



## City of Delray Beach, Florida

Morgan Stanley's Response to Request for Proposals  
(RFP) No. 2025-034 for Investment Banking Services

April 17, 2025

Submitted By:

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**Morgan Stanley**

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## **Section 1**

# Response to Request for Proposal

# Morgan Stanley

1200 South Pine Island Road, Suite 800  
Plantation, FL 33324

Henry Dachowitz, *Chief Financial Officer*

April 17, 2025

**City of Delray Beach, Florida**

100 NW 1st Ave  
Delray Beach, FL 33444

Dear Mr. Dachowitz,

On behalf of Morgan Stanley & Co. LLC, we are pleased to respond to the Request for Proposals for Investment Banking Services for the City of Delray Beach, Florida (the "City"). We understand the work to be performed as outlined in the Request for Proposals. While Morgan Stanley believes we are well positioned to serve as the City's senior manager, we accept either assignment at the City's discretion. 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 City's senior or co-manager.

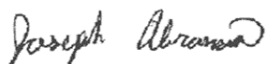
**J.W. Howard**, *Executive Director*, will serve as lead contact to the City. J.W. brings several decades of experience in municipal securities including 16 years at Morgan Stanley, with over \$70 billion of underwriting assignments for Florida and national issuers and credits. **Trevor Moxley**, *Vice President*, will provide additional Florida coverage and has experience with multiple Florida water and sewer issues. **Joseph Abramson**, *Executive Director*, and **Pingbo Zhou**, *Vice President*, are water and wastewater specialists and will provide their experience financing water and wastewater transactions nationally. Morgan Stanley has senior managed Florida water and sewer and combined utility issues for the cities of Fort Lauderdale, Cape Coral, Lake Worth Beach, City of Sunrise, Orlando Utilities Commission, JEA and Hernando and Miami-Dade Counties, and many others. On a national level, Morgan Stanley has senior managed issues for District of Columbia Water and Sewer, San Antonio Water System, Massachusetts Water Resources Authority, City of Philadelphia's Water Department, Capital Region Water (PA), Kentucky Infrastructure Authority, and the Texas Water Development Board, among many others. Together, Mr. Howard, Mr. Moxley, Mr. Abramson, and Mr. Zhou will ensure that the full resources of the firm are dedicated to serving to the City on its completed financing.

We look forward to the opportunity to work with the City 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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*Vice President*  
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## License and Registration

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Please see **Appendix D** for Morgan Stanley's evidence of current license and registration to perform the specified services in the State of Florida. We note that the location of the office where the majority of banking work will be performed will be our office in Plantation, Florida led by lead banker **J.W. Howard**, *Executive Director and Head of Florida Coverage*. Pricing and underwriting for the City's contemplated financing will take place in our New York office off our municipal underwriting desk.



## Discussion of Qualifications

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**National Underwriting Leadership.** Morgan Stanley aligns its municipal investment bankers, underwriting, sales force, traders, short-term remarketing, and capital markets groups in one cohesive umbrella of the Municipal Securities Department (“MSD”). The mission of MSD 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. We remain a perennial leader in the municipal securities industry, having ranked at least #4 among all senior managers nationwide every year since 2008. *Since 2022, Morgan Stanley has served as senior manager on \$103.5 billion of par across 450 transactions, including an additional \$247.9 billion of co-managed par across 962 transactions.*

**Commitment to Florida.** Morgan Stanley’s presence in the State of Florida spans the course of the last three and a half decades and demonstrates the Firm’s dedication to our clients in Florida. Beyond our deep commitment to the City, Morgan Stanley makes it a priority to have a dedicated banking presence across the State of Florida. *Morgan Stanley maintains a dedicated Public Finance office in Plantation, Florida. Our lead banker, J.W. Howard, Executive Director is based out of here and serves as the lead coverage officer for our Florida municipal clients.* Morgan Stanley is also committed to maintaining a strong physical presence in the State of Florida through MSWM. *In the State of Florida, MSWM has 1,368 financial advisors who manage 894,865 client accounts with over \$372.1 billion in total assets, \$19.8 billion of which are municipal bonds.* Our deep connections with Florida issuers have made Morgan Stanley a leading underwriter in senior negotiated transactions: *since January 2023, we have been ranked the #1 underwriter in Florida.* Our Florida underwriting leadership extends to larger deals with *Morgan Stanley having served as senior manager on \$12.1 billion of par across 33 negotiated transactions since 2022.*

**Strong Capital Position.** Morgan Stanley maintains one of the largest and most liquid capital positions in the industry. *Notably, as of the quarter ended December 31, 2024, the Firm reported \$362.8 billion of total capital, \$104.5 billion of equity capital, \$18.5 billion of net capital, and \$13.9 billion of uncommitted excess net capital, significantly more than many of our competitors.* As discussed later in our proposal, we consistently demonstrate a willingness to commit capital for the benefit of our municipal clients by underwriting unsold balances, direct purchase transactions, and competitive bids.

**Industry-Leading Marketing and Distribution Capabilities.** One of Morgan Stanley’s biggest assets is our distribution network, which provides the City with access to the deepest and broadest network of investors of any bank. The Firm’s institutional fixed income professionals have access to more than 9,000 institutional investors who manage approximately 75% of all assets in the U.S. Meanwhile, the Firm’s direct retail system, MSWM, is the largest in the nation as further described in our response. This combination of institutional and retail distribution strength positions the City to tap all segments of the market to achieve the lowest cost of capital.

**Municipal Lending and Structuring.** A distinguishing feature of Morgan Stanley is our ability to offer both public and private financing alternatives to our municipal clients through our Municipal Lending and Structuring (“MLS”) group. Morgan Stanley’s MLS is charged with deploying \$12 billion in capital to provide municipal clients with innovative private financing structures. Typically, these alternatives take the form of a direct purchase bond financing with MLS acting as investor rather than underwriter, and importantly do not require an official statement. MLS is able to provide alternatives in situations in which public execution is not optimal due to timing, structure, disclosure, or other concerns. Since MLS’s inception in 2017, we have executed over 100 transactions, with particular volume in direct purchases of long-term new money debt and forward-delivery refunding bonds that cannot be sold in the public markets. In Florida, Morgan Stanley has executed direct lending transactions with North Sumter Utility District, the City of Hialeah Water and Sewer, City of North Miami CRA, Broward Schools, to name a few. Most recently, in October 2024, Morgan Stanley provided a \$835MM taxable bridge loan to fund Orlando Health’s acquisition of Tenet Healthcare’s majority interest in Brookwood Baptist Health.

**Thoughtful Structuring Considerations.** As described in our response, our finance team, leveraging extensive experience bringing to market water and wastewater credits, has developed a series of recommendations to best structure the City of Delray Beach proposed water and sewer transaction. We believe our recommendation to execute two deals, a public market transaction in 2025 and a forward direct purchase for the remaining funding needs that is delivered in 2026, provides the City with a creative solution to provide funding certainty for the full project. We have thoughtfully presented a variety of structuring considerations including an analysis of different call provisions, recommendation to forego the funding of a debt service reserve and detailed analysis of the expected rating outcome.



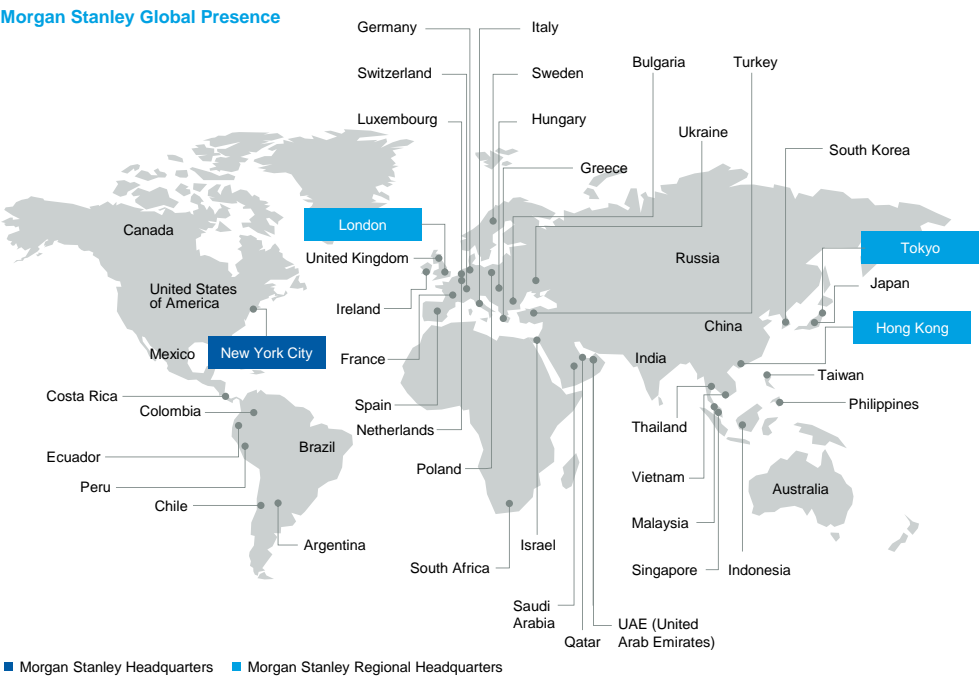
Firm Overview

Full-Service and Integrated Global Investment Bank.

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, wealth management, and investment management services to clients worldwide including corporations, governments, institutions, and individuals. Morgan Stanley provides underwriting services through its broker-dealer Morgan Stanley & Co. LLC, a Delaware corporation incorporated in 1969 that is a wholly owned subsidiary of Morgan Stanley. The Firm employs over 80,000 people in 42 countries throughout 765+ offices.

Morgan Stanley offers an industry-leading investment banking franchise complemented by Morgan Stanley Wealth Management (“MSWM”), one of the largest financial advisory networks in the country, and an expanded Investment Management arm. With a network of over 12,500 MSWM financial advisors and the Firm’s acquisitions of online brokerage pioneer E\*TRADE and investment manager Eaton Vance over the last few years, Morgan Stanley oversees \$4.0 trillion of client assets across its Wealth Management segment. The Firm’s integration of these divisions with Institutional Securities offers not only earnings diversification, stability, and a robust balance sheet, but also a comprehensive platform for our municipal issuer and investor clients.

**Commitment to Public Finance.** Morgan Stanley is a perennial leader in the municipal securities market, having been ranked in the top four underwriters of municipal debt every year since 2009, including ranking #4 in 2024 in 2025YTD. Moreover, while we have seen some competitors decide to exit the business, Morgan Stanley continues to invest in our municipal practice through further integration with MSWM, increased capital commitments to support our competitive underwriting activity, leading secondary trading volumes, expanded balance sheet commitment through Morgan Stanley’s Municipal Lending and Structuring Group (“MLS”), and recruitment of a diverse pool of talent.



Public Finance Office Locations		
<b>Public Finance Headquarters</b> 1585 Broadway, 16th Floor New York, NY 10036	<b>Underwriting, Sales &amp; Trading</b> 1585 Broadway, 4th Floor New York, NY 10036	<b>Plantation, Florida</b> 1200 South Pine Island Rd. Suite 800 Plantation, FL 33324
<b>Albany, New York</b> 80 State Street Albany, NY 12207	<b>Austin, Texas</b> 301 Congress Avenue Austin, TX 78701	<b>Boston, Massachusetts</b> 1 Post Office Square Boston, MA 02109
<b>Chicago, Illinois</b> 233 South Wacker Drive Chicago, IL 60606	<b>Dallas, Texas</b> 2121 Pearl Street Dallas, TX 75201	<b>Denver, Colorado</b> 1550 Market Street Denver, CO 80202
<b>Los Angeles, California</b> 1999 Avenue of the Stars Los Angeles, CA 90067	<b>San Francisco, California</b> 555 California Street San Francisco, CA 94104	<b>Washington, District of Columbia</b> 1775 I Street, NW Washington, DC 20006
Public Finance Office that will provide coverage to the City of Delray Beach		





## Team Overview

**Banking Team.** Our coverage team brings together veteran professionals with significant experience in Florida and Water & Sewer coverage. **J.W. Howard**, *Executive Director and Head of Florida Coverage*, will serve as the primary contact for the City for its financing needs. J.W. brings decades of municipal underwriting experience including 16 years with Morgan Stanley with over \$70 billion of underwriting assignments for Florida issuers and credits. His recent senior managed experience also includes City of Fort Lauderdale water treatment facility, City of Cape Coral's water and sewer system expansion project, Lake Worth Beach utility modernization, and the financing for the City of Riviera Beach's replacement of its water treatment facility. Additionally, he has represented as senior manager over his career the Florida Hurricane Catastrophe Fund; the Counties of Miami-Dade, Hillsborough, Broward, Lee and Hernando; the Cities of Miami Beach, West Palm Beach, Sunrise, and Boynton Beach, School Districts of Palm Beach, Broward and Miami-Dade; the utilities of OUC, JEA and Tampa Bay Water, among others. He will be supported by **Joe Abramson**, *Executive Director and Head of Project Finance and Sustainable Infrastructure*, who will assist in the City's contemplated financings. Joe also brings a longstanding history covering water and sewer issuers including the City of Fort Lauderdale, Miami-Dade County, Lake Worth Beach, Buffalo Sewer Authority, the Metropolitan Government of Nashville and Davidson County Water and Sewer System, and the San Francisco Public Utilities Commission, among many others. **Trevor Moxley**, *Vice President*, (who will be working out of Morgan Stanley's Plantation office beginning 3Q25) and **Pingbo Zhou**, *Vice President*, will serve as lead quantitative bankers providing Florida and water/wastewater expertise, respectively, and will partner with J.W. and Joe. **Khushboo Jain**, *Associate*, will provide banking and execution support. In connection with the banking team, **Robert Hillman**, *Executive Director*, and **Brian Manzo**, *Vice President*, will also provide quantitative modeling support and quantitative strategy and idea generation. Morgan Stanley has long maintained a dedicated, full-time quantitative team, a testament to the value the Firm places on these tools.

**Syndicate, Sales, and Trading.** The banking team will work closely with our municipal syndicate desk, salesforce, and investor outreach experts to market and price the City's financings. **Jason Tejada**, *Executive Director and Co-Head of Municipal Syndicate*, will manage the marketing, pricing, and underwriting of the City's offering. He will be assisted by **Luke Hale**, *Executive Director and Co-Head of Municipal Syndicate*, and **Eric Wendland**, *Associate*. **Stuart Perilstein**, *Managing Director and Head of Sales and Trading*, will be responsible for coordinating the marketing and distribution of the City's securities to the Firm's institutional clients. **Gillian Sheeran** and **Ed Chang**, *Executive Directors and Co-Heads of Retail Sales*, will do the same for retail investors.

For bespoke financing solutions through MLS, **Chris Cost**, *Managing Director*, **Ty Savastio**, *Executive Director*, and **Sandy Goldstein**, *Executive Director*, would work with the City to explore alternatives away from traditional public issuance. We provide resumes for the City's primary financing team in **Appendix A**.

**Local Presence.** Our City of Delray Beach Coverage Team is located across Morgan Stanley offices in many cities, mainly including Plantation, Florida, New York, New York, and Los Angeles, California. The City's lead Florida-based contact, Mr. Howard, is located in Plantation, Florida, around an hour away from Delray Beach. He will provide Banking and Client support and would be pleased to meet with the City in-person at the City's convenience when managing a City transaction. Our Pricing and Underwriting Team members will be located in the New York office. Our team members are pleased to be fully available to serve the City.

### Morgan Stanley Primary Contacts to Delray Beach



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### Morgan Stanley's Perennial Market Leadership in Florida

<b>\$1,000,000,000</b> State Board of Administration Finance Corporation May 2024  Revenue Bonds, Series 2024A (Taxable) <i>Senior Manager</i>	<b>\$511,165,000</b> City of Fort Lauderdale, Florida October 2023  Water and Sewer Revenue Bonds, Series 2023AB <i>Senior Manager</i>	<b>\$238,040,000</b> City of Cape Coral October and November 2023  Utility Improvement Assessment and Water and Sewer Revenue Bonds, Series 2023 <i>Senior Manager</i>
<b>\$44,660,000</b> City of Lake Worth, Florida May 2022  Utility Improvement Assessment and Water and Sewer Revenue Bonds, Series 2023 <i>Senior Manager</i>	<b>\$487,425,000</b> Broward County, Florida December 2021  Tourist Development Tax Revenue Bonds, Series 2021 <i>Senior Manager</i>	<b>\$38,425,000</b> North Sumter County Utility Dependent District June 2021  Forward Direct Purchase of Refunding Bonds <i>Purchaser</i>
<b>\$65,765,000</b> The School Board of Broward County May 2021  Forward Direct Purchase of Refunding Bonds <i>Purchaser</i>	<b>\$415,730,000</b> Miami-Dade County, Florida December 2020  Aviation Revenue Refunding Bonds, Series 2020AB <i>Senior Manager</i>	<b>\$10,594,000,000</b> Brightline Florida Passenger Rail Expansion 2017-May 2024  Multiple Series <i>Senior Manager, Placement Agent, Lead Arranger, Dealer- Manager, Remarketing Agent</i>





## Underwriting Experience

Morgan Stanley is a market leader in municipal underwriting nationally (#4 ranking since 2022) and in Florida (#1 ranking since 2022). Furthermore, we have deep experience helping Florida cities meet large water and sewer capital plan requirements, as evidenced by our experience with the Cities of Fort Lauderdale, Cape Coral, and Lake Worth Beach, and others.

### National Underwriting Leadership.

Since January 1, 2022, Morgan Stanley is the #4 ranked underwriter of negotiated municipal bond transactions, having senior managed over \$103.5 billion in par and co-managed an additional \$247.9 billion of par. Morgan Stanley is a perennial top-four underwriter of municipal securities and one of the top underwriters of large transactions.

#### National Negotiated Transaction Experience

January 1, 2022 to 2025 YTD

Year	Senior Managed			Co-Managed		Total	
	No. of Deals	Par (\$MM)	MS Rank	No. of Deals	Par (\$MM)	No. of Deals	Par (\$MM)
2022	133	28,071	#3	235	59,116	368	87,187
2023	129	22,569	#4	321	74,517	450	97,086
2024	143	40,559	#4	320	89,908	463	130,467
2025 YTD	45	12,313	#3	86	24,344	131	36,657
<b>Total</b>	<b>450</b>	<b>103,513</b>		<b>962</b>	<b>247,884</b>	<b>1,412</b>	<b>351,397</b>

### Florida Underwriting Leadership.

Demonstrating our deep commitment to the State of Florida led by **J.W. Howard**, Morgan Stanley is the #1 ranked underwriter of municipal bonds in Florida having senior managed over \$12.2 billion of par and co-managed an additional \$4.3 billion of par. Since January 1, 2022, Morgan Stanley has been a leading underwriter of negotiated municipal bonds in Florida. It meets the qualifications for 5 issues for over \$250mm in aggregate over the last three years. We provide a full deal in **Appendix B**. Our dedicated Florida coverage team, which is fully supported and resourced by our New York City headquarters has achieved this track record by providing our clients with the best ideas to achieve optimal transaction execution and financing terms. The Morgan Stanley team members cover other issuers in the Florida market. We are active in many types of tax exempt and taxable municipal financings, including water and sewer, special assessment, non-ad valorem-based revenues, transportation, and other types of revenue credits, which are highlighted to the right.

#### Florida Negotiated Transaction Experience

January 1, 2022 to 2025 YTD

Year	Senior Managed			Co-Managed		Total	
	No. of Deals	Par (\$MM)	MS Rank	No. of Deals	Par (\$MM)	No. of Deals	Par (\$MM)
2022	9	1,891	#2	8	1,270	17	3,162
2023	11	1,339	#1	6	967	17	2,307
2024	6	6,567	#1	9	1,613	15	8,180
2025 YTD	7	2,355	#1	2	478	9	2,833
<b>Total</b>	<b>33</b>	<b>12,154</b>		<b>25</b>	<b>4,328</b>	<b>58</b>	<b>16,482</b>

#### National Water and Sewer/Combined Utility Negotiated Transaction Experience

January 1, 2022 to 2025 YTD

Year	Senior Managed		Co-Managed		Total	
	No. of Deals	Par (\$MM)	No. of Deals	Par (\$MM)	No. of Deals	Par (\$MM)
2022	9	994	21	5,087	30	6,081
2023	8	1,281	21	6,470	29	7,751
2024	7	1,766	20	10,815	27	12,581
2025 YTD	3	709	3	1,688	6	2,397
<b>Total</b>	<b>27</b>	<b>4,750</b>	<b>65</b>	<b>24,060</b>	<b>92</b>	<b>28,810</b>

#### Florida Water and Sewer/Combined Utility Negotiated Transaction Experience

January 1, 2022 to 2025 YTD

Year	Senior Managed		Co-Managed		Total	
	No. of Deals	Par (\$MM)	No. of Deals	Par (\$MM)	No. of Deals	Par (\$MM)
2022	1	45	-	-	1	45
2023	4	749	-	-	4	749
2024	-	-	1	504	1	504
2025 YTD	1	267	-	-	1	267
<b>Total</b>	<b>6</b>	<b>1,061</b>	<b>1</b>	<b>504</b>	<b>7</b>	<b>1,565</b>

### Water and Sewer/Combined Utility Leadership.

Morgan Stanley is a leader in the water and sewer space. Since 2022, Morgan Stanley has senior-managed 26 water and sewer/combined utility deals totaling \$4.7 billion in par amount, a figure that includes six Florida transactions totaling \$1.1 billion in par amount.

## Case Studies

**Relevant Case Studies Demonstrating Florida Water and Sewer Underwriting Experience.** Please see below for three case studies that demonstrate our deep experience serving as senior managing underwriter for Florida water and sewer transactions.



**\$511,165,000 City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2023 A&B.** On October 5, 2023, Morgan Stanley served as senior manager for the City of Fort Lauderdale, Florida's (the "City") \$511,165,000 Water and Sewer Revenue Bonds, Series 2023A (Enabling Works Project) and Series 2023B (Prospect Lake Water Treatment Plant Project) (collectively, the "Bonds"). Proceeds from the Bonds will be used to pay the financing costs associated with designing, acquiring, constructing, installing, and equipping certain improvements to the Water and Sewer System. The Bonds were structured with 5.00% coupon serials in years 2024 through



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2043 with a 5.50% coupon term bond in 2048 and 2053. Given the strong interest for the higher 5.50% coupon 2053 term bond during the pre-marketing process, Morgan Stanley restructured the 5.25% coupon 2048 term bond to a 5.50% coupon which ultimately resulted in a 2.8x subscription level for the two term bonds and spreads were tightened 3 basis points. During the week leading up to pricing market conditions were volatile, with rates experiencing significant daily and intraday movements. On the day of pricing, market conditions were stable, with benchmark rates relatively unchanged during the order period. ***The Bonds ultimately received \$2.5 billion of orders (an aggregate subscription level of 5.0x) from 70 different accounts and achieved an all-in TIC of 4.82%, which is a 3-basis point improvement from the pre-marketing scale.*** The City and the Project Team, entered into a comprehensive agreement (“CA”) to create a hybrid public-private partnership for the design, construction, operation and maintenance of the new Prospect Lake Water Treatment Plant that will replace the City’s existing Fiveash Water Treatment Plant. This hybrid P3 structure provides additional benefits to the City over a traditional design-bid-build procurement. This helps to achieve a risk allocation strategy that provides cost savings and reduces the time of the procurement and contract execution, guarantees the Project Team’s obligations with upfront private capital at risk over the term of the CA, and provides the City with long-term assurances and efficiencies for operating the water treatment plant. Under this modified P3 structure the City financed 100% of the enabling works and 75% of the water treatment plant cost with the project team contributing 25% of the water treatment plant cost as at-risk capital through construction. The repayment to the Project Team structured as subordinate debt provides protection to the senior lien bondholders.

**Relevance to the City:** Demonstrates Morgan Stanley’s ability to craft a creative plan of finance through a hybrid P3 model to meet the City’s large funding needs for a water treatment plant.



**\$238,040,000 City of Cape Coral Utility Improvement Assessment and Water and Sewer Revenue Bonds Series 2023.** On October 26, 2023, Morgan Stanley served as senior manager for the City of Cape Coral, Florida’s (the “City”) \$138,040,000 Utility Improvement Assessment Bonds (North 1 West Area), Series 2023 (the “Assessment Bonds”). Morgan Stanley was hired for a follow-on transaction for the City’s \$100,000,000 Water and Sewer Revenue Bonds, Series 2023 (the “Water and Sewer Bonds”), which priced on November 14, 2023. ***Morgan Stanley initiated building a slides-only roadshow to complement the POS posting, ultimately receiving 25 investor POS downloads, with 7 investors being holders of the City’s outstanding Water & Sewer debt.*** Morgan Stanley worked with the City and its Financial Advisor to determine an optimal pricing day for both transactions, while working within the City’s condensed timeline of having the funds by December 1, 2023, avoiding weeks with an FOMC meeting, and grappling with market volatility. The Water and Sewer transaction was originally scheduled to price on Wednesday, November 15, 2023, however, given the market’s reaction to softer than expected inflation prints on the morning of November 14, 2023, which sent MMD rates lower on the day by 10-12 basis points, Morgan Stanley and the City’s financial advisor decided to accelerate pricing a day earlier. The Assessment Bonds ultimately received \$428.2 million in orders (an aggregate subscription level of 3.1x) and achieved an all-in TIC of 5.650%. ***For the Water and Sewer Bonds, as a result of the positive tone in the market and the decision to accelerate the transaction, the deal was extremely well received with over \$1.1 billion in orders (an aggregate scripion level of 11.3x), leading to 5-20 basis point cuts from the premarketing scale. The transaction achieved an all-in TIC of 4.697%.*** Below, we showcase the diversity of our order book for the benefit of the City. ***Notably, the Utility Improvement Assessment Bonds, Series 2023 saw \$41.1 million of SMA orders and the Water and Sewer Revenue Bonds, Series 2023 saw \$134.5 million of SMA orders.***

**Relevance to the City:** Demonstrates Morgan Stanley’s ability to successfully underwrite a multi-pronged plan of finance to fund utility improvements for a Florida City.



**City of Lake Worth Beach, Florida Consolidated Utility System.** Since 2020, Morgan Stanley ***has served as or has been hired to serve as senior manager for three transactions for the City of Lake Worth Beach, Florida’s Consolidated Utility System.*** This includes the \$89.9 million inaugural sale for the Consolidated Utility credit in 2020, a \$44.7 million follow-on new money financing in 2022, and an upcoming \$50 million follow-on financing to complete the consolidated utility capital plan.

**2020 Sale Summary.** 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 the City posted an investor roadshow in order to educate investors about the new credit and generate demand for the Bonds. Ultimately, the investor roadshow was viewed by 19 unique investors, 3 of which placed \$25.3 million in orders for the Bonds. In addition, Morgan Stanley conducted a one-on-one with an investor that placed a \$150K order. 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). Ultimately, 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.




**2022 Sale Summary.** On the day of pricing, market conditions were stable, with continued improvements to MMD. The Bonds saw excellent demand across all maturities from 28 different accounts (6 of which downloaded the POS), with \$303.8 million in orders at the end of the order period (a subscription level of 6.7x). As a result of robust demand for the bonds, spreads were decreased by 5 bps from 2023 to 2040 including in numerous maturities that were only 1.0x subscribed, 6 bps in 2041, 7 bps in 2042, 12 bps in the 2042 term bond, and 15 bps in the 2052 term bond. The bonds ultimately achieved an all-in TIC of 4.130% which improved 33 bps from the pre-marketing scale.




**Relevance to the City:** Demonstrates Morgan Stanley's ability to introduce a new consolidated utility credit to the market for a Florida issuer, craft a comprehensive rating agency story to achieve a positive rating outcome and achieve successful pricings across multiple transactions.

## Verifiable Client References

**Client References.** We are pleased to provide 5 references who we are confident will verify our track record as a top investment bank for municipal clients.

1. **Lake Worth Beach:** On May 25, 2022, Morgan Stanley served as senior manager for the City of Lake Worth Beach's \$44,660,000 Consolidated Utility Revenue Bonds, Series 2022 and on October 29, 2020, Morgan Stanley served as senior manager on the City's \$88,930,000 Consolidated Utility Revenue Bonds, Series 2020 transaction.
2. **Miami-Dade County:** On December 2, 2020, Morgan Stanley served as senior manager for Miami-Dade County, Florida's \$415,730,000 Aviation Revenue Refunding Bonds, 2020 Series AB.
3. **City of Fort Lauderdale:** On October 5, 2023, Morgan Stanley served as senior manager for the City of Fort Lauderdale, Florida's \$511,165,000 Water and Sewer Revenue Bonds, Series and Series 2023B.
4. **City of Cape Coral:** On October 26, 2023, Morgan Stanley served as senior manager for the City of Cape Coral, Florida's \$138,040,000 Utility Improvement Assessment Bonds, Series 2023. Morgan Stanley was hired for a follow-on transaction for the City's \$100,000,000 Water and Sewer Revenue Bonds, Series 2023.
5. **Orlando Utilities Commission:** On January 27, 2025, Morgan Stanley served as senior manager for Orlando Utilities Commission, Florida's \$182,965,000 Utility System Revenue Bonds, Series 2025A and \$85,480,000 Utility System Revenue Bonds, Series 2025B.

 <p>City of <b>Lake Worth Beach</b> FLORIDA</p>	 <p><b>MIAMI-DADE COUNTY</b></p>	
Lake Worth Beach	Miami-Dade County	City of Fort Lauderdale
Edward Liberty Director of Electric Utility (561) 586-1670 <a href="mailto:elibrary@lakeworthbeachfl.gov">elibrary@lakeworthbeachfl.gov</a> 7 North Dixie Highway, Lake Worth, FL	Arlesa Wood Director, Division of Bond Administration (305) 375-2275 <a href="mailto:arlesa.wood@miamidade.gov">arlesa.wood@miamidade.gov</a> 111 NW 1 <sup>st</sup> Street, Miami, FL	Linda Short Director of Finance (954) 828-5267 <a href="mailto:lshort@fortlauderdale.gov">lshort@fortlauderdale.gov</a> 100 North Andrews Avenue, Fort Lauderdale, FL

 <p><b>Cape Coral</b> FLORIDA</p>	 <p><b>OUC</b>  <i>The Reliable One</i></p>
Cape Coral	Orlando Utilities Commission
Mark Mason Financial Services Director (239) 574-0491 <a href="mailto:mmason@capecoral.gov">mmason@capecoral.gov</a> 1015 Cultural Park Blvd., Cape Coral, FL	Mike Hollingsed Director of Finance (407) 434-2171 <a href="mailto:mhollingsed@ouc.com">mhollingsed@ouc.com</a> 100 West Anderson Street Orlando, FL





## Financing Structure Recommendation

**The Project.** The City is in the midst of a comprehensive plan to upgrade its water supply and treatment systems. As mentioned in the RFP, the project cost is estimated at \$280 million, with \$33 million for deep injection wells and \$247 million for a brand-new water treatment plant. Based on our review of the March 11 City Commission meeting and projected cash flow expenditures, the City plans to issue debt in two tranches: \$140 million in July-September 2025, and \$140 million in July-September 2026 once the initial bond proceeds are spent down. Below, we discuss our recommended plan of finance to secure attractive funding for the entire plan of finance, placed into the context of the current market.



**Market Environment & Outlook.** The market outlook for 2025 continues to evolve, and fixed income conditions remain volatile. This volatility reached a peak last week as economic data was ignored and tariff news dominated headlines. MMD increased by as much as 50 bps in a single day, the 6<sup>th</sup> largest increase since MMD data is available. Last Wednesday, rates sold off and equities rallied 7-10% as Trump announced a 90-day pause on tariffs for most countries. CPI data from last week came in lower than expected at 2.4% vs. 2.5% expected, although markets largely ignored this print as the White House clarified that Chinese tariff now total 145%. Inflation expectations as a result of tariffs, the “Sell America” trade as global investors divest from UST, and the unwinding of a popular hedge fund bet all continue to weigh on Treasuries. Treasury futures now price 3.2 cuts in 2025, with as many as 4 cuts in 2025 priced this week. Last week, MMD increased by 65-78 bps and UST increased 44-48 bps. Despite this recent volatility, Morgan Stanley does expect a positive environment overall for municipal issuers through 2025 albeit with continued pockets of volatility. Of note, supply for 2025 year-to-date is up 5% YoY and expected to hit a record-breaking total of \$530 billion, expected to be met by positive fund flows. Demand is expected to remain robust, with \$85 billion of forecasted inflows led by Separately Managed Accounts (“SMAs”), Exchanged Traded Funds (“ETFs”), and mutual funds. All things considered, the current climate suggests that municipal issuers such as the City remain flexible in terms of both timing and structure in the face of an uncertain rate picture and prepare for yields that remain elevated compared to historical averages.

**Recommended Structure.** Our overall analysis takes into consideration the City’s funding needs for the project, historical gross and net revenues and projected future revenues of the system, our targeted rating agency outcome of “Aa3”, projected investor demand, and the current volatile market environment. Our recommendations can be summarized in the following points:

1. Two deals, funding \$140 million of project needs in 2025 and the remainder (assumed \$140 million) in 2026
2. Forward Direct Purchase with MLS for the 2026 transaction priced concurrently with the 2025 transaction to lock in funding for the entire project
3. Capitalized interest through 10/1/2027 to maintain reserves and maximize MADS coverage
4. Traditional 10-year par call to maintain refinancing flexibility, while keeping shorter call options open dependent on market conditions
5. No debt service reserve fund
6. No bond insurance due to the expected ratings
7. Pledge impact fees but exclude from the rate covenant and additional bonds test
8. Establish a rate covenant and additional bonds test of 1.20x

**Revenue Assumptions.** Before describing our recommended structure, we thought it prudent to outline our revenue assumptions that ultimately drive coverage levels. Based on the City’s most recently available financials (FY2023), the City’s water and sewer enterprise had \$39.9 million in gross revenues and \$31.7 million in operating expenses, for net revenues available for debt service of \$8.2 million. Then, based on Ordinance 17-22 rate adjustments, we grew gross revenues by 6.11% and 6.9% for 2024 and 2025, respectively. Finally, for 2026-2031 we used the assumed growth rate based on proposed rate adjustments at the March 11, 2025, Commission Meeting (13.5% for 2026, 8.6% for 2027, 8.7% for



2028-2030, and 6.8% for 2031). We assumed gross revenue growth thereafter at 2%, a conservative estimate designed to follow inflation. For operating expenses, we assumed a flat 2% growth in each year, although the presentation did note there could be operational efficiencies in the future as a result of the all-new plant.

**Financing Results.** To the right, please find summary results for our recommended plan of finance, resulting in an all-in TIC of 4.93%, MADS coverage of 1.52x, and borrowing cost certainty at execution this summer. As you can see, we have conservatively assumed bond funding for the full \$280 million project amount, split between \$140 million in 2025 and \$140 million in 2026. While the 2026 Direct Purchase transaction could ultimately be sized to a smaller amount (such as \$70 million) while the City awaits certainty on other funding sources, we wanted to highlight 1) that full 2026 transaction could be executed as a direct purchase, and 2) that coverage remains strong and within our rating case in that scenario. We provide full cashflows for our recommended financing in **Appendix B** and a term sheet for our direct purchase in **Appendix C**. Below we discuss specific points of our recommended structure.

**Forward Direct Purchase Considerations.** A key component of our recommended structure is to, at the same time as the 2025 public market bond transaction, execute a forward direct purchase with Morgan Stanley's MLS group for all or a portion of the 2026 funding needs. Morgan Stanley's direct purchases are priced transparently as a premium to the City's public market scale. In this case, we would use the final pricing scale for the 2025 public market bond transaction for the direct purchase. We would then add a forward premium (estimated at +50 bps) to account for the period between pricing in June 2025 and closing on July 1, 2026, and execute a forward BPA. These bonds would be rated at the same time as the 2025 transaction and the City would not need to prepare an official statement in 2026 when the bonds are delivered. With one year between transaction, locking in debt service requirements at the time of the first transaction will give the City certainty of funding for the entire project. Given current market volatility this is important and will prevent a "worst case" scenario where rates increase over the next year to the point where the City has to approve yet another rate increase and/or accept a downgrade from the rating agencies, ultimately leading to a higher borrowing cost. Additionally, yet another consideration, is the elimination or reduction of tax exemption for municipal debt issuers. If a DP is executed with MS, that risk would be mitigated. Below we provide a case study highlighting an example of a direct purchase we executed with a Florida utility system.

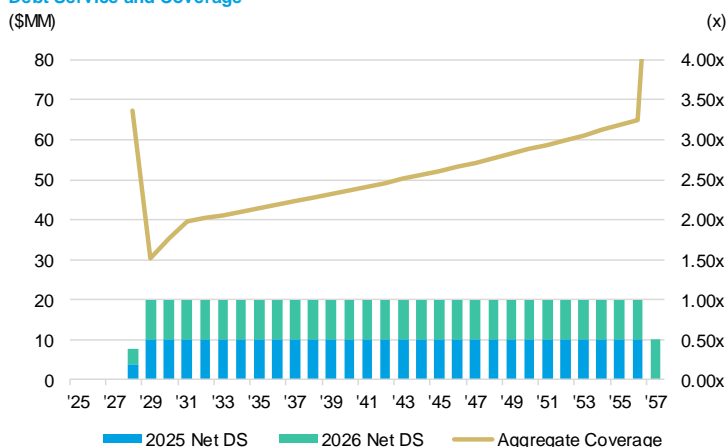


**Direct Purchase Case Study: City of Hialeah, FL.** On May 11, 2022, Morgan Stanley served as Purchaser for the City of Hialeah, Florida's \$38.270 million of tax-exempt Utility System Revenue Refunding Bonds, Series 2022, completed by MLS. Morgan Stanley was awarded the transaction by the City, after having submitted a response to the City's request for proposals in March of 2022. Bond proceeds were for (i) to refinance a loan (the "Refunded Obligation") from the Florida Municipal Loan Council ("FMLC"), evidenced by the FMLC Loan Agreement securing the Florida Municipal Loan Council Bonds, Series 2011D (the "FMLC Bonds"), and (ii) pay costs of issuing the Bonds. Despite volatile market conditions in weeks leading up to pricing, Morgan Stanley's Capital Solutions Group was able to provide the City with a streamlined execution, having served as a sole purchaser for the refunding bonds, allowing the City to price without disclosure, offering documents, and a marketing process. While Morgan Stanley offered the ability to defer ratings up to two months post pricing, the City opted to procure its rating in advance of pricing. Morgan Stanley worked with the City and its financial advisor (PFM), to price the bonds at agreed upon spreads to MMD, providing the City with full transparency on pricing levels relative to the tax-exempt market. Additionally, Morgan Stanley was able to purchase the bonds with one rating, an embedded 10-year par call, and no requirement for an offering document now or at any point in the future, thereby allowing the City to price on its desired timeline and providing

**Recommended New Money Structure**  
Market conditions as of April 14, 2025

	2025 Public Market Transaction	2026 Direct Purchase	Aggregate
Pricing Date	June 2025	June 2025	June 2025
Delivery Date	7/1/2025	7/1/2026	--
Par Amount (\$MM)	150.4	146.5	296.9
Premium (\$MM)	6.2	3.4	9.6
Project Fund (\$MM)	140.0	140.0	280.0
Capitalized Interest (\$MM)	16.0	9.4	25.4
Arbitrage Yield (%)	4.89%	4.89%	4.89%
All-in TIC (%)	4.69%	5.19%	4.93%
Total Debt Service (\$MM)	300.1	302.4	601.7
Average Annual Debt Service (\$MM)	10.0	10.0	19.3
MADS Coverage (x)	3.03x (2029)	1.52x (2029)	1.52x (2029)

**Debt Service and Coverage**



refinancing optionality in the future. This flexibly afforded the City both rapid execution and the ability to lock-in yields out to 20 years in a volatile interest rate environment.

**Capitalized Interest Considerations.** In our recommended case we have net-funded capitalized interest through 10/1/2027, which aligns with the case recommended by PFM in the March 11 Commission presentation. In the current market, short-term rates allow the City to invest its capitalized interest fund at attractive rates to minimize negative arbitrage. We assume a capitalized interest investment rate of 3.99% (1Y UST on 4/14/2025) which, when compared to the arbitrage yield of 4.92%, results in just \$188k and \$69k of negative arbitrage for the 2025 and 2026 bond series, respectively. At such a low cost to the City, we recommend using this longer CAPI period in order to maximize debt service coverage. Furthermore, delaying the date when the City will have to start repaying debt service will result in greater excess revenues in 2026 and 2027 which the City can retain in reserve or put towards cash-funding projects.

**Coupon Structure.** In the context of current market volatility and elevated rates, we recommend a 5% coupon structure. A 5% coupon structure would be met with strong market demand and will allow the City to retain future refunding optionality. As the City approaches pricing, as senior manager we would continually evaluate the use of alternative coupons to meet the best balance of strong investor demand, future optionality, and a low all-in borrowing cost.

**Alternative Call Considerations.** The City could explore the option to include a shorter call on a portion of its issuance in order to diversify the profile and enhance its future flexibility. That said, we note that shorter calls increase individual bonds' YTM and, thus, the overall issue's all-in True Interest Cost ("TIC"). We observe that 8-year calls currently price at the same spread as the 10-year; thus, could be incorporated with no additional pricing penalty compared to a traditional 10-year call. The shorter 8-year call would result in a higher all-in TIC due to the yield-to-maturity "kick" which must be balanced against the additional optionality provided by the earlier call date. *As the City's Senior Manager, we would work with the City to tailor its call structure to align with its long-term refinancing goals, balancing this against the total cost of issuing debt.* We also note that we have structured bond series with multiple call dates tailored to issuer's preferences and policy goals.

**Bond Insurance and Debt Service Reserve Considerations.** We recommend that the City gets pre-qualified and premium bids from insurers once the City receives the ratings. If the ratings outcome is what is expect as outlined in the MS rating scoring analysis, the insurance may not provide the savings unless it's determined that a surety is required. However, our proposal, as discussed below, is to go without a debt service reserve in the City's case given its strong fund balances in the system. It should be noted that our forward direct purchase offered also assumes no debt service reserve and no insurance. Therefore, with the ratings outcome expected at Aa3, insurance may not provide the savings benefit depending on the insurer's premium bid. The one caveat to this may come down to the market's comfort with the City's resiliency efforts and its location on the Florida coastline. We have had some investors express concerns on hurricane risk and sea level rise and the potential impact on coastal communities, and having the possibility of insurance might help encourage their participation. So far this has been limited to a manageable pool of investors. Please see our Ratings Analysis in the following section for further discussion of our ratings outcome and recommendation to forgo a DSRF.

**Pledging Impact Fees.** The pledging of impact fees is useful for systems that expect a significant amount of growth and expansion. In doing so, there is an additional rate covenant and additional bonds test that may result in higher coverage requirements when adding impact fees into the calculation. Additionally, impact fees can only be used for debt service related to the capital borrowed for expansion. So, if a system is expanding and connecting a significant amount of new customers, the inclusion of the impact fees into the revenue calculation can prove to be a burden for the expansion cost to be paid from fees versus rates on the entire system. If the City only expects 1% to 2% growth in the system, it may be more advantageous to not pledge the impact fees to the credit but rather just use them to offset debt service costs related to expansion or use them as pay as you go funding for expansion related costs. Probably the most efficient and traditional option is to pledge them but not count them in the rate covenant or add bonds test. Then once received can use to pay debt service or used as a capital funding to reduce future borrowing. The City can still show rating agencies and investors the expected revenues and argue that it is beneficial to the credit. Looking at neighboring issuers, Fort Lauderdale uses impact fees as

#### Credit Comparison - Neighboring and Peer Utilities

Utilities with Currently Outstanding Water/Sewer Bonds; Data as Stated for Most Recent Issuance

Issuer	Moody's	S&P	Fitch	Rate Covenant/ABT	DSRF	Insurance
Cape Coral	A1	AA	A+	1.20x	n/a	BAM
Palm Beach County	Aaa	AAA	AAA	1.25x	Funded @ MADS with cash + surety	n/a
Broward County	Aa1	AA+	n/a	1.20x	Funded @ MADS with cash	n/a
Lake Worth	A2	AA	n/a	1.20x	Funded @ lesser of 3 test with surety	BAM
West Palm Beach	Aa2	AA+	n/a	1.20x	n/a	n/a
Hollywood	Aa2	n/a	AA	1.10x	n/a	n/a
Fort Lauderdale	Aa1	AA+	n/a	1.25x	n/a	n/a
Davie	Aa3	AA	n/a	1.15x	Funded @ lesser of 3 test with surety	BAM

Source: Official Statements from most recent issuance for each respective utility





an optional bonus to coverage (and increasing the rate covenant requirement from 1.25x to 1.30x). West Palm Beach explicitly includes impact fees as part of its 1.20x rate covenant.

**Rate Covenant/Additional Bonds Test Recommendation.** We recommend the City establish a rate covenant of 1.20x net revenue coverage and an additional bonds test of 1.20x. As illustrated in our ratings analysis in the following section, this will achieve a strong rating outcome and also leave the City with capacity for additional borrowing as needed. Furthermore, we analyzed neighboring and peer utilities of the City (shown on the previous page) and this rate covenant/ABT is in line. As a matter of policy, the City can still seek to maintain a higher coverage target of 1.50x as stated in the City Commission presentation.

**Indicative Scale.** To the right, please find indicative market scales based on market conditions at the close of April 14, 2025, assuming December interpolated AAA BVAL assuming the ratings outcome of Aa3 as described in the Credit Rating Analysis.

#### Indicative Tax-Exempt Scale

Assumes Market Conditions as of April 14, 2025

Year	Maturity	BVAL	Coupon	Spread	Stated Yield
1	10/1/2026	2.93%	5.00%	9	3.02%
2	10/1/2027	3.00%	5.00%	10	3.10%
3	10/1/2028	3.06%	5.00%	11	3.17%
4	10/1/2029	3.11%	5.00%	13	3.24%
5	10/1/2030	3.17%	5.00%	15	3.32%
6	10/1/2031	3.25%	5.00%	17	3.42%
7	10/1/2032	3.33%	5.00%	19	3.52%
8	10/1/2033	3.39%	5.00%	21	3.60%
9	10/1/2034	3.45%	5.00%	23	3.68%
10	10/1/2035	3.49%	5.00%	25	3.74%
11	10/1/2036	3.55%	5.00%	27	3.82%
12	10/1/2037	3.63%	5.00%	29	3.92%
13	10/1/2038	3.70%	5.00%	30	4.00%
14	10/1/2039	3.78%	5.00%	30	4.08%
15	10/1/2040	3.86%	5.00%	32	4.18%
16	10/1/2041	3.94%	5.00%	35	4.29%
17	10/1/2042	4.01%	5.00%	35	4.36%
18	10/1/2043	4.08%	5.00%	35	4.43%
19	10/1/2044	4.16%	5.00%	35	4.51%
20	10/1/2045	4.22%	5.00%	35	4.57%
25(T)	10/1/2050	4.43%	5.00%	35	4.78%
30(T)	10/1/2055	4.50%	5.00%	35	4.85%

(T) Final Maturity of Term Bond

Note: Assumes 10-year par call on October 1, 2035

## Credit Rating Analysis

**Rating Agency Strategy.** Given the increase in leverage that the upcoming borrowings will represent for the City's water and sewer system and based on our experience working with rating agencies on water and sewer revenue financings, we recommend that the City pursue ratings from two rating agencies for its proposed financing. We recommend that one of these two ratings be from Moody's, as we have found them to be the most responsive to the Florida market, its growth, credit strengthening and understanding of the capital improvements needed in infrastructure to serve its clientele. Importantly, they have understood the required rate increases and the impact it has on the client's constituency. Consistently, we have found them to engage in a more positive dialogue around these issues in their review. For its second rating, we would anticipate S&P and Fitch to rate the credit similarly and believe there are benefits and considerations for both agencies. On one hand, S&P is familiar with the City and assigned a AAA rating to its 2024 GO Parks Project financing a year ago, whereas Fitch has not rated the City in many years. On the other, S&P is the most pessimistic of the three rating agencies on the water and sewer sector, having assigned a Negative outlook on the entire sector for 2025 while Fitch and Moody's maintain Neutral outlooks. In its report, S&P has highlighted its concerns regarding utilities' ability to continue passing rising operating costs onto ratepayers without further pressuring affordability. Additionally, it expects that liquidity margins will be compressed since aging infrastructure and regulatory mandates have created capital investment needs that must be addressed, both of which are directly relevant to the City's transaction to finance its new water treatment plant. Based on the presentation made at the City Commission meeting on March 11, we understand that the City has a well-developed financing plan and proposed rate increases necessary to maintain sufficient debt service coverage following the upcoming borrowing. It will be important to emphasize the City's history of strong rate management and highlight that its rates will remain affordable relative to neighbor peer utilities in order to attain the strongest rating outcome. From an investor marketing and bond pricing standpoint, we believe that any combination of two ratings from among the three main rating agencies would be equally effective in terms of ensuring broad investor participation and aggressive credit spreads, and we do not believe there would be any material benefit from adding a third rating. While the City could consider utilizing a single credit rating, given the relative size of the total borrowing and that this is the first water and sewer bond issue in over two decades, we recommend two ratings to maximize investor demand. This is especially relevant given the increasing participation of Separately Managed Accounts ("SMAs") in the municipal market, who typically require at least two ratings to participate in a bond sale.

**Indicative Ratings Discussion.** Based on the March 11 City Commission presentation as well as the City's FY 2023 ACFR, we have put together a preliminary Moody's scorecard to assess the estimated rating outcome from the upcoming





borrowings. As shown to the right, we estimate a numerical score of 2.29 (corresponding to an indicative rating of Aa3) following the issuance of \$280 million of bonds to finance the water treatment plant, which we believe is based upon conservative assumptions. Our assumptions include: (i) a 50 year useful life for the water treatment plant; (ii) no change to FY 2023 operating revenues of \$39.932 million and operating expenses of \$31.718 million; (iii) no change to FY 2023 cash, cash equivalents, and investments in the Water and Sewer Fund of \$41.002 million; and (iv) debt service coverage of 1.30x, based on the approximate minimum level from the City Commission presentation under the scenario with two years of capitalized interest. We note that minimum debt service coverage in our indicative financing results is at 1.52x, which would bring the numerical score up to 2.21 (still in the Aa3 category but closer to the top end of that bucket). However, we have used the 1.30x coverage level in our scorecard to provide a conservative buffer for market volatility. Because the City maintains a robust system cash balance, we believe there is no need to establish a reserve fund as it would increase debt service while adding little additional security. While some of the City's neighboring utilities have either cash or surety-funded reserves, there has generally been a trend towards more relaxed reserve requirements for highly rated utility bonds with no negative reaction from investors. We do not expect a rating or pricing penalty as a result of forgoing a reserve fund for the upcoming borrowing. We assume the City establishes a rate covenant of 1.20x net revenue coverage (and use this level for its additional bonds test as well), which as noted is in line with peer utilities. However, as a matter of debt policy, the City may want to maintain a higher coverage target of 1.50x, as stated in the City Commission presentation. The full scorecard is provided below.

Overall Rating	Grid Rating
2.29	Aa3

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

As demonstrated from our estimated scorecard, the City's numerical score of 2.29 puts it comfortably in the Aa3 rating category. At present, the two factors bringing down the aggregate rating are (i) the high debt to operating revenues ratio and (ii) the lack of a reserve fund. Based upon the issuance of \$280 million of bonds and approximately \$40 million in operating revenues in FY 2023, the 7.0x ratio of debt to operating revenues is viewed as "Weak" and accounts for 10% of the scorecard outcome. Holding all other inputs constant, if over time a combination of debt amortizing and operating revenues increasing due to rate increases brings this ratio down to 4.6x or lower, the City would achieve a numerical score of 2.17, which is the cutoff for the Aa2 category. Unlike the debt to operating revenues ratio, which will trend downwards over time, the lack of a reserve fund represents an area of identified credit weakness that could be addressed directly in the near-term. However, debt service reserves only account for 5% of the Moody's numerical outcome and changing the scoring in that category from "No reserve fund" to a hypothetical "lesser of 3 reserve fund" still keeps the rating in the Aa3 category, holding all else equal. Additionally, adjustments to the more subjective inputs within the "Management" category would affect the score but still keep it within the Aa3 bucket. Therefore, we believe the Aa3 rating level from

Issuer: Delray Beach, Florida  
Preliminary Scorecard - ESTIMATES

Rating Factors	Weight	Metric	Score	Weighted Score	Implied Rating
<b>System Characteristics</b>					
Asset Condition (Remaining Useful Life)	10.00%	50 years	2.00	0.20	Aa2
Service Area Wealth (Median Family Income)	12.50%	98.49%	2.36	0.29	Aa3
System Size (O&M)	7.50%	\$31.718	2.45	0.18	Aa3
<b>Financial Strength</b>					
Annual Debt Service Coverage	15.00%	1.30x	3.39	0.51	A3
Days Cash on Hand	15.00%	472 Days	0.50	0.08	Aaa
Debt to Operating Revenues	10.00%	7.0x	4.00	0.40	Baa2
<b>Management</b>					
Rate Management	10.00%	2.0	2.00	0.20	Aa2
Regulatory Compliance and Capital Planning	10.00%	1.0	1.00	0.10	Aaa
<b>Legal Provisions</b>					
Rate Covenant	5.00%	1.20	2.50	0.13	Aa3
Debt Service Reserve Requirement	5.00%	4.00	4.00	0.20	Baa2
<b>Total Weighted Score and Implied Rating</b>				<b>2.29</b>	<b>Aa3</b>

Moody's is generally stable and defensible under our conservative assumptions. We would estimate either S&P or Fitch to come in at approximately the same rating level as well. In the future, as leverage decreases as the bonds amortize and debt service coverage is bolstered by higher system revenues, we could see the rating level improve and would recommend re-engaging the rating agencies to consider a potential upgrade at that time. For its upcoming borrowings, we consider ratings in the Aa3 category to be a strong outcome given the sizable increase to leverage that the water treatment plan financing



represents. We suggest emphasizing the following factors in conversations with the rating agencies in order to present the City's credit story in the best light and achieve the strongest possible ratings:

- 1) The City's formalized financial management practices and strong management team;
- 2) Demonstrated history of rate management and proactive planning for necessary future rate increases;
- 3) Rates have historically been below the median for peer utilities and are expected to remain affordable even after increases to accommodate this sizable borrowing;
- 4) Conservative plan of finance which incorporates capitalized interest to bolster near-term debt service coverage as rate increases are implemented;
- 5) Healthy liquidity position;
- 6) Expectation that construction of the water treatment plant will be completed on time and ahead of federally regulated deadlines.

We highlight that the Morgan Stanley team has considerable experience with debt IPOs and reintroducing credits to the market, particularly in the water/wastewater sector. We have worked extensively to develop comprehensive rating presentations for new credits, restructure existing credits with amended indentures, and reintroduce existing credits to the marketplace with numerous water and wastewater issuers. Our prior experience includes financings for Capital Region Water (PA), Pittsburgh Water and Sewer Authority, South Placer Wastewater Authority (CA), City of Roseville (Water), City of San Diego (Sewer), Citizens Energy Group (Water) and CWA Authority (Wastewater) in Indianapolis, Baltimore Water and Baltimore Sewer (amended and restated indentures), City of Norfolk (VA) Water, Metropolitan Government of Nashville and Davidson County, Jackson (MS), Guadalupe Blanco River Authority (various credits) (TX), Livermore Amador Water Management Agency (CA), Puerto Rico Aqueduct and Sewer Authority, New York City Municipal Water Finance Authority, Cape Coral (FL), Florida Government Utility Authority (various credits), Nueces River Authority (Corpus Christi Mary Rose Pipeline Project) (TX), and the City of Sunrise (FL), among others. Our extensive experience in this field makes Morgan Stanley well-positioned to serve the City as underwriter for its upcoming financing and will benefit the City from a structuring, credit, marketing, and underwriting perspective.

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## **Distribution, Marketing and Underwriting Capabilities**

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**Market and Distribution Overview.** Morgan Stanley offers the City an unmatched distribution system covering all investor classes. Morgan Stanley is one of only a few firms in the municipal industry that can offer the City comprehensive investor distribution capabilities, including a dedicated institutional municipal sales force, middle markets and high-net-worth coverage, and the largest retail distribution systems in the country with a robust Florida presence. Morgan Stanley has a proven track record of leveraging our full complement of resources to ensure the most efficient marketing and pricing process of our issuer client's bonds. In the following question, we discuss how our leading municipal distribution network. Below, we highlight our overall approach to marketing our team are prepared to leverage as senior manager for the City to ensure its bonds receive the broadest distribution in order to secure a low cost of capital.

### **Morgan Stanley's Proven Marketing Plan.**

Below we have included a few key strategies that we recommend for the City which have proven to be tried and true approaches for successful financings.

- **Investor Presentation.** Internet roadshows continue to offer a streamlined way to convey salient financing features to busy investors, where slides-only presentations have become the norm. We advocate informative but not overly text-heavy presentations and would take the lead on crafting this for the City to maximize the reach of its message while minimizing demands on staff time.
- **Structuring Flexibility.** As discussed in our response above, flexibility to consider alternative coupons, and other structuring tweaks is particularly helpful to attract a diverse group of buyers in volatile markets.
- **Leveraging MSWM Retail Data.** Since Morgan Stanley owns our retail network, rather than using a distribution agreement as many of our competitors do, we have unique insights into retail investor preferences. We have detailed data on maturities, coupons, and prices that retail accounts are buying nationally and locally. We can leverage these data to provide structuring and marketing recommendations to drive demand, especially impactful in light of the elevated retail activity in today's higher-rate environment.
- **Retail Priority.** To incentivize advisors to market the bonds and retail customers to place orders, Morgan Stanley would suggest that the City provide retail investors with priority during the order period. Retail priority allows the

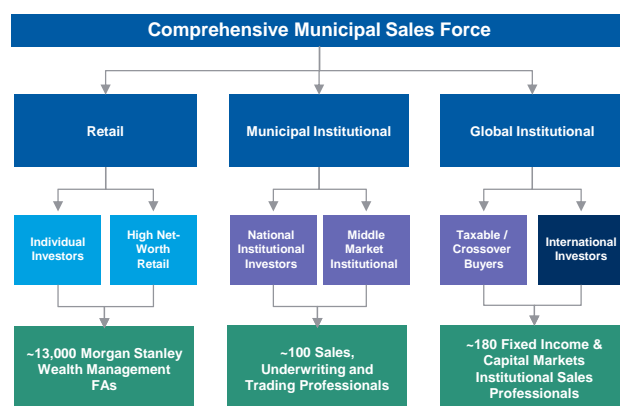


team to overcome the perception that all of the bonds will be allocated to institutions and leave little opportunity for individuals' orders to be filled. The more retail orders that can be placed and filled would leave fewer bonds for institutions. This, in turn, may place greater pressure on institutional investors to bid more aggressively to enhance their chances for receiving allocations.

- **Coordination with the Syndicate.** Additionally, we recognize the value local co-managers can add in broadening the retail distribution of the City's bonds, helping to provide the City with the lowest overall cost of borrowing. As such, Morgan Stanley would ensure all members of the syndicate are aware of the pricing information, structure, retail order period, etc. and have equal access to the bonds. Morgan Stanley's underwriters are happy to share a pre-marketing scale at the end of the week prior to pricing to allow local co-managers sufficient time to reach out to local retail investors.

### **Market Leading Distribution Network.**

**Unparalleled Institutional Distribution Capabilities.** Morgan Stanley is widely recognized as a premier institutional firm that has longstanding relationships with municipal investors and a willingness to provide secondary market liquidity to institutional purchasers of bonds. At our New York headquarters, the Firm maintains a team of institutional municipal salespersons exclusively dedicated to the 150 largest institutions that regularly buy municipal securities, as well as a team of dedicated middle markets municipal sales representatives. Additionally, Morgan Stanley markets municipal bonds through a sales force of fixed income generalists located in our brokerage offices nationwide. These individuals cover a second tier of institutional investors such as regional banks, trust companies, and corporations. Our coverage of middle markets investors distinguishes Morgan Stanley, as we cover a set of investors that many other leading investment banks do not. These investors' holdings typically are not represented in publicly available sources such as Bloomberg, making our salesforce's access to these accounts a unique source of market intelligence and investor engagement. Morgan Stanley further supports its institutional municipal salespeople with a team of municipal traders. These traders play a key, albeit behind-the-scenes, role in marketing our clients' bonds by creating secondary market liquidity. Together, our institutional fixed income professionals have access to over 9,000 investors who manage approximately 75% of all assets in the United States and 50% worldwide and cover the entire range of potential institutional purchasers of the City's bonds.



### **Maximizing Sales and Distribution from Unrivaled Retail**

**Distribution Network.** The Firm has made a large commitment to the retail market over the past several years. Our unique capabilities to maximize sales and distribution for the City's bonds extend from our industry leading MSWM franchise. MSWM provides exclusive access to a retail distribution network of over 12,500 financial advisors in 513 offices across the country serving over 8.8 million clients with assets totaling \$4.0 trillion. As shown in the nearby table, MSWM maintains 48 offices in the State of Florida with 1,368 financial advisors who cover over 894,865 client accounts and manage \$372.1 billion in assets including \$19.8 billion in municipal assets.

### **MSWM National and Florida Presence**

	National	Florida
Number of Offices	513	48
Number of FAs	12,520	1,368
Client Accounts	8,843,116	894,865
AUM (\$MM)	4,044,587	372,119
Directly Held Municipals (\$MM)	207,686	19,780
Municipals as % of Total	5.13%	5.32%

Since Morgan Stanley owns our retail network rather than using a distribution agreement as many of our competitors do, we have unique insights into retail investor preferences. We have detailed data on maturities, coupons, and prices that retail accounts are buying nationally and locally. We can leverage these data to provide structuring and marketing recommendations to drive demand, especially impactful in light of the elevated retail activity in today's relatively higher-rate environment. **MSWM as a whole currently holds over \$7.4 billion of bonds issued by Florida issuers.** The depth of our MSWM presence in Florida demonstrates our commitment to Florida, our activity in the Florida municipal bond market, as well as the vast demand we are able to provide on individual financings.

**Professional Retail.** It is also important to note that, in today's market, reaching retail buyers is increasingly accomplished through the professional retail buyer base. Professional retail investors (also known as separately managed accounts or "SMAs"), along with municipal ETFs, are the fastest growing segment of the municipal market and have provided a stabilizing source of liquidity. Accordingly, Morgan Stanley continues to invest heavily in our relationships with these



buyers and maintains a comprehensive database of SMAs' order activity in all of our senior managed deals. This gives us critical insight into which professional retail accounts to target for the City, since many SMAs do not publicly disclose their holdings.

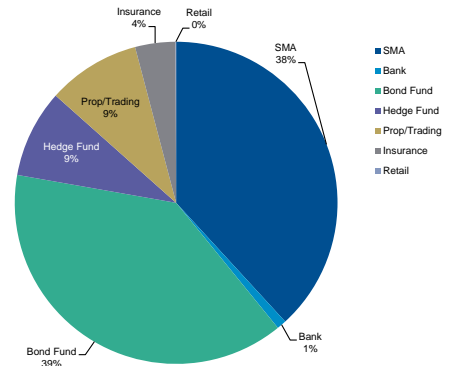
**Morgan Stanley's Distribution Network at Work.** Morgan Stanley employed the strength of our institutional, middle market, and retail distribution network in driving a diverse set of orders for the benefit of the Orlando Utilities Commission in their Utility System Revenue and Revenue Refunding Bonds, Series 2025A&B and for the City of Cape Coral in their Utility Improvement Assessment Bonds, Series 2023 and Water and Sewer Revenue Bonds, Series 2023 transaction that we led. Below and to the right, we highlight the diversity of orders where *notably, the Orlando Utilities Commission Utility System Revenue and Revenue Refunding Bonds saw \$538 million of SMA orders. We also included the City of Cape Coral Utility Improvement Assessment Bonds, Series 2023, which saw \$41.1 million of SMA orders and the Water and Sewer Revenue Bonds, Series 2023, which saw \$134.5 million of SMA orders.*

### Expanding the City's Investor Base.

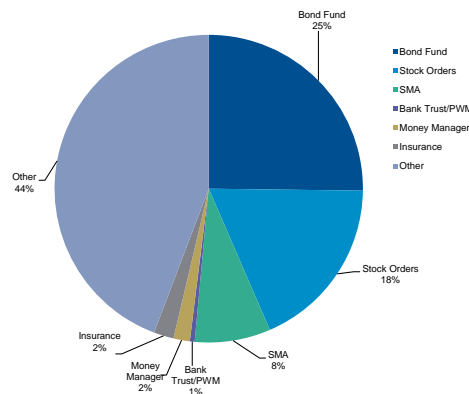
Morgan Stanley uses a data-driven approach to develop a robust set of investor targets based on the financing structure, existing bondholders, and buyers of comparable debt both locally and nationally. Importantly, investor activity in today's market cannot be gleaned from analyzing holdings data only, since many of the largest accounts have experienced outflows that have reduced their primary market participation. Rather, Morgan Stanley closely tracks which investors have been most active in the new issue market and secondary trades and leverages this data as well to reach the most likely participants at the time of pricing. Below, we discuss key points and specific investors that are relevant for any of the City's contemplated financings.

**1. Active Buyers.** Morgan Stanley would use our proprietary investor databases to deepen our marketing efforts beyond publicly disclosed holdings by looking at the most active buyers in the current market. The accompanying table to the right provides an overview of the most active accounts in MS-led deals 2024 to 2025 YTD and where on the curve they have participated. This data suggests that many existing holders of Florida bonds are likely to participate in additional offerings and points to certain accounts that could be targeted for outreach, such as Fidelity and BlackRock.

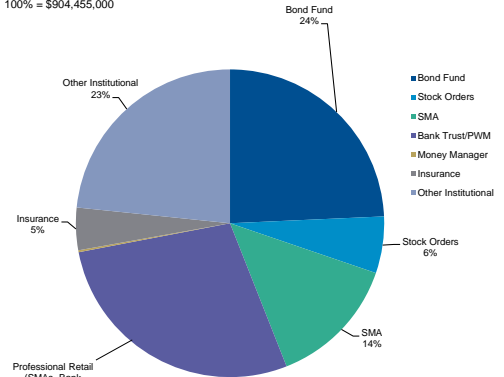
Orlando Utilities Commission  
Utility System Rev. and Rev. Ref. Bonds, Series 2025A&B Order Breakdown  
100% = \$1,409,425,000



City of Cape Coral  
Utility Improvement Assessment Bonds, Series 2023 Order Breakdown  
100% = \$396,659,000



City of Cape Coral  
Water and Sewer Revenue Bonds, Series 2023 Order Breakdown  
100% = \$904,455,000



### Recent Investor Participation on Morgan Stanley Led Transactions

Rank	Investor Name	% of Orders by Tenor				Type of Buyer	Florida Holdings (\$MM)
		0-5 Years	6-10 Years	11-20 Years	21+ Years		
1	Vanguard	21%	36%	23%	20%	Bond Fund	\$9,278.50
2	Nuveen/TIAA	45%	9%	11%	35%	Bond Fund, SMA, ETF	5,299.15
3	GSAM	31%	28%	9%	32%	Bond Fund, SMA	11,823.78
4	BofA Securities	15%	28%	31%	26%	Trading	8.34
5	Mizuho	0%	10%	26%	64%	Hedge Fund	-
6	Susquehanna	14%	44%	12%	29%	Hedge Fund	-
7	Old Orchard	4%	26%	19%	51%	Prop/Trading	-
8	Fidelity	16%	39%	27%	18%	Bond Fund, SMA	3,899.58
9	Cap Re	17%	40%	14%	30%	Bond Fund, SMA	3,070.25
10	BlackRock	30%	28%	11%	32%	Bond Fund	4,441.54
11	Alliance Bernstein	21%	26%	36%	17%	Bond Fund, SMA, ETF	1,848.98
12	PIMCO	17%	34%	11%	38%	SMA	1,228.39
13	Lord Abbett	13%	25%	23%	39%	Bond Fund, SMA	823.12
14	Whitehaven	6%	38%	4%	52%	Hedge Fund	-
15	J.P. Morgan	8%	30%	29%	34%	Bond Fund, SMA	2,341.49
16	GW&K	2%	36%	50%	12%	SMA	-
17	Spring Lake	7%	22%	22%	49%	Hedge Fund	-
18	Mackay Shields	14%	26%	15%	44%	Bond Fund	1,599.82
19	JPM IM	29%	27%	22%	21%	Bond Fund, SMA	6.02
20	Verition	7%	17%	35%	41%	Hedge Fund	-
21	Tower Bay	5%	8%	34%	53%	Hedge Fund	-
22	Boston Company/Mellon	16%	29%	20%	34%	Bond Fund, SMA	-
23	Franklin	20%	22%	11%	47%	Bond Fund	3,134.02
24	Millennium	2%	6%	32%	61%	Hedge Fund	-
25	BlackRock	26%	31%	31%	12%	SMA	4,441.54

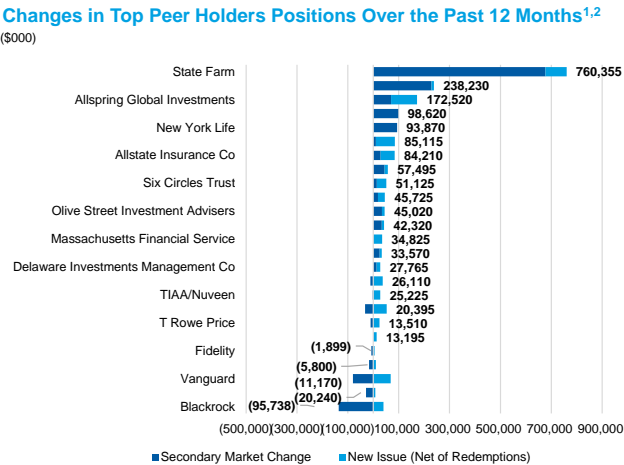
Source: Morgan Stanley syndicate desk, Bloomberg





SMA.s. SMA.s have grown from \$232 billion AUM in 2009 to more than \$500 billion now. While they provide vital support to the market, most do not publicly disclose their holdings. Accordingly, Morgan Stanley will reach out to a variety of SMA.s (e.g. active large SMA.s like GW&K, Boston Company, Lord Abbett) ahead of the City’s offerings.

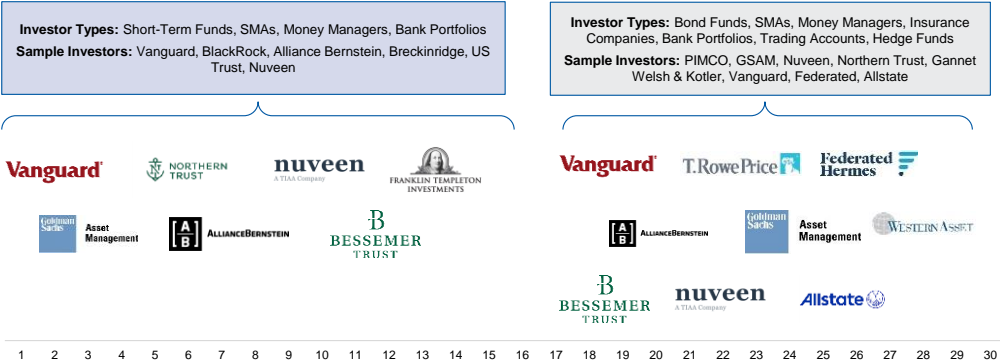
**2. Cross Reference Active Sector Buyers.** In addition to buyers active in Morgan Stanley senior-managed deals, Morgan Stanley would also look to buyers that have been active in both the primary and secondary markets buying comparable credits. To do this, in the graphic to the right we analyze the change in holdings for top buyers of Florida water and sewer credits over the last 12 months. We break this out between buys in the primary market (new issues net of redemptions) and in the secondary market to give a comprehensive look at who is most active. By including both primary and secondary market activity we can achieve a fuller picture of who is seeking out comparable paper. An example of this is State Farm and Allspring; while their net primary market activity is minimal, they have been active in the secondary market.



Notes:  
1. Sources: Bloomberg; April 2025; Universe of peer holders includes Florida Water and Sewer credits  
2. Normalizes holdings data for new issuance and redeemed bonds by limiting change in holdings to bonds which have been continuously outstanding over the past twelve months

**3. Dependent on Structure.** It is important to note that investor participation varies significantly across the curve. The market has been well-supported by SMA.s inside 15 years, whereas bond funds and insurance companies tend to drive the long end (and can retrench in volatility). The focus of the investor targeting effort will, of course, depend in part on the amortization structure of the City’s transaction. As illustrated in the adjacent graphic, Morgan Stanley would focus on buyers on the part of the curve relevant to the City’s transaction structure.

**Buyers Along the Curve for the City’s Bonds**  
(Maturity Year)



**4. Secondary Market Trading.** Morgan Stanley is one of the largest and most active participants in the secondary market for Florida securities which we trade in particularly high volumes. Notably, since 2022, the Firm has executed 140,901 secondary market trades totaling \$34.8 billion of Florida Issuer bonds as summarized in the adjacent table. This represents a dominant market share of almost 10% over this time. The firm’s secondary market trading activity of Florida bonds enhances our ability to senior manage the City’s contemplated issuances via price discovery, identification of likely buyers, and providing liquidity for investors.

**Secondary Trading Support of Florida Issuer Bonds**

January 1, 2022 to 2025 YTD

	# of Trades	Par Traded (\$000)	Market Share
Institutional	94,827	31,060,327	-
Retail	46,074	3,789,320	-
Total	140,901	34,849,647	9.99%

**Underwriting Capabilities.**

**Morgan Stanley’s Strong Capital Position.** Morgan Stanley maintains one of the largest and most liquid capital positions on Wall Street. Our large capital position allows the Firm to support issuers’ securities in both the primary and secondary markets and to regularly make underwriting

**Morgan Stanley Capital Figures**

FY 2021 through 2024 Q4<sup>(1)</sup>  
(\$MM)

	2024	2023	2022	2021
Total Capital <sup>(2)</sup>	362,839	332,375	307,745	304,661
Equity Capital	104,511	99,038	100,141	105,441
Net Capital <sup>(3)</sup>	18,483	18,121	17,224	18,383
Uncommitted (Excess Net) Capital <sup>(3)</sup>	13,883	13,676	12,861	14,208

(1) Data as of December 31, 2024  
(2) Excludes the current portion of long-term borrowings  
(3) Morgan Stanley & Co. LLC only

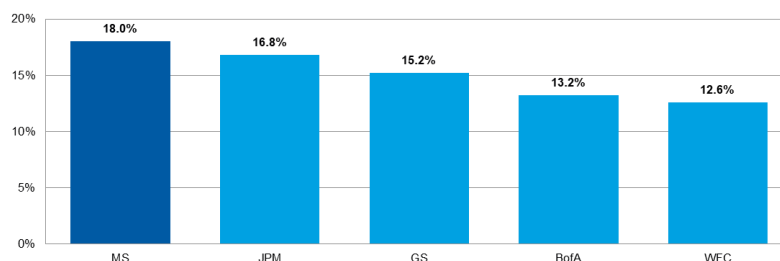


commitments to support our clients even in the most challenging market environment. As of the quarter ended December 31, 2024 (our most recent publicly available financials), the Firm reported \$362.8 billion of total capital, \$104.5 billion of equity capital, \$18.5 billion of net capital, and \$13.9 billion of uncommitted excess net capital, significantly more than many of our competitors. Furthermore, Morgan Stanley's Tier-1 Capital Ratio (i.e., a core measure of a bank's financial strength from a regulator's point of view) of 18.0% was the highest of any major public securities firm. Please see the adjacent table for Morgan Stanley's capital position over the last four years.

**Willingness to Commit Capital.** 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. Allocations of uncommitted excess net capital are not made to individual business units (e.g., Public Finance); 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 uncommitted excess net capital of approximately \$13.9 billion could allow us to incur an underwriting liability of over \$198.3 billion, and we have consistently demonstrated our willingness to commit capital in underwriting our clients' new issues. As a matter of Firm policy, Morgan Stanley places no restrictions on the amount of excess net capital available to the City to underwrite offerings for municipal clients. *The below case studies highlight an example where we committed to underwrite bonds to secure a pricing for the issuer.*

Industry-Leading Financial Strength

Tier 1 Capital Ratio as of December 31, 2024



#### San Francisco Public Utilities Commission, Wastewater Revenue Bonds, \$1,142,975,000 2024 Series ABCD

On July 17-18, 2024, the San Francisco Public Utilities Commission sold \$1.1 billion of Wastewater Revenue Bonds, 2024 Series ABCD. The 2024ABCD Bonds were issued to finance capital projects benefiting the Wastewater Enterprise, including from the Sewer System Improvement Program (the "SSIP"), to retire tax-exempt Commercial Paper Notes issued to finance certain capital projects benefiting the Wastewater Enterprise, including from the SSIP, to defease a portion of outstanding Bonds, and to fund capitalized interest. Morgan Stanley served as senior manager for the \$624.6 million of tax-exempt 2024CD Bonds and as co-senior manager for the \$518.4 million of taxable 2024AB Bonds, selected again following a successful senior managed engagement with SFPUC a few years prior. ***Due to an extensive marketing effort and high credit quality, the SFPUC received \$1.6 billion in orders from 74 accounts on the 2024CD Bonds, making the tax-exempt portion of the transaction 2.6x oversubscribed at the end of the order period.*** Due to strong investor demand, Morgan Stanley was able to decrease pricing spreads by 4 to 9 bps across all maturities, versus pre-marketing levels. Ultimately, ***Morgan Stanley committed to underwrite \$63.4 million of unsold 2024CD bonds, or 10.2% of par, to preserve aggressive pricing levels for the SFPUC across the two series.*** The SFPUC's 2024CD Bonds achieved an all-in TIC of 4.18% with an average life of 22.7 years.



#### District of Columbia Water and Sewer Authority, \$506,360,000 Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2024A

On July 10, 2024, Morgan Stanley served as Senior Manager for DC Water's sale of \$506.4 million Subordinate Lien Revenue Refunding Bonds, Series 2024A, the proceeds of which were used to current refund \$153.3 million outstanding bonds and refinance \$424.2 million bonds via a tender offer. ***Morgan Stanley served as sole Dealer Manager on the Authority's \$1.1 billion tender offer*** (\$640 million tax-exempt and \$471 million taxable bonds). Morgan Stanley and DC Water's advisors worked together to offer tender prices strategically calibrated to the Authority's savings and participation goals for different types of bonds. ***Ultimately, \$493 million (44%) was tendered: 23% of the taxable and 60% of the tax-exempt bonds, well above the Authority's targets.*** The Authority accepted \$424 million total that met its savings thresholds. Concurrent with the tender process, Morgan Stanley engaged potential buyers for the bond sale, including preparing an online roadshow that was viewed by 27 institutional accounts who placed \$538 million in orders. The roadshow highlighted the Authority's proactive response to issues like lead service lines and PFAS levels and detailed its best-in-class financial management practices. Morgan Stanley proposed aggressive spread levels to leverage a solid market tone and worked with DC Water to get into the market with an early order period ahead of the significant amount of high-grade supply pricing later in the day. ***The transaction received orders from 66 unique accounts totaling \$1.4 billion for a subscription level of 2.8x.*** Morgan Stanley was able to tighten yields by up to 8 bps and ***committed to underwrite \$30 million of unsold intermediate balances at levels unchanged from***



**the original pricing.** The bonds achieved an all-in TIC of 3.62% (a reduction of 2 bps from the beginning of the order period) and generated \$53.4 million of NPV savings (9.2% of refunded/tendered par).

## Tab #6. Proposed Fee

### Fee Proposal

**Proposed Underwriting Discount.** The adjacent table summarizes our proposed takedowns and expenses for our proposed 2025 \$150 million New Money issuance. We propose a flat takedown of \$2.50/bond for each maturity, no management fee, and underwriters' expenses estimated \$0.41/bond for a total underwriting discount of \$438,005. This includes a fee of \$35,000 for underwriter's counsel. Provided in the adjacent table is a breakdown of our proposed underwriter's spread.

All fees (not controlled by Morgan Stanley) are estimates, subject to confirmation by each party upon determination of the transaction's final structure. Morgan Stanley places no restrictions on our ability to underwrite based on our proposed takedowns.

If the City wishes to execute a forward direct purchase with our MLS group as part of our recommended plan of finance, we would not charge traditional underwriter's expenses as shown in the table; rather, we would charge a commitment fee of \$2.00/bond plus purchaser's counsel fees.

**Underwriter's Counsel.** Morgan Stanley has obtained quotes from Deniz Ganz at Holland & Knight and Luis Reiter at Squire Patton Boggs to serve as our Underwriter's Counsel for this proposed transaction. We estimate an underwriter's counsel fee of \$35,000 from each firm.

#### Underwriters' Expenses Detail - 2025 Financing

Assumes \$150.4 million par amount

Fee / Expense	Total \$	\$/Bond
Average Takedown	376,000.00	2.500
Underwriters' Counsel	35,000.00	0.233
Day Loan	4,350.82	0.029
Ipreo - Dalnet Book Running System	10,627.25	0.071
Ipreo - Game Day	5,158.06	0.034
Ipreo - News Services Charge	51.44	0.000
Ipreo - Dalnet Wire Charges	171.48	0.001
DTC Charges	975.00	0.006
CUSIP Fee	1,386.00	0.009
CUSIP Disclosure Fee	35.00	0.000
Internet Roadshow	2,000.00	0.013
DAC Fee	250.00	0.002
Contingency	2,000.00	0.01
<b>Total</b>	<b>\$438,005.05</b>	<b>\$2.912</b>





## Appendix A

# Team Resumes

### Primary Banking Coverage.

**J.W. Howard, Executive Director, Head of Delray Beach and Florida Coverage.** Mr. Howard has several decades of experience in municipal securities. He has over \$70 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, transportation and airports. Mr. Howard's recent senior managed experience includes City of Fort Lauderdale water treatment facility, City of Cape Coral's water and sewer system expansion project, Lake Worth Beach utility modernization, and the financing for the City of Riviera Beach's replacement of its water treatment facility. Additionally, he has represented as senior manager over his career the Florida Hurricane Catastrophe Fund; the Counties of Miami-Dade, Hillsborough, Broward, Lee and Hernando; the Cities of Miami Beach, West Palm Beach, Sunrise, and Boynton Beach, School Districts of Palm Beach, Broward and Miami-Dade; the utilities of OUC, JEA and Tampa Bay Water, among others. Mr. Howard is a graduate of Stetson University.

**Joseph Abramson, Executive Director, Water and Sewer Specialist.** 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. Previously he helped lead the department's Water, Wastewater, SRF, and Pooled Loan group and has experience with utilities across the country. His financing experiences include transactions for the City of Fort Lauderdale Water and Sewer, Miami-Dade County Water and Sewer, City of Hialeah Water, City of Lake Worth Beach Combined Utility, City of Cape Coral, Buffalo Sewer Authority, the Massachusetts Clean Water Trust, the Massachusetts Water Resources Authority, the Metropolitan Government of Nashville and Davidson County Water and Sewer System, the Rhode Island Infrastructure Bank, and the San Francisco Public Utilities Commission, among many others. Mr. Abramson graduated from the University of Florida with a Bachelor of Science in Information Systems and Operations Management and received an MBA from New York University's Stern School of Business.

**Trevor Moxley, Vice President, Delray Beach Coverage.** Mr. Moxley joined Morgan Stanley in 2019 in the Public Sector Group. Mr. Moxley is responsible for covering issuers throughout the Southeast and has executed over \$10 billion of transactions. His recent Florida experience includes transactions for the Florida Hurricane Catastrophe Fund, Lake Worth Beach Combined Utilities, Broward County, and Broward Schools. He has additional water and sewer experience nationally having executed transactions for the San Antonio Water System, Fairfax County Sewer System, Massachusetts Clean Water Trust, Rhode Island Infrastructure Bank Drinking Water and Clean Water SRF, and the Austin Waterworks and Sewer System. Mr. Moxley graduated magna cum laude with a B.S. in Finance from the University of South Carolina.

**Pingbo Zhou, Vice President, Water and Sewer Specialist.** Mr. Zhou joined Morgan Stanley in 2019 after having served as a Summer Analyst in 2018. Pingbo provides analysis and execution support to a wide variety of western region issuers and has recently taken the role of a SRF, Water and Sewer specialist. His water and wastewater experience includes financings for the San Francisco Public Utilities Commission, Metropolitan Water District of Southern California, City of San Diego, City of San Jose, Marin Municipal Water District, Marina Coast Water District, City of Aurora, City of El Paso, City of Kansas City, Missouri, and King County, Washington, among others. Mr. Zhou graduated with honors from U.C. Berkeley with a B.A. in Economics.

### Senior Oversight.

**Zach Solomon, Managing Director, Co-Head of Public Finance Department.** Mr. Solomon serves as an Executive Director and Co-Head of Morgan Stanley's Public Finance Department. Prior to his role as Co-Head, Mr. Solomon led Morgan Stanley's US Municipal Sustainable Finance practice nationally. In this capacity, Mr. Solomon was 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 included 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. Mr. Solomon continues to serve as Morgan Stanley's representative to the Executive Committee of the Green Bond Principles Working Group on Social and Sustainability Bonds. Mr. Solomon has also led the Tax-Exempt Project Finance and Sustainable Infrastructure Group specializing in sustainable infrastructure financings, public-private partnerships and project financings. In this capacity, Mr. Solomon led a number of award-winning financings, including over \$5 billion in financings for America's first privately funded high speed rail project (Brightline Florida). He is a graduate of Georgetown University and Columbia Business School.

### Quantitative Expertise.

**Robert Hillman, Executive Director.** Mr. Hillman joined Morgan Stanley in 2021 after spending 23 years at a competing firm. A hallmark of his career has been the highly analytic and credit driven way in which he has worked to develop financing solutions for large and/or complex issuers based on market, structuring and credit opportunities. He has particular and relevant

experience working with municipal issuers which have multiple liens and credit features. During his career, Rob has senior managed the issuance of over \$50 billion of debt for a variety of municipal issuers nationally. Mr. Hillman has a B.A. in Economics from Brandeis University and an M.S. in Mathematics from New York University.

**Brian Manzo, Vice President.** Mr. Manzo joined Morgan Stanley's Municipal Capital Markets Group in New York in 2023. His primary responsibilities include providing expertise in financial modeling and transaction structuring as well as managing the department's technology initiatives. Prior to joining Morgan Stanley, Brian spent two years in public finance investment banking at another firm and worked as a data scientist at a fintech startup. Mr. Manzo graduated magna cum laude from Columbia University with a B.A. in Mathematics-Statistics and an M.A. in Statistics from the University of Michigan.

### Banking Execution Support.

**Khushboo Jain, Associate.** Ms. Jain joined Morgan Stanley in 2022 as a member of the Risk Management Group. She recently transitioned to Morgan Stanley's Public Sector Group in 2024. She is responsible for covering issuers throughout the country, including major state and local government issuers in the Northeast, Central, Mid-Atlantic and Southern regions. Ms. Jain graduated with a B.S. in Finance from Purdue University.

### Negotiated Underwriting Desk.

**Jason Tejada, Executive Director, Co-Head of Municipal Syndicate.** Mr. Tejada currently serves as co-head of the municipal syndicate desk with experience pricing over \$15 BN in new issues with a particular focus on complex, unique or credit intensive transactions. Mr. Tejada has served as lead underwriter for an extensive list of Florida transactions including on the City's Utility Improvement and Water and Sewer Revenue Bonds Series 2023 transaction. Prior to his current role, Jason led credit for Morgan Stanley's municipal loan and bond portfolio responsible for over \$4 BN in loans and bonds. He joined Morgan Stanley in 2019 to build and lead a team focused on primary market credit and investor marketing where he augmented distribution and investor relationships. Prior to Morgan Stanley, Jason was a senior underwriter at Build America Mutual, where he opened the Los Angeles office and insured over \$5 billion in municipal bonds primarily in the BBB category. Jason started his career in JPMorgan's Chief Investment Office. Jason is a graduate of Columbia University with a BA in Financial Economics.

**Luke Hale, Executive Director, Co-Head of Municipal Syndicate.** Mr. Hale has worked in Morgan Stanley's Public Finance Department since 2000 and on Morgan Stanley's municipal syndicate desk since 2008. Luke has led the pricing of all of our Firm's largest and most complex transactions for a number of years. He has extensive experience pricing transactions for municipal issuers across the spectrum of sectors and credits. Luke has also been involved in Florida senior managed transactions for many years. Luke has an undergraduate degree from Connecticut College.

**Eric Wendland, Associate, Municipal Long-Term Syndicate.** Mr. Wendland joined Morgan Stanley in July 2024 after spending two years in the public finance department at another firm. Mr. Wendland sits on the syndicate desk and supports the Firm's underwriting of various transactions. Mr. Wendland graduated with a B.S. in Economics from the University of Michigan.

### Municipal Structuring and Lending.

**Chris Cost, Managing Director, Head of Municipal Capital Solutions.** Mr. Cost is the Head of the Municipal Lending and Structuring Group that provides alternative private solutions where Firm capital can be deployed on behalf of our issuer clients. Within MLS, he is responsible for providing structuring solutions to both municipal issuers and institutional investors. Since helping spearhead the group a few years ago, Mr. Cost has facilitated over 100 direct purchase and related transactions for municipal clients. Prior to joining Morgan Stanley, he ran the Municipal Issuer Desk at Deutsche Bank for six years, as well as serving on the Municipal Capital Markets Desk at Ramirez for three years. He began his career in public finance on the Tax-Exempt Derivatives Desk at UBS. Mr. Cost is a CFA charter holder and received his B.A. in Political Economics from Princeton University in 2004.

**Ty Savastio, Executive Director.** Mr. Savastio joined Morgan Stanley in 2015 as a member of the Municipal Capital Markets Group after spending three years in the Quantitative Strategies Group at PFM Financial Advisors in Philadelphia. In 2017, he transitioned to become a member of the Municipal Capital Solutions Group (now Lending & Structuring) where he has helped various issuers execute private solutions by deploying capital on the firm's behalf to issuer clients. Examples of such solutions include Direct Purchases (current, forward or prepaid) and Cinderella structures, among others. He has provided lead quantitative support for issuers across all sectors. Mr. Savastio's deal experience includes over \$15 billion in par issuance. Mr. Savastio graduated from Franklin & Marshall College with a B.A. in Business, Organizations and Society

**Sandy Goldstein, Executive Director, Head of Credit.** Ms. Goldstein joined Morgan Stanley in 2023 to expand MLS's origination and lending capabilities across high yield sectors. Prior to joining Morgan Stanley, Ms. Goldstein was at Foundation Credit (FCO Advisors), a \$2.2bn AUM high yield municipal hedge fund strategy, where she was a Managing Director and Head of Credit and Structuring. Her experience investing in municipal credit, spanning investment grade to high yield credits in general governments, healthcare, utilities, infrastructure, and project finance, will provide a unique perspective into investor credit analysis, ratings perception, and credit positioning during marketing. Ms. Goldstein graduated with an M.B.A. from Columbia University and an S.B. from the Massachusetts Institute of Technology.

### **Institutional Sales.**

**Stuart Perilstein, Managing Director and Head of Municipal Sales and Trading.** Mr. Perilstein joined Morgan Stanley in 2000 and took over leading all of Municipal Sales and Trading after serving as Co-Head of Municipal Institutional Sales for many years. 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 Group and provided analytical and technical support for a wide range of issuers as a member of the Department's Infrastructure Group. He holds a B.A. in Accounting and a B.A. in Statistics from Macquarie University in Sydney, Australia.

### **Retail Sales.**

**Gillian Sheeran, Executive Director and Co-Head of Wealth Management Municipal Sales.** Ms. Sheeran joined Morgan Stanley in 2017 within the Municipal Securities Division and is currently responsible for sales coverage for the Firm's top PWM teams and financial advisors. She leads a team that leverages firm-wide strategy and content to drive and deliver our highest conviction trade ideas for Morgan Stanley Wealth Management clients. Prior to Morgan Stanley, Ms. Sheeran held a number of institutional sales roles at both UBS and Piper Jaffray. She graduated from Muhlenberg College.

**Ed Chang, Executive Director and Co-Head of Wealth Management Municipal Sales.** Mr. Chang has 16 years of municipal securities experience, all at Morgan Stanley, and is responsible for sales coverage for the Firm's top PWM teams and financial advisors. Mr. Chang leads a team that leverages firm-wide strategy and content to drive and deliver our highest conviction trade ideas for Morgan Stanley Wealth Management clients. Ed has a B.A. in History from Cornell University.

## **Appendix B**

# Recommended Financing Cashflows

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Master Financing

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## SOURCES AND USES OF FUNDS

City of Delray Beach  
Master Financing

	Dated Date	07/01/2025	07/01/2026	
	Delivery Date	07/01/2025	07/01/2026	
		Water and Sewer Revenue Bonds, Series 2025	Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)	Total
Sources:				
Bond Proceeds:				
Par Amount		150,400,000.00	146,485,000.00	296,885,000.00
Premium		6,229,523.30	3,372,837.40	9,602,360.70
		156,629,523.30	149,857,837.40	306,487,360.70
		Water and Sewer Revenue Bonds, Series 2025	Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)	Total
Uses:				
Project Fund Deposits:				
Project Fund		140,000,000.00	140,000,000.00	280,000,000.00
Other Fund Deposits:				
Capitalized Interest Fund		16,038,810.12	9,379,182.97	25,417,993.09
Delivery Date Expenses:				
Cost of Issuance		150,400.00	474,455.00	624,855.00
Underwriter's Discount		438,005.05		438,005.05
		588,405.05	474,455.00	1,062,860.05
Other Uses of Funds:				
Additional Proceeds		2,308.13	4,199.43	6,507.56
		156,629,523.30	149,857,837.40	306,487,360.70



SUMMARY OF FINANCING RESULTS

City of Delray Beach  
Master Financing

Series	Bond Par	Bond Yield	Contingency
Water and Sewer Revenue Bonds, Series 2025	150,400,000.00	4.635%	2,308.13
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)	146,485,000.00	5.160%	4,199.43
	296,885,000.00		6,507.56

Aggregate:

Arbitrage Yield 4.893204%

## BOND SUMMARY STATISTICS

City of Delray Beach  
Master Financing

	Water and Sewer Revenue Bonds, Series 2025	Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)	Aggregate
Earliest Dated Date	07/01/2025	07/01/2026	07/01/2025
Earliest Delivery Date	07/01/2025	07/01/2026	07/01/2025
First Coupon	10/01/2025	10/01/2026	10/01/2025
Last Maturity	10/01/2055	10/01/2056	10/01/2056
Arbitrage Yield	4.893204%	4.893204%	4.893204%
True Interest Cost (TIC)	4.686750%	5.158437%	4.912007%
Net Interest Cost (NIC)	4.806601%	5.263641%	4.909298%
All-In TIC	4.694681%	5.185681%	4.928934%
Average Coupon	5.000000%	5.380050%	5.061064%
Average Life (years)	19.911	19.780	20.339
Weighted Average Maturity (years)	19.692	19.683	19.688
Duration of Issue (years)	12.434	11.949	12.692
Par Amount	150,400,000.00	146,485,000.00	296,885,000.00
Bond Proceeds	156,629,523.30	149,857,837.40	306,487,360.70
Total Interest	149,729,500.00	155,881,631.25	305,611,131.25
Net Interest	143,937,981.75	152,508,793.85	296,446,775.60
Bond Years from Dated Date	2,994,590,000.00	2,897,401,250.00	6,038,476,250.00
Bond Years from Delivery Date	2,994,590,000.00	2,897,401,250.00	6,038,476,250.00
Total Debt Service	300,129,500.00	302,366,631.25	602,496,131.25
Maximum Annual Debt Service	9,982,875.00	9,961,025.00	19,943,375.00
Average Annual Debt Service	9,921,636.36	9,995,591.12	19,279,876.20
Underwriter's Fees (per \$1000)			
Average Takedown	2.500000		1.266484
Other Fee	0.412268		0.208852
Total Underwriter's Discount	2.912268		1.475336
Bid Price	103.850744	102.302514	103.086837

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bonds	141,725,000.00	105.214	5.05329194%	12.911	05/29/2038	9.627	107,084.70
Term Bond 1	67,465,000.00	101.699	5.24514142%	23.355	11/07/2048	14.097	54,329.20
Term Bond 2	87,695,000.00	101.216	5.24829044%	28.355	11/07/2053	15.507	69,720.60
	296,885,000.00			19.846			231,134.50

BOND SUMMARY STATISTICS

City of Delray Beach  
Master Financing

	TIC	All-In TIC	Arbitrage Yield
Par Value	296,885,000.00	296,885,000.00	296,885,000.00
+ Accrued Interest			
+ Premium (Discount)	9,602,360.70	9,602,360.70	9,602,360.70
- Underwriter's Discount	-438,005.05	-438,005.05	
- Cost of Issuance Expense		-624,855.00	
- Other Amounts			
Target Value	306,049,355.65	305,424,500.65	306,487,360.70
Target Date	Multiple	Multiple	Multiple
Yield	4.912007%	4.928934%	4.893204%

## BOND PRICING

City of Delray Beach  
Master Financing

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial Bonds, 07/01/2025:										
	10/01/2028	2,525,000	5.000%	3.170%	105.604				141,501.00	2.500
	10/01/2029	2,655,000	5.000%	3.240%	106.930				183,991.50	2.500
	10/01/2030	2,790,000	5.000%	3.320%	108.028				223,981.20	2.500
	10/01/2031	2,930,000	5.000%	3.420%	108.818				258,367.40	2.500
	10/01/2032	3,080,000	5.000%	3.520%	109.392				289,273.60	2.500
	10/01/2033	3,240,000	5.000%	3.600%	109.910				321,084.00	2.500
	10/01/2034	3,405,000	5.000%	3.680%	110.264				349,489.20	2.500
	10/01/2035	3,580,000	5.000%	3.740%	110.640				380,912.00	2.500
	10/01/2036	3,765,000	5.000%	3.820%	109.924 C	3.901%	10/01/2035	100.000	373,638.60	2.500
	10/01/2037	3,960,000	5.000%	3.920%	109.038 C	4.056%	10/01/2035	100.000	357,904.80	2.500
	10/01/2038	4,160,000	5.000%	4.000%	108.335 C	4.174%	10/01/2035	100.000	346,736.00	2.500
	10/01/2039	4,375,000	5.000%	4.080%	107.637 C	4.278%	10/01/2035	100.000	334,118.75	2.500
	10/01/2040	4,600,000	5.000%	4.180%	106.773 C	4.386%	10/01/2035	100.000	311,558.00	2.500
	10/01/2041	4,835,000	5.000%	4.290%	105.831 C	4.490%	10/01/2035	100.000	281,928.85	2.500
	10/01/2042	5,085,000	5.000%	4.360%	105.238 C	4.558%	10/01/2035	100.000	266,352.30	2.500
	10/01/2043	5,345,000	5.000%	4.430%	104.648 C	4.620%	10/01/2035	100.000	248,435.60	2.500
	10/01/2044	5,615,000	5.000%	4.510%	103.979 C	4.683%	10/01/2035	100.000	223,420.85	2.500
	10/01/2045	5,905,000	5.000%	4.570%	103.480 C	4.730%	10/01/2035	100.000	205,494.00	2.500
		71,850,000							5,098,187.65	
Term Bond 1, 07/01/2025:										
	10/01/2046	6,210,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	109,233.90	2.500
	10/01/2047	6,525,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	114,774.75	2.500
	10/01/2048	6,860,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	120,667.40	2.500
	10/01/2049	7,215,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	126,911.85	2.500
	10/01/2050	7,585,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	133,420.15	2.500
		34,395,000							605,008.05	
Term Bond 2, 07/01/2025:										
	10/01/2051	7,970,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	95,002.40	2.500
	10/01/2052	8,380,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	99,889.60	2.500
	10/01/2053	8,810,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	105,015.20	2.500
	10/01/2054	9,260,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	110,379.20	2.500
	10/01/2055	9,735,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	116,041.20	2.500
		44,155,000							526,327.60	
Serial Bonds, 07/01/2026:										
	10/01/2028	2,255,000	5.000%	3.670%	102.841				64,064.55	
	10/01/2029	2,370,000	5.000%	3.740%	103.816				90,439.20	
	10/01/2030	2,495,000	5.000%	3.820%	104.582				114,320.90	
	10/01/2031	2,620,000	5.000%	3.920%	105.073				132,912.60	
	10/01/2032	2,755,000	5.000%	4.020%	105.362				147,723.10	
	10/01/2033	2,895,000	5.000%	4.100%	105.589				161,801.55	
	10/01/2034	3,045,000	5.000%	4.170%	105.737				174,691.65	
	10/01/2035	3,200,000	5.000%	4.240%	105.758				184,256.00	
	10/01/2036	3,365,000	5.000%	4.320%	105.577				187,666.05	
	10/01/2037	3,540,000	5.000%	4.420%	104.732 C	4.460%	10/01/2036	100.000	167,512.80	
	10/01/2038	3,720,000	5.000%	4.500%	104.062 C	4.563%	10/01/2036	100.000	151,106.40	
	10/01/2039	3,910,000	5.000%	4.580%	103.398 C	4.653%	10/01/2036	100.000	132,861.80	
	10/01/2040	4,110,000	5.000%	4.680%	102.574 C	4.749%	10/01/2036	100.000	105,791.40	
	10/01/2041	4,320,000	5.000%	4.790%	101.677 C	4.843%	10/01/2036	100.000	72,446.40	
	10/01/2042	4,545,000	5.000%	4.860%	101.112 C	4.899%	10/01/2036	100.000	50,540.40	
	10/01/2043	4,780,000	5.250%	4.930%	102.542 C	5.027%	10/01/2036	100.000	121,507.60	
	10/01/2044	5,040,000	5.250%	5.000%	101.977 C	5.082%	10/01/2036	100.000	99,640.80	
	10/01/2045	5,310,000	5.250%	5.070%	101.416 C	5.133%	10/01/2036	100.000	75,189.60	
	10/01/2046	5,600,000	5.250%	5.120%	101.018 C	5.168%	10/01/2036	100.000	57,008.00	
		69,875,000							2,291,480.80	
Term Bond 1, 07/01/2026:										
	10/01/2047	5,910,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	96,687.60	
	10/01/2048	6,240,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	102,086.40	
	10/01/2049	6,595,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	107,894.20	
	10/01/2050	6,965,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	113,947.40	
	10/01/2051	7,360,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	120,409.60	
		33,070,000							541,025.20	
Term Bond 2, 07/01/2026:										
	10/01/2052	7,780,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	96,549.80	

BOND PRICING

City of Delray Beach  
Master Financing

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Term Bond 2, 07/01/2026:										
	10/01/2053	8,215,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	101,948.15	
	10/01/2054	8,680,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	107,718.80	
	10/01/2055	9,175,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	113,861.75	
	10/01/2056	9,690,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	120,252.90	
		43,540,000							540,331.40	
		296,885,000							9,602,360.70	

Dated Date	07/01/2025	
Delivery Date	07/01/2025	
Par Amount	296,885,000.00	
Premium	9,602,360.70	
Production	306,487,360.70	103.234370%
Underwriter's Discount	-438,005.05	-0.147534%
Purchase Price	306,049,355.65	103.086837%
Accrued Interest		
Net Proceeds	306,049,355.65	

## BOND DEBT SERVICE

City of Delray Beach  
Master Financing

		Dated Date	07/01/2025		
		Delivery Date	07/01/2025		
Period Ending	Principal	Coupon	Interest	Debt Service	
10/01/2025			1,880,000.00	1,880,000.00	
04/01/2026			3,760,000.00	3,760,000.00	
10/01/2026			5,699,781.25	5,699,781.25	
04/01/2027			7,639,562.50	7,639,562.50	
10/01/2027			7,639,562.50	7,639,562.50	
04/01/2028			7,639,562.50	7,639,562.50	
10/01/2028	4,780,000	5.000%	7,639,562.50	12,419,562.50	
04/01/2029			7,520,062.50	7,520,062.50	
10/01/2029	5,025,000	5.000%	7,520,062.50	12,545,062.50	
04/01/2030			7,394,437.50	7,394,437.50	
10/01/2030	5,285,000	5.000%	7,394,437.50	12,679,437.50	
04/01/2031			7,262,312.50	7,262,312.50	
10/01/2031	5,550,000	5.000%	7,262,312.50	12,812,312.50	
04/01/2032			7,123,562.50	7,123,562.50	
10/01/2032	5,835,000	5.000%	7,123,562.50	12,958,562.50	
04/01/2033			6,977,687.50	6,977,687.50	
10/01/2033	6,135,000	5.000%	6,977,687.50	13,112,687.50	
04/01/2034			6,824,312.50	6,824,312.50	
10/01/2034	6,450,000	5.000%	6,824,312.50	13,274,312.50	
04/01/2035			6,663,062.50	6,663,062.50	
10/01/2035	6,780,000	5.000%	6,663,062.50	13,443,062.50	
04/01/2036			6,493,562.50	6,493,562.50	
10/01/2036	7,130,000	5.000%	6,493,562.50	13,623,562.50	
04/01/2037			6,315,312.50	6,315,312.50	
10/01/2037	7,500,000	5.000%	6,315,312.50	13,815,312.50	
04/01/2038			6,127,812.50	6,127,812.50	
10/01/2038	7,880,000	5.000%	6,127,812.50	14,007,812.50	
04/01/2039			5,930,812.50	5,930,812.50	
10/01/2039	8,285,000	5.000%	5,930,812.50	14,215,812.50	
04/01/2040			5,723,687.50	5,723,687.50	
10/01/2040	8,710,000	5.000%	5,723,687.50	14,433,687.50	
04/01/2041			5,505,937.50	5,505,937.50	
10/01/2041	9,155,000	5.000%	5,505,937.50	14,660,937.50	
04/01/2042			5,277,062.50	5,277,062.50	
10/01/2042	9,630,000	5.000%	5,277,062.50	14,907,062.50	
04/01/2043			5,036,312.50	5,036,312.50	
10/01/2043	10,125,000	** %	5,036,312.50	15,161,312.50	
04/01/2044			4,777,212.50	4,777,212.50	
10/01/2044	10,655,000	** %	4,777,212.50	15,432,212.50	
04/01/2045			4,504,537.50	4,504,537.50	
10/01/2045	11,215,000	** %	4,504,537.50	15,719,537.50	
04/01/2046			4,217,525.00	4,217,525.00	
10/01/2046	11,810,000	** %	4,217,525.00	16,027,525.00	
04/01/2047			3,915,275.00	3,915,275.00	
10/01/2047	12,435,000	** %	3,915,275.00	16,350,275.00	
04/01/2048			3,589,625.00	3,589,625.00	
10/01/2048	13,100,000	** %	3,589,625.00	16,689,625.00	
04/01/2049			3,246,525.00	3,246,525.00	
10/01/2049	13,810,000	** %	3,246,525.00	17,056,525.00	
04/01/2050			2,884,787.50	2,884,787.50	
10/01/2050	14,550,000	** %	2,884,787.50	17,434,787.50	
04/01/2051			2,503,625.00	2,503,625.00	
10/01/2051	15,330,000	** %	2,503,625.00	17,833,625.00	
04/01/2052			2,101,975.00	2,101,975.00	
10/01/2052	16,160,000	** %	2,101,975.00	18,261,975.00	
04/01/2053			1,678,525.00	1,678,525.00	
10/01/2053	17,025,000	** %	1,678,525.00	18,703,525.00	
04/01/2054			1,232,362.50	1,232,362.50	
10/01/2054	17,940,000	** %	1,232,362.50	19,172,362.50	
04/01/2055			762,162.50	762,162.50	
10/01/2055	18,910,000	** %	762,162.50	19,672,162.50	
04/01/2056			266,475.00	266,475.00	
10/01/2056	9,690,000	5.500%	266,475.00	9,956,475.00	
	296,885,000		305,611,131.25	602,496,131.25	

## NET DEBT SERVICE

City of Delray Beach  
Master Financing

Period Ending	Total Debt Service	Capitalized Interest Fund	Net Debt Service
09/30/2026	5,640,000.00	5,640,000.00	
09/30/2027	13,339,343.75	13,339,343.75	
09/30/2028	15,279,125.00	7,639,562.50	7,639,562.50
09/30/2029	19,939,625.00		19,939,625.00
09/30/2030	19,939,500.00		19,939,500.00
09/30/2031	19,941,750.00		19,941,750.00
09/30/2032	19,935,875.00		19,935,875.00
09/30/2033	19,936,250.00		19,936,250.00
09/30/2034	19,937,000.00		19,937,000.00
09/30/2035	19,937,375.00		19,937,375.00
09/30/2036	19,936,625.00		19,936,625.00
09/30/2037	19,938,875.00		19,938,875.00
09/30/2038	19,943,125.00		19,943,125.00
09/30/2039	19,938,625.00		19,938,625.00
09/30/2040	19,939,500.00		19,939,500.00
09/30/2041	19,939,625.00		19,939,625.00
09/30/2042	19,938,000.00		19,938,000.00
09/30/2043	19,943,375.00		19,943,375.00
09/30/2044	19,938,525.00		19,938,525.00
09/30/2045	19,936,750.00		19,936,750.00
09/30/2046	19,937,062.50		19,937,062.50
09/30/2047	19,942,800.00		19,942,800.00
09/30/2048	19,939,900.00		19,939,900.00
09/30/2049	19,936,150.00		19,936,150.00
09/30/2050	19,941,312.50		19,941,312.50
09/30/2051	19,938,412.50		19,938,412.50
09/30/2052	19,935,600.00		19,935,600.00
09/30/2053	19,940,500.00		19,940,500.00
09/30/2054	19,935,887.50		19,935,887.50
09/30/2055	19,934,525.00		19,934,525.00
09/30/2056	19,938,637.50		19,938,637.50
09/30/2057	9,956,475.00		9,956,475.00
	602,496,131.25	26,618,906.25	575,877,225.00



## AGGREGATE DEBT SERVICE

City of Delray Beach  
Master Financing

Period Ending	Water and Sewer Revenue Bonds, Series 2025	Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)	Aggregate Debt Service
09/30/2026	5,640,000		5,640,000.00
09/30/2027	7,520,000	5,819,343.75	13,339,343.75
09/30/2028	7,520,000	7,759,125.00	15,279,125.00
09/30/2029	9,981,875	9,957,750.00	19,939,625.00
09/30/2030	9,982,375	9,957,125.00	19,939,500.00
09/30/2031	9,981,250	9,960,500.00	19,941,750.00
09/30/2032	9,978,250	9,957,625.00	19,935,875.00
09/30/2033	9,978,000	9,958,250.00	19,936,250.00
09/30/2034	9,980,000	9,957,000.00	19,937,000.00
09/30/2035	9,978,875	9,958,500.00	19,937,375.00
09/30/2036	9,979,250	9,957,375.00	19,936,625.00
09/30/2037	9,980,625	9,958,250.00	19,938,875.00
09/30/2038	9,982,500	9,960,625.00	19,943,125.00
09/30/2039	9,979,500	9,959,125.00	19,938,625.00
09/30/2040	9,981,125	9,958,375.00	19,939,500.00
09/30/2041	9,981,750	9,957,875.00	19,939,625.00
09/30/2042	9,980,875	9,957,125.00	19,938,000.00
09/30/2043	9,982,875	9,960,500.00	19,943,375.00
09/30/2044	9,982,125	9,956,400.00	19,938,525.00
09/30/2045	9,978,125	9,958,625.00	19,936,750.00
09/30/2046	9,980,125	9,956,937.50	19,937,062.50
09/30/2047	9,982,250	9,960,550.00	19,942,800.00
09/30/2048	9,978,875	9,961,025.00	19,939,900.00
09/30/2049	9,979,250	9,956,900.00	19,936,150.00
09/30/2050	9,982,375	9,958,937.50	19,941,312.50
09/30/2051	9,982,375	9,956,037.50	19,938,412.50
09/30/2052	9,978,500	9,957,100.00	19,935,600.00
09/30/2053	9,979,750	9,960,750.00	19,940,500.00
09/30/2054	9,980,000	9,955,887.50	19,935,887.50
09/30/2055	9,978,250	9,956,275.00	19,934,525.00
09/30/2056	9,978,375	9,960,262.50	19,938,637.50
09/30/2057		9,956,475.00	9,956,475.00
	300,129,500	302,366,631.25	602,496,131.25

## SOURCES AND USES OF FUNDS

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

Dated Date	07/01/2025
Delivery Date	07/01/2025

## Sources:

Bond Proceeds:	
Par Amount	150,400,000.00
Premium	6,229,523.30
	<hr/>
	156,629,523.30

## Uses:

Project Fund Deposits:	
Project Fund	140,000,000.00
Other Fund Deposits:	
Capitalized Interest Fund	16,038,810.12
Delivery Date Expenses:	
Cost of Issuance	150,400.00
Underwriter's Discount	438,005.05
	<hr/>
	588,405.05
Other Uses of Funds:	
Additional Proceeds	2,308.13
	<hr/>
	156,629,523.30

## BOND SUMMARY STATISTICS

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

Dated Date	07/01/2025
Delivery Date	07/01/2025
First Coupon	10/01/2025
Last Maturity	10/01/2055
Arbitrage Yield	4.893204%
True Interest Cost (TIC)	4.686750%
Net Interest Cost (NIC)	4.806601%
All-In TIC	4.694681%
Average Coupon	5.000000%
Average Life (years)	19.911
Weighted Average Maturity (years)	19.692
Duration of Issue (years)	12.434
Par Amount	150,400,000.00
Bond Proceeds	156,629,523.30
Total Interest	149,729,500.00
Net Interest	143,937,981.75
Bond Years from Dated Date	2,994,590,000.00
Bond Years from Delivery Date	2,994,590,000.00
Total Debt Service	300,129,500.00
Maximum Annual Debt Service	9,982,875.00
Average Annual Debt Service	9,921,636.36
Underwriter's Fees (per \$1000)	
Average Takedown	2.500000
Other Fee	0.412268
Total Underwriter's Discount	2.912268
Bid Price	103.850744

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bonds	71,850,000.00	107.096	5.000%	13.078	07/29/2038	9.627	56,245.05
Term Bond 1	34,395,000.00	101.759	5.000%	23.350	11/05/2048	14.097	28,203.90
Term Bond 2	44,155,000.00	101.192	5.000%	28.350	11/05/2053	15.507	35,324.00
	150,400,000.00			19.911			119,772.95

	TIC	All-In TIC	Arbitrage Yield
Par Value	150,400,000.00	150,400,000.00	150,400,000.00
+ Accrued Interest			
+ Premium (Discount)	6,229,523.30	6,229,523.30	6,229,523.30
- Underwriter's Discount	-438,005.05	-438,005.05	
- Cost of Issuance Expense		-150,400.00	
- Other Amounts			
Target Value	156,191,518.25	156,041,118.25	156,629,523.30
Target Date	07/01/2025	07/01/2025	07/01/2025
Yield	4.686750%	4.694681%	4.893204%

## BOND PRICING

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial Bonds:										
	10/01/2028	2,525,000	5.000%	3.170%	105.604				141,501.00	2.500
	10/01/2029	2,655,000	5.000%	3.240%	106.930				183,991.50	2.500
	10/01/2030	2,790,000	5.000%	3.320%	108.028				223,981.20	2.500
	10/01/2031	2,930,000	5.000%	3.420%	108.818				258,367.40	2.500
	10/01/2032	3,080,000	5.000%	3.520%	109.392				289,273.60	2.500
	10/01/2033	3,240,000	5.000%	3.600%	109.910				321,084.00	2.500
	10/01/2034	3,405,000	5.000%	3.680%	110.264				349,489.20	2.500
	10/01/2035	3,580,000	5.000%	3.740%	110.640				380,912.00	2.500
	10/01/2036	3,765,000	5.000%	3.820%	109.924 C	3.901%	10/01/2035	100.000	373,638.60	2.500
	10/01/2037	3,960,000	5.000%	3.920%	109.038 C	4.056%	10/01/2035	100.000	357,904.80	2.500
	10/01/2038	4,160,000	5.000%	4.000%	108.335 C	4.174%	10/01/2035	100.000	346,736.00	2.500
	10/01/2039	4,375,000	5.000%	4.080%	107.637 C	4.278%	10/01/2035	100.000	334,118.75	2.500
	10/01/2040	4,600,000	5.000%	4.180%	106.773 C	4.386%	10/01/2035	100.000	311,558.00	2.500
	10/01/2041	4,835,000	5.000%	4.290%	105.831 C	4.490%	10/01/2035	100.000	281,928.85	2.500
	10/01/2042	5,085,000	5.000%	4.360%	105.238 C	4.558%	10/01/2035	100.000	266,352.30	2.500
	10/01/2043	5,345,000	5.000%	4.430%	104.648 C	4.620%	10/01/2035	100.000	248,435.60	2.500
	10/01/2044	5,615,000	5.000%	4.510%	103.979 C	4.683%	10/01/2035	100.000	223,420.85	2.500
	10/01/2045	5,905,000	5.000%	4.570%	103.480 C	4.730%	10/01/2035	100.000	205,494.00	2.500
		71,850,000							5,098,187.65	
Term Bond 1:										
	10/01/2046	6,210,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	109,233.90	2.500
	10/01/2047	6,525,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	114,774.75	2.500
	10/01/2048	6,860,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	120,667.40	2.500
	10/01/2049	7,215,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	126,911.85	2.500
	10/01/2050	7,585,000	5.000%	4.780%	101.759 C	4.878%	10/01/2035	100.000	133,420.15	2.500
		34,395,000							605,008.05	
Term Bond 2:										
	10/01/2051	7,970,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	95,002.40	2.500
	10/01/2052	8,380,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	99,889.60	2.500
	10/01/2053	8,810,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	105,015.20	2.500
	10/01/2054	9,260,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	110,379.20	2.500
	10/01/2055	9,735,000	5.000%	4.850%	101.192 C	4.923%	10/01/2035	100.000	116,041.20	2.500
		44,155,000							526,327.60	
		150,400,000							6,229,523.30	

Dated Date 07/01/2025  
Delivery Date 07/01/2025  
First Coupon 10/01/2025

Par Amount 150,400,000.00  
Premium 6,229,523.30

Production 156,629,523.30 104.141970%  
Underwriter's Discount -438,005.05 -0.291227%

Purchase Price 156,191,518.25 103.850744%  
Accrued Interest

Net Proceeds 156,191,518.25

## BOND DEBT SERVICE

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

	Dated Date	07/01/2025		
	Delivery Date	07/01/2025		
Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2025			1,880,000	1,880,000
04/01/2026			3,760,000	3,760,000
10/01/2026			3,760,000	3,760,000
04/01/2027			3,760,000	3,760,000
10/01/2027			3,760,000	3,760,000
04/01/2028			3,760,000	3,760,000
10/01/2028	2,525,000	5.000%	3,760,000	6,285,000
04/01/2029			3,696,875	3,696,875
10/01/2029	2,655,000	5.000%	3,696,875	6,351,875
04/01/2030			3,630,500	3,630,500
10/01/2030	2,790,000	5.000%	3,630,500	6,420,500
04/01/2031			3,560,750	3,560,750
10/01/2031	2,930,000	5.000%	3,560,750	6,490,750
04/01/2032			3,487,500	3,487,500
10/01/2032	3,080,000	5.000%	3,487,500	6,567,500
04/01/2033			3,410,500	3,410,500
10/01/2033	3,240,000	5.000%	3,410,500	6,650,500
04/01/2034			3,329,500	3,329,500
10/01/2034	3,405,000	5.000%	3,329,500	6,734,500
04/01/2035			3,244,375	3,244,375
10/01/2035	3,580,000	5.000%	3,244,375	6,824,375
04/01/2036			3,154,875	3,154,875
10/01/2036	3,765,000	5.000%	3,154,875	6,919,875
04/01/2037			3,060,750	3,060,750
10/01/2037	3,960,000	5.000%	3,060,750	7,020,750
04/01/2038			2,961,750	2,961,750
10/01/2038	4,160,000	5.000%	2,961,750	7,121,750
04/01/2039			2,857,750	2,857,750
10/01/2039	4,375,000	5.000%	2,857,750	7,232,750
04/01/2040			2,748,375	2,748,375
10/01/2040	4,600,000	5.000%	2,748,375	7,348,375
04/01/2041			2,633,375	2,633,375
10/01/2041	4,835,000	5.000%	2,633,375	7,468,375
04/01/2042			2,512,500	2,512,500
10/01/2042	5,085,000	5.000%	2,512,500	7,597,500
04/01/2043			2,385,375	2,385,375
10/01/2043	5,345,000	5.000%	2,385,375	7,730,375
04/01/2044			2,251,750	2,251,750
10/01/2044	5,615,000	5.000%	2,251,750	7,866,750
04/01/2045			2,111,375	2,111,375
10/01/2045	5,905,000	5.000%	2,111,375	8,016,375
04/01/2046			1,963,750	1,963,750
10/01/2046	6,210,000	5.000%	1,963,750	8,173,750
04/01/2047			1,808,500	1,808,500
10/01/2047	6,525,000	5.000%	1,808,500	8,333,500
04/01/2048			1,645,375	1,645,375
10/01/2048	6,860,000	5.000%	1,645,375	8,505,375
04/01/2049			1,473,875	1,473,875
10/01/2049	7,215,000	5.000%	1,473,875	8,688,875
04/01/2050			1,293,500	1,293,500
10/01/2050	7,585,000	5.000%	1,293,500	8,878,500
04/01/2051			1,103,875	1,103,875
10/01/2051	7,970,000	5.000%	1,103,875	9,073,875
04/01/2052			904,625	904,625
10/01/2052	8,380,000	5.000%	904,625	9,284,625
04/01/2053			695,125	695,125
10/01/2053	8,810,000	5.000%	695,125	9,505,125
04/01/2054			474,875	474,875
10/01/2054	9,260,000	5.000%	474,875	9,734,875
04/01/2055			243,375	243,375
10/01/2055	9,735,000	5.000%	243,375	9,978,375
	150,400,000		149,729,500	300,129,500

PROJECT FUND

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

Project Fund (PROJ)

Date	Deposit	Interest	Principal	Scheduled Draws	Balance
07/01/2025	140,000,000		140,000,000	140,000,000	
	140,000,000	0	140,000,000	140,000,000	

Arbitrage Yield: 4.8932043%

## RESERVE FUND

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

Capitalized Interest Fund (CAPI)

Date	Deposit	Interest @ 3.99%	Principal	Scheduled Draws	Balance
07/01/2025	16,038,810.12				16,038,810.12
10/01/2025		159,987.13	1,720,012.87	1,880,000	14,318,797.25
04/01/2026		285,660.01	3,474,339.99	3,760,000	10,844,457.26
10/01/2026		216,346.92	3,543,653.08	3,760,000	7,300,804.18
04/01/2027		145,651.04	3,614,348.96	3,760,000	3,686,455.22
10/01/2027		73,544.78	3,686,455.22	3,760,000	
	16,038,810.12	881,189.88	16,038,810.12	16,920,000	

Average Life (years): 1.3770  
Yield To Receipt Date: 3.9937015%  
Arbitrage Yield: 4.8932043%  
Value of Negative Arbitrage: 188,301.11

## NET DEBT SERVICE

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

Period Ending	Total Debt Service	Capitalized Interest Fund	Net Debt Service
09/30/2026	5,640,000	5,640,000	
09/30/2027	7,520,000	7,520,000	
09/30/2028	7,520,000	3,760,000	3,760,000
09/30/2029	9,981,875		9,981,875
09/30/2030	9,982,375		9,982,375
09/30/2031	9,981,250		9,981,250
09/30/2032	9,978,250		9,978,250
09/30/2033	9,978,000		9,978,000
09/30/2034	9,980,000		9,980,000
09/30/2035	9,978,875		9,978,875
09/30/2036	9,979,250		9,979,250
09/30/2037	9,980,625		9,980,625
09/30/2038	9,982,500		9,982,500
09/30/2039	9,979,500		9,979,500
09/30/2040	9,981,125		9,981,125
09/30/2041	9,981,750		9,981,750
09/30/2042	9,980,875		9,980,875
09/30/2043	9,982,875		9,982,875
09/30/2044	9,982,125		9,982,125
09/30/2045	9,978,125		9,978,125
09/30/2046	9,980,125		9,980,125
09/30/2047	9,982,250		9,982,250
09/30/2048	9,978,875		9,978,875
09/30/2049	9,979,250		9,979,250
09/30/2050	9,982,375		9,982,375
09/30/2051	9,982,375		9,982,375
09/30/2052	9,978,500		9,978,500
09/30/2053	9,979,750		9,979,750
09/30/2054	9,980,000		9,980,000
09/30/2055	9,978,250		9,978,250
09/30/2056	9,978,375		9,978,375
	300,129,500	16,920,000	283,209,500



## UNDERWRITER'S DISCOUNT

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

Underwriter's Discount	\$/1000	Amount
Average Takedown	2.50000	376,000.00
Underwriters' Counsel	0.23271	35,000.00
Day Loan	0.02893	4,350.82
Ipreo - Dalnet Book Running System	0.07066	10,627.25
Ipreo - Game Day	0.03430	5,158.06
Ipreo - News Services Charge	0.00034	51.44
Ipreo - Dalnet Wire Charges	0.00114	171.48
DTC Charges	0.00648	975.00
CUSIP Fee	0.00922	1,386.00
CUSIP Disclosure Fee	0.00023	35.00
Internet Roadshow	0.01330	2,000.00
DAC Fee	0.00166	250.00
Contingency	0.01330	2,000.00
	2.91227	438,005.05

COST OF ISSUANCE

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2025

Cost of Issuance	\$/1000	Amount
COI (est)	1.00	150,400.00
	1.00	150,400.00

SOURCES AND USES OF FUNDS

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)

Dated Date	07/01/2026
Delivery Date	07/01/2026

Sources:

Bond Proceeds:	
Par Amount	146,485,000.00
Premium	3,372,837.40
	149,857,837.40

Uses:

Project Fund Deposits:	
Project Fund	140,000,000.00
Other Fund Deposits:	
Capitalized Interest Fund	9,379,182.97
Delivery Date Expenses:	
Cost of Issuance	474,455.00
Other Uses of Funds:	
Additional Proceeds	4,199.43
	149,857,837.40

## BOND SUMMARY STATISTICS

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)

Dated Date	07/01/2026
Delivery Date	07/01/2026
First Coupon	10/01/2026
Last Maturity	10/01/2056

Arbitrage Yield	4.893204%
True Interest Cost (TIC)	5.158437%
Net Interest Cost (NIC)	5.263641%
All-In TIC	5.185681%
Average Coupon	5.380050%

Average Life (years)	19.780
Weighted Average Maturity (years)	19.683
Duration of Issue (years)	11.949

Par Amount	146,485,000.00
Bond Proceeds	149,857,837.40
Total Interest	155,881,631.25
Net Interest	152,508,793.85
Bond Years from Dated Date	2,897,401,250.00
Bond Years from Delivery Date	2,897,401,250.00
Total Debt Service	302,366,631.25
Maximum Annual Debt Service	9,961,025.00
Average Annual Debt Service	9,995,591.12

Underwriter's Fees (per \$1000)
Average Takedown
Other Fee

Total Underwriter's Discount

Bid Price	102.302514
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Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bonds	69,875,000.00	103.279	5.10955131%	12.739	03/27/2039	9.244	50,839.65
Term Bond 1	33,070,000.00	101.636	5.50000000%	23.360	11/09/2049	13.487	26,125.30
Term Bond 2	43,540,000.00	101.241	5.50000000%	28.360	11/09/2054	14.739	34,396.60
	146,485,000.00			19.780			111,361.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	146,485,000.00	146,485,000.00	146,485,000.00
+ Accrued Interest			
+ Premium (Discount)	3,372,837.40	3,372,837.40	3,372,837.40
- Underwriter's Discount			
- Cost of Issuance Expense		-474,455.00	
- Other Amounts			
Target Value	149,857,837.40	149,383,382.40	149,857,837.40
Target Date	07/01/2026	07/01/2026	07/01/2026
Yield	5.158437%	5.185681%	4.893204%

## BOND PRICING

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds:									
	10/01/2028	2,255,000	5.000%	3.670%	102.841				64,064.55
	10/01/2029	2,370,000	5.000%	3.740%	103.816				90,439.20
	10/01/2030	2,495,000	5.000%	3.820%	104.582				114,320.90
	10/01/2031	2,620,000	5.000%	3.920%	105.073				132,912.60
	10/01/2032	2,755,000	5.000%	4.020%	105.362				147,723.10
	10/01/2033	2,895,000	5.000%	4.100%	105.589				161,801.55
	10/01/2034	3,045,000	5.000%	4.170%	105.737				174,691.65
	10/01/2035	3,200,000	5.000%	4.240%	105.758				184,256.00
	10/01/2036	3,365,000	5.000%	4.320%	105.577				187,666.05
	10/01/2037	3,540,000	5.000%	4.420%	104.732 C	4.460%	10/01/2036	100.000	167,512.80
	10/01/2038	3,720,000	5.000%	4.500%	104.062 C	4.563%	10/01/2036	100.000	151,106.40
	10/01/2039	3,910,000	5.000%	4.580%	103.398 C	4.653%	10/01/2036	100.000	132,861.80
	10/01/2040	4,110,000	5.000%	4.680%	102.574 C	4.749%	10/01/2036	100.000	105,791.40
	10/01/2041	4,320,000	5.000%	4.790%	101.677 C	4.843%	10/01/2036	100.000	72,446.40
	10/01/2042	4,545,000	5.000%	4.860%	101.112 C	4.899%	10/01/2036	100.000	50,540.40
	10/01/2043	4,780,000	5.250%	4.930%	102.542 C	5.027%	10/01/2036	100.000	121,507.60
	10/01/2044	5,040,000	5.250%	5.000%	101.977 C	5.082%	10/01/2036	100.000	99,640.80
	10/01/2045	5,310,000	5.250%	5.070%	101.416 C	5.133%	10/01/2036	100.000	75,189.60
	10/01/2046	5,600,000	5.250%	5.120%	101.018 C	5.168%	10/01/2036	100.000	57,008.00
		69,875,000							2,291,480.80
Term Bond 1:									
	10/01/2047	5,910,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	96,687.60
	10/01/2048	6,240,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	102,086.40
	10/01/2049	6,595,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	107,894.20
	10/01/2050	6,965,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	113,947.40
	10/01/2051	7,360,000	5.500%	5.290%	101.636 C	5.380%	10/01/2036	100.000	120,409.60
		33,070,000							541,025.20
Term Bond 2:									
	10/01/2052	7,780,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	96,549.80
	10/01/2053	8,215,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	101,948.15
	10/01/2054	8,680,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	107,718.80
	10/01/2055	9,175,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	113,861.75
	10/01/2056	9,690,000	5.500%	5.340%	101.241 C	5.416%	10/01/2036	100.000	120,252.90
		43,540,000							540,331.40
		146,485,000							3,372,837.40

Dated Date 07/01/2026  
Delivery Date 07/01/2026  
First Coupon 10/01/2026

Par Amount 146,485,000.00  
Premium 3,372,837.40

Production 149,857,837.40 102.302514%  
Underwriter's Discount

Purchase Price 149,857,837.40 102.302514%  
Accrued Interest

Net Proceeds 149,857,837.40

## BOND DEBT SERVICE

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)

		Dated Date	07/01/2026	
		Delivery Date	07/01/2026	
Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2026			1,939,781.25	1,939,781.25
04/01/2027			3,879,562.50	3,879,562.50
10/01/2027			3,879,562.50	3,879,562.50
04/01/2028			3,879,562.50	3,879,562.50
10/01/2028	2,255,000	5.000%	3,879,562.50	6,134,562.50
04/01/2029			3,823,187.50	3,823,187.50
10/01/2029	2,370,000	5.000%	3,823,187.50	6,193,187.50
04/01/2030			3,763,937.50	3,763,937.50
10/01/2030	2,495,000	5.000%	3,763,937.50	6,258,937.50
04/01/2031			3,701,562.50	3,701,562.50
10/01/2031	2,620,000	5.000%	3,701,562.50	6,321,562.50
04/01/2032			3,636,062.50	3,636,062.50
10/01/2032	2,755,000	5.000%	3,636,062.50	6,391,062.50
04/01/2033			3,567,187.50	3,567,187.50
10/01/2033	2,895,000	5.000%	3,567,187.50	6,462,187.50
04/01/2034			3,494,812.50	3,494,812.50
10/01/2034	3,045,000	5.000%	3,494,812.50	6,539,812.50
04/01/2035			3,418,687.50	3,418,687.50
10/01/2035	3,200,000	5.000%	3,418,687.50	6,618,687.50
04/01/2036			3,338,687.50	3,338,687.50
10/01/2036	3,365,000	5.000%	3,338,687.50	6,703,687.50
04/01/2037			3,254,562.50	3,254,562.50
10/01/2037	3,540,000	5.000%	3,254,562.50	6,794,562.50
04/01/2038			3,166,062.50	3,166,062.50
10/01/2038	3,720,000	5.000%	3,166,062.50	6,886,062.50
04/01/2039			3,073,062.50	3,073,062.50
10/01/2039	3,910,000	5.000%	3,073,062.50	6,983,062.50
04/01/2040			2,975,312.50	2,975,312.50
10/01/2040	4,110,000	5.000%	2,975,312.50	7,085,312.50
04/01/2041			2,872,562.50	2,872,562.50
10/01/2041	4,320,000	5.000%	2,872,562.50	7,192,562.50
04/01/2042			2,764,562.50	2,764,562.50
10/01/2042	4,545,000	5.000%	2,764,562.50	7,309,562.50
04/01/2043			2,650,937.50	2,650,937.50
10/01/2043	4,780,000	5.250%	2,650,937.50	7,430,937.50
04/01/2044			2,525,462.50	2,525,462.50
10/01/2044	5,040,000	5.250%	2,525,462.50	7,565,462.50
04/01/2045			2,393,162.50	2,393,162.50
10/01/2045	5,310,000	5.250%	2,393,162.50	7,703,162.50
04/01/2046			2,253,775.00	2,253,775.00
10/01/2046	5,600,000	5.250%	2,253,775.00	7,853,775.00
04/01/2047			2,106,775.00	2,106,775.00
10/01/2047	5,910,000	5.500%	2,106,775.00	8,016,775.00
04/01/2048			1,944,250.00	1,944,250.00
10/01/2048	6,240,000	5.500%	1,944,250.00	8,184,250.00
04/01/2049			1,772,650.00	1,772,650.00
10/01/2049	6,595,000	5.500%	1,772,650.00	8,367,650.00
04/01/2050			1,591,287.50	1,591,287.50
10/01/2050	6,965,000	5.500%	1,591,287.50	8,556,287.50
04/01/2051			1,399,750.00	1,399,750.00
10/01/2051	7,360,000	5.500%	1,399,750.00	8,759,750.00
04/01/2052			1,197,350.00	1,197,350.00
10/01/2052	7,780,000	5.500%	1,197,350.00	8,977,350.00
04/01/2053			983,400.00	983,400.00
10/01/2053	8,215,000	5.500%	983,400.00	9,198,400.00
04/01/2054			757,487.50	757,487.50
10/01/2054	8,680,000	5.500%	757,487.50	9,437,487.50
04/01/2055			518,787.50	518,787.50
10/01/2055	9,175,000	5.500%	518,787.50	9,693,787.50
04/01/2056			266,475.00	266,475.00
10/01/2056	9,690,000	5.500%	266,475.00	9,956,475.00
	146,485,000		155,881,631.25	302,366,631.25

PROJECT FUND

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)

Project Fund (PROJ)

Date	Deposit	Interest	Principal	Scheduled Draws	Balance
07/01/2026	140,000,000		140,000,000	140,000,000	
	140,000,000	0	140,000,000	140,000,000	

Arbitrage Yield: 4.8932043%



## RESERVE FUND

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)

Capitalized Interest Fund (CAPI)

Date	Deposit	Interest @ 3.99%	Principal	Scheduled Draws	Balance
07/01/2026	9,379,182.97				9,379,182.97
10/01/2026		93,557.35	1,846,223.90	1,939,781.25	7,532,959.07
04/01/2027		150,282.53	3,729,279.97	3,879,562.50	3,803,679.10
10/01/2027		75,883.40	3,803,679.10	3,879,562.50	
	9,379,182.97	319,723.28	9,379,182.97	9,698,906.25	

Average Life (years):	0.8544
Yield To Receipt Date:	3.9958912%
Arbitrage Yield:	4.8932043%
Value of Negative Arbitrage:	69,216.77

## NET DEBT SERVICE

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)

Period Ending	Total Debt Service	Capitalized Interest Fund	Net Debt Service
09/30/2027	5,819,343.75	5,819,343.75	
09/30/2028	7,759,125.00	3,879,562.50	3,879,562.50
09/30/2029	9,957,750.00		9,957,750.00
09/30/2030	9,957,125.00		9,957,125.00
09/30/2031	9,960,500.00		9,960,500.00
09/30/2032	9,957,625.00		9,957,625.00
09/30/2033	9,958,250.00		9,958,250.00
09/30/2034	9,957,000.00		9,957,000.00
09/30/2035	9,958,500.00		9,958,500.00
09/30/2036	9,957,375.00		9,957,375.00
09/30/2037	9,958,250.00		9,958,250.00
09/30/2038	9,960,625.00		9,960,625.00
09/30/2039	9,959,125.00		9,959,125.00
09/30/2040	9,958,375.00		9,958,375.00
09/30/2041	9,957,875.00		9,957,875.00
09/30/2042	9,957,125.00		9,957,125.00
09/30/2043	9,960,500.00		9,960,500.00
09/30/2044	9,956,400.00		9,956,400.00
09/30/2045	9,958,625.00		9,958,625.00
09/30/2046	9,956,937.50		9,956,937.50
09/30/2047	9,960,550.00		9,960,550.00
09/30/2048	9,961,025.00		9,961,025.00
09/30/2049	9,956,900.00		9,956,900.00
09/30/2050	9,958,937.50		9,958,937.50
09/30/2051	9,956,037.50		9,956,037.50
09/30/2052	9,957,100.00		9,957,100.00
09/30/2053	9,960,750.00		9,960,750.00
09/30/2054	9,955,887.50		9,955,887.50
09/30/2055	9,956,275.00		9,956,275.00
09/30/2056	9,960,262.50		9,960,262.50
09/30/2057	9,956,475.00		9,956,475.00
	302,366,631.25	9,698,906.25	292,667,725.00

COST OF ISSUANCE

City of Delray Beach  
Water and Sewer Revenue Bonds, Series 2026 (Direct Purchase)

Cost of Issuance	\$/1000	Amount
COI (est.)	1.00000	146,485.00
Commitment Fee	2.00000	292,970.00
Purchaser's Counsel (est.)	0.23893	35,000.00
	3.23893	474,455.00

## Appendix C

# Term Sheet

## City of Delray Beach, FL Forward Direct Purchase of Bonds Preliminary Terms and Conditions for Purchase

*NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to all approvals and does not constitute an offer or commitment.*

### **Transaction Overview**

Issuer/Borrower	City of Delray Beach, FL
Purchaser	Morgan Stanley Bank, N.A. (“MSBNA”) or an affiliate
Description	The Purchaser will purchase bonds of the Issuer (the “Bonds”), for settlement on the Forward Settlement Date. The Bonds will be sold by the Issuer and purchased by Purchaser pursuant to a direct purchase without an Official Statement  The transaction contemplated herein will not be an underwriting and will not involve an offering of the Bonds to the public. The Purchaser will be acting as an investor and purchase the Bonds for its own investment portfolio, with no present intent to redistribute or resell
Security	The Bonds to have the same security package on be on parity with currently outstanding debt of the Borrower
Proceeds	Proceeds of the Bonds will be for tax-exempt eligible purposes and to pay costs of issuance
Proposal Date	April 17, 2025

### **Terms of Bonds and Fees**

Principal Amount of Bonds	Not to exceed \$150,000,000
Sale Date	June 2025 [To be a mutually agreed upon date between Purchaser and Borrower]
Closing Date	Within 2 weeks of the Sale Date [To be a mutually agreed upon date between Purchaser and Borrower]
Forward Settlement Date	July 1, 2026
Tax Status	Tax-exempt (Non-AMT)
Amortization	See Schedule I
Optional Redemption	October 1, 2036
Form of Security	DTC eligible security with CUSIPs in one or more series
Forward Yields	The Forward Yields will be equal to following: a) The yields otherwise available to the Borrower through a current delivery public sale of the Bonds; plus b) The Forward Premium
Forward Premium	+ 50 basis points
Coupons and BVAL Spreads	See Schedule I
Credit Ratings <sup>1</sup>	The Borrower will covenant to receive public ratings on the Bonds from the Rating Agencies within three months of the Sale Date
Rating Agencies <sup>1</sup>	Moody’s and S&P
Official Statement <sup>1</sup>	None required
Continuing Disclosure <sup>1</sup>	At or prior to the Closing Date, the Borrower shall enter into a Continuing Disclosure Agreement substantially similar to its existing undertakings, such that as long as the Bonds are outstanding, the Borrower to be obligated to comply with all disclosure obligations

<sup>1</sup> NOTE: This is an integral component for establishing the Coupons and BVAL Spreads included in Schedule I. Please see the section titled “Pricing Considerations” below for additional detail.

## City of Delray Beach, FL Forward Direct Purchase of Bonds Preliminary Terms and Conditions for Purchase

*NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to all approvals and does not constitute an offer or commitment.*

	thereunder and applicable law and regulation. Borrower will also agree to file any missing required disclosure information with EMMA prior to the Closing Date
Authorized Denominations <sup>2</sup>	\$5,000
Commitment Fee	0.200% of par, due on the Closing Date
<b><u>Terms and Covenants</u></b>	
Transaction Documentation	<p>The Bonds to be issued under substantially identical documentation used for the Borrower's outstanding indebtedness, updated to account for the Bonds, whether Resolution, Indenture, Loan Agreement, Lease and/or supplements thereto ("Bond Documents"). Substantially final Bond Documents, certified copies of any required authorizing resolutions, tax law certifications, a preliminary opinion of Bond Counsel, enforceability opinion of Borrower's Counsel as well as proof of any filings or publications necessary for the Borrower to issue the Bonds shall be required prior to the Sale Date.</p> <p>On or prior to the Forward Settlement Date, a subsequent Bond Counsel opinion shall be delivered in a form acceptable to the Purchaser concluding: (i) interest on the Bonds is excludable from federal and state income tax, the alternative minimum tax; and (ii) the Bonds are legal, valid and binding obligations of the Borrower. Furthermore, on or prior to the Forward Settlement Date, the Bond Documents and Bond Counsel Opinion shall be posted to EMMA (or another approved public medium) in a form acceptable to both the Borrower and the Purchaser.</p>
Forward Bond Purchase Agreement	The Forward Bond Purchase Agreement will be executed on the Sale Date by the Borrower, and the Purchaser. The Forward Bond Purchase Agreement to be substantially identical to bond purchase agreements previously executed by the Borrower, modified to include market standard conditions precedent and covenants. Failure to deliver the Bonds as a result of an event of default or other failure to perform on behalf of the Borrower may result in a make-whole termination payment to the Purchaser
Downgrade Provision	As a condition to settlement, the Credit Ratings must be at least Baa3/BBB-/BBB- or higher
Extraordinary Redemption	Any Extraordinary Redemption provision will have a redemption price of amortized value (purchase price less amortization of bond premium)
Conditions & Representations	Customary for a transaction of this nature, including but not limited to no material litigation or event of default
Cost of Issuance	Customary for a transaction of this nature, including but not limited to the costs of Borrower's counsel, Purchaser's Counsel, bond counsel, Borrower's financial advisor, bond trustee, master trustee, and Rating Agencies. To be paid for by the Borrower
Due Diligence	<p>The Purchaser shall be given the opportunity to conduct due diligence of the Borrower prior to the Sale Date</p> <p>Any material non-public information related to the Borrower incurred during diligence and/or supplemental documentation required by the Purchaser shall be posted to EMMA (or another approved public medium) in a form acceptable to the Purchaser and reasonably agreed upon by the Purchaser and the Borrower.</p>
Investor Letter	To be executed by the Purchaser prior to sale, no traveling investor letter shall be required

<sup>2</sup> NOTE: This is an integral component for establishing the Coupons and BVAL Spreads included in Schedule I. Please see the section titled "Pricing Considerations" below for additional detail.



## City of Delray Beach, FL Forward Direct Purchase of Bonds Preliminary Terms and Conditions for Purchase

*NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to all approvals and does not constitute an offer or commitment.*

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### Municipal Advisor

*(a) The Purchaser is not recommending an action to you; (b) The Purchaser 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) The Purchaser 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. The information provided is for discussion purposes only in anticipation of entering into a direct purchase directly from you for the Purchaser's own account. The information contained herein is in anticipation of an arm's-length commercial transaction with the issuer, and as such, the Purchaser 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 the Purchaser guarantees to achieve for the transaction should we purchase the bonds directly from the issuer. 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 the Purchaser guarantees to achieve for the transaction.*

### Transfer Restrictions<sup>3</sup>

No restriction on the sale of the Bonds

### Ancillary Business<sup>3</sup>

No ancillary business will be required in conjunction with this proposal

### Pricing Considerations

The preliminary terms and conditions contemplated herein are based upon certain assumptions made on behalf of the Borrower with regards to the ability to have the Bonds rated, to comply with the continuing disclosure requirement and to permit the Bonds to trade in a format and price substantially similar to other similar obligations that presently exist in the marketplace

Should the facts and circumstances related to ratings, disclosure or the ability of the Bonds to trade at substantially similar prices to other similar investments in the marketplace change versus what is described herein, the pricing indicated herein will be revised in order to compensate the Purchaser for the change in the value of the investment

### Confidentiality

This document is intended for the internal use of the recipient only and may not be distributed externally or reproduced for external distribution in any form without express written permission from Purchaser

### Counsel and Documents

#### Acceptance of Terms

The pricing indicated herein remains subject to market conditions until the Sale Date. The proposal remains subject to additional due diligence and credit approval of the Purchaser

Upon acceptance of the proposal by both the Borrower and the Purchaser, documentation will be created which will include these terms and conditions as well as warranties and covenants specific to this transaction. The contents herein provide an indication of terms and are not a contract, commitment or intent to be bound

#### Purchaser's Counsel

Orrick, Herrington & Sutcliffe LLP

#### Legal Fees

The Borrower shall be responsible for all reasonable fees incurred by the Purchaser with respect to Purchaser's Counsel

---

<sup>3</sup> NOTE: This is an integral component for establishing the Coupons and BVAL Spreads included in Schedule I. Please see the section titled "Pricing Considerations" below for additional detail.

**City of Delray Beach, FL**  
**Forward Direct Purchase of Bonds**  
**Preliminary Terms and Conditions for Purchase**

*NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to all approvals and does not constitute an offer or commitment.*

---

**Contacts**

Morgan Stanley & Co. LLC  
1200 South Pine Island Rd., Suite 800  
Plantation, FL 33325

J.W. Howard  
Executive Director  
Phone: 954.509.3532  
James.Howard@morganstanley.com

Morgan Stanley & Co. LLC  
1585 Broadway, 16<sup>th</sup> Floor  
New York, NY 10036

Ty Savastio  
Executive Director  
Phone: 212.761.9133  
Ty.Savastio@morganstanley.com

**City of Delray Beach, FL**  
**Forward Direct Purchase of Bonds**  
**Preliminary Terms and Conditions for Purchase**

*NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to all approvals and does not constitute an offer or commitment.*

## Schedule I

<b>Maturity Date</b>	<b>Principal Amount*</b>	<b>Coupons</b>	<b>Oct BVAL as of 4.14.2025</b>	<b>Credit Spread (bps)</b>	<b>Forward Premium (bps)</b>	<b>Pricing Yield as of 4.14.2025</b>
10/1/2028	2,245,000	5.00%	3.06%	11	50	3.67%
10/1/2029	2,360,000	5.00%	3.11%	13	50	3.74%
10/1/2030	2,480,000	5.00%	3.17%	15	50	3.82%
10/1/2031	2,610,000	5.00%	3.25%	17	50	3.92%
10/1/2032	2,740,000	5.00%	3.33%	19	50	4.02%
10/1/2033	2,880,000	5.00%	3.39%	21	50	4.10%
10/1/2034	3,030,000	5.00%	3.44%	23	50	4.17%
10/1/2035	3,185,000	5.00%	3.49%	25	50	4.24%
10/1/2036	3,350,000	5.00%	3.55%	27	50	4.32%
10/1/2037	3,520,000	5.00%	3.63%	29	50	4.42%
10/1/2038	3,700,000	5.00%	3.70%	30	50	4.50%
10/1/2039	3,890,000	5.00%	3.78%	30	50	4.58%
10/1/2040	4,090,000	5.00%	3.86%	32	50	4.68%
10/1/2041	4,300,000	5.00%	3.94%	35	50	4.79%
10/1/2042	4,525,000	5.00%	4.01%	35	50	4.86%
10/1/2043	4,770,000	5.25%	4.08%	35	50	4.93%
10/1/2044	5,025,000	5.25%	4.15%	35	50	5.00%
10/1/2045	5,300,000	5.25%	4.22%	35	50	5.07%
10/1/2046	5,585,000	5.25%	4.27%	35	50	5.12%
T51 10/1/2047	5,890,000	5.50%				5.29%
T51 10/1/2048	6,225,000	5.50%				5.29%
T51 10/1/2049	6,580,000	5.50%				5.29%
T51 10/1/2050	6,950,000	5.50%				5.29%
T51 10/1/2051	7,340,000	5.50%	4.44%	35	50	5.29%
T56 10/1/2052	7,760,000	5.50%				5.34%
T56 10/1/2053	8,195,000	5.50%				5.34%
T56 10/1/2054	8,660,000	5.50%				5.34%
T56 10/1/2055	9,150,000	5.50%				5.34%
T56 10/1/2056	9,665,000	5.50%	4.49%	35	50	5.34%
	<b>146,000,000</b>					

\*Indicative amortization, subject to change

## City of Delray Beach, FL Forward Direct Purchase of Bonds Preliminary Terms and Conditions for Purchase

*NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to all approvals and does not constitute an offer or commitment.*

---

### Disclaimer

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Where you provide us with information relating to an order, inquiry, or potential transaction, we may use that information to facilitate execution and in managing our market making and hedging activities.

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Any prices contained herein are indicative only and should not be relied upon for valuation or for any use with third parties.

All financial information is taken from company disclosures and presentations (including 10Q, 10K and 8K filings and other public announcements), unless otherwise noted. Any securities referred to in this material may not have been registered under the U.S. Securities Act of 1933, as amended and, if not, may not be offered or sold absent an exemption therefrom. In relation to any member state of the European Economic Area, a prospectus may not have been published pursuant to measures implementing the Prospectus Directive (2003/71/EC) and any securities referred to herein may not be offered in circumstances that would require such publication. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights, or performance of obligations under any instrument or otherwise applicable to any transaction. In addition, a secondary market may not exist for certain of the instruments referenced herein.

The value of and income from investments may vary because of, among other things, changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities, prices of instruments or securities, market indexes, operational, or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in instruments (or related derivatives) transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed, and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect any projections or estimates. Certain assumptions may have been made for modeling purposes only to simplify the presentation or calculation of any projections or estimates, and Morgan Stanley does not represent that any such assumptions will reflect actual future events or that all assumptions have been considered or stated. Accordingly, there can be no assurance that any hypothetical estimated returns or projections will be realized or that actual returns or performance results will not materially differ. Some of the information contained in this document may be aggregated data of transactions executed by Morgan Stanley that has been compiled so as not to identify the underlying transactions of any particular customer.

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## Appendix D

# Forms

# *State of Florida*

## *Department of State*

I certify from the records of this office that MORGAN STANLEY & CO. LLC is a Delaware limited liability company authorized to transact business in the State of Florida, qualified on June 1, 2011.

The document number of this limited liability company is M11000002826.

I further certify that said limited liability company has paid all fees due this office through December 31, 2024, that its most recent annual report was filed on April 21, 2024, and that its status is active.

I further certify that said limited liability company has not filed a Certificate of Withdrawal.

*Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capital, this  
the Twelfth day of February, 2025*



  
*Secretary of State*

Tracking Number: 5503332012CU

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

**EXHIBIT A**  
**REQUIRED FORMS**

The forms listed below **shall** be completed by an official having legal authorization to contractually bind the company or firm. Each signature represents a binding commitment upon the Proposer to provide the goods and/or services offered to the City if the Proposer is determined to be the most responsive and responsible Proposer.

- A. Acknowledgment of Addenda
- B. Proposal Submittal Signature Page
- C. Conflict of Interest Disclosure Form
- D. Notification of Public Entity Crimes Law
- E. Notification of Public Records Law
- F. Drug-Free Workplace
- G. Non-Collusion Affidavit
- H. Truth-In-Negotiation Certificate
- I. Scrutinized Company
- J. Affidavit Regarding the use of Coercion for Labor and Services

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## ACKNOWLEDGEMENT OF ADDENDA

---

Please complete Part I or Part II, as applicable

### PART I:

List below the dates of issue for each addendum received in connection with this solicitation:

Addendum #1, Dated \_\_\_\_\_

Addendum #2, Dated \_\_\_\_\_

Addendum #3, Dated \_\_\_\_\_

Addendum #4, Dated \_\_\_\_\_

Addendum #5, Dated \_\_\_\_\_

Addendum #6, Dated \_\_\_\_\_

Addendum #7, Dated \_\_\_\_\_

Addendum #8, Dated \_\_\_\_\_

Addendum #9, Dated \_\_\_\_\_

Addendum #10, Dated \_\_\_\_\_

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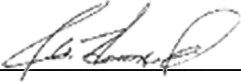
### PART II:

☒ NO ADDENDUM WAS RECEIVED IN CONNECTION WITH THIS SOLICITATION

---

Morgan Stanley & Co. LLC

Firm Name



Signature

J.W. Howard

Name and Title (Print or Type)

4/17/2025

Date

## PROPOSAL SUBMITTAL SIGNATURE PAGE

By signing this Proposal, the Proposer certifies that it satisfies all legal requirements as an entity to do business with the City, including all Conflict of Interest and Code of Ethics provisions.

Firm Name: Morgan Stanley & Co. LLC

Street Address: 1585 Broadway, New York, NY 10036

Mailing Address (if different from Street Address):

Telephone Number(s): 954-509-3532


Fax Number(s): 212 507-1619

Email Address: james.howard@morganstanley.com

Federal Employer Identification Number: 13-2655998

Prompt Payment Terms: % days' net days

Signature:



(Signature of authorized agent)

Print Name: J.W. Howard

Title: Executive Director

Date: 4/17/2025

By signing this document, the Proposer agrees to all terms and conditions of this solicitation and the resulting contract/agreement.

**THE EXECUTION OF THIS FORM CONSTITUTES THE UNEQUIVOCAL OFFER OF PROPOSER TO BE BOUND BY THE TERMS OF ITS PROPOSAL, FOR NOT LESS THAN ONE HUNDRED AND TWENTY (120) DAYS, AND THE PROPOSER'S UNEQUIVOCAL OFFER TO BE BOUND BY THE TERMS AND CONDITIONS SET FORTH IN THIS SOLICITATION. FAILURE TO SIGN THIS SOLICITATION WHERE INDICATED ABOVE, BY AN AUTHORIZED REPRESENTATIVE, SHALL RENDER THE PROPOSAL NON-RESPONSIVE. THE CITY MAY, HOWEVER, IN ITS SOLE DISCRETION, ACCEPT ANY PROPOSAL THAT INCLUDES AN EXECUTED DOCUMENT WHICH UNEQUIVOCALLY BINDS THE PROPOSER TO THE TERMS OF ITS PROPOSAL.**



## NOTIFICATION OF PUBLIC ENTITY CRIMES LAW

---

Pursuant to Section 287.133, *Florida Statutes*, you are hereby notified that a person or affiliate who has been placed on the convicted contractors list following a conviction for a public entity crime may not submit a Proposal on a contract to provide any goods or services to a public entity; may not submit a Proposal on a contract with a public entity for the construction or repair of a public building or public work; may not submit Proposals on leases or real property to a public entity; may not be awarded or perform work as a contractor, supplier, sub-Proposer, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017 [F.S.] for Category Two [\$35,000.00] for a period of thirty-six (36) months from the date of being placed on the convicted contractors list.

Acknowledged by:

Morgan Stanley & Co. LLC

---

Firm Name

---

Signature

J.W. Howard, Executive Director

---

Name and Title (Print or Type)

4/17/2025

---

Date

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**NOTIFICATION OF PUBLIC RECORDS LAW PERTAINING TO PUBLIC CONTRACTS AND  
REQUESTS FOR CONTRACTOR RECORDS PURSUANT TO CHAPTER 119, *FLORIDA  
STATUTES***


Pursuant to Chapter 119, *Florida Statutes*, Contractor shall comply with the public records law by keeping and maintaining public records required by the City of Delray Beach in order to perform the service. Upon request from the City of Delray Beach' custodian of public records, contract shall provide the City of Delray Beach with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes* or as otherwise provided by law. Contractor shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract. If the Contractor does not transfer the records to the City of Delray Beach. Contractor upon completion of the contract, shall transfer, at no cost, to the City of Delray Beach all public records in possession of the Contractor or keep and maintain public records required by the City of Delray Beach in order to perform the service. If the Contractor transfers all public records to the City of Delray Beach upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City of Delray Beach, upon request from the City of Delray Beach' custodian of public records, in a format that is compatible with the information technology systems of the City of Delray Beach.

IF CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, *FLORIDA STATUTES*, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT OFFICE OF THE CITY CLERK LOCATED AT 100 NW 1<sup>ST</sup> AVENUE, DELRAY BEACH, FLORIDA 33444, PHONE NUMBER (561) 243-7000, EMAIL ADDRESS: GIVINGS@MYDELRAYBEACH.COM.

**Acknowledged:**

Morgan Stanley & Co. LLC

**Firm Name**



**Signature**

J.W. Howard, Executive Director

**Name and Title (Print or Type)**

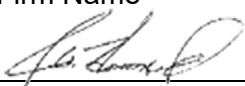
4/17/2025

**Date**

## DRUG-FREE WORKPLACE

\_\_\_\_\_  
Morgan Stanley & Co. LLC is a drug-free workplace  
and has \_\_\_\_\_  
(Company Name)  
a substance abuse policy in accordance with and pursuant to Section 440.102, *Florida Statutes*.

Acknowledged by:

\_\_\_\_\_  
Morgan Stanley & Co. LLC  
Firm Name  
\_\_\_\_\_  
  
Signature  
\_\_\_\_\_  
J.W. Howard, Executive Director  
Name and Title (Print or Type)  
\_\_\_\_\_  
4/17/2025  
Date

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# NON-COLLUSION AFFIDAVIT

STATE OF New York

COUNTY OF Kings Certificate filed in New York County

Before me, the undersigned authority, personally appeared Trevor Moxley, who, after being by me first duly sworn, deposes and says of his/her personal knowledge that:

- a. He/She is Vice President of Morgan Stanley & Co. LLC, the Proposer that has submitted a Proposal to perform work for the following:

RFQ No.: 2025-034

Title: Request for Proposals (RFP)  
No. 2025-034 for  
Investment Banking Services

- b. He/She is fully informed respecting the preparation and contents of the attached Request for Qualifications, and of all pertinent circumstances respecting such solicitation.

Such Proposal is genuine and is not a collusive or sham Proposal.

- c. Neither the said Proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affiant, has in any way colluded, conspired, connived, or agreed, directly or indirectly, with any other Proposer, firm, or person to submit a collusive or sham Proposal in connection with the solicitation and contract for which the attached Proposal has been submitted or to refrain from proposing in connection with such solicitation and contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Proposer, firm, or person to fix the price or prices in the attached Proposal or any other Proposer, or to fix any overhead, profit, or cost element of the Proposal price or the Proposal price of any other Proposer, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City or any person interested in the proposed contract.
- d. The price or prices quoted in the attached Proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Proposer or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

Trevor Moxley  
Signature

Subscribed and sworn to (or affirmed) before me this 16 day of April 2025, by Trevor Moxley, who is personally known to me or who has produced \_\_\_\_\_ as identification.

SEAL

Signature Angela Washington Notary

Notary

Name:

Notary

Public

(State):

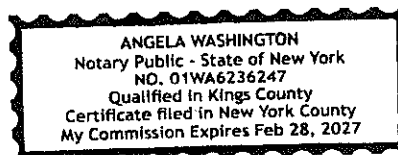
My

Commission

No:

Expires

on:



15

## TRUTH – IN – NEGOTIATION CERTIFICATE

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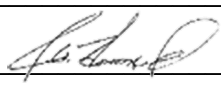
The undersigned warrants (i) that it has not employed or retained any company or person, other than bona fide employees working solely for the undersigned, to solicit or secure the Agreement and (ii) that it has not paid or agreed to pay any person, company, corporation, individual, or firm other than its bona fide employees working solely for the undersigned or agreed to pay any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of the Agreement.

The undersigned certifies that the wage rates and other factual unit costs used to determine the compensation provided for in the Agreement are accurate, complete, and current as of the date of the Agreement.

Name: J.W. Howard

Title: Executive Director

Date: 4/17/2025

Signature: 

(The remainder of this page is intentionally left blank)



## SCRUTINIZED COMPANY CERTIFICATION

---

This certification is required pursuant to Florida State Statute Section 287.135.

As of July 1, 2011, a company that, at the time of bidding or submitting a proposal for a new contract or renewal of an existing contract, is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List is ineligible for, and may not bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity for goods or services of \$1 million or more.

Companies must complete and return this form with its response.

Company: Morgan Stanley & Co. LLC FID or EIN No.: 13-2655998

Address: 1585 Broadway

—

City: New York State: NY Zip: 10036

I, J.W. Howard, as a representative of Morgan Stanley & Co. LLC certify and affirm that this company is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.



Signature

Executive Director

Title

J.W. Howard

Printed Name

4/17/2025

Date

## CITY OF DELRAY BEACH

### Affidavit Regarding the Use of Coercion for Labor and Services

Vendor Name: Morgan Stanley & Co. LLC

Vendor FEIN: 13-2655998

Vendor's  
Authorized  
Representative  
Name and Title: J.W. Howard, Executive Director

Address: 1585 Broadway

City: New York State: NY Zip: 10036

Phone Number: 954 509-3532

Email Address: james.howard@morganstanley.com

Florida Statute §787.06(13) requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by a officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services as defined in that statute. The City of Delray Beach, Florida is a governmental entity for the purposes of this statute.

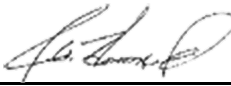
As the officer or representative of the company, I certify that the company identified above does not:

- Use or threaten to use physical force against any person;
- Restrain, isolate, or confine or threaten to restrain, isolate, or confine any person without lawful authority and against his or her will;
- Use lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied towards the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;
- Destroy, conceal, remove, confiscate, withhold, or possess any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification, of any person;
- Cause or threaten to cause financial harm to any person;
- Entice or lure any person by fraud or deceit;
- Provide controlled substances as outlined in Schedule I or Schedule II of Florida State

Statute §893.03 to any person for the purpose of exploitation of that person.

**Under penalties of perjury, I declare that I have read the foregoing document and the at the facts stated in it are true.**

Signature: \_\_\_\_\_



(Authorized Signature)

Print Name  
and Title: \_\_\_\_\_

J.W. Howard, Executive Director

Date: \_\_\_\_\_

4/17/2025

(The remainder of this page is intentionally left blank)

**Appendix E**

**MSRB G-17  
Disclosure Letter**

April 17, 2025

Henry Dachowitz  
Chief Financial Officer  
City of Delray Beach  
100 NW 1st Ave.  
Delray Beach, FL 33444

Re: Disclosures by Morgan Stanley & Co. LLC  
Pursuant to MSRB Rule G-17  
City of Delray Beach  
Request for Proposals (RFP) No. 2025-034 for Investment Banking Services

Dear Mr. Dachowitz:

We are writing to provide you, as Chief Financial Officer of the City of Delray Beach (the “Issuer”), with certain disclosures relating to the captioned bond issue (the “Bonds”), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).<sup>1</sup>

Morgan Stanley & Co. LLC is proposing 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 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

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

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.<sup>2</sup>
- 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 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 in 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.

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<sup>2</sup> 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.

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,



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J.W. Howard, *Executive Director*  
MORGAN STANLEY & CO. LLC

Acknowledgement:

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Mr. Henry Dachowitz

Date: \_\_\_\_\_

## Appendix F

# Disclaimer





## DISCLAIMERS

# Disclaimer

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## DISCLAIMERS

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