

EXHIBIT B

FORM OF 2013 BOND

ANY HOLDER SHALL, PRIOR TO BECOMING A HOLDER, EXECUTE A LENDER'S CERTIFICATE IN THE FORM ATTACHED TO A RESOLUTION ADOPTED AUGUST 20, 2013.

Dated Date: August 22, 2013

\$19,963,753

STATE OF FLORIDA
CITY OF KEY WEST, FLORIDA
SEWER SYSTEM REFUNDING REVENUE BOND, SERIES 2013

KNOW ALL MEN BY THESE PRESENTS that City of Key West, Florida (the "Issuer"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Regions Capital Advantage, Inc. or registered assigns (hereinafter, the "Owner"), the principal sum of \$19,963,753 on the dates and in the amounts as hereinafter described, together with interest on the principal balance at the "Interest Rate" described below, calculated on a 360-day year consisting of 12 30-day months; provided, however, that such interest rate shall in no event exceed the maximum interest rate permitted by applicable law. This Bond shall have a final "Maturity Date" of October 1, 2026.

The Interest Rate is equal to 2.65%, subject to adjustment as follows. If it is determined by the Owner, supported by an opinion of counsel, or by the Internal Revenue Service, that interest on this Bond is includable in gross income under Section 103 of the Internal Revenue Code of 1986, as amended, then, anything herein to the contrary notwithstanding, the Interest Rate shall be the per annum rate of interest (fixed or variable subject to adjustment from time to time) that would provide the Owner an after-tax yield on the then outstanding principal amount of this Bond at least equal to the after-tax yield the Owner would have received, if such determination had not been made, from the date such interest must be included in such gross income, whereupon the Issuer will, solely from the Net Revenues, reimburse the Owner the difference between the interest then due computed at the higher rate and the interest already paid at the lower rate, along with all costs, expenses, past-due interest, penalties, attorneys' fees and all other losses incurred by the Owner as a result of such determination, within thirty (3) days after the date a written notice is delivered by the Owner to the Issuer stating that such a determination has been made and stating the amount that is then due, which obligation to pay such additional interest and such other costs, expenses, past-due interest, penalties, attorneys' fees, and other losses shall survive the payment of the principal of this Bond. This adjustment shall survive payment of this Bond until such time as the federal statute of limitations under which the interest on this Bond could be declared taxable under the Code shall have expired.

Interest shall be payable to the Owner on each April 1 and October 1 (each an "Interest Payment Date"), commencing on October 1, 2013.

Unless earlier prepaid, the principal amount of this Bond shall be paid in the following amounts on the following dates:

<u>Dates</u>	<u>Amounts</u>
10/01/2013	\$256,436
10/01/2014	1,287,574
10/01/2015	1,327,144
10/01/2016	1,360,626
10/01/2017	1,391,845
10/01/2018	1,430,742
10/01/2019	1,471,994
10/01/2020	1,509,802
10/01/2021	1,556,061
10/01/2022	1,590,572
10/01/2023	1,628,447
10/01/2024	1,669,563
10/01/2025	1,716,588
10/01/2026	1,766,359

A final payment in the amount of the remaining principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date.

In the event the Issuer prepays all or a portion of this Bond prior to August 22, 2018, the Issuer shall, at the time of such payment, pay an additional fee to the Owner, referred to as the "make whole payment." The make whole payment shall be equal to the result of the formula $A \times ((B - C) \times (D/360))$, where:

- (i) "A" equals the principal balance of this Bond on the date of prepayment.
- (ii) "B" equals the 10-year Interest Rate Swap Index (rate) as determined by the Federal Reserve on the date of issuance of this Bond and concurred by the Owner.
- (iii) "C" equals the 10-year Interest Rate Swap Index (rate) as determined by the Federal Reserve on the proposed prepayment date and concurred by the Owner.
- (iv) "D" equals the number of days from and including the prepayment date to but not including the final maturity date of this Bond.

No make whole payment shall be due or owing hereunder if, on the date of such prepayment, the difference obtained by subtracting "C" from "B" is zero or less. The Owner shall provide the Issuer with a written statement explaining the calculation of the make whole

payment, which statement shall, in absence of manifest error, be conclusive and binding upon the Issuer. The application of the make whole payment shall not be deemed an increase in the Interest Rate. This Bond may be prepaid in whole or in part at the option of the Issuer on any date on or after August 22, 2018 at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the prepayment date, without penalty.

If any date for the payment of principal and interest hereon shall fall on a day which is not a Business Day, the payment due on such date shall be due on the next succeeding day which is a Business Day, but the Issuer shall not receive credit for the payment until it is actually received by the Owner.

All payments by the Issuer pursuant to this Bond shall apply first to accrued interest, then to other charges due the Owner, and the balance thereof shall apply to principal.

THIS BOND DOES NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE OWNER THAT SUCH OWNER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OR USE OF AD VALOREM TAX REVENUES OF THE ISSUER OR TAXATION OF ANY REAL OR PERSONAL PROPERTY THEREIN FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE ORDINANCE.

This Bond is issued pursuant to the Constitution of the State of Florida; Chapter 166, Part II, Florida Statutes, the Charter of the Issuer and Ordinance No. 03-15 duly enacted by the Issuer on June 17, 2003, as amended by an ordinance duly enacted by the Issuer on August 20, 2013, as amended and supplemented from time to time, and as particularly supplemented by a resolution duly adopted by the Issuer on August 20, 2013 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. All terms, conditions and provisions of the Ordinance including, without limitation, remedies in the event of default are by this reference thereto incorporated herein as a part of this Bond. Payment of the Bond is secured by a lien upon the Net Revenues of the Issuer, in the manner and to the extent described in the Ordinance. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance.

This Bond may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer and in the manner provided in the Ordinance.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Key West, Florida, has issued this Bond and has caused the same to be executed by its Mayor and attested by its City Clerk, either manually or with their facsimile signatures, and the corporate seal of the City, or a facsimile thereof to be impressed, imprinted or otherwise reproduced hereon, all as of the Dated Date set forth above.

CITY OF KEY WEST, FLORIDA

(SEAL)

By _____
Mayor

ATTESTED:

Clerk

CERTIFICATE OF AUTHENTICATION OF BOND REGISTRAR

This Bond is one of the bonds of the issue described in the Ordinance.

CITY OF KEY WEST, FLORIDA,
as Registrar

By: _____
Clerk

Date of Authentication

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT -as tenants by the entireties

JT TEN -as joint tenants with right of survivorship and not as tenants in common

UNIF GIF MIN ACT - _____
(Cust.)

Custodian for _____
(Minor)

under Uniform Gifts to Minors Act of

(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

the within bond and does hereby irrevocably constitute and appoint _____ as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____

Signature guaranteed:

(Bank, Trust company or Firm)

(Authorized Officer)

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever