

# City of Hollywood, Florida

Request for Proposals for Municipal Bond Underwriter  
RFP #4414-14-RD  
Federal Employer Identification Number: 20-8764829

May 8, 2014

Submitted By: Morgan Stanley & Co. LLC  
1560 Sawgrass Corporate Parkway, Suite 479  
Sunrise, FL 33323


J.W. Howard, Executive Director and Liaison for Contract  
Phone: (954) 331-1595  
Fax: (212) 507-1619  
[James.Howard@morganstanley.com](mailto:James.Howard@morganstanley.com)



## Morgan Stanley

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 <p><b>Submit Proposals To:</b>  City of Hollywood  2600 Hollywood Boulevard  Hollywood, Florida 33020  Office of City Clerk, Room 221</p>	<p><b>CITY OF HOLLYWOOD, FLORIDA</b></p> <p><b>REQUEST FOR PROPOSALS</b></p> <p><b>PROPOSER ACKNOWLEDGMENT</b></p>
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<p><b>RFP Title:</b> Bond Underwriter</p> <p><b>RFP No.:</b> 4414-14-RD</p> <p><b>Service Required:</b> Bond Underwriter for debt transactions</p> <p><b>A Cone of Silence is in effect with respect to this RFP. The Cone of Silence prohibits certain communications between potential vendors and the City. For further information, please refer to Section 30.15(F) of the City's Code of Ordinances.</b></p>	<p>Proposals must be received prior to 3:00 P.M., Thursday, May 8, 2014 and may not be withdrawn within 90 calendar days after such date and time. Proposals received by the date and time specified will be opened in Room 303. All Proposals received after the specified date and time will be returned unopened.</p> <p><b>Procurement Services Contacts:</b> Ralph Dierks, or Linda Silvey, or Joel Wasserman, or his designee</p> <p><b>Telephone No.:</b> (954) 921-3223 or (954) 921-3200 or (954) 921-3290</p>
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### PROPOSER ACKNOWLEDGMENT

THIS FORM MUST BE COMPLETED AND SUBMITTED ALONG WITH THE COMPLETE PROPOSAL PRIOR TO THE DATE AND THE TIME OF PROPOSAL OPENING. THE PROPOSAL SUMMARY SHEET PAGES ON WHICH THE PROPOSER ACTUALLY SUBMITS A PROPOSAL AND ANY PAGES UPON WHICH INFORMATION IS REQUIRED MUST BE COMPLETED AND ATTACHED WITH ALL PAGES OF THE PROPOSAL DOCUMENT.

<b>Proposer's Name:</b> Morgan Stanley & Co. LLC	<b>Fed. ID No. or SS Number</b> 20-8764829
<b>Complete Mailing Address:</b> 1560 Sawgrass Corp Pkwy Suite 479 Sunrise, FL 33323	<b>Telephone No.:</b> 954-331-1595 <b>Fax No.:</b> 212-507-1619
<b>Do You Have a Permanent Office Located in the City of Hollywood?</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<b>E-Mail Address:</b> James.Howard@morganstanley.com
<b>Indicate type of organization below:</b> Corporation <input checked="" type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other	

**ATTENTION: FAILURE TO SIGN (PREFERABLY IN BLUE INK) OR COMPLETE ALL RFP SUBMITTAL FORMS AND FAILURE TO SUBMIT ALL PAGES OF THE RFP DOCUMENT AND ANY ADDENDUMS ISSUED MAY RENDER YOUR RFP NON-RESPONSIVE.**

THE PROPOSER CERTIFIES THAT THIS PROPOSAL IS BASED UPON ALL CONDITIONS AS LISTED IN THE PROPOSAL DOCUMENTS AND THAT HE HAS MADE NO CHANGES IN THE PROPOSAL DOCUMENT AS RECEIVED. HE FURTHER PROPOSES AND AGREES, IF HIS PROPOSAL IS ACCEPTED, HE/SHE WILL EXECUTE AN APPROPRIATE AGREEMENT FOR THE PURPOSE OF ESTABLISHING A FORMAL CONTRACTUAL RELATIONSHIP BETWEEN HIM AND THE CITY OF HOLLYWOOD, FLORIDA, FOR THE PERFORMANCE OF ALL REQUIREMENTS TO WHICH THIS PROPOSAL PERTAINS. FURTHER, BY SIGNING BELOW IN BLUE INK, ALL RFP PAGES ARE ACKNOWLEDGED AND ACCEPTED AS WELL AS ANY SPECIAL INSTRUCTION SHEET(S) IF APPLICABLE. I AM AUTHORIZED TO BIND PERFORMANCE OF THIS RFP FOR THE ABOVE PROPOSER.

  
\_\_\_\_\_  
Authorized Name and Signature

Executive Director  
\_\_\_\_\_  
Title

May 6, 2014  
\_\_\_\_\_  
Date

RFP CHECKLIST

Please check each line item after the completion of the appropriate item.

- x     I verify that the signature on page number one (1) is the signature of the person authorized to bind the agreement. (Preferably in blue ink)
- x     I acknowledge reading and signing the Hold Harmless Statement.
- x     I have included all information, certificates, licenses and additional documentation as required by the City in this RFP document.
- x     I have checked for any addendums to this RFP, and will continue to check for any addendums up to the due date and time of this RFP.
- x     I have submitted one (1) original and twelve (12) copies and one (1) electronic copy (CD) of the entire proposal with addendums.
- x     I have verified that the outside address label of my RFP package is clearly marked to include my company's name, address, RFP number and date of RFP opening.
- x     I have read and completed (if applicable) the "Disclosure of Conflict of Interest".
- x     I am aware that a Notice of Intent to award this bid shall be posted on the City's website at [www.hollywoodfl.org](http://www.hollywoodfl.org) and on the Procurement Services bulletin board in room 303 at City Hall, and that it is my responsibility to check for this posting. Also, I have provided my email address, as the City, at its discretion, may provide me information by such means regarding this procurement process.
- x     I have submitted all supporting documentation for local preference eligibility, which must be received with the bid package prior to the bid opening date and time (if applicable).

NAME OF COMPANY:     Morgan Stanley & Co. LLC    

PROPOSER'S NAME:     J.W. Howard    

PROPOSER'S AUTHORIZED SIGNATURE: 

DATE:     May 6, 2014

Section %

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Matthew Lalla  
Director, Financial Services Department  
2600 Hollywood Boulevard  
Hollywood, FL 33020

May 8, 2014

Dear Matt:

On behalf of Morgan Stanley, we are pleased to submit our response to City of Hollywood (the “City”) Request for Proposals. As Senior Manager to the City, Morgan Stanley can offer extensive municipal financing experience and expertise, as well as strong national and local distribution capabilities. The City is an important client to our team, and we thank you for the opportunity to present the Firm’s credentials to serve as a member of the City’s underwriting pool. Please find below an overview of the Firm’s key qualifications.

Morgan Stanley seeks consideration to serve as senior manager for any new money financing, refinancing, restructuring or alternative financing to be undertaken by the City over the term of the engagement. As senior manager, Morgan Stanley can offer extensive Florida and water and sewer financing experience and expertise, leading national and local distribution capabilities and a demonstrated commitment of capital to support the City’s financings. During the development and implementation of the plan of finance, our comprehensive banking coverage team will be assigned to the City on a full-time priority basis to ensure seamless execution of the City’s transactions.

**Experienced Team.** Morgan Stanley has assembled an experienced financing team that brings together veteran professionals with significant experience in Florida municipal finance and a wide range of expertise, including general obligation, general fund, water and sewer, parking facilities and CRA credits, involving complex quantitative structuring and municipal credit analysis. **J.W. Howard**, Executive Director and Lead Florida Coverage Banker located locally in Broward County, will serve as lead banker and primary contact to the City. **Safdar Mirza**, Executive Director, will lead the quantitative analysis for the City’s transactions. **Ilaria Fleischer**, Vice President, and **Gracie Smith**, Analyst, will assist with ongoing coverage of the City and will provide deal execution and quantitative support for the City’s financings.

Further, the team is fully committed to the City and is completely available to the team as necessary. As senior manager, Morgan Stanley would work to foster an inclusive relationship between the City and the co-managers in the underwriting syndicate, ensuring that all parties involved understand the City’s objectives prior to starting the marketing process. Below we briefly highlight our experience with the services requested of an underwriter:

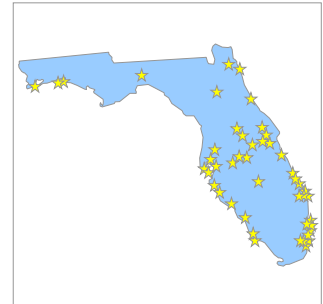
- **Financing Structuring and Documentation.** Morgan Stanley prides itself on providing the full extent of the Firm’s resources to our municipal clients. As a result, we provide financing and document structuring services in nearly every financing we senior manage. Morgan Stanley consistently ranks as one of the leading underwriters nationally and within Florida, providing our team extensive experience with financing and documentation structuring services.
- **Marketing and Underwriting.** As discussed in further detail in our response, Morgan Stanley has a comprehensive distribution system combining coverage of all levels of institutional investors with one of the largest retail distribution networks in the United States following our recent acquisition of the remaining portion of Morgan Stanley Wealth Management. This combination will enable the City to tap the most important pockets of investor demand for its anticipated financings. By creating strong demand for its bonds, we believe we will be able to achieve the best possible price for the City’s securities.
- **Rating Agency Strategy.** Morgan Stanley is well positioned to assist the City in rating agency preparation and strategy, as well as with investor outreach materials to supplement the bond

offering documents. Morgan Stanley's credit specialist, **Dennis Farrell**, will be an integral part of the team's preparation for discussions with the rating agencies and investors. Prior to joining Morgan Stanley, Dennis was head of Moody's Public Finance Department. Dennis will provide an "insider's perspective" with regard to credit issues the agencies will consider as well as ensure the City presents itself in the most effective manner to the ratings agencies.

**Strong Capital Position and Demonstrated Commitment of Capital.** As of the quarter ending December 31, 2013, the Firm reported \$203.8 billion of total capital, including \$5.6 billion of uncommitted excess net 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, and we have consistently demonstrated a willingness to commit capital in underwriting our clients' new issues. ***Morgan Stanley has willingly committed its own capital to complete an underwriting on 52 different transactions since January 1, 2012.***

**Premier Retail Distribution Network.** With 16,500 financial advisors in 604 offices, 5.6 million client accounts, \$1.5 trillion in assets under management, including \$161 billion of municipal securities, Morgan Stanley Wealth Management ("MSWM") is one of the largest retail distribution networks in the country. On June 28, 2013, Morgan Stanley completed the 100% acquisition of the Smith Barney retail network from Citi. Accordingly, all of Smith Barney is within the Morgan Stanley Private Wealth management network. MSWM has 56 offices in the State of Florida, with 1,368 financial advisors serving more than 391,941 client accounts with nearly \$118.8 billion of retail assets, including \$16 billion in municipal assets. ***MSWM's Broward County presence includes offices in Coral Springs and Fort Lauderdale with 68 financial advisors managing 18,478 accounts with \$5.9 billion of retail assets, including \$917.9 million in municipal assets.*** Currently, ***individual investors within Morgan Stanley Wealth Management hold over \$8,810,000 of the City's General Obligation bonds, roughly 10% of the City's outstanding GO bonds. In addition, MSWM accounts hold over \$13,445,000 of the City's Water and Sewer bonds.***

Morgan Stanley Wealth Management Florida Retail Offices



In addition, Morgan Stanley recently announced its ***strategic decision to combine its retail distribution system through MSWM and its institutional distribution system through the Firm's Institutional Securities Group into a single cost and revenue center***, thus solidifying the Firm's commitment to municipal finance and elevating service to all investor and issuer clients.

**Leading Underwriting Experience.** Morgan Stanley is a recognized leader in negotiated municipal financings and consistently ranks in the top underwriters of municipal debt nationally. ***Since January 1, 2010, Morgan Stanley has senior managed \$8.7 billion in 49 negotiated financings for issuers in Florida. Over the same period, the Firm has served as co-manager on \$19.5 billion in 122 negotiated financings for Florida issuers. Since January 1, 2010, Morgan Stanley has also won 4 competitive deals as senior manager for Florida issuers for a par amount of \$1.1 billion.*** Morgan Stanley is proud of its past service to Florida issuers, including ***Broward County, the City of Sunrise, the City of Cape Coral, Palm Beach County School Board, Orlando Utilities Commission, Lee County, Miami-Dade County School Board, and Miami-Dade County***, among others.

We appreciate the opportunity to present our proposal to serve as underwriter and thank you in advance for your consideration of our proposal. Please feel free to contact us should you have any questions or require any additional information.

Sincerely,

J.W. Howard  
Executive Director  
(954) 331-1595  
James.howard@morganstanley.com

Ilaria Fleischer  
Vice President  
(212) 761-1408  
Ilaria.fleischer@morganstanley.com

Gracie Smith  
Analyst  
(212) 761-9100  
Gracie.smith@morganstanley.com

## 5. Profile of Proposer

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a. State whether your organization is national, regional or local.

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Morgan Stanley & Co. LLC is a global financial services firm and is a nationally-recognized leader in negotiated municipal financings, consistently ranking in the top underwriters of municipal debt nationally. Morgan Stanley's Public Finance Division maintains offices in New York, Sunrise, Florida, Washington, D.C., Chicago, San Francisco, Puerto Rico, Houston, Portland, Los Angeles, and Denver.

In addition to our national and regional presence, ***Morgan Stanley maintains a local office within Broward County*** in Sunrise, Florida. ***J.W. Howard***, Executive Director and Lead Florida Coverage banker, leads Morgan Stanley's Sunrise office and would serve as the primary contact to the City. Mr. Howard has over 25 years of Florida financing experience, and stands ready to leverage his experience and the Firm's resources to best serve the City.

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b. State the location of the office from which your work is to be performed.

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Morgan Stanley would provide all services to the City from ***our offices in Sunrise, Florida, and New York, New York***. J.W. Howard, Morgan Stanley's primary contact to the City, is based in Sunrise, Florida and would be readily available to assist the City. Morgan Stanley would also provide underwriting and marketing services from our underwriting desk located in the Firm's global headquarters in New York, New York. ***Serving as a senior manager to the City would be a top priority of Morgan Stanley. Our Hollywood banking team, led by J.W. Howard, Executive Director, located locally in Florida, would be available when necessary to assist the City in achieving its financing goals and objectives.***

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c. Describe the firm, including the size, range of activities, etc. Particular emphasis should be given as to how the firm-wide experience and expertise in the area addressed by this Request for Proposal, will be brought to bear on the proposed work. Supply your firm's federal ID number and Dun and Bradstreet number.

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**Firm Overview.** Morgan Stanley & Co. LLC is a Delaware limited liability corporation (incorporated in 1969), and is a wholly-owned subsidiary of Morgan Stanley, a publicly traded corporation listed on the NYSE (symbol: MS). Morgan Stanley & Co. LLC provides the highest caliber of investment banking services to a large and diversified group of governmental and corporate clients. The Firm has leading market positions in our primary businesses – securities and investment management. The Firm's businesses include securities underwriting and distribution, financial advisory services including advice on mergers and acquisitions, restructurings, real estate, project finance, and commodities as well as market-making activities in equity and fixed income securities and related products. ***The Firm's Federal ID number is 20-8764829, and the Firm's Dun & Bradstreet number is 006987879.***

**Municipal Securities Division.** In contrast to several other major firms, Morgan Stanley aligns its municipal investment bankers, sales force, traders, short-term remarketing and capital markets groups in one cohesive organizational group under the umbrella of the Municipal Securities Division ("MSD"). The MSD is part of Morgan Stanley's Institutional Securities Fixed Income business unit. Municipal finance banking is organized into seven banking groups: Infrastructure, Housing, Public Utilities, Transportation, Student Loans, Health Care and Higher Education. The Firm currently employs 144 professionals in the Municipal Securities Division: 95 in the Public Finance Department and 49 in sales, trading, derivatives and underwriting. Our public finance bankers are located across the country with offices in New York, Sunrise, Florida,





Washington, D.C., Chicago, San Francisco, Puerto Rico, Houston, Portland, Los Angeles, and Denver.

Morgan Stanley is a recognized leader in negotiated municipal financings and consistently ranks in the top underwriters of municipal debt nationally. ***The Firm consistently ranks among the top senior underwriters of municipal debt, ranking #4 for 2009, 2010, 2011, 2012 and 2013. Since January 1, 2010, Morgan Stanley has senior managed \$148.7 billion in 880 negotiated financings for issuers nationwide, including \$8.7 billion in 49 senior managed negotiated financings for Florida issuers.*** Over the same period, the Firm has served as co-manager on \$329.2 billion in 1,378 negotiated financings, including \$19.5 billion in 122 Florida negotiated tax-exempt transactions.

**Distribution Capabilities.** Morgan Stanley has broad origination and distribution capabilities and a unique combination of sales networks reaching institutional and individual investors. As discussed previously, Morgan Stanley aligns its municipal investment bankers, salesforce, traders, short-term remarketing and capital markets groups in one cohesive organizational group under the umbrella of the Municipal Securities Division. The mission of our Municipal Securities Division since 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. The Municipal Securities Division is a fully integrated business in Morgan Stanley's worldwide Fixed Income Division, with connections within the Firm to all of the bond market sectors that foster close communication and cross-selling opportunities. The Municipal Securities Division sits within the Credit Products Group (Municipals, Corporate, Investment Grade, High Yield and Structured Products) of the Fixed Income Division. The synergy within the Municipal Securities Division allows for seamless transactional execution, setting the industry standard for delivering client-focused investment banking services.

**Capital Position.** Morgan Stanley maintains one of the largest and most liquid capital positions on Wall Street. As of the quarter ended December 31, 2013, the Firm reported \$203.8 billion of total capital, including \$70.8 billion in equity capital, \$7.2 billion in net capital and over \$5.6 billion in excess net capital.

Further illustrating our strong capital position, as of the quarter ended December 31, Morgan Stanley's Tier-1 Capital Ratio is the second highest among leading banks.

Regulators view Tier 1 capital ratio as the core measure of a bank's financial strength and the Firm has increased its Tier-1 capital ratio – measured as core equity capital to its total risk-weighted assets – from 12.7% to 15.7% since quarter ended August 31, 2008.

#### Morgan Stanley Capital Figures

FY 2008 through Q4 2013<sup>(1)</sup>

\$ MM	Q4 2013	2012	2011	2010	2009	2008
Total Capital <sup>(2)</sup>	203,791	206,377	211,201	222,757	213,974	192,297
Equity Capital	70,770	66,936	66,902	62,028	57,282	61,100
Net Capital <sup>(3)</sup>	7,201	7,820	8,249	7,463	7,854	8,283
Uncommitted (Excess Net) Capital <sup>(3)</sup>	5,627	6,453	7,215	6,355	6,758	6,049

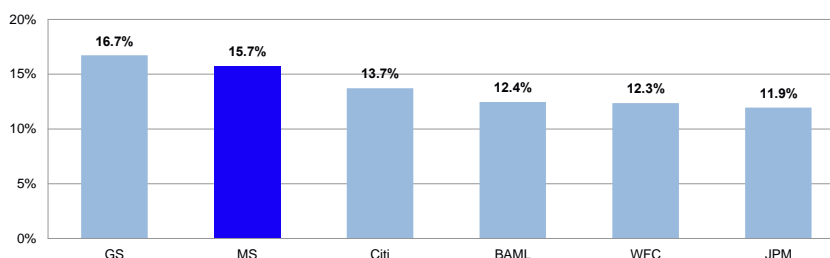
(1) Data as of the Quarter ended December 31, 2013

(2) Excludes the current portion of long-term borrowings and includes junior subordinated debt issued to capital trusts

(3) Morgan Stanley & Co. LLC only

#### Industry-Leading Financial Strength

Tier 1 Capital Ratio as of the Quarter Ended December 31, 2013



d. Provide, in chart form, a listing of retail and institutional sales experience by type of debt (General Obligation Water and Sewer, etc.) for which your firm served as Senior or Co-Manager on bond issues in the State of Florida since 2010. Include role, date of issue, issue name, issue size, TIC, gross spread, and the components of the gross spread.

Morgan Stanley is a recognized leader in negotiated and competitive municipal financings and consistently ranks in the top underwriters of municipal debt nationally, **ranking #4 in negotiated financings nationally since 2009**. Since January 1, 2010, Morgan Stanley has senior managed \$8.7 billion in 49 negotiated financings for issuers in Florida. Over the same period, the Firm has served as co-manager on \$19.5 billion in 122 negotiated financings for Florida issuers. Since January 1, 2010, Morgan Stanley has also won 4 competitive deals as senior manager for Florida issuers for a par amount of \$1.1 billion.

Morgan Stanley's experience serving municipal issuers covers all types of transactions, including fixed-rate, variable-rate (including variable-rate demand bonds, index bonds and commercial paper), taxable, AMT and non-AMT financings, revenue-backed, tax-backed and special facility transactions. In addition, **Morgan Stanley ranks as the #2 underwriter for water and sewer financings in the State of Florida since January 1, 2011**, having senior managed \$801.7 million in transactions for the City of Cape Coral, the City of Sunrise, Lee County, OUC, and Miami-Dade County. **Morgan Stanley also ranks as the #3 underwriter for water and sewer financings nationally between 2008 and 2013**, having senior managed 122 transactions for a total par amount of \$15.6 billion.

A chart summary of the Firm's financing experience in Florida including the requested information is provided on the following pages.

#### Florida Financing Experience

January 1, 2010 – Present

	Par (\$MM)	# of Transactions
<i>Negotiated</i>		
Senior Managed	\$8,712.4	49
Co-Managed	<u>19,482.1</u>	<u>122</u>
<b>Total</b>	<b>\$28,194.5</b>	<b>171</b>
<i>Competitive</i>		
Senior Managed	\$1,065.6	9
Co-Managed	<u>266.5</u>	<u>7</u>
<b>Total</b>	<b>\$1,332.1</b>	<b>16</b>
<i>Water and Sewer</i>		
Senior Managed	\$801.7	4
Co-Managed	<u>52.5</u>	<u>14</u>
<b>Total</b>	<b>\$854.2</b>	<b>28</b>

#### National Financing Experience

January 1, 2010 – Present

	Par (\$MM)	# of Transactions
<i>Negotiated</i>		
Senior Managed	\$148,705.3	880
Co-Managed	<u>329,205.4</u>	<u>1,378</u>
<b>Total</b>	<b>\$477,910.7</b>	<b>2,258</b>
<i>Competitive</i>		
Senior Managed	\$44,995.2	456
Co-Managed	<u>4,928.0</u>	<u>342</u>
<b>Total</b>	<b>\$49,923.2</b>	<b>798</b>
<i>Water and Sewer</i>		
Senior Managed	\$12,202.1	127
Co-Managed	<u>30,108.6</u>	<u>169</u>
<b>Total</b>	<b>\$42,310.7</b>	<b>296</b>



**Morgan Stanley Florida Underwriting Experience**

January 1, 2010 - 2014YTD

Issuer	Issue Description	Issue Size (\$MM)	Sale Date	TIC*	Takedown	Expenses	Mgmt Fee	Gross Spread	Morgan Stanley Role
City of Orlando, Florida	Contract TDT Payments Revenue Bonds, Series 2014A	236.3	3/27/14		2.0000	-	0.0000	2.0000	Co
Florida State BOE	Public Ed Cap Outlay Ref Bonds, Series 2014A	108.8	3/20/14	2.42					Senior
Florida State BOE	Lottery Revenue Refunding Bonds, Series 2014A	186.2	2/19/14	2.16					Senior
SSGFC Miami-Dade County Program	Multimodal Revenue Bonds, Series 2011B-1 and 2011C-1	57.0	2/5/14		2.5000	0.3041	0.0000	2.8041	Senior
SSGFC Miami-Dade County Program	Multimodal Revenue Bonds, Series 2010A-1 and 2010B-1	126.0	12/6/13		2.5000	0.3204	0.0000	2.8204	Co
SSGFC Miami-Dade County Program	Dormitory Revenue Bonds, Series 2013A	24.8	11/20/13	3.351					Co
Hillsborough County Aviation Authority, Florida	Florida Forever Rev Ref Bonds, Series 2012A	168.9	10/16/13		2.2282	0.5038	0.0000	2.7320	Co
Broward County, Florida	Airport System Revenue Bonds, Series 2013ABC	431.7	10/9/13		4.2479	0.3270	0.0000	4.5748	Co
Miami-Dade Co-Florida	Cap Asset Acq Special Oblig Bonds, Series 2013A	76.3	9/12/13	4.34					Senior
Miami-Dade County, Florida	Seaport Revenue and Refunding Bonds, Series 2013ABCD	382.7	9/10/13		4.9182	0.2149	0.0000	4.7034	Co
Reedy Creek Improvement District	Ad Valorem Tax Bonds, Series 2013AB	385.9	8/15/13		3.2645	0.2989	0.0000	3.5634	Co
Florida Board of Governors	Student Activity Revenue Bonds, Series 2013A	41.5	8/13/13	3.927					Co
Florida Board of Governors	Dormitory Revenue Bonds, Series 2013A	42.5	7/30/13	3.989					Co
Miami-Dade County, Florida	Water and Sewer Revenue and Revenue Refunding Bonds, Series 2013AB	492.7	7/18/13		5.0000	0.2060	0.0000	5.2060	Senior
Lee County, Florida	Water and Sewer Revenue Bonds, Series 2013	93.2	7/16/13		1.4716	0.3042	0.0000	1.7758	Co
Miami-Dade Co SD	TANs	250.0	7/16/13						Sole
Hernando County, Florida	Water and Sewer Refunding Revenue Bonds, Series 2013A	36.2	6/6/13		4.2309	0.4244	0.0000	4.6553	Co
Reedy Creek Improvement District	Utilities Revenue Refunding Bonds, Series 2013-1	54.9	5/30/13		2.5000	-	0.0000	2.5000	Co
Florida Gulf Coast Univ Fin Corp	Capital Improvement Rev Bonds, Series 2013A	30.0	5/29/13	4.226					Co
Florida Hurricane Catastrophe Fund Financing Corp	Revenue Bonds, Series 2013A	2,000.0	4/10/13		3.4375	0.0381	0.0000	3.4756	Co
Miami-Dade County Expressway Authority	Toll System Refunding Revenue Bonds, Series 2013A	270.2	3/21/13		4.7084	0.2665	0.0000	4.9750	Co
School Board of Miami-Dade County, Florida	Certificates of Participation, Series 2013AB	76.4	3/21/13		5.0000	0.5248	0.0000	5.5248	Senior
Florida Board of Governors	Parking Facility Revenue Bonds, Series 2013A	21.5	2/14/13	2.609					Co
Tampa Bay Water	Utility System Revenue Bonds, Series 2013	75.3	1/31/13		5.0000	0.4596	0.0000	5.4596	Co
Sunshine State Governmental Financing Commission	Callable Commercial Paper Revenue Notes, Series H (Orlando Program)	50.0	1/22/13						Dealer
Orlando-Orange County Expressway Authority	Refunding Revenue Bonds, Series 2013B	174.3	12/13/12		4.5658	0.2413	0.0000	4.8072	Co
City of North Miami Beach, Florida	Water Revenue Refunding Bonds, Series 2012	56.1	12/13/12		2.1564	0.3773	0.0000	2.5337	Co
Tampa-Hillsborough County Expressway Authority	Refunding Revenue Bonds, Series 2012ABCD	334.2	12/12/12		4.8837	0.2189	0.0000	5.1026	Co
Tampa-Hillsborough County Expressway Authority	Refunding Revenue Bonds, Series 2012CD (Taxable)	110.5	12/12/12		4.8837	0.2189	0.0000	5.1026	Co
Florida Board of Governors	Revenue Refunding Bonds, Series 2012	11.9	12/5/12	2.41					Senior
Town of Davie, Florida	Water and Sewer Revenue Bonds, Series 2012	28.2	11/19/12		4.3680	0.7209	0.0000	5.0889	Co
Orlando-Orange County Expressway Authority	Refunding Revenue Bonds, Series 2013A (Forward Delivery)	242.3	11/15/12		5.0000	0.2622	0.0000	5.2622	Co
Broward County, Florida	Airport System Revenue Bonds, Series 2012Q	621.3	9/19/12		4.6933	0.1775	0.0000	4.8708	Co-Senior
City of Fort Lauderdale, Florida	Taxable Special Obligation Bonds, Series 2012 (Pension Funding Project)	337.8	9/19/12		1.8477	0.1770	0.0000	2.0247	Co
Palm Beach Co SD	TANs, Series 2012	115.0	9/19/12						Sole
Orange Co-Florida	Sales Tax Revenue Refunding Bonds, Series 2012	96.2	9/6/12	1.966					Co
City of West Palm Beach	Utility System Revenue Refunding Bonds, Series 2012A	43.0	9/5/12		2.2582	0.4041	0.0000	2.6623	Co
School Board of Palm Beach County, Florida	Certificates of Participation, Series 2012C	67.1	8/9/12		4.4759	1.0050	0.0000	5.4809	Co
Lee County, Florida	Water and Sewer Refunding Revenue Bonds, Series 2012AB	27.5	8/8/12		3.2500	0.7264	0.0000	3.9764	Sole
City of Jacksonville, Florida	Better Jacksonville Sales Tax Refunding Rev Bonds, Series 2012A	114.9	8/1/12		5.0000	0.7373	0.0000	5.7373	Co
Miami-Dade County, Florida	Transit System Sales Surtax Revenue Bonds, Series 2012	537.2	7/19/12		4.8836	0.2091	0.0000	5.0927	Co
Orlando Utilities Commission	Utility System Revenue Refunding Bonds, Series 2012A	52.9	7/11/12		3.7201	0.8068	0.0000	4.5269	Senior
Florida Dept of Environ Protect	Florida Forever Rev Ref Bonds, Series 2012A	156.6	6/20/12	2.149					Senior
Citizens Property Insurance Corporation	PLA/CLA Senior Secured Bonds, Series 2012A-1, 2 & 3	1,500.0	6/12/12		3.8542	0.2037	0.0000	4.0578	Co-Senior
State of Ohio	Development Assistance Bond Anticipation Notes, Series 2012ABC	79.0	5/24/12		1.0000	0.6654	0.0000	1.6654	Sole
State of Ohio	Revitalization Project Bond Anticipation Notes, Series 2012AB	115.0	5/24/12		1.0000	0.5949	0.0000	1.5949	Sole
School Board of Miami-Dade County, Florida	Certificates of Participation, Series 2012A	149.4	5/23/12		4.2242	0.2566	0.0000	4.4808	Co
School Board of Miami-Dade County, Florida	Certificates of Participation, Series 2012B-1&2	29.4	5/23/12		4.0308	0.2583	0.0000	4.2891	Co
Broward County, Florida	Airport System Revenue Refunding Bonds, Series 2012P	309.9	5/16/12		3.9150	0.2938	0.0000	4.2088	Co-Senior
City of Huntsville, Alabama	GO Refunding and Capital Improvement Warrants Series 2010A	56.3	4/19/12		3.7598	0.0000	0.0000	3.7598	Co
School Board of Broward County, Florida	Certificates of Participation, Series 2012A	270.7	4/4/12		4.2975	0.4262	0.0000	4.7237	Co
School Board of Palm Beach County, Florida	Certificates of Participation, Series 2012A	20.1	4/3/12		5.0000	2.2459	0.0000	7.2459	Sole
City of Jacksonville, Florida	Transportation Refunding Revenue Bonds, Series 2012AB	209.4	3/21/12		4.7086	0.3708	0.0000	5.0793	Co
City of Jacksonville, Florida	Better Jacksonville Sales Tax Refunding Rev Bonds, Series 2012	280.1	3/21/12		5.0000	0.3671	0.0000	5.3671	Co
Broward County, Florida	Water and Sewer Utility Revenue Bonds, Series 2012AB (Tax-Exempt)	251.5	3/8/12		4.3922	0.1962	0.0000	4.5884	Co-Senior
Broward County, Florida	Water and Sewer Utility Revenue Bonds, Series 2012C (Taxable)	47.7	3/8/12		3.6057	0.1962	0.0000	3.8020	Co-Senior
Florida Dept of Education	Capital Improvement Rev Bonds, Series 1012A	10.0	2/22/12	3.2					Co
City of Miami Beach, Florida	Stormwater Revenue and Revenue Refunding Bonds, Ser 2011AB	78.7	11/17/11		5.5269	0.6512	0.0000	6.1781	Co
Broward County, Florida	Port Facilities Refunding Revenue Bonds, Series 2011A	113.1	11/9/11		4.8109	0.2655	0.0000	5.0764	Co
Broward County, Florida	Port Facilities Refunding Revenue Bonds, Series 2011C (Taxable)	54.2	11/9/11		4.2263	0.2655	0.0000	4.4918	Co
City of Cape Coral, Florida	Water and Sewer Refunding Revenue Bonds, Series 2011A	106.6	11/9/11		4.7496	0.3217	0.0000	5.0713	Senior
Solid Waste Authority of Palm Beach County	Refunding Revenue Bonds, Series 2011	599.9	10/5/11		4.7800	0.2623	0.4000	5.4423	Co
Town of Davie, Florida	Water and Sewer Revenue Bonds, Series 2011	49.9	9/28/11		4.6000	0.4900	0.0000	5.0900	Co
Greater Orlando Aviation Authority	Airport Facilities Refunding Revenue Bonds, Series 2011C (Non-AMT)	40.4	9/27/11		4.7900	0.4200	0.0000	5.2100	Co
Greater Orlando Aviation Authority	Airport Facilities Refunding Revenue Bonds, Series 2011D (Taxable)	67.9	9/27/11		4.9000	0.4200	0.0000	5.3200	Co
City of Cape Coral, Florida	Water and Sewer Refunding Revenue Bonds, Series 2011	175.0	9/7/11		4.8318	0.2445	0.0000	5.0763	Senior
City of Tampa, Florida	Water and Sewer Systems Impt and Ref Rev Bonds, Ser 2011	121.1	8/30/11		4.8961	0.7324	0.0000	5.6285	Co
Citizens Property Insurance Corporation	Coastal Account Sr Secured Bonds	105.0	6/30/11						Lead
Citizens Property Insurance Corporation	Coastal Account Sr Secured Bonds	150.0	6/30/11						Lead
Citizens Property Insurance Corporation	Coastal Account Sr Secured Bonds	645.0	6/30/11						Lead
Tampa Bay Water	Utility System Refunding Revenue Bonds, Series 2011A	140.6	7/18/11		4.9640	0.2683	0.0000	5.2323	Co-Senior
Tampa Bay Water	Utility System Refunding Revenue Bonds, Series 2011B	148.9	7/18/11		4.9772	0.2762	0.0000	5.2534	Co-Senior
Citizens Property Insurance Corporation	Senior Secured Bonds, Series 2011A-1, A-2 (S-T Notes) & A-3 (SIFMA)	900.0	6/29/11		3.9347	0.2542	0.0000	4.1889	Co-Senior
School Board of Palm Beach County, Florida	Certificates of Participation, Series 2011A	112.4	6/15/11		5.0000	0.8840	0.0000	5.8840	Senior
School District of Broward County, Florida	Refunding Certificates of Participation, Series 2011A	175.5	5/20/11		4.8860	0.6483	0.0000	5.5343	Co
Florida Ports Financing Commission	Refunding Revenue Bonds, Series 2011AB (State Transportation Trust Func	152.3	5/11/11		4.6683	0.6870	1.0000	6.3553	Co
Florida Ports Financing Commission	Refunding Revenue Bonds, Series 2011AB (Intermodal Program)	115.6	5/11/11		4.6713	0.7143	1.0000	6.3856	Co
Sunshine State Governmental Financing Commission	Revenue Bonds, Series 2011C	28.5	4/13/11		1.0000	0.1649	0.0000	1.1649	Sole RA

**Morgan Stanley Florida Underwriting Experience**

January 1, 2010 - 2014YTD

Issuer	Issue Description	Issue Size		Takedown	Expenses	Mgmt Fee	Gross Spread	Morgan Stanley Role
		(\$MM)	Sale Date TIC*					
Lee County, Florida	Water & Sewer Refunding Revenue Bonds, Series 2011	74.9	3/29/11	4.4109	0.3102	0.0000	4.7211	Co
Sunshine State Governmental Financing Commission	Revenue Bonds, Series 2011A	247.6	3/29/11	3.7762	0.2211	0.0000	3.9973	Joint Book
The School Board of Miami-Dade County	Certificates of Participation, Series 2011A	139.1	3/10/11	4.8055	0.1927	0.0000	4.9982	Co
The School Board of Miami-Dade County	Certificates of Participation, Series 2011B	137.7	3/10/11	4.8055	0.1927	0.0000	4.9982	Co
Orlando-Orange County Expressway Authority	Revenue Bonds, Series 2010C	283.6	11/10/10	5.0000	0.2118	0.0000	5.2118	Co
City of Sunrise, Florida	Utility System Revenue Bonds, Series 2010A&C	20.0	9/2/10	5.0000	0.8971		5.8971	Lead
City of Sunrise, Florida	Utility System Revenue Bonds, Series 2010B	93.9	9/2/10	6.2500	0.3054	0.0000	6.5554	Lead
Miami-Dade County, Florida	Transit System Sales Surtax Revenue Bonds, Series 2010B (BABs)	187.6	8/25/10	5.8522				Co
Miami-Dade County, Florida	Transit System Sales Surtax Revenue Bonds, Series 2010A	29.7	8/24/10	4.5785				Co
Florida State BOE	Lottery Revenue Refunding Bonds, Series 2010D	109.8	8/11/10	1.876				Sole
Miami-Dade County Expressway Authority	Toll System Revenue Bonds, Series 2010	412.7	8/3/10	4.6844	0.3227			Co
Town of Davie, Florida	Taxable Water and Sewer Bonds, Ser 2010B	46.2	7/29/10	6.2500	0.3400		6.5900	Co
City of Tampa, Florida	Solid Waste System Refunding Revenue Bonds, Ser 2010	90.7	7/28/10	5.1394	0.6442		5.7836	Co-Senior
The School Board of Broward County, Florida	Certificates of Participation, Series 2010A (QSCBs)	51.6	7/23/10	6.2500	1.2916		7.5416	Co
Miami-Dade County, Florida	Aviation Revenue Bonds, Ser 2010B	503.0	7/21/10	4.9647	0.2525		5.4458	Co
Sunshine State Governmental Financing Commission	TECP, Series H	25.0	7/8/10					Sole
Orlando-Orange County Expressway Authority	Refunding Revenue Bonds, Series 2010B	201.1	6/16/10	4.6873	0.0000	0.0000		Co
Miami-Dade County School Board	Ser 2010A (QSCB) and Ser 2010B (BABs)	124.3	6/10/10	5.5000				Co
Sunshine State Governmental Financing Commission	CP Rev Notes, Series L	50.0	6/9/10					Sole
Florida Hurricane Catastrophe Fund Financing Corp	Rev Bonds, Ser 2010A	675.9	5/13/10	4.0000	0.1046		4.1046	Co
Orlando Community Redevelopment Agency	Tax Increment Rev Bonds, Ser 2010A	4.8	4/6/10	3.7500				Co-Senior
Orlando Community Redevelopment Agency	Tax Increment Rev Bonds, Ser 2010B (BABs)	71.4	4/6/10	6.1058				Co-Senior
Florida Citizens Prop Ins Corp	High-Risk Acct Sr Secured Bonds	350.0	3/24/10					Lead
Florida Citizens Prop Ins Corp	High-Risk Acct Sr Secured Bonds	500.0	3/24/10					Lead
Florida Citizens Prop Ins Corp	High-Risk Acct Sr Secured Bonds	1,550.0	3/24/10					Lead
State of Florida State Board of Education	Lottery Revenue Bonds, Series 2010A and C (Tax-Exempt)	289.6	2/25/10	3.7866	0.1080		3.8945	Co
State of Florida State Board of Education	Lottery Revenue Bonds, Series 2010B (BABs)	115.0	2/25/10	5.6856	0.1080		5.7936	Co
Miami-Dade Co-Florida	GO Double-Barreled Aviation Bonds	239.8	2/10/10					Lead
Miami-Dade Co-Florida	General Obligation Bonds	51.0	1/27/10					Sole
Miami-Dade Co-Florida	General Obligation Bonds, Series 2010A	51.0	1/27/10	4.574				Sole
Jacksonville Electric Authority	Water and Sewer System Rev Bonds	24.2	1/14/10					Co
Jacksonville Electric Authority	Water and Sewer System Rev Bonds	45.8	1/14/10					Co
Jacksonville Electric Authority	Water and Sewer System Rev Bonds	83.1	1/14/10					Co
Miami-Dade Co-Florida	Aviation Revenue Bonds	600.0	1/14/10					Co
Florida Dept of Environ Protect	Forever Revenue Bonds	174.6	1/7/10					Co
Florida Dept of Environ Protect	Forever Revenue & Refunding Bonds	175.3	1/7/10					Co
	<b>Total Water and Sewer Debt</b>	<b>854.2</b>						
	<b>Total General Obligation Debt</b>	<b>102.0</b>						
	<b>Total Senior Managed Negotiated Debt</b>	<b>8,712.4</b>						
	<b>Total Co-Managed Negotiated Debt</b>	<b>19,482.1</b>						
	<b>Total Senior Managed Competitive Debt</b>	<b>1,065.6</b>						
	<b>Total Co-Managed Competitive Debt</b>	<b>266.5</b>						
	Water and Sewer Debt							
	General Obligation Debt							

\* TIC statistic available for competitive issues only

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e. Have you been involved in litigation within the last five (5) years or is there any pending litigation arising out of your performance? Provide details on any active SEC investigations of your firm.

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Morgan Stanley & Co. LLC (“MS&Co.”) is a wholly-owned subsidiary of Morgan Stanley (“MS”), a Delaware holding company. MS files periodic reports with the Securities and Exchange Commission as required by the Securities Exchange Act of 1934, which include current descriptions of material litigation and material proceedings and investigations, if any, by governmental and/or regulatory agencies or self-regulatory organizations concerning MS and its subsidiaries, including MS&Co. As a consolidated subsidiary of MS, MS&Co. does not file its own periodic reports with the SEC. As a result, please see the “Legal Proceedings” section of MS’s SEC 10-K filings for 2008-2013 describing certain developments in certain legal proceedings. Morgan Stanley’s SEC filings can be found at [https://www.morganstanley.com/about/ir/sec\\_filings.html](https://www.morganstanley.com/about/ir/sec_filings.html).

In addition to the matters described here, in the normal course of business, each of MS and MS&Co. has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions, and other litigation, arising in connection with its activities as a global diversified financial services institution. Certain of the legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the issuers that would otherwise be the primary defendants in such cases are bankrupt or otherwise in financial distress.

MS and MS&Co. is also involved, from time to time, in investigations and proceedings by governmental and/or regulatory agencies or self-regulatory organizations, certain of which may result in adverse judgments, fines or penalties. The number of these investigations and proceedings has increased in recent years with regard to many financial services institutions, including MS and MS&Co. The investigating agencies have included, among others, the Securities and Exchange Commission and the New Jersey Attorney General. In many cases, the investigating agencies do not reveal the target or subject of the investigation and request details of the investigation to be kept confidential.

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





## 6. Summary of Proposer's Qualifications.

- a. Identify the project manager and each individual who will work as part of the engagement. Include resumes for each person to be assigned. The resumes may be included as an appendix.
- b. Describe the experience in conducting similar projects for each of the consultants assigned to the engagement. Describe the relevant educational background of each individual.
- c. Describe the organization of the proposed project team, detailing the level of involvement, field of expertise and estimated hours for each member of the team.
- d. Describe what municipal staff support you anticipate for the project.

Morgan Stanley has assembled an experienced financing team that brings together veteran professionals with significant experience in Florida municipal finance and a wide range of expertise, including utility, transportation, port, water and sewer, parking facilities and other revenue credits, complex quantitative structuring and municipal credit. **J.W. Howard (50% of time spent)**, Executive Director and Lead Florida Coverage Banker, will serve as lead banker and primary contact to the City. **Safdar Mirza (25% of time spent)**, Executive Director, will lead the quantitative analysis for the City's transactions. **Ilaria Fleischer (50% of time spent)**, Vice President, and **Gracie Smith (50% of time spent)**, Analyst, will assist with ongoing coverage of the City and will provide deal execution and quantitative support for the City's financings.

**J.W. Howard**  
*Executive Director*  
1560 Sawgrass Corp Pkwy  
Suite 479  
Sunrise, FL 33323

Morgan Stanley  
tel 954 331-1595  
fax 212 507-1619

[James.Howard@morganstanley.com](mailto:James.Howard@morganstanley.com)

As a financing progresses, the Public Finance banking team will work closely with various members of our municipal syndicate desk, salesforce and credit strategy experts. **Glen Balanoff**, Executive Director, and **Luke Hale**, Executive Director, will manage marketing, pricing and underwriting of the City's fixed-rate bonds (**10% of time spent**). **Dennis Farrell (10% of time spent)**, Executive Director and Head of Municipal Credit, will assist and advise the City on all credit-related issues, including position of the City's credits with rating agencies. **Tom Keays (10% of time spent)**, Executive Director and Municipal Credit Research Manager, will work with the syndicate and banking teams to interface with all investors and coordinate any investor conversations with the City as the financing gets closer to pricing. **Nigel Key (10% of time spent)**, Managing Director and Municipal Product and Sales Manager, will be responsible for coordinating marketing and distribution of the City's securities to the Firm's institutional clients and Dan McCormick, Executive Director (**10% of time spent**) and Retail Sales Manager, will head the retail sales and marketing.

**J.W. Howard, Executive Director and Lead Florida Coverage Banker (Sunrise, FL).** Mr. Howard will serve as lead banker and primary contact to the City throughout the transaction. Mr. Howard has 24 years of experience in municipal securities, with over \$35 billion of underwriting assignments for a wide range of Florida issuers and credits, including special assessment, tax increment, general infrastructure (General Obligation and Sales Tax), schools districts, housing water and sewer, storm water and transportation. Mr. Howard's extensive Florida financing experience includes serving as senior manager for **Miami-Dade County's** \$492.7 million Water and Sewer Revenue and Refunding Bond Series 2013AB transaction, **Jacksonville Port Authority's** \$87.4 million Revenue and Refunding Bond Series 2012 transaction, **Lee County's** \$27.5 million Water and Sewer Revenue Refunding Bonds Series 2012AB transaction, the **City of Cape Coral's** \$106.5 million Water and Sewer Revenue Refunding Bond Series 2011A transaction, and the **City of Sunrise's** \$118.6 million Utility System Revenue Bond Series 2010ABC. Mr. Howard also served as senior manager to the **Orlando Utilities Commission** for its \$52.9 million Utility System Revenue Refunding Bond Series 2012A transaction. Mr. Howard has also senior managed deals for Broward County, Hillsborough County, the School Districts of



Palm Beach, Broward, and Miami-Dade Counties, the Cities of Cape Coral, West Palm Beach, Riviera Beach, Boynton Beach, Delray Beach, City of Sunrise, Miami Beach, and Tampa Bay Water. Mr. Howard is a graduate of Stetson University.

### **Quantitative Analysis**

#### **Safdar Mirza, Executive Director (New York, NY).**

Mr. Mirza, who has been with Morgan Stanley for nine years, is one of the Municipal Securities Division's lead quantitative bankers and has over \$9.5 billion of municipal financing experience. Prior to joining Morgan Stanley, Mr. Mirza worked at Public Financial Management, where he served state, county and authority clients on a variety of financings. Florida clients for which Mr. Mirza has executed financings include the Lee, Miami-Dade, Polk and Palm Beach Counties, the cities of Cape Coral, Sunrise and Miami and the Palm Beach County School District. He has also provided analytical support on transactions for JEA, Miami-Dade Aviation Authority, University of Miami and University of Central Florida. Mr. Mirza received his B.A. from U.C. Berkeley in Economics.

**Ilaria Fleischer, Vice President (New York, NY).** Ms. Fleischer has over 11 years of experience within Morgan Stanley's Fixed Income Division. Prior to joining Morgan Stanley's Public Finance Department, she was representing banks, hedge funds, and other financial institutions on their portfolios of bonds, loans, trade claims and other financial products. She currently provides coverage to municipal issuers in Florida, Pennsylvania, Texas, Missouri, and the District of Columbia. Ms. Fleischer received a B.A. in Politics, Philosophy, and Economics from the University of Pennsylvania.

**Gracie Smith, Analyst (New York, NY).** Ms. Smith recently joined Morgan Stanley's Public Finance Department as an Infrastructure analyst and supports municipal clients in Florida and across the Southeast with their analytic and deal execution needs. Prior to joining Morgan Stanley, Ms. Smith served as a member of Teach For America in Memphis, as a policy fellow with the Memphis City Council and as a legislative intern in the U.S. Senate. Ms. Smith graduated Phi Beta Kappa and magna cum laude from Vanderbilt University in 2011 with a B.A. in Public Policy Studies.

### **Long-Term Underwriting**

Morgan Stanley's municipal underwriting team coordinates all tax-exempt transactions for Morgan Stanley and is led by Brian Wynne, who has over 26 years of syndicate, sales and trading experience. Brian and his team, located in New York, New York, would be the ultimate decision makers within Morgan Stanley about pricing recommendations and capital commitment. The underwriting team would also liaise with the institutional sales desk located just a few feet away, as well as the Firm's extensive national retail and wealth management network, Morgan Stanley Wealth Management.

**Brian Wynne, Managing Director, Head of Long-Term Syndicate and Co-Head of Public Finance (New York, NY).** Mr. Wynne has been an underwriter for Morgan Stanley since 1989, having more than 26 years of syndicate, sales, and trading experience. In addition to serving as co-head of the Firm's Public Finance Department, Mr. Wynne runs the Long-Term Syndicate Desk and is

#### **J.W. Howard Florida Water & Sewer Financing Experience**

Sale Date	Issuer	Issue Description	Par (\$MM)	Series	Firm
07/19/13	Miami-Dade Co-Florida	Water & Sewer Sys Rev & Ref Bonds	492.665	Series 2013 A & B	Morgan Stanley
08/09/12	Lee Co-Florida	Water & Sewer Refunding Rev Bonds	27.480	Series 2012 A & B	Morgan Stanley
11/09/11	Cape Coral City-Florida	Water & Sewer Refunding Rev Bonds	106.560	Series 2011 A	Morgan Stanley
09/08/11	Cape Coral City-Florida	Water & Sewer Ref Revenue Bonds	175.000	Series 2011	Morgan Stanley
10/21/10	Jacksonville Electric Authority	Water & Sewer Sys Sub & Rev Bonds	73.760	Series 2010 B & E	Morgan Stanley
09/02/10	Sunrise City-Florida	Utility Sys Rev & Rev Ref Bonds	24.700	Series 2010 A & C	Morgan Stanley
05/04/06	South Indian River Water Cen Dt	Special Assessment Rev Imp Bonds	18.600	Series 2006 A & B	Bear Stearns & Co
12/14/05	Indian Trail Improvement Dt	Water Control & Imp Ref Bonds	9.920	Series 2005	Bear Stearns & Co
08/05/05	City of Boynton Beach	Util Sys Rev Ref Bonds	13.220	Series 2005	Bear Stearns & Co
04/13/05	West Palm Beach City-Florida	Util Sys Var Rate Rev Ref Bonds	53.325	Series 2005	Bear Stearns & Co
03/15/05	Jacksonville Electric Authority	Water & Sewer Sys Sub Rev Bonds	277.530	2005 Series A	Bear Stearns & Co
02/17/05	Tampa Bay Water Auth	Utility Sys Ref & Imp Rev Bonds	174.965	Series 2005	Bear Stearns & Co
09/15/04	Riviera Beach City Util Spec Dt	Water & Sewer Revenue Bonds	31.495	Series 2004	Bear Stearns & Co
07/28/04	West Palm Beach City-Florida	Utility System Revenue Bonds	47.955	Series 2004	Bear Stearns & Co
06/25/03	Delray Beach City-Florida	Water and Sewer Revenue Bonds	11.670	Series 2003	Bear Stearns & Co
06/20/03	Hillsborough Co-Florida	Refunding Utility Revenue Bonds	50.440	Series 2003	Bear Stearns & Co
12/13/02	Delray Beach City-Florida	Utilities Tax Rev Ref Bonds	15.020	Series 2002	Bear Stearns & Co
08/31/00	City of Miami Beach	Water & Sewer Rev Bonds	54.310	Series 2000	RBC (FA)
09/24/99	Tampa Bay Water Auth	Util Sys Rev Bonds	372.761	Series 1999	RBC (FA)
09/17/98	Tampa Bay Water Auth	Util Sys Rev Bonds	372.250	Series 1998 A&B	RBC (FA)
Total Experience:			2,403.626		



responsible for underwriting a wide variety of issues for our municipal clients. Mr. Wynne has worked with the Firm's largest municipal clients in issuing debt in both the tax-exempt and taxable market and in executing Private/Public Partnerships, Mergers and Acquisitions, Tenders and Debt IPOs. Mr. Wynne is also a board member of the Municipal Securities Rulemaking Board (MSRB). He has experience with revenue bond, general obligation, state appropriation, corporate-related, forward delivery and refunding issues for many issuers of municipal debt. Mr. Wynne's recent Florida experience includes financings for Miami-Dade, Broward and Lee Counties, Cities of Sunrise and Cape Coral, Citizens Property Insurance Corporation and Florida Municipal Power Agency. He has also worked at Alex, Brown and Salomon Brothers. Mr. Wynne received his B.S. from Fordham University.

**Glen Balanoff, Executive Director (New York, NY).** Mr. Balanoff first joined Morgan Stanley in 2001 after more than 18 years of experience at another financial services firm in sales, trading, and underwriting, including experience in both the competitive and negotiated markets. He has served as lead underwriter for numerous general obligation and revenue bond issuers such as water and sewer, housing revenue, general aviation and port issuers, general transportation, health care, corporate, public power, higher education bond issuers. Mr. Balanoff's recent financing experience includes a \$492.7 million Water and Sewer System revenue bond transaction for Miami-Dade County in July 2013, a \$214.7 million Half-Cent Sales Tax Revenue Bond transaction for Broward County in June 2010, and a \$118.6 million Utility System Revenue Bond transaction for the City of Sunrise in September 2010. Mr. Balanoff has served as lead underwriter for a number of other issuers nationwide, including the Ohio Building Authority, the Indiana Finance Authority, the Dormitory Authority of the State of New York, the Mississippi Development Bank and the Commonwealth Finance Authority (PA). Mr. Balanoff is a CPA and holds a B.S. from the University of Buffalo.

**Luke Hale, Executive Director (New York, NY).** Mr. Hale joined Morgan Stanley in 2000 and has spent the last four years on the Long-Term Syndicate desk. In that role, Mr. Hale has extensive experience pricing transactions for municipal issuers across the spectrum of sectors and credits. Mr. Hale's Florida experience includes underwritings for the School Board of Miami-Dade County, Lee County, the City of Cape Coral, the School Board of Palm Beach County and the Orlando Utilities Commission. Prior to joining the Long-Term Syndicate Desk, Mr. Hale spent eight years as a Public Finance banker in Morgan Stanley's San Francisco and New York offices. Mr. Hale has an undergraduate degree from Connecticut College.

#### **Credit Expertise**

**Dennis Farrell, Executive Director, Head of Credit Products Group (New York, NY).** Mr. Farrell has over 29 years of credit experience in all major sectors. Prior to joining Morgan Stanley, Mr. Farrell was the Managing Director for the Public Finance Group of Moody's Investors Service. Given his experience and expertise, Mr. Farrell provides assistance with all rating agency matters and "behind the scenes" perspectives on the rating process that is invaluable as we position our clients for the most favorable rating results. As head of the municipal department for Moody's, Mr. Farrell managed 135 analysts and other professionals covering over 100,000 governments and not-for-profit issuers throughout the U.S. and its territories. Mr. Farrell was responsible for the development of the credit policies and procedures that are currently employed by Moody's public finance analysts. In conjunction with establishing these standards, Mr. Farrell oversaw the development and use by Moody's analysts of Moody's Financial Ratio Analysis (MFRA) and Moody's Quantitative Ratings Estimator (Q-RATE), two integral tools used by the Moody's analysts in their credit assignments. Mr. Farrell received his B.S. from SUNY-Albany and MBA from Baruch College.

**Tom Keays, Executive Director (New York, NY).** As Morgan Stanley's Municipal Credit Research Manager, Mr. Keays works closely with the Firm's municipal sales and trading desks, as well as our public finance professionals. He provides our clients and salespeople with extensive credit analyses for both new and seasoned issues. Mr. Keays has been responsible for municipal research at Morgan Stanley for 23 years. He has helped structure many of Morgan Stanley's largest and most complex financings. Mr. Keays joined Morgan Stanley in 1984 after seven years in the Municipal Research Group at Donaldson, Lufkin & Jenrette.

#### **Institutional Sales and Distribution**



**Nigel Key, Managing Director and Municipal Product and Sales Manager (New York, NY).** Mr. Key joined the Firm in 1995 and serves as the national institutional sales manager and director of credit research for the municipal finance syndicate desk. He is responsible for the coordination of new product development, marketing of portfolio strategy to clients and management of daily sales and trading inquiries. Prior to joining Morgan Stanley, Mr. Key worked at Bankers Trust from 1979-1983 and First Boston from 1983-1995. He has over 20 years of sales experience, and his clients include some of the largest municipal bond funds and insurers in the country. He earned a B.A. in Government at Dartmouth College.

#### **Retail Sales**

**Dan McCormick, Executive Director (San Francisco, CA).** Dan McCormick is Head of Municipal Products for the Capital Markets division at Morgan Stanley Wealth Management. He is responsible for the development and distribution of Tax exempt Fixed Income credit analysis and sales ideas. Dan and his team leverage Firm wide strategy and content to drive and deliver our highest conviction sales ideas to Financial Advisors and their clients as they create and maintain their investment portfolios. He joined Morgan Stanley in 2004 as a Financial Advisor and subsequently moved into Capital Markets Trading where he has worked in both the Purchase and San Francisco offices. Dan earned a B.S. in Political Science from the University of Oregon.

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**e.** Has your firm ever failed to complete any work awarded to you? If so, where and why?

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To the best of the Firm's knowledge, Morgan Stanley has completed all work assigned or awarded as it relates to the work of the Municipal Securities Division.

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**f.** Has your firm ever been terminated from a contract? If so, where and why?

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To the best of the Firm's knowledge, Morgan Stanley has never been terminated from a contract.



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7. Project understanding, proposed approach, and methodology. Describe your approach to performing the contracted work. This should include the following points:

- Discuss your project plan for this engagement outlining major tasks and responsibilities, time frames and staff assigned.
  - Describe the marketing approach your firm would recommend for the issuance of General Obligation, Water and Sewer, and Refunding bonds.
  - Provide case studies for financings completed by your firm in the past three (3) years. Describe any unique challenges encountered and the results.
  - Describe investor relations approaches your firm would recommend to the City.
  - Given the final maturities of potential City refunding bonds, if your firm provides fixed rate, non-bank qualified loans, please include such analysis in your response.
- 

Morgan Stanley has developed a focused and tailored marketing strategy for the City's bonds based upon our knowledge of the City's debt and assumptions regarding the potential structure and credit ratings. We believe this marketing strategy, and our ability to execute it through our broad distribution system, will enable the City to achieve optimal pricing under current market conditions. Our marketing plan combines the ***use of our premier retail distribution system and industry-leading institutional investor network*** with the goal of achieving the most effective distribution of the City's bonds. A successfully executed marketing will allow the City to maximize the potential savings available through a refunding of its existing debt and an additional new money transaction. Leading up to the transaction, we will conduct a ***thorough investor outreach and education process***, systematically targeting the most likely investors of the City's bonds and focusing on marketing the City's credit strengths to bring in orders for the bonds. We will work closely with the entire syndicate to ensure a transparent marketing and pricing process.

#### **Structuring Considerations**

**Water and Sewer Bonds.** As of May 2014, the City has \$110.595 million outstanding of Water & Sewer Revenue Bonds. The City last entered the market in 2010 with an issuance of Build America Bonds. Since that time, tax-exempt rates have hit and remained near all-time lows.

Morgan Stanley has analyzed the City's outstanding debt to determine the structure of the bonds and the potential areas of investor interest for the anticipated amortization. ***As tax-exempt rates are currently within 108 basis points of all-time lows hit in 2012, we have provided a fixed-rate scenario to allow the City to lock in all-time low interest rates, provide budget certainty, and mitigate risks associated with variable-rate debt.*** In this scenario, we structured a fixed rate tax-exempt matched maturity current refunding issue of the City's Water and Sewer Refunding and Improvement Bonds, Series 2003.

#### **City of Hollywood Water and Sewer**

Current Refunding of Series 2003

Dated / Delivery Date:	7/3/2014
Refunding Par Amount:	\$49,175,000
Refunded Par Amount:	\$54,910,000
Average Life (Years):	5.26
All-in TIC:	2.03%
Total PV Savings:	\$7,464,318
NPV Savings as % of Refunded Par:	13.60%
Arbitrage Yield:	1.86%
Negative Arbitrage:	\$79,629





The Series 2003 Water and Sewer Bonds became callable on October 1, 2013. Based on current market conditions, we have provided indicative financing results detailed in the adjacent table. Based on current market rates, we propose to refund all the Series 2003 Bonds except the 2014 maturity, which comes due in October 2014. **Using a matched maturity structure, our proposed scenario achieves Net PV savings of 7,464,318, or 13.6% of the refunded par.**

#### City of Hollywood, Series 2003 Refunding Analysis

Date	Prior Debt Service	Refunding Debt Service	Savings	Net Present Value Savings
10/1/2014	640,291.67	0.00	640,291.67	634,378.40
10/1/2015	9,379,375.00	8,537,710.00	841,665.00	816,205.87
10/1/2016	7,468,975.00	6,625,850.00	843,125.00	800,226.00
10/1/2017	7,462,975.00	6,619,700.00	843,275.00	786,026.98
10/1/2018	7,469,475.00	6,626,233.33	843,241.67	771,897.11
10/1/2019	7,472,225.00	6,633,166.67	839,058.33	754,732.13
10/1/2020	7,470,725.00	6,629,666.67	841,058.33	743,465.83
10/1/2021	7,474,475.00	6,633,666.67	840,808.33	730,915.83
10/1/2022	7,467,475.00	6,624,166.67	843,308.33	720,999.92
10/1/2023	6,758,775.00	5,920,000.00	838,775.00	705,470.18
	<b>69,064,766.67</b>	<b>60,850,160.01</b>	<b>8,214,606.66</b>	<b>7,464,318.23</b>

**General Obligation Bonds.** As of May 2014, the City has \$47.7 million in outstanding General Obligation debt. All outstanding debt is part of the Series 2005 issue, with bonds callable on or after June 1, 2015. Under current market conditions, \$29.2 million of the City's GO bonds produce savings of over 3% by maturity, as demonstrated in the chart below. All Series 2005

#### General Obligation Refunding Savings by Maturity

Series	Maturity	Coupon	Par Amount	Par Call Date	Net PV Savings (\$)	Net PV Savings (%)	Negative Arbitrage	Refunding Efficiency
2005:	06/01/16	5.000%	2,055,000	06/01/15	64,734	3.150%	10,245	86.3%
	06/01/17	5.000%	2,155,000	06/01/15	136,828	6.349%	18,190	88.3%
	06/01/18	5.000%	2,265,000	06/01/15	195,075	8.613%	27,534	87.6%
	06/01/19	5.000%	2,380,000	06/01/15	246,939	10.376%	35,971	87.3%
	06/01/20	5.000%	2,500,000	06/01/15	281,849	11.274%	45,836	86.0%
	06/01/21	5.000%	2,620,000	06/01/15	304,319	11.615%	55,710	84.5%
	06/01/22	5.000%	2,755,000	06/01/15	328,769	11.934%	64,611	83.6%
	06/01/23	5.000%	2,890,000	06/01/15	350,157	12.116%	73,032	82.7%
	06/01/24	5.000%	3,035,000	06/01/15	358,560	11.814%	82,474	81.3%
	06/01/25	5.000%	3,185,000	06/01/15	335,314	10.528%	90,874	78.7%
	06/01/26	5.000%	3,345,000	06/01/15	308,094	9.211%	99,969	75.5%
	06/01/27	4.250%	3,515,000	06/01/15	32,136	0.914%	108,907	22.8%
	06/01/28	4.250%	3,665,000	06/01/15	(17,161)	-0.468%	117,159	12.8%
	06/01/29	4.375%	3,820,000	06/01/15	(13,344)	-0.349%	125,297	9.6%
	06/01/30	4.375%	3,990,000	06/01/15	(54,692)	-1.371%	133,725	29.0%
			44,175,000		2,857,578		1,089,533	

	Savings between 3% and 10% (between 1% and 10% if maturing within one year of the call date)
	Greater than 10% Savings



bonds that produce over 3% savings also have a refunding efficiency of over 75%, meaning that the present value savings of each maturity is at least 3 times larger than the negative arbitrage of that maturity.

Should the City choose to advance refund all Series 2005 bonds that meet a 3% savings threshold and refunding efficiency of over 75%, the City could realize **Net PV savings of \$2.8 million, or 9.73% of refunded par**. This scenario results in annual average cashflow savings of \$274,629 and an overall refunding efficiency of 83%. Waiting to currently refund the 2005 bonds in 2015 would decrease negative arbitrage and bring the refunding efficiency close to 100%. However, *if rates move up by an average of 39 basis points between now and the June 1, 2015 call date, the City would be better off to execute the advance refunding and realize savings in today's market*. In the chart below, we have provided an advance refunding timing analysis to demonstrate how much rates can move between now and June 1, 2015 in relation to the 10-year average and maximum of MMD for the City

## City of Hollywood, General Obligation

Advance Refunding of Series 2005

Dated / Delivery Date:	7/3/2014
Refunding Par Amount:	\$27,190,000
Refunded Par Amount:	\$ 29,185,000
Average Life (Years):	7.34
All-in TIC:	2.85%
Total NPV Savings:	\$2,840,158
NPV Savings as % of Refunded Par:	9.73%
Arbitrage Yield:	2.61%
Negative Arbitrage:	\$568,454

### City of Hollywood, FL General Obligation Bonds Preliminary Advance Refunding Timing Analysis

Advance Refunding Timing Analysis							Call Date	Refunding At Call Date - Based On 10 Year MMD History and Curve Roll										
Candidate							Breakeven											
Series	Maturity	Coupon	Principal	Call Date	Call Price	Yield	Change	No Change To Rates			Average Rates			Maximum Rates				
								Yield	Savings	%Chg.	Yield	Savings	%Chg.	Yield	Savings	%Chg.		
2005	6/1/2016	5.000	2,055,000	6/1/2015	100.000	1.034	.45	.300	3.96	24	1.540	2.65	-17	3.880	.33	-90		
2005	6/1/2017	5.000	2,155,000	6/1/2015	100.000	1.332	.38	.610	7.97	24	1.860	5.33	-17	4.060	1.01	-84		
2005	6/1/2018	5.000	2,265,000	6/1/2015	100.000	1.771	.39	.980	11.08	29	2.140	7.42	-13	4.230	1.36	-84		
2005	6/1/2019	5.000	2,380,000	6/1/2015	100.000	2.106	.38	1.420	13.04	28	2.440	8.81	-13	4.380	1.45	-86		
2005	6/1/2020	5.000	2,500,000	6/1/2015	100.000	2.416	.36	1.760	14.55	30	2.700	9.77	-13	4.470	1.55	-86		
2005	6/1/2021	5.000	2,620,000	6/1/2015	100.000	2.721	.36	2.080	15.45	33	2.960	10.18	-12	4.550	1.54	-87		
2005	6/1/2022	5.000	2,755,000	6/1/2015	100.000	2.947	.35	2.390	15.74	32	3.210	10.16	-15	4.820	.30	-98		
2005	6/1/2023	5.000	2,890,000	6/1/2015	100.000	3.127	.33	2.620	16.05	32	3.420	9.98	-18	5.060	-1.10	-109		
2005	6/1/2024	5.000	3,035,000	6/1/2015	100.000	3.329	.33	2.810	16.25	37	3.610	9.60	-19	5.300	-2.76	-123		
2005	6/1/2025	5.000	3,185,000	6/1/2015	100.000	3.603	.45	3.020	15.89	50	3.820	8.74	-18	5.590	-5.01	-147		
2005	6/1/2026	5.000	3,345,000	6/1/2015	100.000	3.762	.46	3.160	14.76	59	3.960	7.60	-18	5.780	-6.73	-172		
2005	6/1/2027	4.250	3,515,000	6/1/2015	100.000	3.913	.49	3.310	6.34	444	4.100	-35	-130	5.980	-14.68	-1K		
2005	6/1/2028	4.250	3,665,000	6/1/2015	100.000	4.016	.50	3.430	4.91	+1K	4.220	-1.71	-1K	6.140	-16.66	-1K		
2005	6/1/2029	4.375	3,820,000	6/1/2015	100.000	4.112	.51	3.520	5.09	+1K	4.300	-1.46	-1K	6.210	-16.88	-1K		
2005	6/1/2030	4.375	3,990,000	6/1/2015	100.000	4.201	.52	3.610	4.01	508	4.380	-2.39	-143	6.270	-18.07	-1K		

### City of Hollywood, FL General Obligation Bonds Preliminary Advance Refunding Timing Analysis - Rates as of 05/05/2014 - Settlement 07/03/2014

Advance Refunding Timing Analysis - Rates as of 05/05/2014 - Settlement 07/03/2014																						
Candidate							Analysis For Closing on 10/01/2014						Analysis For Closing on 01/01/2015									
Series	Maturity	Coupon	Principal	Call Date	Call Price	Savings Now	Pricing Yield	Escrow Yield	Breakeven Savings	Rate	Yield Change	Pricing Yield	Escrow Yield	Breakeven Savings	Rate	Yield Change						
2005	6/1/2016	5.000	2,055,000	6/1/2015	100.000	3.18	.507	.067	3.42	.638	.13	.429	.042	3.65	.739	.31						
2005	6/1/2017	5.000	2,155,000	6/1/2015	100.000	6.43	.857	.067	6.88	1.018	.16	.764	.042	7.33	1.113	.35						
2005	6/1/2018	5.000	2,265,000	6/1/2015	100.000	8.56	1.273	.067	9.29	1.460	.19	1.163	.042	10.00	1.562	.40						
2005	6/1/2019	5.000	2,380,000	6/1/2015	100.000	10.17	1.647	.067	10.97	1.811	.16	1.562	.042	11.78	1.912	.35						
2005	6/1/2020	5.000	2,500,000	6/1/2015	100.000	11.18	1.973	.067	12.12	2.135	.16	1.893	.042	13.06	2.233	.34						
2005	6/1/2021	5.000	2,620,000	6/1/2015	100.000	11.58	2.287	.067	12.64	2.445	.16	2.209	.042	13.73	2.543	.33						
2005	6/1/2022	5.000	2,755,000	6/1/2015	100.000	11.91	2.543	.067	12.96	2.682	.14	2.486	.042	14.03	2.775	.29						
2005	6/1/2023	5.000	2,890,000	6/1/2015	100.000	12.15	2.747	.067	13.21	2.873	.13	2.699	.042	14.30	2.963	.26						
2005	6/1/2024	5.000	3,035,000	6/1/2015	100.000	11.87	2.950	.067	13.06	3.080	.13	2.898	.042	14.28	3.169	.27						
2005	6/1/2025	5.000	3,185,000	6/1/2015	100.000	10.62	3.113	.067	12.33	3.293	.18	3.078	.042	13.45	3.386	.31						
2005	6/1/2026	5.000	3,345,000	6/1/2015	100.000	9.31	3.260	.067	11.02	3.441	.18	3.223	.042	12.23	3.541	.32						
2005	6/1/2027	4.250	3,515,000	6/1/2015	100.000	1.17	3.390	.067	2.77	3.568	.18	3.360	.042	3.94	3.677	.32						
2005	6/1/2028	4.250	3,665,000	6/1/2015	100.000	-.07	3.490	.067	1.47	3.662	.17	3.468	.042	2.60	3.776	.31						
2005	6/1/2029	4.375	3,820,000	6/1/2015	100.000	-.05	3.580	.067	1.58	3.751	.17	3.558	.042	2.75	3.868	.31						
2005	6/1/2030	4.375	3,990,000	6/1/2015	100.000	-.98	3.663	.067	.52	3.832	.17	3.643	.042	1.70	3.955	.31						



to realize savings.

**Beach Community Redevelopment Agency (BCRA) Debt.** As of May 2014, the City has \$43.7 million in outstanding BCRA debt, consisting of the Series 2004 and Series 2007 Bonds. The Series 2004 bonds are callable as of March 1, 2014. The City could take advantage of historically low tax-exempt rates and currently refund the bonds for Net PV savings of \$1.7 million, or 13.6% of refunded par.

Of the City's outstanding Series 2007 bonds, no bonds produce over 3% savings in the current market. In the chart below, we have provided an advance refunding timing analysis to demonstrate how much rates can move between now and the March 1, 2017 call date in relation to the 10-year average and maximum of MMD for the City to realize savings.

## City of Hollywood, Beach CRA

Current Refunding of Series 2004

Dated / Delivery Date:	7/3/2014
Refunding Par Amount:	\$11,900,000
Refunded Par Amount:	\$12,630,000
Average Life (Years):	5.40
All-in TIC:	2.88%
Total NPV Savings:	\$1,720,470
NPV Savings as % of Refunded Par:	13.6%
Arbitrage Yield:	2.54%
Negative Arbitrage:	\$26,088

City of Hollywood, FL  
Beach Community Redevelopment Agency  
Preliminary

### Advance Refunding Timing Analysis - Rates as of 05/05/2014 - Settlement 07/03/2014

Candidate						Call Date Breakdown		Refunding At Call Date - Based On 10 Year MMD History and Curve Roll									
Series	Maturity	Coupon	Principal	Call Date	Call Price	Savings Now	Yield	Yield Change	No Change To Rates			Average Rates			Maximum Rates		
									Yield	Savings	%Chg.	Yield	Savings	%Chg.	Yield	Savings	%Chg.
2007	3/1/2018	4.250	2,585,000	3/1/2017	100.000	-10	3.596	2.12	.550	2.92	+1K	1.790	1.62	+1K	4.130	-.57	-473
2007	3/1/2019	5.000	2,695,000	3/1/2017	100.000	2.08	3.428	1.58	.810	7.44	257	2.060	4.75	128	4.260	.59	-72
2007	3/1/2020	5.000	2,835,000	3/1/2017	100.000	3.05	3.558	1.39	1.180	10.22	236	2.340	6.54	115	4.430	.75	-75
2007	3/1/2021	5.000	2,975,000	3/1/2017	100.000	3.41	3.779	1.29	1.620	11.85	248	2.640	7.66	125	4.580	.69	-80
2007	3/1/2022	5.000	3,125,000	3/1/2017	100.000	3.47	3.981	1.23	1.960	13.06	277	2.900	8.35	141	4.670	.63	-82
2007	3/1/2023	5.000	3,280,000	3/1/2017	100.000	3.33	4.156	1.17	2.280	13.67	310	3.160	8.55	157	4.750	.48	-86
2007	3/1/2024	5.000	3,445,000	3/1/2017	100.000	3.10	4.300	1.12	2.590	13.71	342	3.410	8.35	170	5.020	-.77	-125

City of Hollywood, FL  
Beach Community Redevelopment Agency  
Preliminary

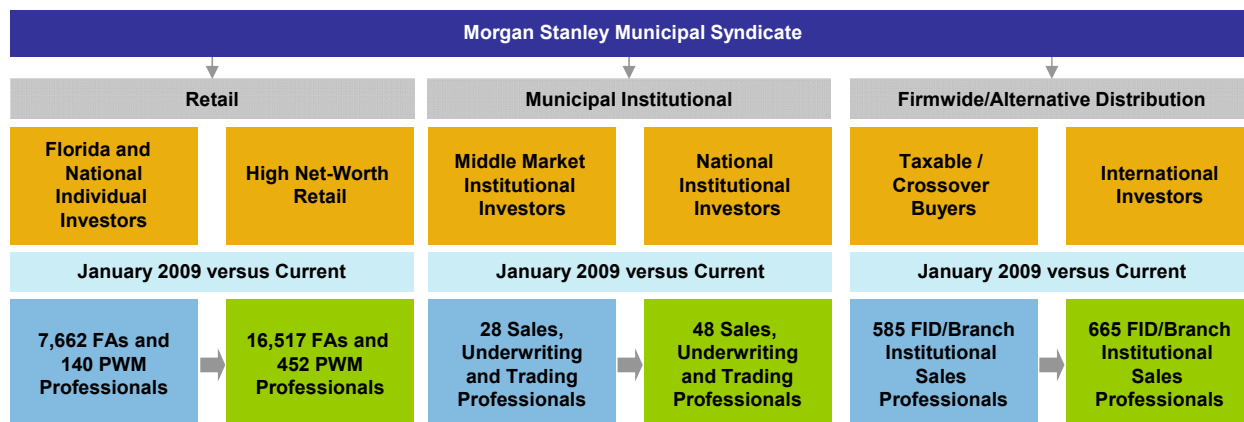
### Advance Refunding Timing Analysis - Rates as of 05/05/2014 - Settlement 07/03/2014

Candidate							Analysis For Closing on 03/01/2015					Analysis For Closing on 09/01/2015				
Series	Maturity	Coupon	Principal	Call Date	Call Price	Savings Now	Pricing Yield	Escrow Yield	Breakdown Savings	Rate	Yield Change	Pricing Yield	Escrow Yield	Breakdown Savings	Rate	Yield Change
2007	3/1/2018	4.250	2,585,000	3/1/2017	100.000	-10	1.180	.420	.67	1.429	.25	.995	.260	1.30	1.544	.55
2007	3/1/2019	5.000	2,695,000	3/1/2017	100.000	2.08	1.620	.420	3.17	1.882	.26	1.400	.260	4.37	2.038	.64
2007	3/1/2020	5.000	2,835,000	3/1/2017	100.000	3.05	1.960	.420	4.52	2.250	.29	1.790	.260	5.89	2.417	.63
2007	3/1/2021	5.000	2,975,000	3/1/2017	100.000	3.41	2.280	.420	5.27	2.591	.31	2.120	.260	6.91	2.763	.64
2007	3/1/2022	5.000	3,125,000	3/1/2017	100.000	3.47	2.590	.420	5.42	2.877	.29	2.435	.260	7.33	3.051	.62
2007	3/1/2023	5.000	3,280,000	3/1/2017	100.000	3.33	2.840	.420	5.43	3.117	.28	2.715	.260	7.38	3.291	.58
2007	3/1/2024	5.000	3,445,000	3/1/2017	100.000	3.10	3.060	.420	5.23	3.316	.26	2.950	.260	7.27	3.488	.54

**Downtown Community Redevelopment Agency (DCRA) Debt.** The City also has outstanding notes and loans through the DCRA totaling approximately \$12.6 million. These are loans issued as variable rate and subject to a fixed-payer interest rate swap agreement with Bank of America.



## Marketing Plan



Morgan Stanley has one of the largest retail distribution networks in Florida and industry-leading institutional distribution capabilities. Our distribution platform uniquely positions Morgan Stanley to implement a successful retail and institutional marketing and investor outreach program to systematically address both investor constituencies and deliver favorable underwriting results for the City's Bonds. Morgan Stanley's significant experience in successfully placing bonds for Florida issuers is evidenced by our recent Florida financing experience and our history serving as lead manager for 44 negotiated financings for issuers in Florida since 2010.

We expect the majority of the bonds to be purchased by Florida retail investors, with the remainder to be sold to bond funds and insurance companies. Our approach focuses on individual retail in addition to professional retail, such that the City could secure lower yields for the refunding bonds. Currently, **individual investors within Morgan Stanley Wealth Management hold over \$8,810,000 of the City's General Obligation bonds, roughly 10% of the City's outstanding GO bonds. In addition, MSWM accounts hold over \$13,445,000 of the City's Water and Sewer bonds.** Morgan Stanley's marketing plan includes a heavy focus on retail with the possibility that a significant portion of the transaction would be sold on a retail priority basis. In addition, MSWM is one of the largest holders of Florida bonds, as shown in the chart below.

### Largest Holders of Florida-Issued Municipal Bonds

As of May 2014

Currently Outstanding Bonds							
Rank	Investor	Holdings (\$000)	Rank	Investor	Holdings (\$000)		
1	Morgan Stanley Wealth Management	7,940,543	26	Pacific Investment Management Co LLC (PIMCO)	878,010		
2	Vanguard Group Inc, The	6,019,925	27	General Re-New England Asset Management Inc	818,492		
3	BlackRock Financial Management Inc (Fixed-Income)	4,581,033	28	Lord, Abnett & Co LLC	790,773		
4	Nuveen Asset Management LLC	3,677,695	29	MacKay Shields LLC	780,015		
5	Franklin Templeton Investments	2,864,984	30	Boston Management & Research	735,004		
6	Invesco Advisers Inc (Oakbrook Terrace)	2,095,505	31	Thornburg Investment Management Inc	731,564		
7	USAA Asset Management Company	2,077,454	32	Hartford Investment Management Company (HIMCO)	681,355		
8	Western Asset Management Co (WAMCO)	1,981,045	33	Allstate Investment Management Company	677,947		
9	Capital Research & Management Co (Los Angeles)	1,921,536	34	Conning Asset Management	661,467		
10	Fidelity Management & Research Company	1,907,682	35	New York Life Investment Management LLC	527,446		
11	Deutsche Asset Management (DeAM) (NYC) (345 Park Avenue)	1,770,914	36	Metropolitan Life Insurance Co (Investments) (MetLife)	516,665		
12	Travelers Companies Inc, The	1,677,850	37	Shenkman Capital Management Inc	495,168		
13	State Farm Insurance Companies	1,671,585	38	Loews Corporation	494,010		
14	PineBridge Investments LLC	1,581,375	39	MFS Investment Management	481,566		
15	Wells Capital Management Inc	1,492,505	40	Prudential Investment Management-Fixed Income (PIM Fixed Incomr	469,084		
16	OppenheimerFunds Inc	1,486,450	41	Fountain Capital Management LLC	425,085		
17	Standish Mellon Asset Management Co LLC	1,330,456	42	Northern Trust Global Advisors Inc	374,185		
18	Wellington Management Co LLP	1,273,850	43	Federated Investment Management Company (Federated Investors	372,794		
19	Goldman Sachs Asset Management LP (GSAM) (USA)	1,122,718	44	Zazove Associates LLC	371,942		
20	AllianceBernstein LP	1,103,424	45	Eaton Vance Management	370,383		
21	Liberty Mutual Insurance Co (Liberty Mutual Investment Advisors)	1,084,080	46	Neuberger Berman Fixed Income LLC	353,806		
22	Guggenheim Investment Management LLC	985,738	47	Nationwide Insurance Co (Office of Investments)	342,010		
23	T Rowe Price Associates Inc	919,652	48	Delaware Investments	334,783		
24	Columbia Management Investment Advisers LLC	914,475	49	Delphi Capital Management Inc	302,746		
25	JPMorgan Chase Bank (Rochester)	906,556	50	Mercury Insurance Co	295,405		



**Retail and Institutional Couponing Structures.** A key structuring consideration for the City will be the coupons which are offered to investors. The likely amortization for the City's bonds is traditionally the typical time horizon for most retail investors. As institutional investors believe that rates will move higher in 2014, they seek protection for their portfolio value by buying premium coupon bonds (i.e. coupons higher than the stated yield). For this reason, a 5% coupon structure will be most attractive to institutional investors.

Retail investors often prefer bond coupons of par or slight discounts (i.e. close to the bond yield) while "professional retail" investors prefer premium coupons (i.e. coupons higher than the bond yield). In the current environment, "professional retail" investors are sensitive to price risk from increasing interest rates, as they are less likely to hold bonds to maturity. The impact on the price of the bond as interest rates increase is lower for premium coupon bonds than par bonds, as the higher coupon payments cause more of the payments from the securities to come earlier in the life of the bond. Given that Morgan Stanley Wealth Management holds over 10% of the City's GO and Water and Sewer Bonds in its retail accounts, ***Morgan Stanley is uniquely positioned to have many of these same investors participate in the City's issue.***

**Maximizing Retail Investor Participation.** To maximize retail participation, we recommend that the City utilize the following techniques for the anticipated financing:

- **Offer a Variety of Coupon Options.** To maximize general retail investor demand, the City should consider retail-friendly structuring alternatives. Splitting a maturity into more than one coupon can allow the City to target both retail and institutional investors in the same year. Morgan Stanley has successfully used this split maturity coupon approach in many financings. Alternative couponing (i.e. a 3% coupon in one year and a 4% coupon in the next) will provide retail investors a way to diversify their portfolios, while simultaneously creating demand in years that may be traditionally harder to target.
- **Retail Order Period.** Retail order periods have proven effective at increasing participation and broadening the investor base for an issuer's bonds. As Senior Manager, we would notify our salesforce and the rest of the syndicate as soon as the POS is posted that retail orders will have priority. This will incentivize brokers to spend the time necessary to solicit orders.

Assuming relatively stable market conditions, we recommend a one-day retail order period that allows Florida retail investors the first opportunity to purchase the City's bonds. A successful retail order period can provide pricing leverage for the institutional order period, should there be a need for one. We recommend that Florida retail be defined as a resident of the State of Florida, or a trust department, money manager or investment advisor acting on behalf of a resident of the State of Florida ("professional" retail). National retail orders, to include both individual orders and "professional" retail can receive second priority behind Florida retail. The professional retail orders can be classified as group net orders. We suggest that retail orders be limited to a maximum of \$1,000,000 per account.

- **Underwriting Takedowns to Encourage Retail Participation.** If given the opportunity to submit pricing as a member of the City's short-listed firms following this proposal, our strong desire to serve the City would be reflected in the competitive takedowns we would propose. However, we suggest the City consider the impact of severely low takedowns on retail order demand. The potential for fair compensation would incentivize retail brokers and, in turn, retail investor demand.
- **Early Announcement of Offering Date/Timely Release of POS.** Early announcement of the offering is important in order to have a targeted date for the retail broker salesforce and investors to work toward in completing credit analysis and to reserve a spot on the forward calendar. As the POS represents both a marketing document as well as a disclosure document, we believe the POS for this transaction should be available for at least five business days before pricing to allow credit analysts ample time for their review and for brokers to contact their clients.
- **Early Release of the Structure.** Retail brokers often need several days to discuss investment opportunities with their clients. By providing a preliminary amortization structure, couponing



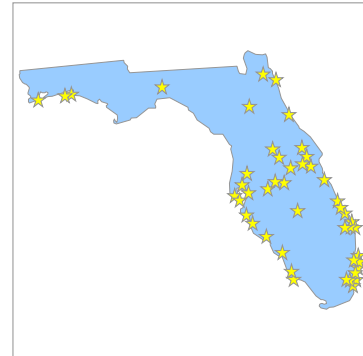
and indicative pricing to the syndicate, brokers will be able to give price guidance to potential individual investors.

- **Special Posting on Morgan Stanley's National Retail Salesforce Website.** All 16,517 Morgan Stanley Wealth Management financial advisors will be notified of the City's transaction. Morgan Stanley's primary national sales website provides a central location for all marketing and sales personnel nationwide to access information about various securities products, including municipal securities. This is linked to the Tax-Free Municipal Bond website, an internal website dedicated to municipal syndicate offerings where we will have a special announcement of the City's offering, with links to the New Issue Announcement, the Preliminary Official Statement, the rating reports and wires.

***This distribution network is composed of over 16,500 financial advisors in 604 offices across the country serving over 5.6 million clients with total assets of nearly \$1.5 trillion, including \$161 billion of directly held municipals.***

**State of Florida Retail Presence.** Morgan Stanley is dedicated to the Florida municipal market and has been one of the leading underwriters in the State over the past several years. Morgan Stanley has a strong retail presence in the State, with access to 56 offices with 1,368 financial advisors serving more than 391,941 client accounts with nearly \$118.8 billion of retail assets, including \$16 billion in municipal assets. ***MSWM's extensive Florida presence uniquely positions Morgan Stanley to distribute the City's bonds to Florida and Broward County retail investors.***

Morgan Stanley Wealth Management Florida Retail Offices

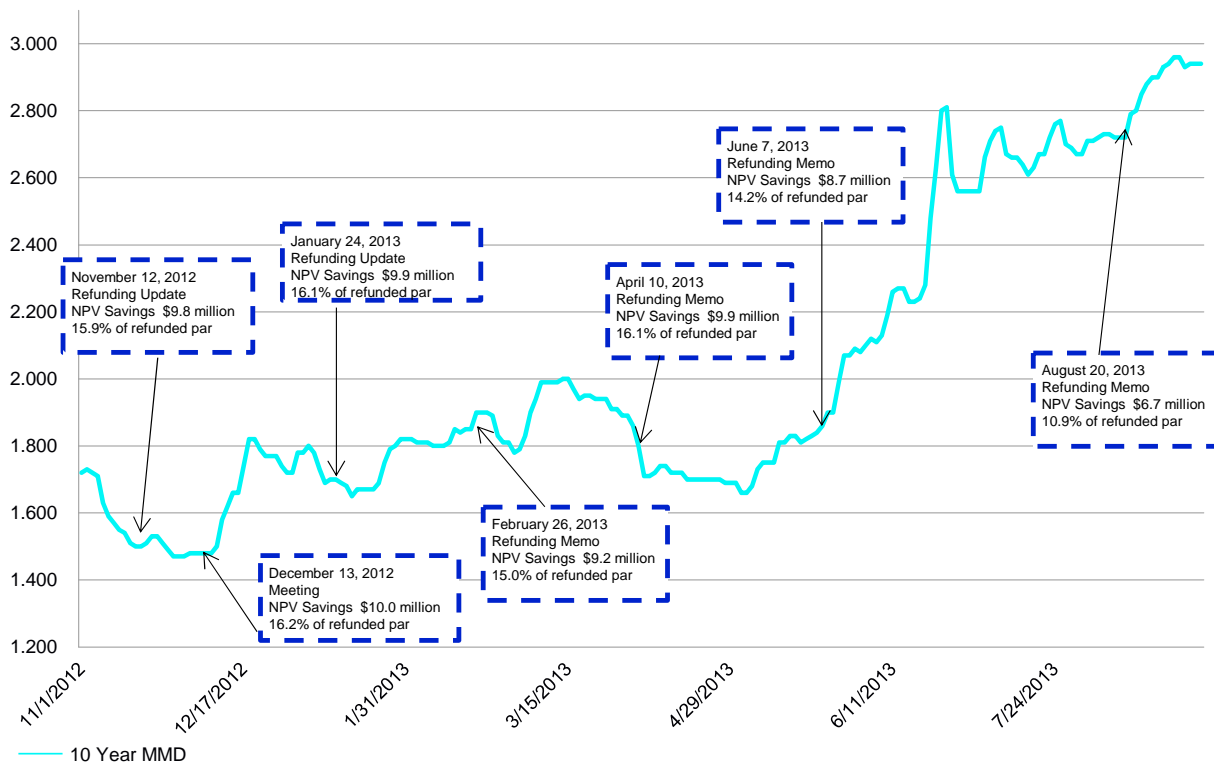


**Commitment to the City of Hollywood.** Over the past 2 years, Morgan Stanley has shown a commitment to providing the City with up-to-date market analysis in an effort to help the City enter the market at the optimal time to consider refunding opportunities. As illustrated in the

#### Morgan Stanley Updates to the City of Hollywood

Q4 2012 – Q3 2013

Yield (%)



graph, Morgan Stanley has sent 6 unsolicited refunding updates since November 2012, in addition to meeting with the City in December 2012. Morgan Stanley remains committed to serving the City and looks forward to working with the City and its financial advisor to help the City reach its financing goals in the most effective manner.

**Florida Financing Case Studies.** Provided below are case studies highlighting Morgan Stanley's recent experience in Florida.



**Miami-Dade County, Florida Water and Sewer System Revenue and Revenue Refunding Bonds, Series 2013AB.**

**Morgan Stanley Contribution: Underwrote \$46 million of the Transaction to Lock In Attractive Rates for the County**

On July 18, 2013, Morgan Stanley served as senior manager for Miami-Dade County's (the "County") \$492.7 million Water and Sewer System Revenue and Revenue Refunding Bonds, Series 2013AB (Aa3/A+/A+ underlying ratings from Moody's/S&P/Fitch). Proceeds of the Series 2013A Bonds will be used to construct or acquire certain improvements under the Water and Sewer Department's \$4.64 billion FY13-19 Capital Plan. The Series 2013B Refunding Bonds refunded the outstanding Series 1999A bonds for \$8.1 million of net present value savings, or 5.39% of refunded par amount. The Series 2013A Bonds were sold with a 9-year par call at no upfront yield penalty. Morgan Stanley structured the 2028 and 2029 maturities of the Series 2013B Bonds with both 5% and sub 5% coupons in order to attract a broad range of retail and institutional investors, and the 2028 maturity discount bonds were sold with Assured Guaranty bond insurance (at a savings of 10 bps) to further diversify the County's offering.

The County held a one-day dedicated retail order period for the Series 2013 Bonds on July 17, 2013, during which time the County received \$48.7 million orders from Florida and national retail investors. On the day of institutional pricing, comments by the Federal Reserve Chairman Ben Bernanke to the House Financial Services Committee, coupled with the Philadelphia Fed's robust manufacturing report and the Labor Department's announcement of decreasing jobless claims had left the municipal market weaker, with MMD increasing up to 3 bps across the curve.

***In order to help the County avoid widening spreads, Morgan Stanley committed \$46.4 million of capital to underwrite 9.4% of the County's Series 2013AB Bonds.*** In a difficult market, the County was able to lock in spreads of +82-87 bps for its 5% coupon bonds and an all-in cost of 4.84% for the combined Series 2013AB financing.



**Lee County, Florida Water and Sewer Refunding Revenue Bonds, Series 2012AB.**

**Morgan Stanley Contribution: Generated Significant Investor Demand and Committed \$2.7 Million of Capital to Enable County to Lower Yields in Two Maturities**

On August 8, 2012, Morgan Stanley served as sole manager for Lee County's \$27.5 million Water and Sewer Refunding Revenue Bonds, Series 2012AB (Aa3/AA/AA- from Moody's/S&P/Fitch). The Series 2012A Bonds were issued to current refund the County's remaining outstanding Series 1999A Water and Sewer Revenue Bonds, while the Series 2012B Bonds were issued to advance refund all of the outstanding Series 2003B Water and Sewer Revenue Bonds. With tax-exempt yields at or near all-time historical lows, the combined refunding generated over \$5.1 million (16.3%) of net present value savings to the County. The savings included \$4.1 million (17.7%) of present value savings and \$1.2 million of annual cashflows savings in 2027-2029 from the refunding of the Series 1999A Bonds and over \$1.0 million (12.2%) of present value savings and \$430,000 of annual cashflow savings in 2028-2029 from the refunding of the Series 2003B Bonds. The Series 2012AB Bonds received strong demand, particularly from institutional investors. With the 2028 and 2029 maturities between 1.7x and 3.4x oversubscribed, the County was able to lower yields by 2 bps in both maturities. ***Morgan Stanley committed \$2.7 million of capital to underwrite a portion of the 2027 maturity.*** The refunding ultimately achieved an attractive all-in cost of 3.628%.



**City of Cape Coral, Florida Water and Sewer Refunding Revenue Bonds, Series 2011A.**

**Morgan Stanley Contribution: Executed Transaction Within 19 days of RFP Submittal to Allow City to Capture Favorable Market Conditions**



On November 8, 2011, Morgan Stanley served as Senior Manager for the issuance of the City of Cape Coral's Water and Sewer Refunding Revenue Bonds, Series 2011A. In September 2011, the City issued its Series 2011 Bonds to refinance \$99.2 million of commercial paper, with the goal of fixing out the remaining \$107.5 million of commercial paper in 2012. Due to the favorable sale of Series 2011 Bonds, the City decided to accelerate the fixed-rate refinancing of the remaining commercial paper into 2011. The Series 2011A transaction was executed based on an expedited financing timetable in order to allow the City to take advantage of favorable market conditions. Only 19 days passed from submittal of the Series 2011A RFP to pricing of the Series 2011A Bonds. The Series 2011A Bonds were structured to provide aggregate level debt service on all outstanding Water and Sewer Revenue Bonds, with serial maturities through 2026 and split-maturity term bonds in 2031 (4.6% coupon and 5% coupon) and a term bond in 2042 in order to attract the widest range of both retail and institutional investors. On the morning of pricing, Morgan Stanley conducted a successful Retail Order Period that generated strong momentum, allowing institutional pricing to be accelerated into the afternoon on the same day. Strong demand for the Series 2011A Bonds allowed the City to tighten spreads by 6 bps for the 2026 serial bond, which was 5.5x oversubscribed, and up to 2 bps for many of the remaining maturities, which were up to 2.8x oversubscribed. The Series 2011A financing achieved an attractive All-In TIC of 4.87%.



**Broward County, Florida \$214,690,000 Half-Cent Sales Tax Revenue Bonds (Main Courthouse Project), Series 2010.**

**Morgan Stanley Contribution: Worked collaboratively in a difficult market with the County and its financial advisors to structure the transaction as a combination of traditional tax-exempt bonds, taxable BABs and taxable RZEDBs.**

On June 23, 2010, Morgan Stanley senior managed Broward County, Florida's Series 2010 \$214.69 million financing. The transaction was structured with three series of bonds: \$95.96 million Series 2010A Bonds, which are traditional tax-exempt bonds; \$69.95 million Series 2010B Bonds, which are taxable Build America Bonds ("BABs"); and \$48.78 million Series 2010C Bonds, which are taxable Recovery Zone Economic Development Bonds ("RZEDBs"). The transaction provided the County with \$218 million of proceeds to help fund the "Main Courthouse Project." The Series 2010 Bonds were structured with a 10-year par call, make-whole optional redemption and extraordinary optional redemption provision to maintain maximum flexibility for the County. In a difficult market, Morgan Stanley worked collaboratively with the County and its financial advisors to structure the transaction as a combination of traditional tax-exempt bonds, taxable BABs and taxable RZEDBs to achieve an aggregate all-in TIC of 4.20% with an average life just shy of 20 years. The strategic use of the County's \$48.78 million RZEDB allocation resulted in all-in cost savings of 20 basis points versus a tax-exempt and BABs hybrid. Despite a generally hesitant taxable investor base driving down demand for taxable municipal securities and robust taxable supply, the financing team was able to work collaboratively throughout the pricing process to ensure that the County achieved its funding goals. As senior managing underwriter, Morgan Stanley actively coordinated with the County and its Financial Advisors while maintaining constant dialog with the rest of the underwriting syndicate and potential investors to determine a financing structure that was salable in such a tumultuous market and ultimately, the County decided to use a tax-exempt term bond maturing in 2036.



**City of Sunrise, Florida \$118,615,000 Utility System Revenue Bonds, Series 2010ABC.**

**Morgan Stanley Contribution: Worked with the City to amend and restate the existing bond ordinance and bring the City to the rating agencies for the first time to get underlying ratings.**

On September 1, 2010, Morgan Stanley senior managed the City of Sunrise's \$118.615 million Utility System Revenue Bonds, Series 2010ABC transaction. The water, wastewater and natural gas utility transaction funded approximately \$114.9 million capital improvement program costs and refunded approximately \$4.9 million outstanding bonds. Morgan Stanley worked with the City to amend and restate the existing bond ordinance and bring the City to the rating agencies for the first time to get underlying ratings on the credit. Morgan Stanley also worked closely with



the City's disclosure counsel and the consulting engineers to develop comprehensive disclosure for the financing. In addition, Morgan Stanley developed a strategy to defease certain outstanding bonds with connection fees and other available funds, which in combination with the new issue, enabled the bond ordinance amendments to go into effect. Morgan Stanley was able to market the bonds without a debt service reserve fund, which had been included in City's previous Utility System Issues. Based on strong investor demand, the City issued 10-year par call BAB term bonds maturing in 2030 and 2035 at spreads of 215 and 225 basis points over the 30-year US Treasury. Spreads were tightened by five basis points during the marketing process, and over \$220.4 million of orders were placed on the issue. \$19.9 million of the Series 2010AC tax-exempt bonds were sold to retail investors. The Series 2010B Build America Bonds were 2.0x oversubscribed with \$190.0 million of orders. The refunding achieved over \$443,000 net present value savings, or 9.04% of refunded par.



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**8. References.**

Provide references for three (3) local or statewide issuers, which your firm served as Senior Manager or Co-Manager, to include company name, contact name, phone, fax and email address.

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Morgan Stanley is proud of our service to municipal clients in Florida and throughout the country. We encourage the City to reach out to any of the references listed below.

**Contact Information for Client References**

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**Miami-Dade County, Florida**

Ed Marquez, Finance Director  
111 NW 1<sup>st</sup> Street, Suite 2550  
Miami, FL 33128  
P: (305) 375-5147  
F: (305) 375-5659  
[marquez@miamidade.gov](mailto:marquez@miamidade.gov)

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**Miami-Dade Expressway**

Marie Schafer, Director of Finance / Chief Financial Officer  
3790 N.W. 21<sup>st</sup> St.  
Miami, FL 33142  
P: (305) 637-3277  
F: (305) 637-3298  
[mscafer@mdx-way.com](mailto:mscafer@mdx-way.com)

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**School Board of Miami-Dade County**

Leo Fernandez, Treasurer  
1450 NE 2nd Avenue  
Miami, FL 33132  
P: (305) 995-1633  
F: (305) 995-1614  
[leaofernandez@dadeschools.net](mailto:leaofernandez@dadeschools.net)

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**9. Underwriter's Counsel.**

The selection of underwriters' counsel shall be at the sole discretion of the senior managing underwriter. Please identify firms which will be considered for this role.

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Morgan Stanley is flexible with whom we would choose for the position of Underwriters' Counsel. Provided in the table below is contact information for firms we would propose to serve as Underwriters' Counsel. Each of the firms listed has significant Florida financing experience and a reputation for professionalism and efficiency.

**Proposed Underwriters' Counsel**

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**Bryant Miller Olive P.A.**

Duane Draper  
One Tampa City Center Suite 2700  
Tampa, Florida 33602  
(813) 273-6677  
ddraper@bمولaw.com

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**GrayRobinson P.A.**

Frank Fleischer  
401 East Jackson St., Suite 2700  
Tampa, FL  
(813) 273-5000  
Frank.Fleischer@gray-robinson.com

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**Moskowitz Mandell Salim & Simowitz, P.A.**

Bill Salim  
800 Corporate Drive, Suite 500  
Ft. Lauderdale, FL 33334  
(954) 491-2000  
wsalim@mmsslaw.com

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**10. Summary of the Proposer's Fee Statement.**

Price may be considered in the final evaluation and ranking of the short-listed firms. If the Selection Committee will consider price, staff will provide each short-listed firm with a price submittal instrument and instructions for its preparation and delivery.

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**Fee Estimates.** Should Morgan Stanley be selected to the City's list of short-listed firms following this proposal, we look forward to completing the price submittal instrument at that time. ***We have a strong desire to serve the City as Senior Manager and would be willing to discuss takedowns in further detail to reflect market conditions at the time of pricing.*** Morgan Stanley looks forward to leveraging its capital position and broad distribution capability to offer the City competitive fee estimates at the appropriate time.



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**11. Project time schedule, if applicable.**

Provide a detailed time schedule for this project.

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We have provided below a sample timeline for the City's financing. This timeline highlights pertinent milestones by week to ensure the City is able to get through the financing process efficiently. Noting, however, that every day that passes, significant savings are lost. The timetable below could be reduced for a standard refunding, given that a feasibility study, rate consultant report, and other due diligence items would not be required. Morgan Stanley is confident that a refunding of the City's Series 2003 Water and Sewer Bonds or 2005 General Obligation Bond could be conducted in less than two months. However, please note that the schedule could be slightly longer if the City chooses to issue new money with the Water and Sewer transaction if the rate study and consulting engineers' reports are not completed prior to Week 2.

**Estimated City of Hollywood Refunding Financing Schedule**

Date	Event
Week 1	Working Group Kick-Off Meeting Distribute First Draft of POS and Bond Documents
Week 2	Working Group Comments to POS and Bond Documents Conference Call to Discuss POS and Bond Documents Preliminary Plan of Finance Discussion
Week 3	Distribute Revised Draft of POS and Bond Documents Distribute First Draft of Rating Agency Presentation Distribute City Commission Agenda Package
Week 4-5	Working Group Comments to POS and Bond Documents Working Group Comments to Rating Agency Presentation Distribute Final Draft of POS and Bond Documents Distribute Revised Rating Agency Presentation Finalize Plan of Finance
Week 5-6	Send Documents to Rating Agencies Rating Agency Meetings/Conference Calls Record Investor Roadshow Presentation City Commission Approval
Week 7	Receive Ratings Mail POS Release Internet Roadshow Presentation Investor Conference Calls (if necessary)
Week 8	Retail/Institutional Pricing of Bonds Sign BPA Mail Final OS
Week 9-10	Preclosing/Closing



## **Appendix 5**

# **Morgan Stanley G-17 Certification**

City of Hollywood, Florida  
2600 Hollywood Boulevard  
Hollywood, FL 33020

May 8, 2014

Attn: Matthew Lalla, Director, Financial Services Department

Re: Disclosures by Morgan Stanley & Co. LLC  
Pursuant to MSRB Rule G-17  
Proposed Bond Issuance

Dear Mr. Lalla:

We are writing to provide you, as Director of the Financial Services Department at the City of Hollywood, Florida (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 2012-25 (May 7, 2012).<sup>1</sup>

Morgan Stanley & Co. LLC proposes 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 services as senior managing underwriter, Morgan Stanley & Co. LLC may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. As senior managing underwriter, we are providing this letter on behalf of the underwriters that are members of the underwriting syndicate for the Bonds. You also may receive additional separate disclosure letters pursuant to Rule G-17 from one or more co-managing underwriters for the Bonds.

## I. Disclosures Concerning the Underwriters’ Role:

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.

(ii) 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.

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<sup>1</sup> Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective August 2, 2012).



# Morgan Stanley

(iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.

(iv) 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.

(v) The underwriters will review the official statement for the Bonds in accordance with, and as 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>

## II. 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.

## III. Additional Conflicts Disclosures:

If Morgan Stanley & Co. LLC identifies any additional potential or actual material conflicts (within the meaning of MSRB Rule G-17) specific to Morgan Stanley & Co. LLC's participation in the underwriting of the Bonds, we will notify you under separate cover at the appropriate time.

## IV. Disclosures Concerning Complex Municipal Securities Financing:

In accordance with the requirements of MSRB Rule G-17, if Morgan Stanley & Co. LLC recommends a "complex municipal securities financing" to the Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at that time.

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.

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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.

# Morgan Stanley

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any 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. As noted above, depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

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

Sincerely,



---

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

Acknowledgement of Receipt:

By: \_\_\_\_\_  
Mr. Matthew Lalla

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

## **Appendix 6**

# **Insurance Certificates**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
05/06/2014

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

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

<b>PRODUCER</b> Marsh USA, Inc. 1166 Avenue of the Americas New York, NY 10036	<b>CONTACT NAME:</b> <b>PHONE (A/C. No. Ext):</b> <b>FAX (A/C. No):</b> <b>E-MAIL ADDRESS:</b>
027947-FINPR-IndEO-14-15	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Travelers Casualty & Surety Co. of America <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>
<b>INSURED</b> Morgan Stanley and all its Subsidiaries and Affiliates 1633 Broadway 25th Floor New York, NY 10019	<b>NAIC #</b> 31194

**COVERAGES****CERTIFICATE NUMBER:**

NYC-006862252-01

**REVISION NUMBER:** 1

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N <input type="checkbox"/> N/A						WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Errors & Omissions Liability			105218422	01/31/2014	01/31/2015	Limit: \$15,000,000 Deductible: \$100,000

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

**CERTIFICATE HOLDER**CITY OF HOLLYWOOD  
ATTN: OFFICE OF CITY CLERK, RM 221  
2600 HOLLYWOOD BOULEVARD  
HOLLYWOOD, FL 33020**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  
of Marsh USA Inc.

Lisa K. Laughlin

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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
05/06/2014

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

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

<b>PRODUCER</b> Marsh USA, Inc. 1166 Avenue of the Americas New York, NY 10036  027947-MSCG-GAWU-14-15	<b>CONTACT NAME:</b>	<b>FAX (A/C, No):</b>	
	<b>PHONE (A/C, No, Ext):</b>	<b>E-MAIL ADDRESS:</b>	
<b>INSURED</b> Morgan Stanley and its subsidiaries 1633 Broadway, 25th Floor New York, NY 10019	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> ACE American Insurance Company		22667
	<b>INSURER B:</b> XL Specialty Insurance Company		37885
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
<b>INSURER F:</b>			

**COVERAGES****CERTIFICATE NUMBER:**

NYC-006862267-01

**REVISION NUMBER:** 2

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			HDO G27334064	05/01/2014	05/01/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 50,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			CAL H08820843	05/01/2014	05/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			US00067069L14A	05/01/2014	05/01/2015	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input checked="" type="checkbox"/> Y <input type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WLR C47888505 SCF C47888529 WLR C47888517 WLR C47888499	05/01/2014 05/01/2014 05/01/2014 05/01/2014	05/01/2015 05/01/2015 05/01/2015 12/31/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CITY OF HOLLYWOOD IS INCLUDED AS ADDITIONAL INSURED (EXCEPT WORKERS' COMPENSATION) WHERE REQUIRED BY WRITTEN CONTRACT.

**CERTIFICATE HOLDER**CITY OF HOLLYWOOD  
ATTN: OFF OF CITY CLERK, RM 221  
2600 HOLLYWOOD BOULEVARD  
HOLLYWOOD, FL 33020**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  
of Marsh USA Inc.

Ricki Fitzsimmons

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## **Appendix 7**

# **Hold Harmless and Indemnity Clause**

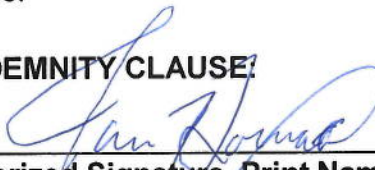
The insurance policy shall not contain any exceptions that would exclude coverage for risks that can be directly or reasonably related to the scope of goods or services in this bid/proposal. A violation of this requirement at any time during the term, or any extension thereof shall be grounds for the immediate termination of any contract entered in to pursuant to this bid/proposal. In order to show that this requirement has been met, along with an insurance declaration sheet demonstrating the existence of a valid policy of insurance meeting the requirements of this bid/proposal, the successful proposer must submit a signed statement from insurance agency of record that the full policy contains no such exception.

The City reserves the right to require additional insurance in order to meet the full value of the contract.

The City reserves the right to require any other insurance coverage it deems necessary depending upon the exposures.

#### **HOLD HARMLESS AND INDEMNITY CLAUSE:**

Morgan Stanley & Co. LLC



J.W. Howard

**(Company Name and Authorized Signature, Print Name),**

the contractor shall indemnify, defend and hold harmless the City of Hollywood, its elected and appointed officials, employees and agents for any and all suits, actions, legal or administrative proceedings, claims, damage, liabilities, interest, attorney's fees, costs of any kind whether arising prior to the start of activities or following the completion or acceptance and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part by reason of any act, error or omission, fault or negligence whether active or passive by the contractor, or anyone acting under its direction, control, or on its behalf in connection with or incident to its performance of the contract.

**(Company Name and Authorized Signature, Print Name),**

further certifies that it will meet all insurance requirements of the City of Hollywood and agrees to produce valid, timely certificates of coverage.

#### **C. GENERAL INFORMATION AND SCHEDULE**

For information concerning procedure for responding to this Request for Proposal (RFP), contact the Procurement Services Division, Ralph Dierks, Procurement Manager at (954) 921-3223, or Linda Silvey, Budget and Procurement Technician at (954) 921-3200 or Joel Wasserman, Director, Procurement Services at (954) 921-3290, or his designee. Such contact is to be for clarification purposes only. Material changes, if any, to the scope of services, or Proposal procedures will only be transmitted by written addendum.

It is preferred that all questions be submitted in writing. Questions should be directed to the City of Hollywood, P.O. Box 229045, Hollywood, Florida 33022-9045, Attention: Ralph Dierks, Procurement Services Division, or to facilitate prompt receipt of questions, they may be sent via fax at (954) 921-3086, or via e-mail to [rdierks@hollywoodfl.org](mailto:rdierks@hollywoodfl.org) or [lsilvey@hollywoodfl.org](mailto:lsilvey@hollywoodfl.org) or contact the Director of Procurement Services or his designee. **Questions must be received no later than 5:00 P.M., Thursday, April 17, 2014.**

## **Appendix 8**

# **Equal Employment Opportunity**

## G: EQUAL EMPLOYMENT OPPORTUNITY:

Proposer shall provide a written statement that it does not and will not discriminate against any person, employee, or applicant for employment, because of race, creed, color, religion, sex, national origin, ancestry, age or disability.

## MORGAN STANLEY NON-DISCRIMINATION AND ANTI-HARASSMENT POLICY

### Equal Employment Opportunity

It is the policy of the Firm to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, creed, age, sex, gender, gender identity or expression, sexual orientation, national origin, citizenship, disability, marital and civil partnership/union status, pregnancy (including unlawful discrimination on the basis of a legally protected pregnancy/maternity leave), veteran status, genetic information or any other characteristic protected by law.<sup>1, 2</sup>

**Discrimination and sexual harassment are against Firm policy and illegal under federal, state and local laws.**

Consistent with our core values, the Firm is committed to a work environment in which all individuals are treated with respect and dignity. Each individual should have the ability to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Firm expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and harassment.

**The Firm prohibits and will not tolerate any such discrimination or harassment, whether committed by management or non-supervisory personnel, employees of temporary agencies, vendors, contractors or guests.**

### Definitions of Harassment

- a. **Sexual harassment** constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is generally defined as unwelcome sexual advances, requests for sexual favors and other verbal, nonverbal or physical conduct of a sexual nature when, for example: (i) submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment by a supervisory employee; (ii) submission to or rejection of such conduct by an individual is used by a supervisory employee as the basis for decisions that affect an individual's employment opportunities in a tangible way; or (iii) such conduct is unwelcome and severe or pervasive enough to create an intimidating, hostile or offensive work environment for a reasonable individual.

Sexual harassment may include subtle behavior and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, catcalls or touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

- b. **Harassment on the basis of any protected characteristic** is also strictly prohibited. Under this policy, harassment is unwelcome verbal, nonverbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, creed, age, sex, gender, gender identity or expression, sexual orientation, national origin, citizenship, disability, pregnancy (including unlawful discrimination on the basis of a legally protected pregnancy/maternity leave), marital and civil partnership/union status or veteran status, genetic information or any other characteristic protected by law or that of his/her relatives, friends or associates, and that is severe or pervasive enough to create an intimidating, hostile or offensive work environment for a reasonable individual, or otherwise adversely affects an individual's employment opportunities in a tangible way.

Harassing conduct includes, but is not limited to: epithets, slurs or stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group.

This policy prohibits such harassing conduct whether done verbally or nonverbally, including through e-mail or other Firm electronic systems.

<sup>1</sup> Individuals who wish to identify themselves as disabled or as a veteran can access the corresponding self-identification form via the Forms section of Employee Central.

<sup>2</sup> It is the policy of the Firm to reasonably accommodate employees with disabilities and employees' religious beliefs or practices, in accordance with applicable law. Employees who believe they require such accommodations should contact their HR Representative.

## Individuals and Conduct Covered

This policy applies to all applicants and employees, and prohibits harassment, discrimination, and retaliation whether engaged in by fellow employees, by a Supervisor or Manager or by someone not directly connected to the Firm. Persons not employed by the Firm (e.g., an outside vendor, consultant, temporary agency employee or customer) are also advised of this policy and are expected to comply with it in all respects. The purpose of this policy is not to outline every example of conduct that is inconsistent with a work environment that promotes dignity, respect and equal employment opportunity. Employees are expected to at all times exercise sound judgment, to follow the “stop and reflect” approach set forth in the Code of Conduct and to avoid behavior or activity that may negatively affect the Firm’s image and reputation.

Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Similarly unacceptable under this policy is participation in work-related activities whether in or outside the workplace that (i) are inconsistent with a professional atmosphere and an environment that promotes dignity, respect and equal employment opportunity or (ii) that are exclusionary with respect to any individual’s race, color, religion, creed, age, sex, gender, gender identity or expression, sexual orientation, national origin, citizenship, disability, marital and civil partnership/union status, pregnancy (including unlawful discrimination on the basis of a legally protected pregnancy/maternity leave), veteran status, genetic information or any other characteristic protected by law. This includes patronizing, in connection with work-related activities, adult entertainment establishments or facilities that exclude use by any individual on the basis of his or her protected status.

## Complaint Procedure

### REPORTING AN INCIDENT OF HARASSMENT, DISCRIMINATION OR RETALIATION

The Firm strongly urges the reporting of all incidents of discrimination, harassment or retaliation, regardless of the offender’s identity or position, so that an effective and thorough investigation can be conducted promptly and discreetly, and effective remedial action can be taken when appropriate. Complaints will be accepted in writing or orally.

Further, individuals who believe they have experienced, or managers who have learned of, conduct that is contrary to the Firm’s policy or who have concerns about such matters must contact their Human Resources Representative for their business unit. If these representatives are not available or if the circumstances make it inappropriate to contact them, individuals may contact any HR representative. For a listing of all designated HR representatives, please visit Morgan Stanley’s Employee Central website by typing “employeecentral” in your web browser and viewing the on-line version of the Non-Discrimination and Anti-Harassment Policy under “Policies.”

**In addition, individuals may always take their complaints to the CARE Program Administrator at 1-866-227-3123 or Kerry Piercy, Head of Diversity for MSWM at 914-225-8539.**



## Important Notice to All Employees:

**EMPLOYEES WHO HAVE EXPERIENCED CONDUCT THEY BELIEVE IS CONTRARY TO THIS POLICY MAY HAVE A LEGAL OBLIGATION TO TAKE ADVANTAGE OF THIS COMPLAINT PROCEDURE. AN EMPLOYEE'S FAILURE TO FULFILL THIS OBLIGATION COULD AFFECT HIS OR HER RIGHT TO PURSUE LEGAL ACTION.**

Early reporting has proven to be a highly effective method of resolving actual or perceived incidents of harassment or discrimination. Therefore, while no fixed reporting period has been established, the Firm strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken when appropriate.

The availability of this complaint procedure does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

## RETALIATION IS PROHIBITED

The Firm prohibits retaliation against any individual who, in good faith, reports discrimination, harassment or concerns about affirmative action; any individual who participates in, or otherwise supports, an investigation of such reports; or otherwise as prohibited by applicable law. Anyone who exhibits retaliatory behavior against an individual under such circumstances will be subject to disciplinary action up to and including termination.

## The Investigation of Allegations

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, when necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigation process to the greatest extent possible and to the extent consistent with adequate investigation and appropriate corrective action. Individuals involved in the investigation process are expected to provide their full cooperation and to maintain confidentiality, where requested.

At the conclusion of the investigation, the Firm will advise any individual who has made a complaint under this policy that the investigation has concluded and share other information as may be appropriate under the circumstances.

## Consequences of Inappropriate Behavior

Misconduct including harassment, discrimination, retaliation or other forms of unprofessional behavior, even if not unlawful, may subject employees to disciplinary action by the Firm up to and including termination. In addition, conduct that is unlawful may subject employees to civil, and in some cases, criminal liability.

Appendix 9

Declaration æ å Ä Ö ã & [ • ˇ ! ^ Á

**K. DECLARATION**

The aforementioned, as Proposer (herein used in the masculine singular, irrespective of actual gender and number), declares, under oath that no other person has any interest in this Proposal or in any resulting agreement to which this Proposal pertains, that this Proposal is not made with connection or arrangement with any other persons, and that this Proposal is made without collusion or fraud.

The Proposer further declares that he has complied in every respect with all the instructions to Proposers, that he has read all addenda, if any, issued prior to the opening of Proposals, and that he has satisfied himself fully relative to all matters and conditions with respect to the general conditions of the agreement and all relevant information to which this proposal pertains.

**L. DISCLOSURE OF CONFLICT OF INTEREST**

Vendor shall disclose below, to the best of his or her knowledge, any City of Hollywood officer or employee, or any relative of any such officer or employee as defined in Section 112.3135, Florida Statutes, who is an officer, partner, director or proprietor of, or has a material interest in the vendor's business or its parent company, any subsidiary, or affiliated company, whether such City official or employee is in a position to influence this procurement or not.

**Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City of Hollywood Purchasing Ordinance.**

Name	Relationship
Please refer to Morgan Stanley's G-17 disclosure letter in Appendix A.	

In the event the vendor does not indicate any name, the City shall interpret this to mean that no such relationship exists.

## **Appendix F**

### **Addendum Acknowledgement**

**RFP NO. 4414-14-RD  
ADDENDUM NO. 1**

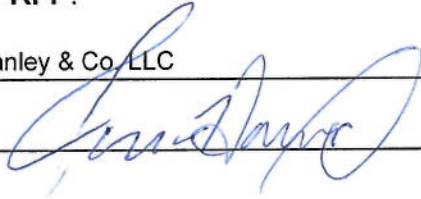
**All other specifications, terms & conditions remain the same.**

**MAILED RFP'S**

If you have already submitted your printed Request for Proposals, it will be retained in the City Clerk's Office until the Proposal opening time and date. If you wish to pick up your RFP that has already been submitted, you can do so by showing proper identification, in the Office of the City Clerk, 2600 Hollywood Blvd, Room 221, Hollywood, Florida 33020.

**Please sign and return with your RFP.**

COMPANY NAME: Morgan Stanley & Co. LLC

PROPOSER'S SIGNATURE 

Dated this 30th day of April 2014



**Appendix ;**

**Disclaimers**

## Required G-23 Disclosure

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## DISCLOSURES

# Disclaimer

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