisticated and manageable Capital Improvement Plan that addresses more than a 10-year period	Actively addressing minor compliance issues; Maintains comprehensive and manageable 10-year Capital Improvement Plan	Moderate violations with adopted plan to address issues; Maintains manageable 5- year Capital Improvement Plan	Significant compliance violations with limited solutions adopted; Maintains single year Capital Improvement Plan	Not fully addressing compliance issues; Limited or weak capital planning	Not addressing compliance issues; No capital planning
Legal Provisions											
Rate Covenant	5.00%	3.0	2.81	0.14	A1	>1.30x	1.30x ≥ n > 1.20x	1.20x ≥ n > 1.10x	1.10x ≥ n > 1.00x	≤ 1.00x	≤ 1.00x
Debt Service Reserve Requirement	5.00%	4.0	4.00	0.20	Baa2	DSRF funded > MADS	DSRF funded at lesser of the standard 3-prong test	DSRF funded at less than 3-prong test or springing DSRF	NO explicit DSRF; OR funded with speculative grade surety	NO explicit DSRF; OR funded with speculative grade surety	NO explicit DSRF; OR funded with speculative grade surety
Total Weighted Score and Implied Rating				**2.63**	**A1**						

Overall Rating	Grid Rating
2.63	**A1**

Score Range	
0.5 < n < 1.5	Aaa
1.5 < n < 1.83	Aa1
1.83 < n < 2.17	Aa2
2.17 < n < 2.5	Aa3
2.5 < n < 2.83	A1
2.83 < n < 3.17	A2
3.17 < n < 3.5	A3
3.5 < n < 3.83	Baa1
3.83 < n < 4.17	Baa2
4.17 < n < 4.5	Baa3
4.5 < n	Ba or Lower

Ratings Trends for Municipal New Issues

Number of Municipal New Issue Ratings Continues to Decline



Source: MMA, July 12, 2021

Rating Agency Presentation Outline

A comprehensive rating agency presentation should be developed that highlights various credit strengths and addresses any credit considerations. Information contained in the consultant reports as well as the most recent financial statements of the City and the District plus unaudited financials and YTD results should provide the basic information for the presentation. The presentation should focus on the following credit factors:

- **The Service Area.** The size of the customer base as well as major demographic and employment trends and economic development projects. Utilizing any consultant reports will be helpful to leverage how the financing impacts the service area.
- **District Management.** The District will be re-introducing its credit to the municipal market for the first time in five years, but the District's management team is seasoned. It is evident that the District has a capable management team based off the City's CAFR and information available on its website. The District should spend time highlighting its significant management initiatives and recent successes. The team should also demonstrate its long-range capital and financial planning efforts, which are typically viewed as credit positives.
- **System Overview.** A summary of major assets that enable the District to be the regional sewer provider. The presentation should outline trends in sewer treatment and trends in residential and commercial customers. This should include information in how the District complies with clean water standards and any awards it has received in recent years. Additionally, this should focus on how the District has complied with State of Florida and Federal standards. The District should also highlight how it develops its capital improvement plan and how it identifies sources of funds (including revenues) to fund its upcoming capital needs. It is important to highlight how the increased debt burden from the upcoming financings will impact leverage. The District should also outline its billing and collections track record including enforcement procedures. Finally, the District should present how its rates compare to other regional systems.
- **Financial Results.** The presentation should outline the District's historical financial results and present the current fiscal year budget. The existing CAFR provides an excellent starting point for this information. The historical financial results should show debt service coverage and liquidity levels. Historical financial trends should be presented. In addition to the historical and projected future results, the District should include any management or board targets for long-term financial planning.
- **Trust Indenture.** The presentation should outline the major security provisions in the indenture. Given the District has not been in the public market recently, it is possible that the indenture could be modernized to reflect current industry best practices.
- **Finance Plan.** This section should outline the debt issuance plans for the upcoming transaction. The sources and uses of funds and debt service profile of the transaction should be presented as well as the credit's new overall debt service profile. This section should also include a minimum five-year proforma projection. Given the District's reentry into the market, an external feasibility report would be helpful for the rating agencies or investors to review. This could be prepared by any number of well-known and respected feasibility consultants in the market. If this is not possible, at a minimum the District should prepare its own projections. The proformas should outline financial assumptions including assumed rate increases, service area account and treatment trends, operating expense increases, and debt and pay-as-you-go funding requirements for the capital improvement program.

Appendix D

Summary of Refunding Alternatives

Refinancing Alternatives Comparison

	Taxable Advance Refunding	Tax-Exempt Forward DP Refunding
Description	Issue taxable bonds to advance refund tax-exempt debt	Fixed-rate bonds that are priced in the current market but delivered in the future (90 days before the call date of the refunded bonds). Pricing takes into account credit spreads plus a forward premium
Mechanics	Similar to traditional publicly priced tax-exempt bonds	Morgan Stanley serves as purchaser of bonds priced in current market with future delivery date
Advantages	• Simple to explain • Familiar sale, disclosure process • Strong market for taxable debt • Savings can be achieved prior to the call date	• No limit on forward settlement date • Refunding savings frequently better than alternatives • No requirement for an Official Statement and delayed delivery of ratings results in fastest execution • Premium bonds with ten-year par call allow future refinancing flexibility
Considerations	• Refunding savings may not be as strong as forward alternatives • Market volatility and increased taxable supply • Preserving optionality through a ten-year par call on taxable debt carries a pricing penalty of 10-15 bps vs. the traditional taxable make-whole structure • Reduced optionality in the future due to par pricing	• Forward premium of approximately 3 to 4 bps per month • Savings occur after call date • Need to fund upfront transaction costs from non-bond sources of funds • Potential make-whole termination payment due upon inaction or default of the District at settlement

Maturity by Maturity Refunding Monitor

Series	Maturity Date	Coupon	Par Amount ($)	Call Date	Taxable Advance Refunding: NPV Savings (%)	Taxable Advance Refunding: Savings Efficiency (%)	Tax-Exempt Forward DP Refunding: NPV Savings (%)	Tax-Exempt Forward DP Refunding: Savings Efficiency (%)
2014	10/1/2025	5.000%	1,120,000	10/1/2024	0.553%	17.9%	2.061%	82.1%
	10/1/2026	5.000%	1,175,000	10/1/2024	3.394%	53.0%	4.623%	90.4%
	10/1/2027	5.000%	1,235,000	10/1/2024	5.452%	59.8%	6.898%	93.0%
	10/1/2028	5.000%	1,295,000	10/1/2024	7.847%	66.4%	8.955%	94.2%
	10/1/2029	5.000%	1,360,000	10/1/2024	9.535%	68.3%	10.762%	94.9%
	10/1/2030	3.500%	1,430,000	10/1/2024	3.470%	42.9%	4.493%	88.1%
	10/1/2031	3.500%	1,475,000	10/1/2024	3.845%	43.9%	4.872%	88.6%
	10/1/2032	5.000%	1,525,000	10/1/2024	13.652%	71.4%	15.406%	96.0%
	10/1/2033	5.000%	1,605,000	10/1/2024	14.667%	71.7%	16.984%	96.3%
	10/1/2034	5.000%	1,685,000	10/1/2024	15.446%	71.8%	18.298%	96.5%
2016	10/1/2027	5.000%	1,455,000	10/1/2026	(1.780%)	--	1.013%	60.6%
	10/1/2028	5.000%	1,530,000	10/1/2026	0.615%	11.2%	2.809%	80.3%
	10/1/2029	5.000%	1,610,000	10/1/2026	2.302%	28.9%	4.366%	85.9%
	10/1/2030	5.000%	1,685,000	10/1/2026	4.118%	40.0%	5.690%	88.4%
	10/1/2031	5.000%	1,775,000	10/1/2026	5.676%	46.0%	6.969%	90.1%
	10/1/2032	5.000%	1,880,000	10/1/2026	6.419%	46.3%	8.146%	91.2%
	10/1/2033	5.000%	1,975,000	10/1/2026	7.434%	48.4%	9.369%	92.2%
	10/1/2034	5.000%	2,080,000	10/1/2026	8.213%	49.3%	10.369%	92.8%
	10/1/2035	5.000%	3,955,000	10/1/2026	8.764%	49.5%	11.558%	93.4%
	10/1/2036	5.000%	4,160,000	10/1/2026	9.826%	51.7%	12.608%	93.9%

Column groups: Refunding Candidates (Maturity Date, Coupon, Par Amount ($), Call Date); Taxable Advance Refunding; Tax-Exempt Forward DP Refunding.

Forward DP outperforms Taxable Advance Refunding on every maturity

Appendix E

G-17 Disclosure Letter

Morgan Stanley

Morgan Stanley

1585 Broadway, 16th Floor
New York, NY 10036

August 4, 2021

Office of the City Clerk
City of Riviera Beach
600 West Blue Heron Boulevard
Riviera Beach, FL 33404

Attn: Althea Pemsel, MS, CPSM, Director of Procurement

Re: Disclosures by Morgan Stanley & Co. LLC
Pursuant to MSRB Rule G-17
Response to Request for Proposals (RFP No. 1038-21-3)

Dear Ms. Pemsel:

We are writing to provide you, as Director of Procurement of the City of Riviera Beach ("Issuer"), with certain disclosures relating its planned future issuances ("Bonds"), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).[1]

Morgan Stanley & Co. LLC proposes to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our underwriting services, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

As the issuer of the Bonds, you will be a party to the bond purchase agreement and certain other legal documents to be entered into in connection with the issuance of the Bonds.

I. Dealer-Specific Conflicts of Interest Disclosures

- Conflicts of Interest/Payments to or from Third Parties
    - Morgan Stanley has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC ("MSSB"), whereby Morgan Stanley will distribute municipal securities to retail investors through the financial advisor network of MSSB. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley will compensate MSSB for its selling efforts with respect to the Bonds.
- Conflicts of Interest – Full Service Financial Services Firm
    - Morgan Stanley and its affiliates may purchase, sell or hold a broad array of investments and may actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of customers. Such investment and trading activities

[1] Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

may involve or relate to assets, securities and/or instruments of the Issuer and/or the Obligor (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer. Morgan Stanley and its affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

II. Transaction-Specific Disclosures

- Disclosures Concerning Complex Municipal Securities Financing:
  - Since we have not recommended a "complex municipal securities financing" to the Issuer or Obligor, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

III. Standard Disclosures

- Disclosures Concerning the Underwriters' Role:
  - MSRB Rule G-17 requires an underwriter to deal fairly at all times with both issuers and investors.
  - The underwriters' primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.
  - Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer's interest in this transaction.
  - The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
  - The underwriters will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.[2]
- Disclosures Concerning the Underwriters' Compensation:
  - The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest

[2] Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

IV. If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Please note that nothing is this letter should be viewed as a commitment by the underwriters to purchase or sell all the Bonds and any such commitment will only exist upon the execution of any bond purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

You have been identified by the Issuer as a primary contact for the Issuer's receipt of these disclosures and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgment that you received these disclosures.

We look forward to working with you and the Issuer in connection with the issuance of the Bonds. Thank you.

Sincerely,

Joseph Abramson

____
Joseph Abramson, *Vice President*
Morgan Stanley & Co. LLC

Acknowledgement:

____
Ms. Althea Pemsel, MS, CPSM, *Director of Procurement*
City of Riviera Beach

Date: ____________________

Appendix F

Required Forms

Morgan Stanley

STANDARD FORMS ATTACHMENT A

In addition to the proposal, the forms listed below and attached are to be completed and submitted with your proposal.

1) Addendum Acknowledgement
2) Proposer's Certification
3) Conflict of Interest Disclosure Form
4) Drug Free Workplace
5) Notification of Public Entity Crimes Law

NOTE: Please ensure that all of these documents are completed and submitted with your proposal in accordance with the terms of this RFP. Failure to do so may result in your proposal not being considered for award.

SIGNATURE OF AUTHORIZED REPRESENTATIVE

This signature page must be completed and included with the submittal.

By signing below, the undersigned acknowledges they are an expressly authorized agent of the Company/firm listed below.

Date: 8/2/2021

Full Legal Name of Company: Morgan Stanley & Co. LLC

Signature: Jon Ab

Printed Name: Joseph Abramson

Title: Vice President

ATTACHMENT A
STANDARD FORMS

ADDENDUM ACKNOWLEDGEMENT

INSTRUCTIONS: COMPLETE PART I OR PART II, WHICHEVER APPLIES

PART I:
List below the dates of issue for each addendum received in connection with this RFP:

Addendum #1, Dated 7/7/2021

Addendum #2, Dated 7/15/2021

Addendum #3, Dated ______________________

Addendum #4, Dated ______________________

PART II:

☐ NO ADDENDUM WAS RECEIVED IN CONNECTION WITH THIS RFP

Morgan Stanley & Co. LLC
Firm Name

Signature

Joseph Abramson - Vice President
Name and Title (Print or Type)

8/2/2021
Date

"The Best Waterfront City in Which to Live, Work and Play."

CITY OF RIVIERA BEACH
ADDENDUM NO. 1

TO: ALL PROPOSERS

FROM: CITY OF RIVIERA BEACH PROCUREMENT DEPARMENT

SUBJECT: ADDENDUM NO. ONE (1) RFP 1038-21-3 UTILITY SPECIAL DISTRICT WATER AND SEWER REVENUE BONDS, SERIES 2021

DATE: JULY 7, 2021

CC: GENERAL PUBLIC

A. **NOTICE:** **The purpose of this Addendum is to update the title of RFP 1038-21-3. All other terms and conditions of the solicitation remain unchanged.**

GENERAL INFORMATION:

UPDATE TO TITLE: THE TITLE FOR RFP 1038-21-3 UTILITY SPECIAL DISTRICT WATER AND SEWER REVENUE BONDS, SERIES 2021 HAS BEEN UPDATED TO INVESTMENT BANKING SERVICES.

Addendum No. 1 must be signed as acknowledgment of receipt, and attached to the proposal when submitted at **3:00 p.m., Wednesday, August 4, 2021** at the Office of the City Clerk, 600 W. Blue Heron Boulevard, Suite 140, Riviera Beach, Florida, 33404. For information on this solicitation, please contact:

Althea Pemsel
Director of Procurement
1481 West 15th Street
Riviera Beach, FL 33404
purchasing@rivierabeach.org

Morgan Stanley & Co. LLC

NAME OF COMPANY

PROPOSER'S SIGNATURE

DATE: July 7, 2021

Joseph Abramson

PROPOSER'S PRINTED NAME

"The Best Waterfront City in Which to Live, Work And Play."

RFP #1038-21-3 INVESTMENT BANKING SERVICES
ADDENDUM NO. 2

TO: ALL PROPOSERS

FROM: CITY OF RIVIERA BEACH PROCUREMENT DEPARMENT

SUBJECT: ADDENDUM NO. TWO(2)

DATE: JULY 15, 2021

CC: GENERAL PUBLIC

NOTICE: The purpose of this Addendum is to address Requests for Information (RFIs) and provide written responses. All other terms and conditions of the solicitation remain unchanged.

QUESTIONS AND ANSWERS:

1. The cover page to the RFP states that the due date is Tuesday, August 4, 2021; however, August 4th falls on a Wednesday this year. Can you please confirm that proposals are due on Wednesday, August 4th?

   Answer: Yes, the proposals are due on the Wednesday, August 4, 2021.

2. Are the five forms included under Tab j. (listed on Standard Forms Attachment A) included in the page count?

   Answer: Yes. The above items are excluded from the page limit.

3. For Section 4.11 under Specifics of a Responsive Proposal, Is the proof of insurance inclusive of the 10 page proposal limit or can this be included within the forms?

   Answer: No

4. Is the transmittal letter included in the 10-page limit for our proposals?

   Answer: No

5. Regarding question 4.6, is there an "as of" date that the District prefers for pricing levels/spreads to MMD?

Answer: July 23, 2021

Addendum No. 2 must be signed as acknowledgment of receipt, and attached to the proposal when submitted at **3:00 p.m., Wednesday August 4, 2021** at the Office of the City Clerk, 600 W. Blue Heron Boulevard, Suite 140, Riviera Beach, Florida, 33404. For information on this solicitation, please contact:

Brittney Hill, Buyer
1481 West 15th Street
Riviera Beach, FL 33404
bhill@rivierabeach.org

Morgan Stanley & Co. LLC

NAME OF COMPANY

BIDDER'S SIGNATURE

DATE: July 7, 2021

SOLICITATION NO. RFP 1038-21-3 (THE "RFP")
PROPOSER'S CERTIFICATION

I have carefully examined the RFP, and any other documents accompanying or made a part of the RFP.

I hereby propose to furnish the goods or services specified in the RFP's at the prices or rates quoted in my proposal. I agree that my proposal will remain firm for a period of up to ninety (90) days in order to allow the City of Riviera Beach Utility Special District (the "District") adequate time to evaluate the proposals. Furthermore, I agree to abide by all conditions of the proposal.

I certify that all information contained in this proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the vendor /contractor as its act and deed and that the vendor / contractor is ready, willing and able to perform if awarded the Agreement.

I further certify that this proposal is made without prior understanding, Agreement, connection, discussion, or collusion with any person, firm or corporation submitting a proposal for the same product or service; or any officer, employee or agent of the City of Riviera Beach , Florida or the District or of any other Proposer interested in said proposal; and that the undersigned executed this Proposer's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

Morgan Stanley & Co. LLC
NAME OF BUSINESS

Joseph.Abramson@ms.com
E-MAIL ADDRESS

BY: [signature]
SIGNATURE OF AUTHORIZED OFFICER

Sworn to and subscribed before me this 2nd day of August, 20 21.

Joseph Abramson
PRINTED NAME AND TITLE

[signature]
SIGNATURE OF NOTARY

OPOKU KWAME
STATE OF NEW YORK
NOTARY PUBLIC
Qualified in Bronx County
01OP6405591
MY COMMISSION EXPIRES 03/16/2024

1585 Broadway, 16th Floor, New York, NY 10036
MAILING ADDRESS

MY COMMISSION EXPIRES: 03-16-2024

NY, NEW YORK, 10036
CITY, STATE, ZIP CODE

PERSONALLY KNOWN ________

212-626-8443
TELEPHONE NUMBER

OR PRODUCED

IDENTIFICATION NYSDL #85148136

N/A
FAX NUMBER

TYPE: NYSDL

CONFLICT OF INTEREST DISCLOSURE FORM

The award of this Agreement is subject to the provisions of Chapter 112, *Florida Statutes*. All Proposers must disclose within their proposals: the name of any officer, director, or agent who is also an employee of the City of Riviera Beach, Florida (the "City"), or the City of Riviera Beach Utility Special District (the "District")

Furthermore, all Proposers must disclose the name of any City or District employee who owns, directly, or indirectly, an interest of more than five percent (5%) in the Proposer's firm or any of its branches.

The purpose of this disclosure form is to give the District the information needed to identify potential conflicts of interest for evaluation team members and other key personnel involved in the award of this Agreement.

The term "conflict of interest" refers to situations in which financial or other personal considerations may adversely affect, or have the appearance of adversely affecting, an employee's professional judgment in exercising any City or District duty or responsibility in administration, management, instruction, research, or other professional activities.

Please check one of the following statements and attach additional documentation, if necessary:

___X___ To the best of our knowledge, the undersigned firm has no potential conflict of interest due to any other Cities, Counties, contracts, or property interest for this RFP.

________ The undersigned firm, by attachment to this form, submits information, which may be a potential conflict of interest due to other Cities, Counties, contracts, or property interest for this RFP.

Acknowledged by:

Morgan Stanley & Co. LLC
Firm Name

Signature

Joseph Abramson - Vice President
Name and Title (Print or Type)

8/2/2021
Date

Please see G-17 Letter for additional conflicts disclosures

DRUG FREE WORKPLACE

Preference shall be given to businesses with drug-free workplace programs. Whenever two or more proposals which are equal with respect to price, quality, and service are received by the State or by any political subdivision for the procurement of commodities or contractual services, a proposal received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a drug-free workplace program. In order to have a drug-free workplace program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.

2. Inform employees about the dangers of drug abuse in the workplace, the business' policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.

3. Give each employee engaged in providing the commodities or contractual services that are under Agreement a copy of the statement specified in subsection (1).

4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under Agreement, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contender to, any violation of Chapter 893, Florida Statutes or of any controlled substance law of the United States or any state for a violation occurring in the workplace no later than five (5) days after such conviction.

5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.

6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this form complies fully with the above requirements.

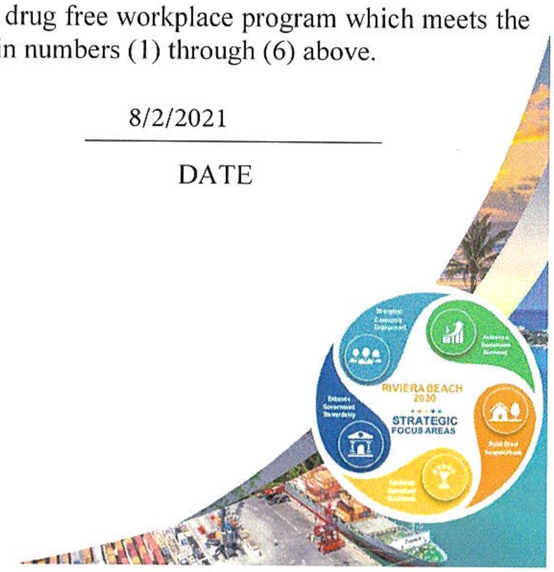
THIS CERTIFICATION is submitted by Joseph Abramson the
(INDIVIDUAL'S NAME)

Vice President Of Morgan Stanley & Co. LLC
(TITLE/POSITION WITH COMPANY/VENDOR) (NAME OF COMPANY/VENDOR)

who does hereby certify that said Company/Vendor has implemented a drug free workplace program which meets the requirements of Section 287.087, Florida Statutes, which are identified in numbers (1) through (6) above.

SIGNATURE

8/2/2021
DATE



NOTIFICATION OF PUBLIC ENTITY CRIMES LAW

Pursuant to Section 287.133, Florida Statutes (1995), you are hereby notified that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on an Agreement to provide any goods or services to a public entity, may not submit a bid on an Agreement with a public entity for the construction or repair of a public building or public work, may not submit bids on leases or real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under an Agreement with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in s.287.017 [F.S.] for CATEGORY TWO [$35,000.00] for a period of 36 months from the date of being placed on the convicted vendor list.

Acknowledged by:

Morgan Stanley & Co. LLC

Firm Name

Signature

Joseph Abramson - Vice President

Name & Title (Print or Type)

8/2/2021

Date

Appendix G

Disclaimers

Municipal Advisor Disclaimer

(a) Morgan Stanley & Co. LLC ("Morgan Stanley") is not recommending an action to you; (b) Morgan Stanley is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (c) Morgan Stanley is acting for its own interests; (d) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material; and (e) Morgan Stanley seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve as underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer. The underwriter has financial and other interests that differ from those of the issuer and obligated persons.

Any non-historical interest rates used herein are hypothetical and take into consideration conditions in today's market and other factual information such as the issuer's or obligated person's credit rating, geographic location and market sector. As such, these rates should not be viewed as rates that Morgan Stanley guarantees to achieve for the transaction should we be selected to act as underwriter. Any information about interest rates and terms for SLGs is based on current publicly available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Morgan Stanley guarantees to achieve for the transaction should we be selected to act as underwriter.

DISCLAIMER

Disclaimer