

RESOLUTION NO. 2026-____

A RESOLUTION OF THE CITY OF KEY WEST, FLORIDA SUPPLEMENTING ORDINANCE NO. 2025-04 ENACTED ON FEBRUARY 4, 2025; AUTHORIZING THE ISSUANCE OF THE CITY OF KEY WEST, FLORIDA GENERAL OBLIGATION BONDS, SERIES 2026 (ADAPTATION – JOSE MARTI DRIVE PROJECT) IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,000,000; FIXING CERTAIN DETAILS OF SAID BONDS; APPROVING THE FORMS OF THE SUMMARY NOTICE OF SALE AND OFFICIAL NOTICE OF SALE WITH RESPECT TO SUCH BONDS; DELEGATING TO THE CITY MANAGER THE AUTHORITY TO DETERMINE THE PRINCIPAL AMOUNTS OF THE BONDS TO BE ISSUED AND THE BID DATE WITH RESPECT TO SUCH BONDS, TO AWARD THE SALE THEREOF TO THE LOWEST CONFORMING BIDDER BASED ON BIDS SUBMITTED AT PUBLIC SALE, AND TO DETERMINE THE TERMS OF SUCH SALE; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT; DELEGATING AUTHORITY TO THE CITY MANAGER TO ENGAGE A BOND REGISTRAR AND PAYING AGENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A BOND REGISTRAR AND PAYING AGENT AGREEMENT, SUBJECT TO SUCH REVISIONS AS SHALL BE APPROVED BY THE CITY MANAGER AND CITY ATTORNEY; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT PERTAINING TO THE BONDS; AUTHORIZING CERTAIN OFFICIALS OF THE CITY TO EXECUTE ANY DOCUMENT OR TO TAKE ANY ACTIONS REQUIRED IN CONNECTION WITH ISSUANCE OF THE BONDS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING FOR THE SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution of the City of Key West, Florida (the "City") is adopted pursuant to the Constitution and laws of the State of Florida, including Chapter 166, Florida Statutes, Sections 100.201-100.351, Florida Statutes, the Charter of the City, City Ordinance No. 24-18 enacted on July 18, 2024 (the "Referendum Ordinance"), City Ordinance No. 25-04 enacted on February 4, 2025 (the "Bond Ordinance"), Section 2-851 of the Code of Ordinances, City of Key West, Florida (the "City Code"), and other applicable provisions of law, and a majority vote of the electors of the City held on November 5, 2024.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared as follows:

(A) In accordance with Section 8.03 of the City Charter, the City Commission of the City (the "City Commission") enacted the Referendum Ordinance on July 18, 2024 to call a referendum election (the "Bond Referendum") to determine if a majority of the electors of the City approve the issuance of not exceeding \$65,000,000 in general obligation bonds (the "Bonds"), in one or more series, to be secured by and payable from the City's ad valorem taxing power, to acquire and construct improvements related to public infrastructure adaptations for weather resistance and storm and flooding mitigation (the "Project").

(B) The Bond Referendum was conducted on November 5, 2024, and a majority of the qualified electors of the City approved issuance of the Bonds.

(C) In light of the referendum approval, the City Commission enacted the Bond Ordinance on February 4, 2025 which (i) established additional terms, conditions and covenants for the Bonds, (ii) directed judicial validation of the Bonds pursuant to Chapter 75, Statutes, and (iii) provided that following such validation, the dollar amount, interest rate, maturity date, series designation and other details of the Bonds would be fixed by supplemental resolution of the City Commission before issuance and delivery of the Bonds to the purchasers thereof.

(D) The City's authority to issue the Bonds, the Referendum Ordinance, the Bond Referendum, and the Bond Ordinance were validated by the Final Judgment entered by the Circuit Court of the Sixteenth Judicial Circuit in and for Monroe County, Florida, on May 1, 2025, in Case No. 2025-CA-185.

(E) The City intends to enter into a cost sharing agreement (the "Locally Funded Agreement") with the State of Florida Department of Transportation (the "Department"), whereby the Department will contribute fifty percent (50%) of the estimated costs for certain resiliency improvements to be constructed at the intersection of SR5/US-1/North Roosevelt Boulevard and Jose Marti Drive, as further described in Exhibit A attached hereto (the "2026 Project"), and the City will contribute the remaining fifty percent (50%) of such costs.

(F) Pursuant to the authority bestowed by the Bond Referendum, the City Commission has now determined to supplement the Bond Ordinance hereby to authorize the issuance of not to exceed \$8,000,000 City of Key West, Florida General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Drive Project) (the "Series 2026 Bonds") to (i) finance and/or reimburse the City's share of the Costs of the 2026 Project pursuant to the Locally Funded Agreement, and (ii) pay certain costs and expenses relating to the issuance and sale of the Series 2026 Bonds.

(G) In furtherance thereof, the City wishes to approve the forms of the Summary Notice of Sale attached hereto as Exhibit B and the Official Notice of Sale attached hereto as Exhibit C, each by reference made a part hereof.

(H) The Official Notice of Sale is to be provided to all parties expressing an interest in the offering of the Series 2026 Bonds.

(I) The City wishes to delegate to the City Manager the authority to determine the bid date with respect to the Series 2026 Bonds, to award the sale thereof to the lowest conforming bidder (the "Original Purchaser") in the aggregate principal amount of not exceeding \$8,000,000 for the purposes of financing and/or reimbursing the City's share of the Costs of the 2026 Project, and to determine the terms of such sale, all in accordance with the Official Notice of Sale.

(J) Prior to the award and sale of the Series 2026 Bonds, the City will be provided all applicable disclosure information required by Section 218.385, Florida Statutes, a copy of which will be attached to or otherwise included as part of the Official Notice of Sale.

(K) The City Commission desires to approve the form of and authorize the distribution of a Preliminary Official Statement, a form of which is attached hereto as Exhibit D (the "Preliminary Official Statement") in connection with the marketing and sale of the Series 2026 Bonds, and to authorize the execution and delivery of a final Official Statement incorporating the final details of the Series 2026 Bonds.

(L) The City Commission desires to approve the form of and authorize the execution of a Disclosure Dissemination Agent Agreement, a form of which is attached hereto as Exhibit E (the "Disclosure Agreement").

(M) The City Commission desires to delegate authority to the City Manager to engage a Bond Registrar and Paying Agent, and approve and authorize the execution of a Bond Registrar and Paying Agent Agreement in substantially the form attached hereto as Exhibit F (the "Bond Registrar and Paying Agent Agreement").

(N) The City deems it a public purpose and necessary, beneficial and in its best interest to issue the Series 2026 Bonds to finance the Costs of the 2026 Project.

(O) Ad valorem taxes levied by the City in accordance with the Bond Referendum, the Bond Ordinance and this Resolution are expected to be sufficient to pay all principal, interest and redemption premium, if any, on the Series 2026 Bonds as the same become due, and to make all deposits or payments required hereunder or by the Bond Ordinance.

(P) This Resolution shall constitute a supplemental resolution under the Bond Ordinance which is adopted for purposes of authorizing issuance of the Series 2026 Bonds.

SECTION 3. DEFINITIONS. All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Bond Ordinance.

SECTION 4. AUTHORIZATION OF THE SERIES 2026 BONDS AND 2026 PROJECT. The City hereby authorizes the issuance of City of Key West, Florida General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Drive Project), in the aggregate principal amount of not to exceed \$8,000,000 for the purpose of (i) financing and/or reimbursing the City’s share of the Costs of the 2026 Project, and (ii) paying certain costs and expenses relating to the issuance and sale of the Series 2026 Bonds. It is hereby ascertained, determined, and declared that it is in the best interest of the City to provide for the sale by competitive bid of the Series 2026 Bonds. The series designation and account names relating to the Series 2026 Bonds can be changed to reflect the calendar year of issue. The Series 2026 Bonds shall be in substantially the form set forth in the Bond Ordinance, shall be signed by the Mayor and attested by the City Clerk, and the official seal of the City shall be imprinted on the Series 2026 Bonds.

Following issuance of the Series 2026 Bonds, the bonding capacity remaining under the Bond Referendum will equal \$65,000,000 less the par amount of the Series 2026 Bonds, less any original issue premium associated with the Series 2026 Bonds.

The City hereby authorizes the 2026 Project.

SECTION 5. SUMMARY NOTICE OF SALE AND OFFICIAL NOTICE OF SALE; DELEGATED AWARD. (A) The forms of the Summary Notice of Sale and the Official Notice of Sale attached hereto as Exhibit B and Exhibit C, respectively, are hereby approved, subject to such changes, insertions and omissions and filling of blanks therein as may be approved and made in such form by the City Manager in a manner consistent with the terms of this Resolution. The City Manager is hereby authorized to accept the offer of the Original Purchaser to purchase the Series 2026 Bonds in accordance with the terms of the Official Notice of Sale; provided, however, that (i) the aggregate principal amount of the Series 2026 Bonds shall not exceed \$8,000,000, (ii) the true interest cost rate of the Series 2026 Bonds shall not exceed 5.50%, (iii) the Series 2026 Bonds may be issued as serial bonds and/or term bonds to be determined in the Original Purchaser’s bid proposal in accordance with the Official Notice of Sale, (iv) the purchase price (defined to mean original principal amount, plus any related original issue premium less any related original issue discount less related underwriting discount) is in excess of 100% of the aggregate principal amount of the Series 2026 Bonds, plus accrued interest, if any, and (v) the final maturity date for the Series 2026 Bonds shall not be later than October 1, 2055. The City Manager is hereby authorized to award the sale of the Series 2026 Bonds to the Original Purchaser for and on behalf of the City pursuant to the terms hereof and of the Official Notice of Sale. The City hereby authorizes the publication of the Summary Notice of Sale pursuant to the requirements of law.

(B) Prior to the delivery of the Series 2026 Bonds, the Original Purchaser will provide the City with a disclosure statement containing the information required by Section 218.38(1)(b)2., Florida Statutes and a Truth in Bonding Statement pursuant to Section 218.385, Florida Statutes.

SECTION 6. REDEMPTION. The Series 2026 Bonds shall be subject to redemption as set forth in Bond Ordinance and in the Official Notice of Sale.

SECTION 7. APPROVAL OF PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT. The City hereby ratifies and approves the form of the Preliminary Official Statement relating to the Series 2026 Bonds which is attached hereto as Exhibit D. The City hereby authorizes the City Manager to execute and deliver a certificate of the City which deems such Preliminary Official Statement "final" within the contemplation of rule 17 CFR § 240.15c2-12 of the U.S. Security Exchange Commission ("Rule 15c2-12"). The City hereby ratifies and approves the use of such Preliminary Official Statement as part of the competitive sale of the Series 2026 Bonds. The City hereby authorizes execution and delivery of a final Official Statement (with such changes as are necessary to describe the final terms of the Series 2026 Bonds) by the Mayor and the City Manager, which execution and delivery shall constitute complete evidence of the approval of such final Official Statement by the City.

SECTION 8. CONTINUING DISCLOSURE. The City hereby covenants and agrees that, in order to assist the Holders in complying with the continuing disclosure requirements of Rule 15c2-12 with respect to the Series 2026 Bonds, it will comply with and carry out all of the provisions of the Disclosure Agreement by the City prior to the time the City delivers the Series 2026 Bonds to the Original Purchaser, as may be amended from time to time in accordance with the terms thereof. The form of the Disclosure Agreement, attached hereto as Exhibit E is hereby approved and ratified. Subject to satisfaction of the conditions in Section 4(A) hereof, the Disclosure Agreement shall be executed in the name of the City with the manual signature of the Mayor and the official seal of the City shall be imprinted thereon, attested with the manual signature of the Clerk and approved as to form and legal correctness by the City Attorney. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of such Disclosure Agreement by the City, including any changes to the form being approved, and shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

Notwithstanding any other provision of the Bond Ordinance, failure of the City to comply with such Disclosure Agreement shall not be considered an event of default under the Bond Ordinance. However, the Disclosure Agreement shall be enforceable by the Holders of the Series 2026 Bonds in the event that the City fails to cure a breach thereunder within a reasonable time after written notice from a Holder of the Series 2026 Bonds to the City that a breach exists. Any rights of the Holders of the Series 2026 Bonds to enforce the provisions of this covenant shall be on behalf of all Holders of the Series 2026 Bonds and shall be limited to a right to obtain specific performance of the City's obligations thereunder.

SECTION 9. BOND REGISTRAR AND PAYING AGENT. The City previously sought proposals from interested parties to serve as Bond Registrar and Paying Agent for the Series 2026 Bonds. The City Manager is hereby authorized to select and engage a Bond Registrar and Paying

Agent relating to the Series 2026 Bonds, based on the proposal determined by the City Manager to be in the best interests of the City. The City hereby ratifies and approves the form of the Bond Registrar and Paying Agent Agreement relating to the Series 2026 Bonds which is attached hereto as Exhibit F to be entered into by the City and the Bond Registrar and Paying Agent, with such changes as may be approved by the City Manager and City Attorney. Subject to satisfaction of the conditions in Section 4(A) hereof, the Bond Registrar and Paying Agent Agreement shall be executed in the name of the City with the manual signature of the Mayor and the official seal of the City shall be imprinted thereon, attested with the manual signature of the Clerk and approved as to form and legal correctness by the City Attorney. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of such Bond Registrar and Paying Agent Agreement by the City.

SECTION 10. APPLICATION OF PROCEEDS. Proceeds from the sale of the Series 2026 Bonds, including accrued interest, if any, shall be disposed of as follows:

(A) An amount equal to the costs of issuance of the Series 2026 Bonds shall be set aside by the City and used to pay the costs of issuance of the Series 2026 Bonds.

(B) There is hereby created and established the "Series 2026 Construction Subaccount" in the Project Fund. After payment of costs of issuance, all remaining proceeds of the Series 2026 Bonds shall be deposited to the Series 2026 Construction Subaccount and applied to pay Costs of the 2026 Project. Upon completion of the 2026 Project, any moneys remaining on deposit therein shall be applied to pay debt service on the Series 2026 Bonds, to redeem Series 2026 Bonds, or for any lawful purpose of the City.

SECTION 11. GENERAL AUTHORITY. The members of the City Commission, the Mayor, the City Manager, the Finance Director, the City Attorney, the Clerk and any other employees of the City are hereby authorized to perform all acts and things required of them by the Bond Ordinance and this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2026 Bonds, this Resolution and the Bond Ordinance, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the Original Purchaser or Original Purchasers to effectuate the sale of the Series 2026 Bonds. All action taken to date by the members of the City Commission, the Mayor, the City Manager, the Finance Director, the City Attorney, the Clerk and any other employees of the City in furtherance of the issuance of the Series 2026 Bonds is hereby approved, confirmed and ratified.

SECTION 12. SEVERABILITY. If any one or more of the covenants, agreements, or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements, or provisions of this Resolution or of the Series 2026 Bonds issued hereunder.

SECTION 13. PUBLIC MEETING. It is hereby found and determined that all official acts by the City Commission concerning and relating to the adoption of this Resolution and all prior resolution and ordinances affecting the City Commission's ability to authorize the issuance of the Series 2026 Bonds were taken in an open public meeting of the City Commission and that all deliberations of the City Commission or any of its committees that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements, including without limitation Section 286.011, Florida Statutes.

SECTION 14. NO THIRD-PARTY BENEFICIARIES. Except as otherwise expressly provided in the Bond Ordinance, nothing herein expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the Holders of the Series 2026 Bonds issued pursuant to the Bond Ordinance, any right, remedy or claim, legal or equitable, under and by reason of the Bond Ordinance, or any provisions thereof, all provisions thereof being intended to be and being for the sole and exclusive benefit of the parties thereto and the Holders of the Series 2026 Bonds from time to time of the Series 2026 Bonds issued pursuant to the Bond Ordinance.

SECTION 15. SUPERSEDED. All resolutions or portions thereof in conflict with the provisions of this Resolution are hereby superseded to the extent of any such conflict.

[Remainder of page intentionally left blank]

SECTION 16. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption on _____, 2026 by the City Commission. This Resolution shall be adopted by a majority plus one vote of the City Commission present for a quorum on _____, 2026, in compliance with Section 2-801 of the City Code.

PASSED AND ADOPTED by the City Commission at a regular meeting held this _____ day of _____, 2026.

Authenticated by the presiding officer and Clerk of the City Commission on this _____ day of _____, 2026.

Mayor Danise Henriquez	_____
Commissioner Lissette Carey	_____
Commissioner Aaron Castillo	_____
Commissioner Monica Haskell	_____
Commissioner Samuel Kaufman	_____
Commissioner Donald Lee	_____
Commissioner Gregory Veliz	_____

DANISE HENRIQUEZ, MAYOR

ATTEST:

KERI O'BRIEN, CMC, CITY CLERK

EXHIBIT A

2026 PROJECT DESCRIPTION

The 2026 Project includes resiliency improvements at the intersection of SR5/US-1/North Roosevelt Boulevard and Jose Marti Drive including but not limited to:

- Localized pavement reconstruction along Truman Avenue, North Roosevelt Boulevard and Jose Marti Drive;
- Raising of the roadway pavement a minimum of 6 inches;
- Installing new drainage pump station system;
- Installing a new generator for the pump station system;
- Raising sea wall approximately 24 inches at Jose Marti Drive;
- Replacing traffic and pedestrian signals at the intersection;
- Reconstructing sidewalk and pedestrian curb ramps;
- Installing new signing and pavement markings; and
- Installing decorative lighting.

EXHIBIT B

FORM OF SUMMARY NOTICE OF SALE

SUMMARY NOTICE OF SALE

[\$_____*]

**CITY OF KEY WEST, FLORIDA
GENERAL OBLIGATION BONDS, SERIES 2026
(ADAPTATION – JOSE MARTI PROJECT)**

Bids for the City of Key West, Florida General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Project) (the "2026 Bonds") will be received by the City of Key West, Florida (the "City") via IHS Markit's PARITY/BiDCOMP Competitive Bidding System ("Parity"). Bids will be received until [10:30 A.M.] Eastern time, on [_____, 2026]. The date and/or time of the sale may be modified by the Finance Director of the City or their respective designee no less than ten (10) days after the date of publication of this notice and communicated by Thomson Municipal Market Monitor not less than twenty (20) hours prior to the time bids are to be received.

Such bids are to be opened in public at said times and place on said day for the purchase of the 2026 Bonds. The 2026 Bonds are being issued for the purposes of (i) financing a portion of the acquisition and construction of improvements related to public infrastructure adaptations for weather resistance and storm and flooding mitigation, including certain resiliency improvements to be constructed at the intersection of SR5/US-1/North Roosevelt Boulevard and Jose Marti Drive, as authorized pursuant to an election held on November 5, 2024, and (ii) paying certain costs and expenses relating to the issuance of the 2026 Bonds.

The approving opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, will be furnished to the successful bidder at the expense of the County.

Electronic copies of the Preliminary Official Statement and the Official Notice of Sale relating to the 2026 Bonds will be available at the website address <http://www.munios.com> or from the City's Municipal Advisor, PFM Financial Advisors LLC, 200 South Orange Avenue, Suite 760, Orlando, Florida 32801, telephone 407-406-5773. All such documents should be read in their entirety by prospective purchasers of the 2026 Bonds.

**City of Key West, Florida
Brian L. Barroso
City Manager**

Dated: [_____, 2026]

*Preliminary, subject to change.

EXHIBIT C

FORM OF OFFICIAL NOTICE OF SALE

OFFICIAL NOTICE OF SALE

[\$_____*]

CITY OF KEY WEST, FLORIDA GENERAL OBLIGATION BONDS, SERIES 2026 (ADAPTATION – JOSE MARTI PROJECT)

The City of Key West, Florida General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Project) (the "2026 Bonds") are being offered for sale in accordance with this Official Notice of Sale. Notice is hereby given that bids will be received by the City of Key West, Florida (the "Issuer" or the "City") for the purchase of the 2026 Bonds via IHS Markit's Parity Bid Submission System ("Parity") in the manner described below until [10:30 A.M.], Eastern time, on [_____, 2026], or on such other date and/or time as will be established by the Finance Director of the City or their respective designee and communicated by Thomson Municipal Market Monitor not less than 20 hours prior to the time the bids are to be received. To the extent any instructions or directions set forth on Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Parity, and to subscribe in advance of the bid, potential bidders may contact Parity at 212-849-5021. The use of Parity shall be at the bidder's risk and expense, and the Issuer shall have no liability with respect thereto.

BOND DETAILS

The description of the 2026 Bonds, the purpose thereof and the security therefor, as set forth in this Official Notice of Sale, is subject in its entirety to the disclosures made in the Preliminary Official Statement. See "DISCLOSURE INFORMATION" herein.

The 2026 Bonds will be issued as fully registered bonds, and when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the 2026 Bonds. Individual purchases of the 2026 Bonds may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Purchasers of 2026 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the 2026 Bonds as nominee for DTC, payments of principal and interest with respect to the 2026 Bonds will be made directly to such registered owner who will in turn remit such principal and interest payments to DTC participants for subsequent disbursement to the Beneficial Owners. The Issuer will not be responsible for payments to Beneficial Owners.

The 2026 Bonds will be dated their date of delivery (expected to be [_____, 2026]) or such other date as may be communicated by Thomson Municipal Market Monitor not less than 20 hours prior to the time bids are to be received, and shall bear interest from such date, shall be payable semiannually commencing on [October 1, 2026], and on each April 1 and October 1 thereafter until maturity at the rate or rates specified in such bid proposals as may be accepted.

* Preliminary, subject to change.

INITIAL MATURITY SCHEDULE FOR THE 2026 BONDS

<u>Maturity (October 1)*</u>	<u>Amount*</u>
2027	\$
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037**	
2038**	
2039**	
2040**	
<u>2041**</u>	
Total	\$

* Preliminary, subject to change.

** Term Bond Option as described herein.

NOTE: The Issuer reserves the right to modify the maturity schedule shown above. Any such modification will be communicated through the Thomson Municipal Market Monitor (See "ADJUSTMENT OF PRINCIPAL AMOUNTS" below).

PAYING AGENT AND REGISTRAR

The Paying Agent and Registrar for the 2026 Bonds will be U.S. Bank Global Corporate Trust.

ADJUSTMENT OF PRINCIPAL AMOUNTS

The schedule of maturities set forth above (the "Initial Maturity Schedule") represents an estimate of the principal amount and maturities of the 2026 Bonds that will be sold. The Issuer reserves the right to change the Initial Maturity Schedule by announcing any such change not later than 3:00 p.m., Eastern time, on the day immediately preceding the date set for receipt of bids, through Thomson Municipal Market Monitor. If no such change is announced, the Initial Maturity Schedule will be deemed the schedule of maturities for submission of the bid.

Furthermore, if after final computation of the bids, the Issuer determines in its sole discretion that the funds necessary to accomplish the purpose of the 2026 Bonds is more or less than the proceeds of the sale of all of the 2026 Bonds, the Issuer reserves the right to increase or decrease the principal amount, by no more than 15% of the principal amount of the 2026 Bonds, or 15% within a given maturity of the 2026 Bonds (to be rounded to the nearest \$5,000) or by such other amount as approved by the winning bidder.

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted; and the 2026 Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified immediately after award of the 2026 Bonds of that maturity. However, the award will be made to the bidder whose bid produces the lowest true interest cost rate, calculated as specified herein, solely on the basis of the 2026 Bonds offered, without taking into account any adjustment in the amount of 2026 Bonds pursuant to this paragraph.

REDEMPTION PROVISIONS

The 2026 Bonds maturing on or before [October 1, 2036] are not subject to optional redemption prior to maturity. The 2026 Bonds maturing on or after [October 1, 2037], are subject to redemption prior to their stated dates of maturity at the option of the City in whole or in part on any date on or after [October 1, 2036], and if in part, from such maturities as the City shall designate, at the Redemption Price of par plus accrued interest to the redemption date.

TERM BONDS OPTION

Any bidder may, at its option, specify that the maturities of the 2026 Bonds maturing after [October 1, 2036] will consist of term bonds that are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof (each a "Term Bond") as designated in the bid of such bidder. In the event that the bid of the successful bidder specifies that a permitted maturity of the 2026 Bonds will be a Term Bond, such Term Bond will be subject to mandatory sinking fund redemption on October 1, in each applicable year, in the principal amount for such year as set forth hereinbefore under the heading "INITIAL MATURITY SCHEDULE FOR THE 2026 BONDS," at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date.

AUTHORITY AND PURPOSE

The 2026 Bonds are being issued under the authority of, and in full compliance with the Constitution and laws of the State of Florida, including Chapter 166, Florida Statutes, Sections 100.201-100.351, Florida Statutes, the Charter of the City, City Ordinance No. 24-18 enacted on July 18, 2024, City Ordinance No. 25-04 enacted on February 4, 2025 (the "Bond Ordinance"), Section 2-851 of the Code of Ordinances, City of Key West, Florida, and other applicable provisions of law, and a majority vote of the electors of the City held on November 5, 2024 (the "Bond Referendum") for the purposes of (i) financing a portion of the acquisition and construction of improvements related to public infrastructure adaptations for weather resistance and storm and flooding mitigation, including certain resiliency improvements to be constructed at the intersection

of SR5/US-1/North Roosevelt Boulevard and Jose Marti Drive (the “2026 Project”), as authorized pursuant to the Bond Referendum, and (ii) paying certain costs and expenses relating to the issuance of the 2026 Bonds. The 2026 Project is being undertaken pursuant to a cost sharing agreement between the City and the State of Florida Department of Transportation (“FDOT”), pursuant to which the City and FDOT will each contribute 50% of the construction costs. The 2026 Bonds will finance the City’s share of such costs.

SECURITY

The Series 2026 Bonds are general obligations of the City. The principal of and interest on the Series 2026 Bonds shall be secured by a pledge of the full faith, credit and taxing power of the City without limitation in the manner and to the extent described in the Bond Ordinance. For so long as the Series 2026 Bonds are outstanding, the City Commission shall, each year, levy an ad valorem tax, without limitation as to rate or amount, on all taxable property at least equal to the Debt Service Requirement for the ensuing Bond Year. Such tax shall be levied and collected at the same time and in the same manner as ad valorem taxes for the operating expenses of the City, and such tax shall be in addition to all other taxes authorized to be levied by the City. The City has covenanted in the Bond Ordinance that it will not accept payment of taxes levied for operating expenses of the City unless there shall be paid at the same time the taxes required by the Bond Ordinance. Undefined terms in the section shall have the meanings set forth in the Bond Ordinance.

UNDERLYING RATING

Moody’s Ratings have assigned a municipal bond rating of ["Aa2"] to the 2026 Bonds.

TERMS OF BID AND BASIS OF AWARD

Proposals must be unconditional and for the purchase of all of the 2026 Bonds. The reoffering price for the 2026 Bonds may not be less than 100% of the principal amount of the 2026 Bonds for any single maturity thereof. The aggregate purchase price, inclusive of original issue discount ("OID"), original issue premium ("OIP") and underwriter’s discount may not be less than 100% of the principal amount of the 2026 Bonds.

The 2026 Bonds shall bear interest expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one (1) per centum. The use of split or supplemental interest coupons will not be considered and a zero rate or blank rate will not be permitted. All 2026 Bonds maturing on the same date shall bear the same rate of interest.

The 2026 Bonds will be awarded to the bidder offering to purchase the 2026 Bonds at the lowest annual interest cost computed on a true interest cost ("TIC") basis. The annual TIC will be determined by doubling the semi-annual interest rate necessary to discount the semi-annual debt service payments on the 2026 Bonds back to the Net Bond Proceeds (defined as the par amount of the 2026 Bonds, plus any OIP, less any OID and underwriter's discount on the 2026 Bonds, calculated on a 360 day year to the Closing Date, as defined below). The TIC must be calculated

to four (4) decimal places. **NO BID SHALL BE ACCEPTED WITH A TIC GREATER THAN [5.50%].**

THE ISSUER RESERVES THE RIGHT TO REJECT ALL BIDS OR ANY BID NOT CONFORMING TO THIS OFFICIAL NOTICE OF SALE. THE ISSUER ALSO RESERVES THE RIGHT TO WAIVE, IF PERMITTED BY LAW, ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE ISSUER SHALL NOT REJECT ANY CONFORMING BID, UNLESS ALL CONFORMING BIDS ARE REJECTED.

GOOD FAITH DEPOSIT

If the City selects a winning bid, then the successful bidder must submit a "Good Faith Deposit" (the "Deposit") to the City in the form of a wire transfer in the amount of \$[_____] not later than 2:00 p.m., Eastern time on the business day following the award. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the Issuer to be applied as partial payment for the 2026 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the bid, the proceeds thereof will be retained as and for full liquidated damages.

STANDARD FILINGS, CHARGES AND CLOSING DOCUMENTS

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to Municipal Securities Rulemaking Board ("MSRB") Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for the 2026 Bonds purchased. In addition, those who are members of Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond. The winning bidder will also be required to execute certain closing documents required by Florida law or required by Bond Counsel (as defined below) in connection with the delivery of its tax opinion. See "DISCLOSURE; AMENDMENTS TO NOTICE OF SALE; NOTIFICATION OBLIGATIONS OF PURCHASER" herein.

CUSIP NUMBERS

The Issuer will assume no obligation for the assignment of CUSIP numbers to the 2026 Bonds or for the correctness of any such numbers printed thereon, but the Issuer will permit such printing to be done at the expense of the purchaser, provided that such printing does not result in any delay of the date of delivery of the 2026 Bonds. PFM Financial Advisors LLC, the Issuer's municipal advisor, will request the assignment of CUSIP numbers prior to the sale of the 2026 Bonds.

DELIVERY OF THE 2026 BONDS

The Issuer will pay the cost of preparing the 2026 Bonds. The successful bidder is responsible for DTC eligibility and related DTC costs. Delivery of and payment for the 2026 Bonds will be via DTC Fast on or about [_____, 2026] (the "Closing Date") in such time and place mutually acceptable to the successful bidder and the Issuer. Payment of the full purchase price,

less the Deposit, shall be made to the Issuer not later than 12:00 P.M., Eastern time on the Closing Date, in Federal Reserve Funds of the United States of America, without cost to the Issuer.

The legal opinion of Bryant Miller Olive P.A. ("Bond Counsel") will be furnished without charge to the successful bidder at the time of delivery of the 2026 Bonds. For a further discussion of the content of that opinion and the proposed form of the approving opinion, see the Preliminary Official Statement for the 2026 Bonds.

There will also be furnished at the time of delivery of the 2026 Bonds, a certificate or certificates of the Issuer (which may be included in a consolidated closing certificate) relating to the accuracy and completeness of the Official Statement; and stating, among other things, that there is no litigation or administrative action or proceeding pending or, to the knowledge of the Issuer, threatened, at the time of delivery of the 2026 Bonds, (a) to restrain or enjoin or seeking to restrain or enjoin the issuance and delivery of the 2026 Bonds or (b) affecting the validity of the 2026 Bonds, and that the Preliminary Official Statement has been deemed by the Issuer to be a "final official statement" for purposes of U.S. Securities Exchange Commission ("SEC") [Rule 15c2-12(b)(3) and (4)].

The successful bidder will be responsible for the clearance or exemption with respect to the status of the 2026 Bonds for sale under the securities or "Blue Sky" laws of the several states and the preparation of any surveys or memoranda in connection with such sale.

ESTABLISHMENT OF ISSUE PRICE

(a) The winning bidder shall assist the City in establishing the issue price of the 2026 Bonds and shall execute and deliver to the City upon issuance of the 2026 Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2026 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-2, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the 2026 Bonds) will apply to the initial sale of the 2026 Bonds (the "competitive sale requirements") because:

- (i) the City shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the City may receive bids from at least three underwriters of municipal bonds who represent to have established industry reputations for underwriting new issuances of municipal bonds; and

- (iv) the City anticipates awarding the sale of the 2026 Bonds to the bidder who submits a firm offer to purchase the 2026 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the 2026 Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the 2026 Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the 2026 Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the 2026 Bonds satisfies the 10% test as of the date and time of the award of the 2026 Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the 2026 Bonds, which maturities of the 2026 Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the 2026 Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the 2026 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the 2026 Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that it and all other underwriters that are participating in the winning bidder's bid have offered or will offer the 2026 Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of itself and all other underwriters participating in the winning bidder's bid for the purchase of the 2026 Bonds, that the underwriters will neither offer nor sell unsold 2026 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (A) the close of the fifth (5th) business day after the sale date; or
- (B) the date on which the underwriters have sold at least 10% of that maturity of the 2026 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the 2026 Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the 2026 Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold 2026 Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all the 2026 Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the 2026 Bonds of that maturity, provided that, the winning bidder's reporting obligation after the

Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel.

(f) The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2026 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2026 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2026 Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the 2026 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2026 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2026 Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule if applicable to the 2026 Bonds.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third party distribution agreement, as applicable:

(A)(1) to report the prices at which it sells to the public the unsold 2026 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all 2026 Bonds of that maturity allocated to it have been sold or until it is notified by the winning bidder that the 10% test has been satisfied as to the 2026 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires.

(B) to promptly notify the winning bidder of any sales of 2026 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2026 Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2026 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold 2026 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2026 Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the 2026 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(h) Sales of any 2026 Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2026 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2026 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2026 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2026 Bonds to the public),
- (iii) a purchaser of any of the 2026 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships

(including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) "sale date" means the date that the 2026 Bonds are awarded by the City to the winning bidder, which is expected to be [_____, 2026].

**DISCLOSURE; AMENDMENTS TO NOTICE OF SALE;
NOTIFICATION OBLIGATIONS OF PURCHASER**

This Official Notice of Sale is not intended as a disclosure document and bidders are required to obtain and carefully review the Preliminary Official Statement before submitting a bid.

This Official Notice of Sale may be amended from time to time after its initial publication by publication of amendments thereto not less than 20 hours prior to the bid date and time by Thomson Municipal Market Monitor. Each bidder will be charged with the responsibility of obtaining any such amendments and complying with the terms thereof.

The winning bidder is required to provide a Truth in Bonding Statement pursuant to Section 218.385, Florida Statutes, and to disclose the payment of any "finder's fee" pursuant to Section 218.386, Florida Statutes, prior to the award of the 2026 Bonds, as set forth in Exhibit A-1 to this Official Notice of Sale.

Prior to delivery of the 2026 Bonds to the successful bidder, the successful bidder shall file with the Issuer a statement as described in Section 218.38(1)(c)2, Florida Statutes, containing the underwriting spread (including management fee, if any), and the amount of any fee, bonus or gratuity paid in connection with the 2026 Bonds to any person not regularly employed by the successful bidder. This statement shall be filed with the Issuer even if no such management fee or underwriting spread has been charged by the successful bidder or no such fee, bonus or gratuity has been paid by the successful bidder, and such filing shall be a condition precedent to the delivery of the 2026 Bonds by the Issuer to the successful bidder.

The successful bidder, by submitting its bid, agrees to furnish to the Issuer and Bond Counsel a certificate verifying information as to the bona fide initial offering prices or yields of the 2026 Bonds to the public and sales of the 2026 Bonds appropriate for determination of the issue price of, and the yield on, the 2026 Bonds under the Internal Revenue Code of 1986, as amended, in the form attached hereto as Exhibit A-2, and such other documentation as and at the time requested by Bond Counsel.

The successful bidder shall also verify its winning bid in writing to the Issuer by executing a printed copy of its winning bid as reported on Parity.

The winning bidder is required to provide an Noncoercive Conduct for Labor or Services affidavit, provided in Exhibit A-3, pursuant to Section 787.06(14), Florida Statutes, prior to the award of the 2026 Bonds.

OFFICIAL STATEMENT

The Issuer shall furnish at its expense within seven (7) business days after the 2026 Bonds have been awarded to the successful bidder, or at least five (5) business days before the Closing Date, whichever is earlier, up to 25 copies of the final Official Statement, which, in the judgment of the municipal advisor to the City will permit the successful bidder to comply with applicable SEC and MSRB rules. The successful bidder may arrange for additional copies of the final Official Statement at its expense.

CONTINUING DISCLOSURE

In order to assist bidders in complying with SEC Rule 15c2-12, the Issuer will undertake to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain events, if material. Such information will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System ("EMMA"). Notices of material events will be filed with the Municipal Securities Rulemaking Board through EMMA. A summary of such undertaking is contained in the Preliminary Official Statement.

DISCLOSURE INFORMATION

Copies of the Preliminary Official Statement "deemed final" (except for permitted omissions) by the Issuer in accordance with SEC Rule 15c2-12 must be obtained from the Municipal Advisor to the Issuer, PFM Financial Advisors LLC, 200 S. Orange Avenue, Suite 760, Orlando, Florida 32801, 407-406-5773 before a bid is submitted. The Issuer's Preliminary Official Statement and Official Notice of Sale are also available for viewing in electronic format at <http://www.munios.com>.

NOTICE OF BIDDERS REGARDING PUBLIC ENTITY CRIMES

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

CITY OF KEY WEST, FLORIDA

By: _____

Title: _____

EXHIBIT A-1

**TRUTH-IN-BONDING STATEMENT
AND DISCLOSURE**

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to The City of Key West, Florida General Obligation Bonds, Series 2026 (Adaptation - Jose Marti Project) (the "Bonds") (NOTE: For information purposes only and not a part of the bid):

The City of Key West, Florida (the "Issuer") is proposing to issue [\$_____]* of the Bonds for the purpose of financing a portion of the acquisition and construction of improvements related to public infrastructure adaptations for weather resistance and storm and flooding mitigation, including certain resiliency improvements to be constructed at the intersection of SR5/US-1/North Roosevelt Boulevard and Jose Marti Drive, as authorized pursuant to the Bond Referendum (as such term in defined in the Bond Ordinance) and paying the costs of issuance of such Bonds. The Bonds are expected to be repaid over a period of approximately [__] years. At a forecasted interest rate of [_.__%], total interest paid over the life of the Bonds will be [\$_____].

The Bonds are general obligations of the Issuer. The principal of and interest on the Bonds shall be secured by a pledge of the full, faith, credit and taking power of the Issuer without limitation in the manner described in Ordinance No. 25-04 enacted by the City Commission of the City on February 4, 2025 (the "Bond Ordinance"). This will result in approximately [\$_____] of such taxes not being available annually to finance the other capital projects or services of the Issuer for each year for approximately [__ years] (it being understood that as voter-approved ad-valorem taxes, those taxes are expressly authorized for the payment of debt service on the Bonds and would not otherwise be available to the Issuer for other purposes).

In compliance with Section 218.386, Florida Statutes, the undersigned, on behalf of itself and all other members of the underwriting group, if any, hereby certifies that neither it nor any member of the underwriting group have paid any "finder's fees" as defined in Section 218.386, Florida Statutes, or any bonus, fee or gratuity in connection with the sale of the Bonds.

The foregoing is provided for informational purposes only and shall not affect or control the actual terms and conditions of the Bonds.

Bidder's Name: _____

By: _____

* Preliminary, subject to change.

Title: _____

Date: _____

EXHIBIT A-2

ISSUE PRICE CERTIFICATE— FEDERAL TAX COMPETITIVE BIDDING REQUIREMENTS MET

The undersigned hereby certifies as follows with respect to the sale of [\$______]*] General Obligation Bonds, Series 2026 (Adaptation - Jose Marti Project) (the "Bonds") of the City of Key West, Florida (the "Issuer"):

1. The undersigned is the Initial Purchaser or the manager of the syndicate of initial purchasers (the "Initial Purchaser") which has purchased the Bonds from the Issuer at competitive sale.

2. The Initial Purchaser was not given the opportunity to review other bids prior to submitting its bid that was not offered to other bidders, and the bid submitted by the Initial Purchaser constituted a firm bid to purchase the Bonds.

3. As of the sale date, the reasonably expected initial offering prices of the Bonds to the public for each maturity of the Bonds by the Initial Purchaser (expressed as a percentage of principal amount and exclusive of accrued interest) is as set forth in Schedule A attached hereto (the "Expected Offering Prices"). The Expected Offering Prices are the prices for maturities of the Bonds used by the Initial Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Initial Purchaser to purchase the Bonds.

4. The term "public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to an underwriter. A related party generally means two or more persons with greater than 50 percent common ownership, directly or indirectly.

5. A purchaser is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

6. "Sale date" means the first date on which there is a binding contract in writing for the sale of the Bonds. The sale date of the Bonds is [_____, 2026].

7. The term "maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different interest rates, are treated as separate maturities.

8. The term “underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the public (including a member of the selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public).

9. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Non-Arbitrage Certificate and Agreement executed by the Issuer in connection with the issuance of the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bryant Miller Olive P.A., Bond Counsel, in connection with rendering its opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

EXECUTED and DELIVERED this _____ day of _____ 2026

Name of Initial Purchaser or Manager

By: _____

Title: _____

**ISSUE PRICE CERTIFICATE—FEDERAL TAX COMPETITIVE BIDDING
REQUIREMENTS NOT MET**

\$ _____
THE CITY OF KEY WEST, FLORIDA
General Obligation Bonds, Series 2026 (Adaptation - Jose Marti Project)

ISSUE PRICE CERTIFICATE

_____ (the "Purchaser") for the bonds identified above (the "Issue"), issued by the City of Key West, Florida (the "City"), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

Issue Price.

As of the date of this certificate, for each Maturity of the Issue other than the Hold-the-Offering-Price Maturities, the first price at which at least 10% of such Maturity of the Issue was sold to the Public is the respective price listed in the final Official Statement, dated _____, 2026, for the Issue (the "Sale Price" as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity is \$_____ (the "Issue Price").

The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at their respective Sale Prices on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Issue is attached to this Certificate as Schedule B.

As set forth in the Notice of Sale for the Issue, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold bonds of such Maturity to any person at a price that is higher than the Sale Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) unsold bonds of the Hold-the-Offering-Price Maturities shall be retained by the Purchaser and not allocated to any of the other Underwriters. Pursuant to such agreement, the Purchaser has not offered or sold any unsold bonds of the Issue of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Sale Price for that Maturity of the bonds during the Holding Period.

Definitions.

"Hold-the-Offering-Price Maturities" means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

"Holding Period" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Sale Price for such Hold-the-Offering-Price Maturity.

"Maturity" means bonds of the Issue with the same credit and payment terms. Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. A purchaser of any of the Bonds is a "related party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

"Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the bonds. The Sale Date of the Issue is [_____, 2026].

"Underwriter" means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Issue to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Issue to the Public).

All capitalized terms not defined in this Certificate have the meaning set forth in the City's Certificate Relating to Tax, Arbitrage and Other Matters (the "Tax Certificate").

The signer is an officer of the Purchaser and duly authorized to execute and deliver this Certificate of the Purchaser. Although such certifications cannot be independently verified by us, we have no reason to believe them to be untrue in any material respect. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Issue, and by Bryant Miller Olive P.A., as bond counsel, in connection with rendering its opinion that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Issue.

Dated: _____, 2026

[Purchaser]

By: _____
Name:
Title:

SCHEDULE A

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING PRICE MATURITIES

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
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*Priced to the first optional redemption date of [October 1, 2036].

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT A-3
AFFIDAVIT ATTESTING TO NONCOERCIVE CONDUCT
FOR LABOR OR SERVICES

Entity/Vendor Name: _____

Vendor FEIN: _____

Vendor's Authorized Representative: _____
(Name and Title)

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____

Email Address: _____

As a nongovernmental entity executing, renewing, or extending a contract with a government entity, Vendor is required to provide an affidavit under penalty of perjury attesting that Vendor does not use coercion for labor or services in accordance with Section 787.06, Florida Statutes.

As defined in Section 787.06(2)(a), coercion means:

1. Using or threatening to use physical force against any person;
2. Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;
3. Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or service are not respectively limited and defined;
4. Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;
5. Causing or threatening to cause financial harm to any person;
6. Enticing or luring any person by fraud or deceit; or
7. Providing a controlled substance as outlined in Schedule I or Schedule II of Section 893.03 to any person for the purpose of exploitation of that person.

As a person authorized to sign on behalf of Vendor, I certify under penalties of perjury that Vendor does not use coercion for labor or services in accordance with Section 787.06. Additionally, Vendor has reviewed Section 787.06, Florida Statutes, and agrees to abide by same.

Certified By: _____, who is authorized to sign on behalf of the above referenced company.

Authorized Signature: _____

Print Name: _____

Title: _____

EXHIBIT D

FORM OF PRELIMINARY OFFICIAL STATEMENT

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED [_____] , 2026

NEW ISSUE - BOOK ENTRY ONLY

RATING: (See "RATING" herein)

In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2026 Bonds.

\$[_____] *
CITY OF KEY WEST, FLORIDA
General Obligation Bonds, Series 2026
(Adaptation – Jose Marti Drive Project)

Dated: Date of Delivery

Due: As shown on the inside cover page

The City of Key West, Florida (the "City") is issuing its \$[_____] * General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Drive Project) (the "Series 2026 Bonds"). The Series 2026 Bonds are being issued as fully registered bonds, in denominations of \$5,000 or integral multiples thereof. Interest on the Series 2026 Bonds is payable semiannually on October 1 and April 1 (each, a "Bond Service Payment Date"), commencing on [_____] 1, 20[___], by check or draft of U.S. Bank Trust Company, National Association, as Bond Registrar and Paying Agent (or by wire transfer to registered Owners of at least \$1,000,000 principal amount of the Series 2026 Bonds requesting payment by such means), mailed to the person in whose name the Series 2026 Bonds are registered, at his or her address as it appears on the registration books maintained by the Bond Registrar and Paying Agent on the 15th day of the month (whether or not a business day) next preceding the Bond Service Payment Date. The principal of and premium, if any, on the Series 2026 Bonds will be payable upon presentation and surrender thereof on the maturity date or the date fixed for redemption thereof at the designated corporate trust office of the Bond Registrar and Paying Agent.

Upon initial issuance, the Series 2026 Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"), an automated depository for securities and clearinghouse for securities transactions. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2026 Bonds, payments of the principal of, premium, if any, and interest on the Series 2026 Bonds will be mailed directly to DTC or its nominee, Cede & Co., which is to remit such payments to the Direct Participants (as defined herein), which in turn are to remit such payments to the Beneficial Owners (as defined herein) of the Series 2026 Bonds.

The Series 2026 Bonds are subject to redemption prior to their stated maturity as set forth herein. See "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption" herein for more information.

The Series 2026 Bonds are being issued for the purpose of (i) financing and/or reimbursing the City's share of the Costs of the 2026 Project (as defined herein) pursuant to the Locally Funded Agreement (as defined herein) and (ii) paying certain costs and expenses relating to the issuance and sale of the Series 2026 Bonds. See "THE 2026 PROJECT" and "SERIES 2026 BONDS ESTIMATED SOURCES AND USES OF FUNDS" herein for more information.

The Series 2026 Bonds are general obligations of the City. The principal of and interest on the Series 2026 Bonds shall be secured by a pledge of the full faith, credit and taxing power of the City without limitation. For so long as the Series 2026 Bonds are outstanding, the City Commission of the City shall, each year, levy an ad valorem tax, without limitation as to rate or amount, on all taxable property within the City (excluding homestead exemptions and other exemptions as heretofore or hereafter provided by applicable law) at least equal to the Debt Service Requirement (as defined in the Bond Ordinance) for the ensuing Bond Year (as defined in the Bond Ordinance). Such tax shall be levied, assessed and collected at the same time and in the same manner as ad valorem taxes for the operating expenses of the City and shall be in addition to all other taxes authorized to be levied by the City.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2026 Bonds are offered for delivery when, as and if issued and received by the Original Purchaser, subject to the satisfaction of certain conditions and subject to delivery of an opinion on certain legal matters relating to their issuance by Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, and certain other conditions. Certain legal matters in connection with the Series 2026 Bonds are being passed upon for the City by its Disclosure Counsel, GrayRobinson, P.A. Tampa, Florida. Certain other legal matters will be passed upon for the City by Mayanne Downs, Esq., City Attorney. PFM Financial Advisors LLC, Orlando, Florida, is acting as municipal advisor to the City. It is expected that settlement for the Series 2026 Bonds will occur through the facilities of DTC on or about [_____], 2026.

ELECTRONIC BIDS FOR THE SERIES 2026 BONDS PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE WILL BE RECEIVED BY THE CITY UNTIL 10:30 A.M., EASTERN TIME ON [_____] , 2026, OR SUCH OTHER DATE AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE THROUGH THE IHS MARKIT'S PARITY/BIDCOMP COMPETITIVE BIDDING SYSTEM. PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE, BIDDERS MAY ELECT, AT THEIR EXPENSE, TO HAVE ALL OR A PORTION OF THE SERIES 2026 BONDS INSURED BY A MUNICIPAL BOND INSURANCE POLICY. BIDDERS SHOULD REVIEW THE OFFICIAL NOTICE OF SALE IN ITS ENTIRETY.

Dated: [_____], 2026

*Preliminary, subject to change.

CITY OF KEY WEST, FLORIDA

\$[_____]*

**General Obligation Bonds, Series 2026
(Adaptation – Jose Marti Drive Project)**

Maturities, Amounts, Interest Rates, Yields, Prices and Initial CUSIP Numbers

Maturity* (October 1)	Amount*	Interest Rate	Yield	Price	Initial CUSIP Number⁽¹⁾
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037**					
2038**					
2039**					
2040**					
2041**					

*Preliminary, subject to change.

** Subject to term bond option as described in the Official Notice of Sale.

⁽¹⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standards & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are included herein solely for the convenience of the purchasers of the Series 2026 Bonds. Neither the City nor the Original Purchaser shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

CITY OF KEY WEST, FLORIDA

ELECTED OFFICIALS

MAYOR

Danise "DeeDee" Henriquez

CITY COMMISSION

Monica Haskell, District I Commissioner
Samuel Kaufman, District II Commissioner
Donald "Donie" Lee, District III Commissioner
Lissette Carey, District IV Commissioner
Gregory Veliz, District V Commissioner
Aaron Castillo, District VI Commissioner

ADMINISTRATION

Brian L. Barroso, City Manager
Rod Delostrinos, Assistant City Manager
Michael Turner, Assistant City Manager
Todd Stoughton, Intergovernmental & Legislative Affairs Liaison
Christina Bervaldi, Finance Director

CITY ATTORNEY

Mayanne Downs, Esq.

BOND COUNSEL

Bryant Miller Olive P.A.
Tallahassee, Florida

DISCLOSURE COUNSEL

GrayRobinson, P.A.
Tampa, Florida

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Orlando, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS SET FORTH IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CITY. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SERIES 2026 BONDS BY A PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2026 BONDS.

THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE BOND ORDINANCE OR SUPPLEMENTAL RESOLUTION (EACH AS DEFINED HEREIN) BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

THE SERIES 2026 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITES.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTION "SERIES 2026 BONDS ESTIMATED SOURCES AND USES OF FUNDS." THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

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OFFICIAL STATEMENT

\$[_____]*

CITY OF KEY WEST, FLORIDA
General Obligation Bonds, Series 2026
(Adaptation – Jose Marti Drive Project)

INTRODUCTORY STATEMENT

The purpose of this Official Statement, which includes the cover page and the Appendices, is to present information for the offering by City of Key West, Florida (the "City"), of its \$[_____] * General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Project) (the "Series 2026 Bonds").

The Series 2026 Bonds are being issued under the authority of, and in full compliance with the Constitution and laws of the State of Florida (the "State"), including Chapter 166, Florida Statutes, Sections 100.201-100.351, Florida Statutes, the Charter of the City, City Ordinance No. 24-18 enacted on July 18, 2024 (the "Referendum Ordinance"), City Ordinance No. 25-04 enacted on February 4, 2025 (the "Bond Ordinance"), as amended and supplemented, and as particularly supplemented by Resolution No. 2026-[] adopted on [_____] , 2026 (the "Supplemental Resolution"), Section 2-851 of the Code of Ordinances, City of Key West, Florida (the "City Code"), and other applicable provisions of law.

An election was held on November 5, 2024 (the "Bond Referendum"), whereby electors of the City approved the issuance of not exceeding \$65,000,000 of general obligation bonds of the City for the purpose of financing the acquisition and construction of improvements related to public infrastructure adaptations for weather resistance and storm and flooding mitigation (the "Project"), payable from ad valorem taxes on all of the taxable property within the City. The election was duly held and conducted in all respects according to law, and a majority of electors casting a ballot voted in favor of the issuance of such bonds for such purpose. Prior to the issuance of the Series 2026 Bonds, no Bonds have been issued pursuant to the authority of the Bond Referendum. Based on the principal of, and gross premium on, the Series 2026 Bonds, the City is expected to have approximately \$[_____] * remaining pursuant to the Bond Referendum after issuance of the Series 2026 Bonds.

The Series 2026 Bonds are being issued for the purpose of (i) financing and/or reimbursing the City's share of the Costs of the 2026 Project (as hereinafter defined) pursuant to the Locally Funded Agreement (as hereinafter defined) and (ii) paying certain costs and expenses relating to the issuance of the Series 2026 Bonds. See also the "THE 2026 PROJECT" and "SERIES 2026 BONDS ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2026 Bonds are general obligations of the City. The principal of and interest on the Series 2026 Bonds shall be secured by a pledge of the full faith, credit and taxing power of the City without limitation in the manner and to the extent described in the Bond Ordinance. For so long as the Series 2026 Bonds are outstanding, the City Commission of the City (the "City Commission") shall, each year, levy an ad valorem tax, without limitation as to rate or amount, on all taxable property (excluding homestead exemptions and other exemptions as heretofore or hereafter provided by applicable law) at least equal to the Debt Service Requirement for the ensuing Bond Year. Such tax shall be levied, assessed and collected at the same time and in the same manner as ad valorem taxes for the operating expenses of the City and

* Preliminary, subject to change.

shall be in addition to all other taxes authorized to be levied by the City. See "SECURITY FOR THE SERIES 2026 BONDS" herein.

Capitalized terms used but not defined herein have the same meanings as when used in the Bond Ordinance and Supplemental Resolution unless the context clearly indicates otherwise. A copy of the Bond Ordinance and the form of the Supplemental Resolution are included as APPENDIX C attached hereto. The descriptions of the Series 2026 Bonds, the documents authorizing the same and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, agreements, reports and statements are qualified by their entire, actual content. Copies of such documents, agreements, reports and statements that are not included in their entirety in this Official Statement may be obtained from the Finance Department 1300 White Street Key West, Florida 33040 (305) 809-3793, or from the City's Municipal Advisor, PFM Financial Advisors LLC, 200 S. Orange Avenue, Suite 760, Orlando, FL 32801, telephone number (407) 406-5773.

THE CITY

The City was first incorporated in 1828 and is the county seat of Monroe County, Florida (the "County"). It is located near the southern extreme of the Florida Keys which are a string of coral islands extending in a southwesterly arc from Biscayne Bay to the Dry Tortugas. The City lies farther south than any other point in the continental United States. The Florida Keys separate the Atlantic Ocean on the south and east from the Gulf of Mexico on the north and west and are approximately 100 miles south of the United States mainland. The City lies 98 miles north of Cuba, approximately 160 miles southwest of Miami and 66 nautical miles north of the Tropic of Cancer. The City's [2024] estimated permanent population was [26,078]. In addition to the permanent population, the City is a world renowned tourist destination and a popular location for second homes. The total number of people in the City on an average day, including permanent residents, seasonal residents, the maritime population, overnight tourists, day trippers, cruise ship visitors, commuters, and shoppers, is estimated to be over [50,000]. For additional information concerning the City, see APPENDIX A: "City of Key West, Florida: General Information" attached hereto.

THE 2026 PROJECT

The "2026 Project" is defined to include resiliency improvements at the intersection of SR5/US-1/North Roosevelt Boulevard and Jose Marti Drive including, but not limited to:

- Localized pavement reconstruction along Truman Avenue, North Roosevelt Boulevard and Jose Marti Drive;
- Raising of the roadway pavement a minimum of 6 inches;
- Installing new drainage pump station system;
- Installing a new generator for the pump station system;
- Raising sea wall approximately 24 inches at Jose Marti Drive;
- Replacing traffic and pedestrian signals at the intersection;
- Reconstructing sidewalk and pedestrian curb ramps;
- Installing new signing and pavement markings; and
- Installing decorative lighting.

See "INTRODUCTORY STATEMENT" above for more information.

Additionally, the City intends to enter into a cost sharing agreement (the "Locally Funded Agreement") with the State of Florida Department of Transportation (the "FDOT"), pursuant to which the City and the FDOT will each contribute fifty percent (50%) of the costs for the 2026 Project, and the City

will contribute the remaining fifty percent (50%) of such costs. A portion of the proceeds of the Series 2026 Bonds will finance the City's share of such costs.

DESCRIPTION OF THE SERIES 2026 BONDS

Terms and Form

The Series 2026 Bonds shall be dated as of their date of delivery, will bear interest at the rates per annum set forth on the inside cover page hereof, payable on [_____] 1, 20[___] and semiannually thereafter on April 1 and October 1 of each year (each, a "Bond Service Payment Date") to maturity by wire transfer or check of U.S. Bank Trust Company, National Association, as Bond Registrar and Paying Agent (the "Bond Registrar and Paying Agent"), payable to the registered owners thereof, as shown on the registration books of the City on the 15th day of the calendar month (whether or not a business day) next preceding each Bond Service Payment Date. The Series 2026 Bonds will mature on October 1 in the years and in the principal amounts set forth on the inside cover page hereof. The Series 2026 Bonds will be issued in fully registered form in the denominations of \$5,000 each and integral multiples thereof. Principal of the Series 2026 Bonds and premium, if any, will be payable to the registered owners thereof upon presentation and surrender of such Series 2026 Bonds at the designated corporate trust office of the Bond Registrar and Paying Agent.

The Series 2026 Bonds will be issued initially as book-entry obligations and held by The Depository Trust Company ("DTC") as securities depository. The ownership of one fully registered Series 2026 Bond for each maturity as set forth on the inside cover page hereof, in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. For more information regarding DTC and DTC's Book-Entry System, see "Book-Entry Only System" below.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE. THE CITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2026 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2026 BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2026 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2026 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2026 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series

2026 Bond certificate will be issued for each maturity of the Series 2026 Bonds in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain

steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal, redemption premium, if any, and interest on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2026 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2026 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2026 Bond certificates will be printed and delivered to DTC.

Negotiability, Registration and Transfer of Bonds

So long as the Series 2026 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to registration, transfer and exchange of Series 2026 Bonds do not apply.

The Bond Registrar and Paying Agent shall keep books for the registration of and for the registration of transfers of the Series 2026 Bonds as provided in the Bond Ordinance. The transfer of any Series 2026 Bonds may be registered only upon such books and only upon surrender thereof to the Bond Registrar and Paying Agent together with an assignment duly executed by the Series 2026 Bondholder or

his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar and Paying Agent. Upon any such registration of transfer, the City shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver in exchange for such Series 2026 Bond, a new Series 2026 Bond or Series 2026 Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Series 2026 Bond or Series 2026 Bonds so surrendered.

In all cases in which Series 2026 Bonds shall be exchanged, the City shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver, at the earliest practicable time, a new Series 2026 Bond or Series 2026 Bonds in accordance with the provisions of the Bond Ordinance. All Series 2026 Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar and Paying Agent. The City or the Bond Registrar and Paying Agent may make a charge for every such exchange or registration of transfer of Series 2026 Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Series 2026 Bondholder for the privilege of exchanging or registering the transfer of Series 2026 Bonds under the provisions of the Bond Ordinance. Neither the City nor the Bond Registrar and Paying Agent shall be required to make any such exchange, registration or transfer of Series 2026 Bonds during fifteen (15) days immediately preceding any Bond Service Payment Date or, in the case of any proposed redemption of the Series 2026 Bonds, then, for any Series 2026 Bonds called for redemption, during the fifteen (15) days preceding the date of the mailing of notice of such redemption and continuing until the redemption date.

The person in whose name any Series 2026 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Series 2026 Bond, and the interest of any such Series 2026 Bonds, shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2026 Bond including premium, if any, and interest thereon to the extent of the sum or sums so paid.

Redemption

Optional Redemption. The Series 2026 Bonds maturing on or before [October 1, 2036] are not subject to optional redemption prior to maturity. The Series 2026 Bonds maturing on or after [October 1, 2037], are subject to redemption prior to their stated dates of maturity at the option of the City in whole or in part on any date on or after [October 1, 2036], and if in part, from such maturities as the City shall designate, at the redemption price of par plus accrued interest to the redemption date.

Mandatory Redemption. The Series 2026 Bonds maturing on October 1, 20[___] are subject to mandatory sinking fund redemption prior to maturity, in accordance with the amortization installments, on October 1, 20[___] and on October 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the principal amounts set forth below:

<u>Year</u>	<u>Amortization Installment</u>
*	\$
<hr style="width: 20%; margin: 0 auto;"/> *Maturity	

The Series 2026 Bonds maturing on October 1, 20[___] are subject to mandatory sinking fund redemption prior to maturity, in accordance with the amortization installments, on October 1, 20[___] and

on October 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the principal amounts set forth below:

<u>Year</u>	<u>Amortization Installment</u>
*	\$

*Maturity	

The Series 2026 Bonds maturing on October 1, 20[___] are subject to mandatory sinking fund redemption prior to maturity, in accordance with the amortization installments, on October 1, 20[___] and on October 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the principal amounts set forth below:

<u>Year</u>	<u>Amortization Installment</u>
*	\$

*Maturity	

Selection of the Bonds to be Redeemed. The Series 2026 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The City shall, at least sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount of the Series 2026 Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Series 2026 Bonds of a single maturity, the particular Series 2026 Bonds or portions thereof to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Bond Registrar from the outstanding Series 2026 Bonds of the maturity or maturities designated by the City by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of the Series 2026 Bonds or portions thereof in the principal amounts of \$5,000 and integral multiples thereof.

If less than all of the outstanding Series 2026 Bonds of a single maturity are to be redeemed, the Bond Registrar shall promptly notify the City and Paying Agent (if the Bond Registrar is not the Paying Agent for such Series 2026 Bonds) in writing of the Series 2026 Bonds or portion thereof selected for redemption and, in the case of any Series 2026 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Notice of Redemption. Notice of redemption shall, at least thirty (30) prior to the redemption date, be filed with the Bond Registrar, and mailed by the Bond Registrar on behalf of the City, first class mail postage prepaid to all Holders of Series 2026 Bonds to be redeemed at their addresses as they appear on the registration books provided for on the Record Date, but failure to mail any such notice to one or more Holders of Series 2026 Bonds, or any defect therein, shall not affect the validity of the proceedings for such redemption with respect to Holders of Series 2026 Bonds to which notice was duly mailed pursuant to the Bond Ordinance and no defect occurred.

Any notice of optional redemption given pursuant to the Bond Ordinance may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest

accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be revoked upon the occurrence of any other event, and any conditional notice so given may be revoked at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such revocation shall be given by the Paying Agent to the affected Holders of Series 2026 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

So long as the Series 2026 Bonds are registered in the name of Cede & Co., as nominee of DTC (or in the name of any successor securities depository), notices of redemption and notices of revocation of redemption notices shall only be given on behalf of the City to Cede & Co., or any such successor securities depository. See "- Book-Entry Only System" above.

Effect of Notice of Redemption; Payment. Notice having been given in the manner and under the conditions provided in the Bond Ordinance, subject to the right of revocation described above, the Series 2026 Bonds or portions of the Series 2026 Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2026 Bonds or portions of such Series 2026 Bonds on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2026 Bonds or portions of the Series 2026 Bonds to be redeemed, interest on the Series 2026 Bonds or portions of Series 2026 Bonds so called for redemption shall cease to accrue, such Series 2026 Bonds and portions of such Series 2026 Bonds shall cease to be entitled to any lien, benefit or security under the Bond Ordinance, and the registered owners of such Series 2026 Bonds or portions of the Series 2026 Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and to receive Series 2026 Bonds for any unredeemed portions of such Series 2026 Bonds. All Series 2026 Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

Redemption of Portions of the Series 2026 Bonds. Any Series 2026 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Bond Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the City shall execute and the Bond Registrar shall authenticate and deliver to the Holder of such Series 2026 Bond, without service charge, a new Series 2026 Bond or Series 2026 Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by the Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2026 Bonds so surrendered.

SECURITY FOR THE SERIES 2026 BONDS

General

The Series 2026 Bonds are general obligations of the City. The principal of and interest on the Series 2026 Bonds shall be secured by a pledge of the full faith, credit and taxing power of the City without limitation in the manner and to the extent described in the Bond Ordinance and Supplemental Resolution. For so long as the Series 2026 Bonds are outstanding, the City Commission shall, each year, levy an ad valorem tax, without limitation as to rate or amount, on all taxable property (excluding homestead exemptions and other exemptions as heretofore or hereafter provided by applicable law) at least equal to the Debt Service Requirement for the ensuing Bond Year. Such tax shall be levied, assessed and collected at the same time and in the same manner as ad valorem taxes for the operating expenses of the City, and such tax shall be in addition to all other taxes authorized to be levied by the City. The City covenanted in

the Bond Ordinance that it will not accept payment of taxes levied for operating expenses of the City unless there shall be paid at the same time the taxes required by the Bond Ordinance.

All taxes levied pursuant to the Bond Ordinance, as collected shall immediately be deposited into the Debt Service Fund and held in trust for the payments of the principal of and interest on the Series 2026 Bonds as they severally become due and shall be expended for no other purpose. See APPENDIX C: " Copy of the Bond Ordinance and Form of the Supplemental Resolution" attached hereto.

For so long as any of the principal of and interest on any of the Series 2026 Bonds shall be outstanding and unpaid or until there shall have been set apart in the Debt Service Fund, a sum sufficient to pay when due, the entire principal of the Series 2026 Bonds remaining unpaid, together with interest accrued or to accrue thereon, the City has covenanted with the Holders of each and all of the Series 2026 Bonds as follows:

Debt Service Fund. The City has covenanted and agreed to establish a special fund to be designated the "Debt Service Fund." From the Debt Service Fund shall be paid each installment of interest on and principal of the Series 2026 Bonds as they become due. No further payments shall be required to be made into the Debt Service Fund when the aggregate amount of moneys in the Debt Service Fund is at least equal to the aggregate principal amount of the Series 2026 Bonds then outstanding, plus the amount of interest then due or thereafter to become due on such Series 2026 Bonds then outstanding. At such time as the Series 2026 Bonds are no longer outstanding, any moneys remaining in the Debt Service Fund may be transferred to the "General Fund" of the City, and shall be used for any lawful purpose. Moneys on deposit in the Debt Service Fund may be invested in Permitted Investments.

Special Funds; Investments. Each of the funds and accounts established in the Bond Ordinance and created shall constitute trust funds for the purposes provided herein for such funds and accounts, respectively. All such funds shall be continuously secured in the manner by which the deposit of City funds are authorized to be secured by the laws of the State. Earnings on investments in funds and accounts created under the Bond Ordinance shall be retained in the funds and accounts from which such earnings derive. The moneys required to be accounted for in each of the funds and accounts established in the Bond Ordinance may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as provided in the Bond Ordinance. The designation and establishment of the various funds and accounts in and by the Bond Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided in the Bond Ordinance.

Books and Records. Books and records of the City shall be kept in which complete and correct entities shall be made, in accordance with generally accepted accounting principles. At least once a year, on or before June 30th of the year following the close of each fiscal year, the books, records and accounts of the City shall be properly audited by an independent firm of certified public accountants. The results of such audit shall be mailed, upon request, and made available, at all reasonable times, to any Holder or Holders of Series 2026 Bonds or anyone acting for and on behalf of the Holders of such Series 2026 Bonds; provided, however, that any such costs shall be borne by such Holder or Holders as the case may be.

Project Fund

The City covenanted and agreed in the Bond Ordinance to establish a special fund to be designated "Project Fund" and created, through the Supplemental Resolution, therein a special subaccount to be designated "2026 Construction Subaccount" which shall be used only for payment of the Costs of the 2026 Project. Moneys in the 2026 Construction Subaccount, until applied in payment of any item of the Costs of the 2026 Project, in the manner provided in the Bond Ordinance and the Supplemental Resolution, shall be held in trust by the City and shall be subject to a lien and charge in favor of the Holders of the Series 2026 Bonds and for the further security of such Holders.

No Reserve Funding

The City has not established a reserve fund or account to secure the Series 2026 Bonds.

AD VALOREM TAXATION

Procedure for Property Assessment

General. Pursuant to the State Constitution, ad valorem taxes may be levied only by counties, school districts, municipalities and certain special districts. No State ad valorem taxes are levied upon real estate or tangible personal property. State law requires that all ad valorem taxation be assessed at a uniform rate within each taxing unit and, with certain exceptions, that real and personal property subject to ad valorem taxation be assessed at 100% of its just value. See "*Limitation on Increase in Assessed Value of Property*" below. The following property is generally subject to taxation in the manner provided by law: (1) all real and personal property in the State and all personal property belonging to persons residing in the State; and (2) all leasehold interests in property of the United States, of the State, or any political subdivision, municipality, agency, authority, or other public body corporate of the State. Pursuant to the State Constitution and State law, certain of such property may be exempt from ad valorem taxation. See "*Exemptions from Ad Valorem Taxation*" below.

Taxpayers pay ad valorem taxes to the County. Ad valorem taxes are collected by the County and then distributed to the City. See "*Tax Collection and Distribution by the County Tax Collector*" below for more information.

Determination of Property Valuation. The Property Appraiser of the County (the "Property Appraiser") determines property valuation on real and tangible personal property subject to ad valorem taxation as of January 1 of each year. By July 1 of each year, the Property Appraiser notifies the County, each municipality, and each other legally constituted special taxing district as to its just valuation, the legal adjustments and exemptions, and the taxable valuation. The taxable valuation is then used by each taxing body to calculate its ad valorem millage for the budget year. See "*Millage Set by Local Governing Body*" herein for more information and "*Limitation on Increase in Assessed Value of Property*" below for limitations on increases in assessed value of property.

Limitation on Increase in Assessed Value of Property. The State Constitution limits the increases in assessed just value of homestead property to the lower of (1) 3% of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. The accumulated difference between the assessed value and the just value is known as the "Save Our Homes Benefit." Further, after any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just

value as of January 1 of the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may transfer up to \$500,000 of their Save Our Homes Benefit to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, the assessed value of specified non-homestead real property may not increase by more than 10% of the assessed value for the prior year. See "—Legislation Relating to Ad Valorem Taxation" below.

Preparation of Tax Roll. The Property Appraiser applies the final certified millage of each taxing body to the assessed valuation on each item of real and tangible personal property and prepares the final tax roll which is certified to the County's Tax Collector (the "Tax Collector") by October 1. This permits the printing of tax bills for delivery on November 1 of each year. The tax bills contain all of the overlapping and underlying millages set by the various taxing bodies. All ad valorem taxes (including ad valorem taxes pledged for payment of voter-approved general obligation bonds such as the Series 2026 Bonds) are collected by the Tax Collector and distributed to the various taxing bodies. See "— Tax Collection and Distribution by County Tax Collector" below.

Appealing Property Valuation. Concurrently with notification to the various taxing bodies, the Property Appraiser notifies each property owner of the proposed valuation and the proposed millage on his or her property. If the individual property owner believes that his or her property has not been appraised at just value, the owner may (1) request an informal conference with the Property Appraiser to resolve the issue, (2) file a petition with the Clerk of the County value adjustment board (the "Adjustment Board"), or (3) appeal to the Circuit Court within 60 days of the certification for collection of the tax roll or within 60 days of the issuance of a final decision by the Adjustment Board. A petition to the Adjustment Board must be signed by the taxpayer or be accompanied at the time of filing by the taxpayer's written authorization for representation by a qualified person. A taxpayer receives notice of the hearing and is required to provide the Property Appraiser with a list of evidence, copies of documentation, and summaries of testimony prior to the hearing before the Adjustment Board. The Adjustment Board holds public hearings on such petitions and may make adjustments to the valuations made by the Property Appraiser if such valuations are found not to be fair and at market value. The Adjustment Board must complete all required hearings and certify its decision with regard to all petitions and certify to the Property Appraiser the valuation to be used by June 1 following the tax year in which the assessments were made. The June 1 requirement shall be extended until December 1 in each year in which the number of petitions filed with the Adjustment Board increased by more than 10% over the previous year. These changes are then made to the final tax roll.

Property owners appealing the assessed value or assigned classification of their property must make a required partial payment of taxes (generally equal to 75% of the ad valorem taxes due, less the applicable statutory discount, if any) with respect to the properties that will have a petition pending on or after the delinquency date (normally April 1). A property owner's failure to make the required partial payment before the delinquency date will result in the denial of the property owner's petition.

Millage Set by Local Governing Body

General. The State Constitution provides that ad valorem taxes, exclusive of taxes levied for the payment of voter-approved general obligation bonds (such as the Series 2026 Bonds), shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, 10 mills; for all municipal purposes, 10 mills; for all school purposes, 10 mills; for the South Florida Water Management District, 0.08 mills; and for all other special districts a millage authorized by law approved by voters. **There is no limit under the State Constitution or statutory law on the amount of ad valorem taxes a local government may levy for the payment of debt service on voter-approved general obligation bonds (such as the Series 2026 Bonds).**

As described above, the Property Appraiser is required to certify to each taxing authority the aggregate taxable value of all non-exempt property within the jurisdiction of the taxing authority, as well as the prior year's tax revenues, for use in connection with the determination of the forthcoming budget and millage levy. The form on which such certification is made by the Property Appraiser is required to include instructions to each taxing authority describing the proper method of computing a millage rate, which, exclusive of new construction, additions to structures, deletions and property added due to geographic boundary changes, will provide the same ad valorem tax revenues for each taxing authority as was levied during the prior fiscal year. See "*-Millage Rollback Legislation*" below.

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. By law, budgeted expenditures cannot exceed 95% of estimated revenues except for cash carry forward amounts. In adopting an annual budget, the taxing authority must first adopt tentative millage rates within 35 days of receipt from the Property Appraiser of the preliminary certificate of taxable value. A notice of the impact of the tentative millage rates adopted by each taxing authority on the proposed tax statement for each taxpayer is then mailed to each individual taxpayer. Next, the taxing authority must hold a public hearing to adopt a tentative budget with the tentative millage rate. A second public hearing is held to adopt a final budget and millage rate.

Millage Rollback Legislation. In 2007, the State Legislature adopted a property tax plan which significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 fiscal year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in fiscal year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by 0% to 9%. In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

Truth in Millage. The governing bodies of taxing authorities are required to fix the millage rate and assess all property at 100% of its just value. Section 200.071, Florida Statutes, and Section 200.091, Florida Statutes, prohibit the millage for taxing authorities from being set by referendum, except as provided in the State Constitution.

Tax Collection and Distribution by the County Tax Collector

General. All real and tangible personal property taxes are based on assessed values as certified and delivered to the Tax Collector by the Property Appraiser as described above. The Tax Collector mails to each property owner on the tax roll a tax bill for the taxes levied by the various taxing authorities in the County. Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount. Because a number of taxpayers pay taxes in the months where a discount is applicable, taxes collected will likely never be 100% of the tax levy; provided, however, as previously noted, budgeted expenditures cannot exceed 95% of estimated revenues except for cash carry forward amounts by law.

The Tax Collector is required to distribute the taxes collected to each governmental unit levying the tax. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

Delinquent Taxes. Delinquent real property taxes bear interest at the rate of 18% per year from April 1 until a tax certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the tax certificate. Delinquent tangible personal property taxes also bear interest at the rate of 18% per year from April 1 until paid. Delinquent personal property taxes must be advertised within 45 days after delinquency, and after May 1 the property is subject to warrant, levy, seizure and sale. On or before June 1 or the sixtieth day after the date of delinquency, whichever is later, the Tax Collector must advertise once each week for three weeks and must sell tax certificates on all real property with delinquent taxes. The tax certificates are sold to those bidding the lowest interest rate. Such certificates include the amount of delinquent taxes, the penalty interest accrued thereon and the cost of advertising. Delinquent tax certificates not sold at auction become the property of the County. State law provides that real property tax liens are superior to all other liens, except prior Internal Revenue Service liens.

Tax Certificates and Tax Deeds. On or before June 1 or the sixtieth day after the date of delinquency, whichever is later, the Tax Collector must advertise once each week for three weeks and must sell tax certificates on all real property that is the subject of delinquent taxes. The tax certificates are sold to those bidding the lowest interest rate. Such certificates include the amount of delinquent taxes, the penalty interest accrued thereon and the cost of advertising. Delinquent tax certificates not sold at auction become the property of the County. State law provides that real property tax liens and certain other governmental charges and assessments liens are superior to all other liens, except prior Internal Revenue Service liens.

To redeem a tax certificate, the owner of the property must pay all delinquent taxes and special assessments, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate shown on the tax certificate (or interest at the rate of 5%, whichever is higher) from the date of the sale of the tax certificate to the date of redemption. If such tax certificates or liens are not redeemed by the property owner within two years, the holder of the tax certificates can cause the property to be sold to pay off the outstanding certificates and the interest thereon.

At any time after two years have elapsed since April 1 of the year of the issuance of a tax certificate and before the expiration of seven years, the holder of the tax certificate may apply for a tax deed with respect to any tax certificate it holds. Two years after such April 1, the County may make application for a tax deed with respect to any tax certificate it holds. Upon receipt of such applications, a public sale is advertised and held (unless the property is redeemed), and the highest bidder at such sale receives a tax

deed for the property. Provisions are also made for the collection of delinquent tangible personal property taxes, but in a different manner which includes the possible seizure of the tangible personal property.

Section 197.016(2), Florida Statutes, requires the Tax Collector to distribute the taxes collected, to each governmental unit levying the tax. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

Provisions are also made for the collection of delinquent tangible personal property taxes, but in a different manner which includes the possible seizure of the tangible personal property.

Disposition of Tax Collections. Upon receipt, the monies representing debt service are to be credited to the Debt Service Fund, a special accounting fund created and maintained pursuant to the Bond Ordinance. Debt service millage over and above millage limitations fixed by the State Constitution is authorized only for the payment of general obligation bonds (such as the Series 2026 Bonds), and any diversion of such tax collections to a purpose other than payment of the voted general obligation bonds would violate the State Constitution. Consistent with the above, the Bond Ordinance provides that the proceeds of all such taxes levied for the payment of the principal of and interest on the Series 2026 Bonds shall be deposited by the City in the Debt Service Fund and used solely for the payment of principal and interest on the Series 2026 Bonds.

Exemptions from Ad Valorem Taxation

General. State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not purport to describe all exemptions available to property owners in the State, and reference is made to the State Constitution and Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Where applicable, it is noted where the City has imposed such optional exemptions or limitations.

Constitutional Exemptions.

Exempt Entities/Exempt Purposes. The State Constitution provides that all property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may be exempted by general law from taxation. State law provides that all property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation and all property owned by an exempt entity, including educational institutions, and used predominantly for exempt purposes (at least 50%) shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

Household Goods and Personal Effects. The State Constitution provides that there shall be exempt from taxation, cumulatively, to every head of a family residing in the State, household goods and personal effects to the value fixed by general law, not less than one thousand dollars and to every widow or widower or person who is blind or totally and permanently disabled, property not less than five hundred dollars. State law exempts from taxation to every person residing and making his or her permanent home in the State, all

household goods and personal effects and exempt property up to the value of \$5,000 of every widow, widower, blind person, or totally and permanently disabled person who is a resident of the State.

Economic Development. The State Constitution provides that any county or municipality may, for the purpose of its respective tax levy and subject to the State Constitution and general law, grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law. Such an exemption may be granted only by ordinance of the county or municipality, and only after the electors of the county or municipality voting on such question in a referendum authorize the county or municipality to adopt such ordinance. An exemption so granted shall apply to improvements to real property made by or for the use of a new business and improvements to real property related to the expansion of an existing business and shall also apply to tangible personal property of such new business and tangible personal property related to the expansion of an existing business. The amount or limits of the amount of such exemption shall be specified by general law (up to 100% in certain circumstances) and the period of time for which such exemption may be granted to a new business or expansion of an existing business shall be determined by general law. State law provides that the authority to grant such exemption shall expire ten years from the date of approval by the electors of the county or municipality, and may be renewable by referendum as provided by general law and that exemptions may be granted for up to 10 or 20 years depending on the use of the applicable facility. This exemption does not apply to the levy of taxes for the payment of bonds (such as the Series 2026 Bonds). The City has not enacted an ordinance granting the exemption described in this paragraph.

Historic Preservation. The State Constitution provides that any county or municipality may, for the purpose of its respective tax levy and subject to the provisions of the State Constitution and general law, grant historic preservation ad valorem tax exemptions to owners of historic properties. This exemption may be granted only by ordinance of the county or municipality. The amount or limits of the amount of this exemption and the requirements for eligible properties must be specified by general law. State law provides that such exemption may be for an amount up to 50% of the assessed value of the property. The period of time for which this exemption may be granted may continue until the ordinance is repealed or the property no longer qualifies for the exemption. This exemption does not apply to the levy of taxes for the payment of bonds (such as the Series 2026 Bonds). The City has not enacted an ordinance granting the exemption described in this paragraph.

Tangible Personal Property and Solar Devices. The State Constitution provides that by general law and subject to conditions specified therein, \$25,000 of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation. Effective January 1, 2018 through December 31, 2037, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law.

Property Dedicated in Perpetuity for Conservation. The State Constitution provides that there shall be granted an ad valorem tax exemption for certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Homestead Exemption. In addition to the exemptions described above, the State Constitution also provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000 of the assessed value of such property. The first \$25,000 exemption applies to all property taxes, including school district taxes. The additional exemption of up to

\$25,000, which applies to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state, where permanent residency or residency of another legal or natural dependent upon the owner is required as a basis for the granting of that ad valorem tax exemption or tax credit, is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following additional homestead exemptions are authorized by State law.

Certain Persons 65 or Older. A board of county commissioners or the governing authority of any municipality may adopt an ordinance to allow an additional homestead exemption equal to (i) of up to \$50,000 for persons age 65 or older with household income that does not exceed the statutory income limitation of \$20,000 (as increased by the percentage increase in the average cost of living index each year since 2001) or (ii) the assessed value of the property with a just value less than \$250,000, as determined the first tax year that the owner applies and is approved, for any person 65 or older who has maintained the residence as his or her permanent residence for not less than 25 years and whose household income does not exceed the statutory income. The City enacted an ordinance granting the first part of this exemption. In addition, veterans 65 or older who are partially or totally permanently disabled may receive a discount from tax on homestead property if the disability was combat related and the veteran was honorably discharged upon separation from military service. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veterans Affairs.

In the November 2016 General Election, voters approved a constitutional amendment changing the existing homestead tax exemption for low-income seniors so that the value of property owned by eligible seniors with a household income of \$20,000 or less could be assessed when they first apply for the exemption. The measure was designed to ensure eligible seniors' ability to keep their exemption even if their home value exceeds \$250,000 in the future. This amendment took effect on January 1, 2017, but was retroactive to January 1, 2013.

Deployed Military Personnel. The State Constitution provides that, by general law and subject to certain conditions specified therein, each person who receives a homestead exemption (i) who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard and (ii) who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. A military veteran who was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions. Additionally, as of January 1, 2021, a constitutional amendment to the discount on ad valorem taxes provided to certain honorably discharged veterans to their spouses (the "Surviving Spouse Exemption") went into effect. Specifically, the Surviving Spouse Exemption allows the same ad valorem tax discount on homestead property for combat-disabled veterans age 65 or older to transfer to the surviving spouse of a veteran

receiving the discount if the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry.

Certain Totally and Permanently Disabled Persons. Real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Survivors of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic) who died in the line of duty may be granted a total exemption on homestead property, if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

Exemption for Disabled First Responders. First responders (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic) who are totally and permanently disabled as a result of injuries sustained in the line of duty may be granted ad valorem tax relief on homestead property. The amount of tax relief can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property.

Homestead Portability Amendment. Effective January 1, 2021, the period for a homestead property owner to transfer a prior Save Our Homes Benefit to a new homestead was extended from two years to three years (the "Portability Amendment"). Specifically, the Portability Amendment allows a homeowner who establishes a new homestead as of January 1 to have the new homestead assessed at less than just value if the homeowner received a prior homestead exemption as of January 1 of any of the immediately preceding three years.

Other Exemptions. Other exemptions include, but are not limited to, nonprofit homes for the aged (subject to income limits for residents), proprietary continuing care facilities, not for profit sewer water/wastewater systems, certain hospital facilities and nursing homes for special services, charter schools, certain historic property used for commercial purposes and certain tangible personal property.

Legislation Relating to Ad Valorem Taxation

Recent Amendments Relating to Ad Valorem Taxation. During the 2018 State legislative session, the State Legislature passed House Joint Resolution 7001, proposing an amendment to the State Constitution providing that no state tax or fee may be imposed, authorized, raised by the State Legislature, or authorized by the State Legislature to be raised, except through legislation approved by two-thirds of the membership of each house of the Legislature (the "Supermajority Amendment"). The Supermajority Amendment applies the same two-thirds approval requirement to decreasing or eliminating any state tax or fee exemption or credit. The Supermajority Amendment also required that any proposed state tax or fee imposition, authorization or increase must be contained in a separate bill that contains no other subject. The text of the Supermajority Amendment provided that such amendment would not apply to any tax or fee imposed by, or authorized to be imposed by, a county, municipality, school board, or special district. In the November 2018 General Election, voters approved the Supermajority Amendment to the State Constitution. Although the Supermajority Amendment does not subject local taxes and fees to the stricter voting requirement, local governments could be adversely impacted during recessionary economic environments if State lawmakers are unable to raise taxes.

During the 2023 State legislative session, the State Legislature passed CS/SB 102 which went into effect on July 1, 2023. Among other things, CS/SB 102 provides an (i) ad valorem tax exemption for land owned by a non-profit entity leased for 99 or more years for the purpose of affordable housing, (ii) ad valorem tax exemption for newly constructed or substantially rehabilitated developments with 70 or more units dedicated to providing affordable low to moderate-income housing (portions of the property dedicated to "moderate income" housing (between 80% and 120% Area Median Income) will receive a 75% exemption while those serving low-income residents (less than 80% Area Median Income) will receive a full exemption) and (iii) permits local governments to offer an additional local option ad valorem tax exemption to property owners who dedicate units to extremely-low income or very-low income residents if certain qualifications are satisfied.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the State Legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the City, the City's finances in general or the City's ad valorem taxing power.

On April 29, 2025, the Speaker of the Florida House of Representatives announced the creation of the Select Committee on Property Taxes (the "Select Committee") to consider various property tax reforms in the State that may be included on the ballot in the November 2026 general election. Recommendations from the Select Committee were considered during the 2026 regular State legislative session, however none of the recommendations were enacted by the legislators to be placed on the November 2026 general election ballot. There can be no assurance that any such recommendations or proposals, or similar or additional recommendations or proposals, will not be introduced or enacted by the legislature or approved by the electors, if applicable, in the future that would or might apply to, or have a material adverse effect upon, the City, its finances or the City's ad valorem taxing power.

Additionally, several bills were proposed for the 2026 State legislative session which were intended to reduce or eliminate homestead ad-valorem taxes. While none of these measures were passed during the 2026 regular State legislative session, the City cannot predict whether any of the introduced bills or other proposals may be enacted during a special State legislative session or what legislation may be introduced and possibly enacted into law in future sessions or what the impact of any such enacted legislation may be, which impact could be materially adverse to the City's overall financial condition and/or its ability to satisfy its debt service obligations.

The following four tables show the historical Assessed and Estimated Actual Value of Taxable Property, Property Tax Levies and Collections, Property Tax Rates of Direct and Overlapping Debt Governments and the City's Principal Taxpayers.

**ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**
(in thousands)
(Unaudited)

<u>FISCAL YEAR</u>	<u>REAL PROPERTY ASSESSED VALUE</u>	<u>PERSONAL PROPERTY ASSESSED VALUE</u>	<u>EXEMPTIONS ALLOWED FOR REAL/PERSONAL PROPERTY</u>	<u>TOTAL NET ASSESSED VALUE</u>	<u>TOTAL DIRECT TAX RATE</u>	<u>TOTAL NET ESTIMATED TRUE VALUE</u>	<u>RATIO NET ASSESSED TO TRUE VALUE</u>
2016	\$8,874,783	\$300,825	\$3,519,798	\$5,655,809	2.7743	\$5,655,809	1.0
2017	9,348,014	298,273	3,541,965	6,104,322	2.5908	6,104,322	1.0
2018	9,809,365	289,960	3,687,255	6,412,070	2.4896	6,412,070	1.0
2019	10,725,041	282,300	3,691,397	7,315,945	2.2074	7,315,945	1.0
2020	11,228,364	354,524	3,745,350	7,837,537	2.1535	7,837,537	1.0
2021	11,524,581	357,933	3,757,981	8,124,533	2.0858	8,124,533	1.0
2022	11,697,602	388,629	3,809,253	8,276,978	2.1360	8,276,978	1.0
2023	12,764,834	394,517	3,829,550	9,329,801	2.0822	9,329,801	1.0
2024	13,811,419	442,349	3,880,223	10,373,545	2.0822	10,373,545	1.0
2025							

Note: Fiscal Year information presented above is for the previous calendar year for the tax levy.

Source: Property Appraiser, Monroe County, Florida.

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**
(Unaudited)

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy</u>
2016	\$15,815,079	\$14,245,778	90.1%	\$25,265	\$14,271,043	90.2%
2017	15,963,489	15,429,362	96.7	28,557	15,457,919	96.8
2018	16,074,295	15,514,225	96.5	58,100	15,572,325	96.9
2019	16,149,217	15,619,883	96.7	35,320	15,655,203	96.9
2020	16,878,137	16,223,625	96.1	16,178	16,239,803	96.2
2021	16,946,151	16,318,810	96.3	3,933	16,322,743	96.3
2022	17,679,625	16,963,946	96.0	15,130	16,979,077	96.0
2023	19,426,512	18,674,515	96.1	6,498	18,681,013	96.2
2024	21,599,795	20,852,735	96.5	2,948	20,855,683	96.6
2025						

Note: Fiscal Year information presented above is for the previous calendar year for the tax levy.

Source: Monroe County Tax Collector and Finance Department.

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**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	City of Key West			Overlapping Rates ⁽¹⁾					
	Operating Millage	Debt Service Millage	Total Direct Rate	Monroe County	School Board	South Florida Water Management District	Florida Keys Mosquito Control District	Other	Total
2016	2.5908	--	2.5908	2.9753	3.5500	0.1459	0.5019	0.2092	9.9731
2017	2.4896	--	2.4896	2.8297	3.4840	0.1359	0.5831	0.1948	9.7171
2018	2.3466	--	2.3466	2.6957	3.3560	0.1275	0.4646	0.1825	9.1729
2019	2.2074	--	2.2074	2.6957	3.3580	0.1209	0.4555	0.1727	9.0102
2020	2.1535	--	2.1535	2.5881	3.3430	0.1152	0.4508	0.1643	8.8149
2021	2.0858	--	2.0858	2.5781	3.3520	0.1103	0.4508	0.1572	8.7342
2022	2.1360	--	2.1360	2.6149	3.2840	0.1061	0.4648	0.1511	8.7569
2023	2.0822	--	2.0822	2.5218	2.9620	0.0948	0.4565	0.1353	8.2526
2024	2.0822	--	2.0822	2.7191	2.8960	0.0948	0.4344	0.1353	8.3618
2025									

⁽¹⁾ Overlapping rates are those of local and county governments that apply to property owners within the City.
 Note: Fiscal Year information presented above is for the previous calendar year for the tax levy.
 * Tax rates shown above are per \$1,000 of assessed valuation.
 Source: Monroe County Tax Collector.

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The following table shows the Principal Taxpayers located within the City for Fiscal Years ended September 30, 2016 and 2025.

**CITY OF KEY WEST, FLORIDA
PRINCIPAL TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

Taxpayer	2016			2025		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value

Source: Monroe County Property Appraiser

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SERIES 2026 BONDS ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of the proceeds of the Series 2026 Bonds are summarized below:

SOURCES:

Original Principal Amount of Series 2026 Bonds	\$ _____
[Net] Original Issue [Premium/Discount]	_____
Total Sources	\$ _____

USES:

Deposit to the Series 2026 Construction Subaccount	\$ _____
Costs of Issuance ⁽¹⁾	_____
Total Uses	\$ _____

⁽¹⁾ Includes, among other things, Original Purchaser's discount, legal counsel and municipal advisory fees and other miscellaneous costs.

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BOND DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Series 2026 Bonds.

Bond Year Ending October 1	Series 2026 Bonds		
	Principal	Interest	Total
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
Total			

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CERTAIN INVESTMENT CONSIDERATIONS

The Series 2026 Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Official Statement does not purport to describe all of the risks of an investment in the Series 2026 Bonds; and the City disclaims any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Series 2026 Bonds should consult their own legal and tax advisors as to the risks associated with an investment in the Series 2026 Bonds, their ability to bear a loss from an investment in the Series 2026 Bonds and the suitability of investing in the Series 2026 Bonds, in light of their particular, individual circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire Official Statement.

Pandemics and Other Public Health Concerns

The City's financial results could be harmed by a national or localized outbreak of a highly contagious, epidemic or pandemic disease. For example, the spread of the novel strain of coronavirus called COVID-19, along with various governmental measures taken to protect public health in light of the pandemic, had a negative financial impact on local, State and national economies, including the City.

There can be no guarantee that COVID-19 or another outbreak of a highly contagious disease will not have negative impacts on the City in the future.

Enforcement of Remedies

Enforcement of a claim for payment of principal of and interest on the Series 2026 Bonds may be subject to the provisions of laws enacted by the United States or the State or case law developed by competent courts applying general principles of equity, all of which could extend the time for payment or impose other constraints upon enforcement.

Economic Factors Affecting the Financial Condition of the City

Changes in current economic conditions, on local, regional and national levels, could adversely affect the City's operating revenues and expenses and, consequently, the City's ability to pay debt service on the Series 2026 Bonds. Among the factors that could have such adverse effects are: changes in local demographics; closure or relocation of key industries and employers; increases in local rates of unemployment; decreases in the assessed value of real estate within the City; decreases in real estate tax collections; future contract negotiations with organized labor and the consequent impact on wage scales and operating costs; inflation and increasing costs of supplies and materials necessary to provide public services; loss or reduction of State and federal subsidies and reimbursements for operating and capital costs; and delays in adoption of, failure to budget and appropriate within or other adverse changes to, the State's budget, as the same may effect City revenues or the timely payment thereof.

Uncertainty of Tax Revenues

While present State law authorizes the City to levy ad valorem real estate taxes at an unlimited rate in order to support the payment of debt service on the Series 2026 Bonds, there can be no firm assurance or guaranty that the City will realize sufficient revenues through its taxing and other revenue generating powers to make full and timely payment of the debt service on the Series 2026 Bonds. Moreover, the City's ability to increase certain rates and taxation for other purposes is sometimes limited by State law. Additionally, the availability of tax and other locally-generated revenue is dependent on the tax base within

the City and the ability of this tax base to support the tax burden imposed in any year not only by the City, but also by such overlapping taxing authorities as the municipalities and school district located in the City.

Risk of Audit by the Internal Revenue Service

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Series 2026 Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and Series 2026 Bond purchasers may have no right to participate in such procedure. Neither the City nor Bond Counsel is obligated to defend the tax-exempt status of the Series 2026 Bonds on behalf of the Series 2026 Bond purchasers, nor to pay or reimburse the cost of any Series 2026 Bond purchaser with respect to any audit or litigation relating to the Series 2026 Bonds. See "TAX MATTERS" herein.

Climate Change and Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities like the City. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels.

The City incorporates sea level rise, storm resiliency, and wind hardening considerations into capital planning and project design. The City uses regionally accepted sea level rise projections to assess risks to infrastructure, prioritize investments, and help ensure that new and upgraded facilities are designed for future conditions. This approach is intended to protect public assets, reduce long-term costs, and support a more resilient community. Where appropriate, projects are designed above minimum code elevations and to enhanced wind resistance standards based on the facility type and location.

[INSERT CITY SPECIFIC INFORMATION ON HURRICANT IMPACTS]

Cyber-Security

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the City. City systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to departmental operations and the provision of citizen services. Increasingly, governmental entities are being targeted by cyberattacks seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers/hackers can exploit in attempts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there. The potential disruption, access, modification, disclosure or destruction of data could result in interruption of the efficiency of City commerce, initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions in operations and the services provided, and the loss of confidence in City operations, ultimately adversely affecting City revenues.

[CITY SPECIFIC INFORMATION TO COME]

Legislation

There can be no assurance that legislation or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the levy or collection of ad valorem taxes or the City's finances. See "AD VALOREM TAXATION – Legislation Relating to Ad Valorem Taxation" herein for more information.

CERTAIN FINANCIAL MATTERS

Certain matters relating to the City's accounting policies, auditing practices, budgets, defined benefit plans, post-employment benefit plans, and other financial data can be found in APPENDIX A: "City of Key West, Florida: General Information" and in APPENDIX B: "Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025" attached hereto. See also "PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS" below.

PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS

The City maintains two separate single employer defined benefit retirement systems (General Employees and Police and Firefighters). For the fiscal year ended September 30, 2025, the City contributed \$[_____] and \$[_____] to the General Employees and Police and Firefighters retirement systems, respectively. See Note [6] to the City's Notes to Financial Statements set forth in APPENDIX B hereto for more information on the City's pension plans and how to obtain additional information on the City's plans.

The City provides a medical benefits plan that it makes available to its retirees. See Note [7] to the City's Notes to Financial Statements set forth in APPENDIX B hereto for more information regarding the post-retirement health benefits plan and the City's actuarial accrued liability thereunder.

INVESTMENT POLICY

The City's Investment Policy, adopted in accordance with State law, gives the City the authority to invest surplus public funds in certain permitted investments, establishes limits for investment allocation, issuers and maturities, and prescribes collateralization and safekeeping requirements. See APPENDIX B: "Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025" – Note [2] to Notes to Financial Statements.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Orlando, Florida, is serving as municipal advisor to the City (the "Municipal Advisor"). The Municipal Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, and issuance of the Series 2026 Bonds and provided other advice to the City. The Municipal Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2026 Bonds. The Municipal Advisor is not obligated to undertake and has not undertaken an independent verification of or assumed responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the City to provide secondary market disclosure.

INDEPENDENT AUDITORS'

The City's Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025, is appended hereto as APPENDIX B as part of this Official Statement and have been audited by Citrin Cooperman & Company, LLP, independent auditors, as stated in their report appearing herein. Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and consent from the auditors was not requested.

LEGALITY FOR INVESTMENT

The Series 2026 Bonds constitute legal investments in the State for state, county, municipal and all other public funds and for banks, savings banks, insurance companies, executors, administrators, trustees and all other fiduciaries, and also constitute securities eligible as collateral security for all state, county, municipal and other public funds.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2026 Bonds in order that interest on the Series 2026 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2026 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2026 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2026 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Bond Ordinance with respect to the Series 2026 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2026 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2026 Bonds. Prospective purchasers of Series 2026 Bonds should be aware that the ownership of Series 2026 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2026 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2026 Bonds; (iii) the inclusion of interest on Series 2026 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2026 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2026 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2026 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2026 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2026 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2026 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2026 Bonds and proceeds from the sale of Series 2026 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2026 Bonds. This withholding generally applies if the owner of Series 2026 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2026 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2026 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2026 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2026 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2026 Bonds.

Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2026 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the principal amount of the Series 2026 Bonds maturing on [_____] (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

Under the Code, the difference between the principal amount of the Series 2026 Bonds maturing on [_____] (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

RATING

Moody's Investors Service, Inc. has assigned a municipal bond rating to the Series 2026 Bonds of "[__]" ([_____] outlook). Such rating reflects the views of the rating agency and an explanation of the significance of such rating may be obtained only from the rating agency. There is no assurance that such rating will be in effect for any given period of time or that it will not be revised downward, suspended or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision, suspension or withdrawal may have an adverse effect upon the liquidity or market price of the Series 2026 Bonds.

VALIDATION

On May 1, 2025, the Circuit Court of the Sixteenth Judicial Circuit of the State entered an order validating the Series 2026 Bonds. The time for filing an appeal from such order has expired with no appeal being filed.

INVESTIGATIONS AND INDICTMENTS

Former City Attorney Ronald Ramsingh, former Code Compliance Director James Young and former Building Department Director Rajindhar Ramsingh were indicted in 2025 on felony charges related to alleged evidence tampering after officials with the Monroe County State Attorney's Office alleged they attempted to obstruct an ongoing law enforcement investigation. Such individuals no longer work for the City. The former City Attorney also faces charges of alleged illegal interception of a communication, and disclosure of an illegally intercepted communication. The City is fully cooperating with these investigations, is not currently and does not expect to become a party to these investigations and is not aware of any relationship to any of the City's outstanding bonds, including the Series 2026 Bonds, the source of security for the Series 2026 Bonds and the project being financed with the Series 2026 Bonds.

LITIGATION

There is no pending or, to the knowledge of the City, any threatened litigation against the City of any nature which in any way questions or affects the validity of the Series 2026 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the enactment of the Bond Ordinance or the adoption of the Supplemental Resolution, or which may materially adversely affect the imposition, collection and pledge of ad valorem taxes of the City. Neither the creation, organization or existence, nor the title of the present members of the City Commission, or other officers of the City is being contested.

The City experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of the City Attorney, there are no actions presently pending or, to the knowledge of the City, threatened, the adverse outcome of which would have a material adverse effect on the financial condition of the City. From time to time, the City is party to other various legal proceedings which individually are not expected to have a material adverse effect on the operations or financial condition of the City, but may, in the aggregate, have a material impact thereon. However, in the opinion of the City Attorney, the City and/or its insurance carrier will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2026 Bonds and with regard to the tax-exempt status of the interest on the Series 2026 Bonds (see "TAX MATTERS") are subject to the legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, whose legal services as Bond Counsel have been retained by the City. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2026 Bonds, will be delivered to the Original Purchaser at the time of original delivery, and the text of the opinion will be printed on the Series 2026 Bonds.

The form of Bond Counsel Opinion is set forth as APPENDIX D hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

While Bond Counsel has participated in the preparation of certain portions of this Official Statement, it has not been engaged by the City to confirm or verify, and, except as may be set forth in an opinion of Bond Counsel delivered to the Original Purchaser, expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Series 2026 Bonds that may be prepared or made available by the City, the Original Purchaser or others to the holders of the Series 2026 Bonds or other parties.

Certain legal matters in connection with the Series 2026 Bonds are being passed upon for the City by its Disclosure Counsel, GrayRobinson, P.A. Tampa, Florida. Certain other legal matters will be passed upon for the City by Mayanne Downs, Esq., City Attorney. The fees payable to Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Series 2026 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") require that the City make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private businesses). The City is not and has not since December 31, 1975 been in default as to principal and interest on its bonds or other debt obligations.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of Series 2026 Bondholders to provide certain financial information and operating data relating to the City and the Series 2026 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such covenant shall only apply so long as the Series 2026 Bonds remain outstanding under the Bond Ordinance. The covenant shall also cease upon the termination of the continuing disclosure requirements of Rule 15c2-12(b)(5) promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), by legislative, judicial or administrative action. The Annual Report will be filed by the City with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA") as described in the Form of Disclosure Dissemination Agent Agreement attached hereto as APPENDIX E, as well as any state information depository that is subsequently established in the State (the "SID"). The City has retained Digital Assurance Certification, L.L.C. ("DAC") as its dissemination agent. The notices of events will be filed by DAC, as the City's dissemination agent with EMMA, and with the SID, if any. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in APPENDIX E: "Form of Disclosure Dissemination Agent Agreement," which shall be executed by the City at the time of issuance of the Series 2026 Bonds. Failure of the City to comply with the provisions of the Disclosure Dissemination Agent Agreement shall not constitute an event of default under the Bond Ordinance. It is the position of the City that the sole and exclusive remedy of any Bondholder for enforcement of the provisions of the Disclosure Dissemination Agent Agreement shall be an action of mandamus or specific performance to cause the City to comply with its obligations thereunder. These covenants have been made in order to assist the Original Purchaser in complying with the Rule.

ORIGINAL PURCHASER(S)

The Series 2026 Bonds are being purchased by _____ and _____ (the "Original Purchaser(s)"). The Original Purchaser(s) have agreed to purchase the Series 2026 Bonds at an aggregate purchase price of \$_____ (principal of \$_____, plus [less]

a [net] original issue [premium/discount] of \$_____ and less Original Purchaser(s)' discount of \$_____).

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the City and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for the payment of the Series 2026 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2026 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement by the Mayor and the City Manager have been duly authorized by the City Commission.

CITY OF KEY WEST, FLORIDA

Danise "DeeDee" Henriquez, Mayor

Brian L. Barroso, City Manager

APPENDIX A

City of Key West, Florida: General Information

APPENDIX B

Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025

APPENDIX C

Copy of the Bond Ordinance and Form of the Supplemental Resolution

APPENDIX D

Form of Bond Counsel Opinion

APPENDIX E

Form of Disclosure Dissemination Agent Agreement

EXHIBIT E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of [_____], 2026, is executed and delivered by the City of Key West, Florida (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meanings assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means the Issuer's Budget Director, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" means financial obligation as such term is defined in paragraph (f)(11)(i) of the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shutdown of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a

Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than June 1 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending September 30, 2026. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. "Principal and interest payment delinquencies;"
 - 2. "Non-Payment related defaults, if material;"
 - 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 - 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 - 5. "Substitution of credit or liquidity providers, or their failure to perform;"
 - 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
 - 7. "Modifications to rights of securities holders, if material;"
 - 8. "Bond calls, if material, and tender offers;"
 - 9. "Defeasances;"
 - 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 - 11. "Rating changes;"
 - 12. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 - 13. "Merger, consolidation, or acquisition of the obligated person, if material;"
 - 14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
 - 15. "Incurrence of a financial obligation or agreement to covenants, events of default, remedies, priority rights, or other similar terms, if material;" and
 - 16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation which reflect financial difficulties."

- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 - 1. "amendment to continuing disclosure undertaking;"
 - 2. "change in obligated person;"
 - 3. "notice to investors pursuant to bond documents;"
 - 4. "certain communications from the Internal Revenue Service;"
 - 5. "secondary market purchases;"
 - 6. "bid for auction rate or other securities;"
 - 7. "capital or other financing plan;"
 - 8. "litigation/enforcement action;"
 - 9. "change of tender agent, remarketing agent, or other on-going party;"
 - 10. "derivative or other similar transaction;" and
 - 11. "other event-based disclosures;"
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
 - 1. "quarterly/monthly financial information;"
 - 2. "change in fiscal year/timing of annual disclosure;"
 - 3. "change in accounting standard;"
 - 4. "interim/additional financial information/operating data;"
 - 5. "budget;"

6. "investment/debt/financial policy;"
7. "information provided to rating agency, credit/liquidity provider or other third party;"
8. "consultant reports;" and
9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including updates of the historical financial and operating data set forth in the Official Statement in the tables titled:

- (i) Assessed and Estimated Value of Taxable Property;
- (ii) Property Tax Levies and Collections;
- (iii) Property Tax Rates – Direct and Overlapping Governments; and
- (iv) Principal Taxpayers.

(b) Audited Financial Statements prepared in accordance with generally accepted auditing standards applicable to municipalities as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with generally accepted auditing standards applicable as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above in (a) or (b) may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry

of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance

with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event

Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. ("DAC") as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Balance of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

CITY OF KEY WEST, FLORIDA
as Issuer

By: _____
Name: Danise Henriquez
Title: Mayor

(SEAL)

ATTESTED:

By: _____
Name: Keri O'Brien CMC
Title: City Clerk

APPROVED AS TO FORM
AND CORRECTNESS

Name: Mayanne Downs
Title: City Attorney

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	City of Key West, Florida
Obligated Person(s)	City of Key West, Florida
Name of Bond Issue:	General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Project)
Date of Issuance:	[_____], 2026
Date of Official Statement	[_____], 2026

CUSIP Number: _____
CUSIP Number: _____
CUSIP Number: _____
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CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: City of Key West, Florida

Obligated Person: City of Key West, Florida

Name(s) of Bond Issue(s): General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Project)

Date(s) of Issuance: [_____], 2026

Date(s) of Disclosure Agreement: [_____], 2026

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.]

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc: Issuer
Obligated Person

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform,"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material, and tender offers;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a financial obligation or agreement to covenants, events of default, remedies, priority rights, or other similar terms, if material; and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation which reflect financial difficulties."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

**EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [_____], 2026 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [_____], 2026 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT F

FORM OF BOND REGISTRAR AND PAYING AGENT AGREEMENT

BOND REGISTRAR AND PAYING AGENT AGREEMENT

THIS BOND REGISTRAR AND PAYING AGENT AGREEMENT (this "Agreement"), is entered into as of _____, 2026 (the "Effective Date") by and between the City of Key West, Florida (the "Issuer"), and U.S. Bank Trust Company, National Association (the "Bank"), as Registrar and Paying Agent.

RECITALS

WHEREAS the Issuer has duly authorized and provided for the issuance of its General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Drive Project) (the "Bonds") in an aggregate principal amount of \$_____ to be issued as fully registered bonds without coupons;

WHEREAS the Issuer will ensure all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will be done upon the issuance and delivery thereof;

WHEREAS the Issuer and the Bank wish to provide the terms under which Bank will act as Paying Agent to pay the principal, redemption premium (if any) and interest on the Bonds, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Bonds;

WHEREAS the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Registrar and Paying Agent for the Bonds;

WHEREAS the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE DEFINITIONS

Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"Bank" means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America.

"Bond Register" means the book or books of registration kept by the Bank in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

"Fiscal Year" means the fiscal year of the Issuer ending on September 30 of each year.

"Issuer" means City of Key West, Florida.

"Paying Agent" means the Bank when it is performing the function of paying agent for the Bonds.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

"Registered Owner" means a Person in whose name a Bond is registered in the Bond Register.

"Registrar" means the Bank when it is performing the function of registrar for the Bonds.

"Stated Maturity" when used with respect to any Bond means the date specified in the Bond as the date on which the principal of such Bond is due and payable.

ARTICLE TWO
APPOINTMENT OF BANK AS REGISTRAR AND PAYING AGENT

Section 2.01. Appointment and Acceptance.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, to pay to the Registered Owners in accordance with the terms and provisions of this Agreement the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds. As Registrar, the Bank shall keep and maintain for and on behalf of the Issuer, books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided.

The Bank hereby accepts its appointment, and agrees to act as Registrar and Paying Agent.

Section 2.02. Compensation.

As compensation for the Bank's services as Registrar and Paying Agent, the Issuer hereby agrees to pay the Bank, \$1,700, payable in advance on the Effective Date.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, incurred or made by

the Bank in connection with entering into and performing under this Agreement or in connection with investigating and defending itself against any claim or liability hereunder.

ARTICLE THREE PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank, provided sufficient collected funds have been deposited for such purpose by or on behalf of the Issuer in the account designated by the Bank hereunder (the "Account"), shall pay on behalf of the Issuer the principal of, redemption premium, if any, and interest on each Bond in accordance with the provisions of the Bond. The Bank has no obligation to draw upon any account or pursuant to any letter of credit, insurance policy or other agreement or take any other action to assist the Issuer to comply with its obligations except to the extent expressly set forth in this Agreement.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of, redemption premium (if any) and interest on the Bonds on the dates specified in the Bond, from the Account to the extent such amounts are on deposit in the Account.

The Bank shall not be required to pay interest on any funds of the Issuer for any period during which such funds are held by the Bank awaiting the presentation of the Bonds for payment.

Section 3.03. Receipt of Funds.

The Issuer hereby agrees to deposit in the Account sufficient funds to make principal and interest payments as follows: (1) payment by check must be received by the Paying Agent at least 5 business days prior to payment date and (2) payment by wire must be received by Paying Agent no later than 11:00 a.m. EST on the payment date.

ARTICLE FOUR REGISTRAR

Section 4.01. Initial Delivery of Bonds.

The Bonds will be initially registered and delivered to the purchaser designated by the Issuer as one Bond for each maturity. If such purchaser delivers a written request to the Bank not later than five business days prior to the date of initial delivery, the Bank will, on the date of initial delivery, deliver Bonds of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Registrar.

The Bank shall provide for the proper registration of transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution, in form acceptable to the Bank, duly executed by the Registered Owner thereof or such Registered Owner's agent. The Registrar may request any supporting documentation it deems necessary or appropriate to effect a re-registration.

Section 4.03. Unauthenticated Bonds.

The Issuer shall provide to the Bank on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate transfers. The Bank agrees that it will maintain such unauthenticated Bonds in safekeeping.

Section 4.04. Form of Bond Register.

The Bank as Registrar will maintain its records as Registrar in accordance with the Bank's general practices and procedures in effect from time to time.

Section 4.06. Cancelled Bonds.

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the Issuer upon its written request.

Section 4.07. Mutilated, Lost, Stolen or Destroyed Bonds.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Bank shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bank in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Bank of evidence satisfactory to the Bank that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bank of an appropriate bond of indemnity in form, substance and amount as may be required by law and as is otherwise satisfactory to the Bank. All Bonds so surrendered to the Bank shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be

necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Bank with a bond of indemnity as set forth above.

**ARTICLE FIVE
THE BANK**

Section 5.01. Duties of Bank.

The Bank undertakes to perform the duties set forth herein, each of which is ministerial and non-fiduciary in nature. No implied duties or obligations shall be read into this Agreement against the Bank. The Bank hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the Bank to function as Paying Agent.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable for other than its negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Bank may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

(e) The Bank may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with due care.

Section 5.03. Recitals of Issuer.

The recitals contained in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

Section 5.04. May Own Bonds; Other Transactions.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Registrar and Paying Agent for the Bonds. The Bank may engage in or be interested in any financial or other transaction with the Issuer, any Bond owner or any other Person.

Section 5.05. Money Held by Bank.

Money held by the Bank hereunder need not be segregated from other funds. The Bank shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder. Any money deposited with or otherwise held by the Bank for the payment of the principal, redemption premium (if any) or interest on any Bond and remaining unclaimed, by the Registered Owner (or by the Issuer (which claim by the Issuer shall be made in writing) after maturity and prior to escheatment) will be escheated pursuant to the applicable state law. If funds are returned to the Issuer, the Issuer and the Bank agree that the Registered Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and that all liability of the Bank with respect to such moneys shall thereupon cease.

Section 5.06. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The Issuer and the Bank further agree that the Bank has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

Section 5.07. Indemnification.

To the extent authorized by law, the Issuer shall indemnify the Bank, its officers, directors and employees ("Indemnified Parties") for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the Bank's acceptance or administration of the Bank's duties hereunder (except any loss, liability or expense as may be adjudged by a court of competent jurisdiction to have been caused by the Bank's negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers, rights or duties

under this Agreement. Such indemnity shall survive the termination or discharge of this Agreement or discharge of the Bonds.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment

This Agreement may not be assigned by either party without the prior written consent of the other party, provided that if the Bank consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the escrow contemplated by this Agreement) to another entity, the successor or transferee entity without any further act will be the successor Registrar and Paying Agent.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed, emailed or delivered to the Issuer or the Bank, respectively, at the address shown below, or such other address as may have been given by one party to the other by fifteen (15) days written notice:

If to the Issuer: The City of Key West, Florida
 Attention: Director of Finance
 1300 White Street
 Key West, Florida 33040

If to the Bank: U.S. Bank Trust Company, National Association
 Attention: Corporate Trust Department
 6410 Southpoint Parkway
 Suite 200
 Jacksonville, FL 32216
 Phone: 904-279-7214

Section 6.04. Electronic Transmission; Electronic Signatures.

The Bank shall not have any duty to confirm that the person sending any notice, instruction, document or other communication (a "Notice") by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) is, in fact, a person authorized to do so. Electronic signatures believed by the Bank to comply with the ESIGN Act of

2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider acceptable to the Bank) shall be deemed original signatures for all purposes. Issuer assumes all risks arising out of the use of electronic signatures and electronic methods to send Notices to the Bank, including without limitation the risk of the Bank acting on an unauthorized Notice, and the risk of interception or misuse by third parties.

Section 6.05. Effect of Headings.

The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.06. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 6.07. Severability.

If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 6.08. Benefits of Agreement.

Except with respect to the Indemnified Parties, this Agreement is intended to be for the benefit of or to be enforceable by only the Issuer and the Bank, and no third party shall be entitled to claim that it is a third party beneficiary hereof.

Section 6.09. Entire Agreement.

This Agreement shall constitute the entire agreement between the parties hereto relative to the Bank acting as Registrar and Paying Agent.

Section 6.10. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11. Term and Termination.

This Agreement shall be effective from and after its date and until the Bank resigns; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder.

The Bank may resign at any time by giving written notice thereof to the Issuer. If the Bank shall resign, or become incapable of acting, the Issuer shall promptly appoint a successor Registrar and Paying Agent. If an instrument of acceptance by a successor Registrar and Paying Agent shall not have been delivered to the Bank within thirty 30 days after the Bank gives notice of resignation, the Bank may petition any court of competent jurisdiction at the expense of the Issuer for the appointment of a successor Registrar and Paying Agent. In the event of resignation of the Bank as Registrar and Paying Agent, upon the written request of the Issuer and upon payment of all amounts owing to the Bank hereunder the Bank shall deliver to the Issuer or its designee all funds in the Account and unauthenticated Bonds and a copy of the Bond Register. The provisions of Section 2.02 and Section 5.07 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12. Governing Law.

This Agreement shall be construed in accordance with and shall be governed by the laws of the State of Florida.

Section 6.13. Documents to be delivered to Bank.

At the time of the Bank's appointment as Registrar and Paying Agent, the Issuer shall deliver to the Bank the following documents: (a) a specimen Bond; (b) a copy of the opinion of bond counsel provided to the Issuer in connection with the issuance of the Bonds; and (c) such other information that the Bank may request.

Section 6.14. Patriot Act Compliance.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. The Bank may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer and the Bank have, effective as of the Effective Date, caused this Registrar and Paying Agent Agreement to be executed in their respective names by their duly authorized representatives, in two counterparts, each of which shall be deemed an original.

(SEAL)

CITY OF KEY WEST, FLORIDA, as Issuer

By: _____

Name: Danise Henriquez

Title: Mayor

ATTESTED AND COUNTERSIGNED:

By: _____

City Clerk

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Registrar and Paying Agent

By: _____

Name: Michael Jenkins

Title: Assistant Vice President