

EXHIBIT A

LENDER COMMITMENT

REGIONS CAPITAL ADVANTAGE, INC.

July 31, 2013

David Moore
Public Financial Management
300 South Orange Avenue, Suite 1170
Orlando, Florida 32801
407.406.5773 tel
407.648.1323 fax
moored@pfm.com

Nicklas Rocca
Public Financial Management
300 South Orange Avenue, Suite 1170
Orlando, Florida 32801
407.406.5773 tel
407.648.1323 fax
roccan@pfm.com

Reference: Up to \$20,000,000 Tax-Exempt, Non-Bank Qualified Direct Purchase Loan

Dear David and Nicklas:

Thank you for providing Regions Capital Advantage (“**Lender**”) with the opportunity to offer a financing solution to the City of Key West, FL (“**City**”) for a Tax-Exempt Non-Bank Qualified Direct Purchase Loan. I am pleased to inform you that the Lender has agreed to commit on aggregate up to \$20,000,000 to satisfy the aforementioned funding needs.

We understand that the City intends to close the aforementioned transaction on or before August 22, 2013 (“**Closing Date**”), and upon our designation as the selected financial institution we commit to working with you and your advisors to close the transaction in the most expeditious manner. Below, you will find the proposed set of terms and conditions associated with the proposed transaction:

Lender:	Regions Capital Advantage, Inc.
Borrower:	City of Key West, FL
Facility Type:	Tax-Exempt, Non-Bank Qualified Direct Purchase Loan (“ Term Loan ”)
Purpose:	(i) refund the outstanding 2014-2018 Serial Bonds, 2023 Term Bond and 2026 Term Bond of the Sewer System Refunding Revenue Bonds, Series 2003; and (ii) pay the associated cost of issuance.
Amount:	Up to \$20,000,000
Maturity Date:	The Lender offers to the City three (3) maturity date options as follows: <ul style="list-style-type: none">• October 1, 2024 (approximately eleven (11) years from the Closing Date)• October 1, 2025 (approximately twelve (12) years from the Closing Date)• October 1, 2026 (approximately thirteen (13) years from the Closing Date)
Amortization Period:	The Lender offers to the City three (3) amortization options corresponding to the three Maturity Date options presented. See Annex 1 for the approximate amortization schedules.
Interest Rate:	This is a Tax-Exempt, Non-Bank Qualified transaction . The rate on this borrowing would be fixed for the entirety of the Term Loan based on the various amortization options offered to the City as follows:

	<table> <tr> <th><u>Maturity Date</u></th><th><u>Tax Exempt Rate</u></th></tr> <tr> <td>October 1, 2024</td><td>2.46%</td></tr> <tr> <td>October 1, 2025</td><td>2.56%</td></tr> <tr> <td>October 1, 2026</td><td>2.65%</td></tr> </table> <p>Interest payments on the Term Loan will be calculated on a 30/360-day basis and will be paid semiannually on April 1 and October 1 of each year, commencing on October 1, 2013.</p>	<u>Maturity Date</u>	<u>Tax Exempt Rate</u>	October 1, 2024	2.46%	October 1, 2025	2.56%	October 1, 2026	2.65%
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October 1, 2024	2.46%								
October 1, 2025	2.56%								
October 1, 2026	2.65%								
Repayment:	The principal amount of the Term Loan will be payable annually each year, commencing on October 1, 2014 and through the final maturity of the Term Loan, following a mortgage amortization pattern. The Lender is willing to revise the amortization schedule to start principal payments on an earlier date if so desired by the City. Any outstanding principal balance and accrued interest will be due on the Maturity Date.								
Prepayment:	<p>From the Closing Date until the fifth (5th) anniversary from the Closing Date, the City may prepay the outstanding principal amount of the Term Loan in whole or in part, together with interest accrued through the prepayment date, at a premium determined in accordance with the following formula: An amount equal to the result of the formula $A \times ((B - C) \times (D/360))$, where:</p> <ul style="list-style-type: none"> (i) "A" equals the prepaid principal amount of the Term Loan on the date of prepayment. (ii) "B" equals the 10-year Interest Rate Swap Index (rate) as determined by the Federal Reserve on the date of issuance of the Term Loan and concurred by the Lender. (iii) "C" equals the 10-year Interest Rate Swap Index (rate) as determined by the Federal Reserve on the proposed prepayment date and concurred by the Lender. (iv) "D" equals the number of days from and including the prepayment date to but not including maturity date of the Term Loan. <p>No prepayment penalty shall be due or owing hereunder if, on the date of such prepayment, the difference obtained by subtracting "C" from "B" is zero or less.</p> <p>After the fifth (5th) anniversary from the Closing Date until the Maturity Date, the City may prepay the outstanding principal amount of the Term Loan in whole or in part, together with interest accrued through the prepayment date, without penalty.</p>								
Facility Fee:	Waived								
Security:	The Term Loan will be payable solely from and secured by a pledge of the Net Revenues of the Sewer System as further described in Ordinance No. 03-15 enacted on June 17, 2003 (" Ordinance "). The Net Revenues are pledged by the City for the equal and ratable benefit and security of the Series 2013 Bonds; the Series 2012 Bonds outstanding in the principal amount of \$4,065,000; the Series 2003 Bonds outstanding 10/1/2013 maturity in the principal amount of \$1,095,000; and any Additional Parity Obligation, each issued under the Ordinance.								
Legal Fees:	The City's bond counsel (Bryant Miller Olive P.A.) will provide documentation associated with this transaction. Documentation will be subject to the Lender's								

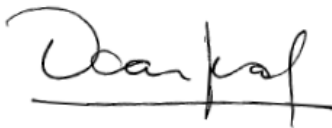
	<p>review and approval. The City agrees to pay all legal fees and expenses of the Lender associated with the review and closing of this transaction, which costs may be paid with proceeds of the Term Loan, and will be billed on an hourly basis not to exceed \$4,500. The proposed legal counsel for the Bank is Maynard Cooper & Gale P.C.</p>
Covenants & Reporting Requirements:	<p>Mutually agreeable covenants and requirements substantially similar to those included in the Ordinance, including but not limited to the City's maintaining compliance with the following:</p> <ul style="list-style-type: none"> (i) Complying with all County, State and Federal regulations in regard to all timeframes for reporting of all budgetary, compliance and financial issues. (ii) Delivering audited financial statements within 210 days after the end of the City's fiscal year; (iii) Delivering a copy of the annual budget within 30 days after its adoption; (iv) Complying with a Debt Service Coverage test of 120%, defined as the ratio of Adjusted Net Revenues in each year to all Bond Service Requirements becoming due in such year on the Outstanding Bonds. (v) Complying with a Rate Covenant which will provide Adjusted Net Revenues in each year of not less than 120% of all Bond Service Requirements becoming due in such year on the Outstanding Bonds and on all Outstanding Additional Parity Obligations. In any Fiscal Year in which Additional Security is pledged, Adjusted Net Revenues shall not be less than 110% of all annual Bond Service Requirements coming due in such year. Adjusted Net Revenues plus Additional Security shall not be less than 125% of all annual Bond Service Requirements in such year; (vi) Complying with an Additional Bonds test of 120%, defined as the ratio of 1/2 of the Adjusted Net Revenues during the two Fiscal Years next preceding the Fiscal Year in which the Additional Parity Obligations are to be issued to the Maximum Bond Service Requirement on all Outstanding Bonds plus the Additional Parity Obligations proposed to be issued. <p>Any capitalized terms not defined in Sections (iv), (v) and (vi) shall have the meaning assigned in the Ordinance.</p>
Other:	<p>Prior to closing this financing, the Lender must be provided with an opinion, in form and substance satisfactory to the Lender and its counsel, from Bond Counsel with experience in the matters to be covered by the opinion, that (i) the debt instrument constitutes the legal, valid and binding obligation of the City and is enforceable in accordance with the terms thereof under the laws of the State of Florida, and (ii) interest on the debt instrument is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax (as defined for federal income tax purposes) imposed on individuals and corporations.</p> <p>Upon a potential occurrence of a Determination of Taxability of the Term Loan, the tax-exempt rate will automatically be adjusted to a taxable rate as of the taxability date.</p> <p>The Term Loan is to be governed by and subject to the formal documents setting forth terms and conditions typical and customary in conjunction with the above-described borrowing and consistent with prudent banking practices.</p>

Disclaimer:	This letter describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the City. This letter is does not purport to summarize all the conditions, covenants, representations, warranties, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.
Confidentiality:	The City agrees to keep this term sheet and all of its material terms CONFIDENTIAL . The City is not to disclose this term sheet or any of its material terms to anyone, without the prior consent of the Lender, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.
Governing Law:	State of Florida

Upon return by the City to the Lender of a fully executed copy of this commitment, by the time set forth below, this commitment will constitute an agreement of the City to accept the terms and conditions set out above regarding the aforementioned credit facilities. This includes payment of any fees/expenses noted above, regardless of whether the Term Loan is closed. **Unless an executed copy of this commitment is received by the Lender by 1:00 p.m. Eastern Daylight Time on Friday, August 9th 2013, this commitment shall, at the Lender's option, be null and void and of no further force and effect. If accepted, this borrowing must close on or before the Closing Date.** Any extension of the validity of these terms beyond the Closing Date is subject to the Lender's sole consent.

Thank you for providing the Lender with this opportunity to develop a financial partnership with the City. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. I look forward to hearing from you.

Sincerely,



Oscar Herrera
Vice President

On behalf of Regions Capital Advantage, Inc., by express authority

Signed and accepted on this ____ day of _____, 2013.

City of Key West, Florida

By: _____

Title: _____

ANNEX 1**ESTIMATED PRINCIPAL AMORTIZATION SCHEDULES**

PAYMENT DATE	2024 FINAL MATURITY	2025 FINAL MATURITY	2026 FINAL MATURITY
10/1/2013	-	-	-
10/2/2014	1,580,000	1,420,000	1,285,000
10/3/2015	1,625,000	1,465,000	1,325,000
10/3/2016	1,665,000	1,500,000	1,360,000
10/4/2017	1,700,000	1,535,000	1,390,000
10/5/2018	1,745,000	1,575,000	1,430,000
10/6/2019	1,790,000	1,620,000	1,475,000
10/6/2020	1,835,000	1,660,000	1,510,000
10/7/2021	1,885,000	1,710,000	1,560,000
10/8/2022	1,925,000	1,745,000	1,595,000
10/9/2023	1,970,000	1,790,000	1,635,000
10/9/2024	2,020,000	1,835,000	1,675,000
10/10/2025	-	1,885,000	1,725,000
10/11/2026	-	-	1,775,000
Total	19,740,000	19,740,000	19,740,000