ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $65,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF KEY WEST, FLORIDA GENERAL OBLIGATION BONDS, SERIES 2025 (ADAPTATION) IN ONE OR MORE SERIES WHICH WILL BE PAYABLE FROM AD VALOREM TAXATION, AND WHICH WILL BE ISSUED FOR THE PURPOSE OF FINANCING THE COST OF ACQUIRING AND CONSTRUCTING IMPROVEMENTS RELATED TO PUBLIC INFRASTRUCTURE ADAPTATIONS FOR WEATHER RESISTANCE AND STORM AND FLOODING MITIGATION; PROVIDING FOR THE LEVY OF NECESSARY AD VALOREM TAXES; PROVIDING FOR OTHER COVENANTS WITH RESPECT TO THE BONDHOLDERS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING FOR THE SEVERABILITY OF PARTS HEREOF IF DECLARED INVALID; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AUTHORITY FOR THIS ORDINANCE. This Ordinance of the City of Key West, Florida (the "City" or "Issuer") is enacted 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 24, 2024 (the "Referendum Ordinance"), Section 2-801 of the Code of Ordinances, City of Key West, Florida (the "City Code"), and other applicable provisions of law (hereinafter collectively referred to as the "Act"), and a majority vote of the electors of the City on November 5, 2024.

SECTION 2. FINDINGS. It is hereby found and determined:

(A) The acquisition and construction of improvements related to public infrastructure adaptations for weather resistance and storm and flooding mitigation (the "Project"), constitutes a capital project authorized by law for which general obligation bonds payable from municipal ad valorem taxes may be issued pursuant to Article VII, Section 12 of the Constitution of the State of Florida so long as such bonds are approved by a majority vote of the electors of the City.

(B) Pursuant to the Referendum Ordinance an election was held on November 5, 2024 to determine if the electors of the City approved of the issuance of not exceeding $65,000,000 of general obligation bonds of the City for the purpose of financing the Project, payable from ad valorem taxes on all the taxable property within the City (the "Bond Referendum"). The Bond Referendum 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.

(C) Article VII, Section 12(a) of the Constitution of the State of Florida provides that upon approval by a majority vote of the electors, municipalities may issue bonds payable from ad valorem taxation to finance capital projects authorized by law.

(D) Section 2-801 of the City Code provides that any expenditure of funds available from general obligation bonds such as the Bonds requires a supermajority vote of the City Commission prior to expenditure, and defines supermajority to mean a minimum of a simple majority plus one vote of the quorum present.

(E) Financing the Project through issuance of the Bonds serves a public purpose and is necessary, beneficial and in the best interests of the City.

(F) Ad valorem taxes levied by the City in accordance with this Ordinance will be sufficient to pay all principal of and interest and redemption premium, if any, on the City of Key West, Florida General Obligation Bonds, Series 2025 (Adaptation) (the "Bonds") to be issued hereunder, as the same become due, and to make all required deposits or payments required by this Ordinance.

(G) The estimated sum required to finance the Project will be derived from a portion of the proceeds from the sale of the Bonds and other legally available funds of the City, if any.

(H) The full faith, credit and unlimited taxing power and the ad valorem taxes of the City will be sufficient to pay principal of and interest on the Bonds.

SECTION 3. DEFINITIONS. As used in this Ordinance:

"BOND COUNSEL" shall mean Bryant Miller Olive P.A., or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"BOND REFERENDUM" shall have the same meaning as set forth above in Section 2.

"BOND REGISTRAR AND PAYING AGENT" shall mean any trust company or bank with trust powers appointed from time to time by supplemental resolution of the City Commission to serve under this Ordinance.

"BONDS" shall mean the City of Key West, Florida General Obligation Bonds, Series 2025 (Adaptation), to be issued pursuant to this Ordinance.

"BOND SERVICE PAYMENT DATE" shall mean the date in which any component of Debt Service Requirement becomes due.

"BOND YEAR" shall mean each twelve-month period ending on such date as shall be determined by supplemental resolution of the City Council.

"CITY" or "ISSUER" shall mean the City of Key West, Florida a municipal corporation of the State of Florida.

"CITY ATTORNEY" shall mean the City Attorney or his or her designee.

"CITY CHARTER" or "CHARTER" shall mean the municipal charter of the City.

"CITY COMMISSION" shall mean the City Commission of the City.

"CITY MANAGER" shall mean the City Manager of the City or any assistant or deputy thereof.

"CLERK" shall mean the City Clerk of the City or any assistant or deputy thereof.

"CODE" shall mean the Internal Revenue Code of 1986, as amended.

"COST" when used in connection with the Project, shall mean (1) costs of acquisition and/or construction by or for the City of such Project; (2) costs of any capitalized interest with respect to the Bonds, if any; and (3) any other costs properly attributable to such acquisition and/or construction of the Project, as determined by generally accepted accounting principles and may include reimbursement to the City for any such items of Cost heretofore paid by the City. Any supplemental resolution may provide for additional items to be included in the aforesaid Costs.

"DEBT SERVICE FUND" shall mean the "City of Key West, Florida General Obligation Bonds, Series 2025 (Adaptation) Debt Service Fund" created pursuant to Section 17(A) hereof.

"DEBT SERVICE REQUIREMENT," for any Bond Year, shall mean the sum of the amount required to be deposited into the Debt Service Fund in such year.

"FEDERAL SECURITIES" shall mean direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor, or "FEDERAL SECURITIES" shall have a meaning as set forth by supplemental resolution of the City Commission.

"FINANCE DIRECTOR" shall mean the Finance Director of the City or any assistant or deputy thereof.

"HOLDER" or "HOLDER OF BONDS" or "BONDHOLDER" or any similar term shall mean any person who shall be the registered owner of any outstanding Bonds.

"MAYOR" shall mean the Mayor of the City, or his or her designee.

"ORDINANCE" shall mean this ordinance, as may be amended and supplemented from time to time.

"PERMITTED INVESTMENTS" shall mean any investments permitted by applicable law and the City's written investment policy.

"PROJECT" shall have the same meaning as set forth above in Section 2.

"PROJECT FUND" shall mean the "City of Key West, Florida General Obligation Bonds, Series 2025 (Adaptation) Project Fund" created pursuant to Section 14(A) hereof.

"REBATE FUND" shall mean the "City of Key West, Florida General Obligation Bonds, Series 2025 (Adaptation) Rebate Fund" created pursuant to Section 22(C) hereof.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms, shall refer to herein; the term heretofore shall mean before the date of enactment of this Ordinance; and the term "hereafter" shall mean after the date of enactment of this Ordinance. Words importing the masculine gender include every other gender. Words importing the singular number include the plural number, and vice versa.

SECTION 4. AUTHORIZATION OF PROJECT AND AUTHORIZATION OF BONDS. The Project is hereby authorized. Subject and pursuant to the provisions hereof, there are hereby authorized to be issued and sold City of Key West, Florida General Obligation Bonds, Series 2025 (Adaptation), in one or more series, in the aggregate principal amount not to exceed $65,000,000, for the purpose of financing all or a portion of the costs of the Project. If the Bonds or any series thereof are not delivered in calendar year 2025, the series designation may be changed by the Mayor to match the calendar year of delivery.

SECTION 5. ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Holders. The covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. DESCRIPTION OF BONDS. The Bonds shall be issued in fully registered form, shall be dated, shall be numbered consecutively from R-1 upward and shall be in the denomination of $5,000 each, or integral multiples thereof, shall bear interest at a rate or rates not exceeding the maximum rate allowed by law, payable semiannually in each year on such dates, shall be serial bonds or term bonds, shall mature on such dates with a final maturity not later

than thirty (30) years following the date of their issuance, and may be subject to redemption prior to maturity, all as shall be fixed by supplemental resolution of the City Commission before the Bonds are delivered to the purchasers.

Each Bond shall bear interest from the Bond Service Payment Date next preceding the date on which it is authenticated, unless authenticated on a Bond Service Payment Date, in which case it shall bear interest from such Bond Service Payment Date, or, unless authenticated prior to the first Bond Service Payment Date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication, interest is in default, such Bond shall bear interest from the date to which interest shall have been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of the Bonds shall be payable only to the registered Holder or his legal representative at the principal corporate trust office of the Bond Registrar and Paying Agent, and payment of the interest on the Bonds shall be made by the Bond Registrar and Paying Agent on each Bond Service Payment Date to the person appearing on the registration books of the City hereinafter provided for as the registered Holder thereof, by wire transfer or check mailed to such registered Holder at his address as it appears on such registration books maintained by the Bond Registrar on the 15th day of the calendar month (whether or not a business day) preceding the interest payment date (the "Regular Record Date"). Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Notwithstanding anything herein to the contrary, the Issuer may determine by supplemental resolution to issue the indebtedness authorized hereunder in one or more series, which series need not be issued simultaneously, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular series as may be necessary to distinguish such Bonds from the Bonds of any other series; provided, however, that the aggregate principal amount of such Bonds shall not exceed $65,000,000. In the case that debt service on the Bonds is paid from the hereinafter created Debt Service Fund, such payments shall be made on a parity and equal basis.

SECTION 7. EXECUTION. Said Bonds shall be signed by, or bear the facsimile signature of the Mayor, shall be attested and countersigned by or bear the facsimile signature of the Clerk. A facsimile of the official seal of the Issuer shall be imprinted on each Bond.

SECTION 8. SIGNATURES; REGISTRATION. In the event that any officer whose signature, or a facsimile of whose signature, shall appear on any Bond shall cease to be such officer before the delivery of such Bonds, said signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such person who,

at the actual time of the execution of such Bonds, shall be the proper officer to sign such Bonds although, at the date of said Bonds, such person may not have been such an officer.

Only such of the Bonds as shall have been endorsed thereon, a certificate of authentication substantially in the form hereinbelow set forth, duly executed by the Bond Registrar and Paying Agent, as authenticating agent, shall be entitled to any benefit or security under this Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly and manually executed by the Bond Registrar and Paying Agent, and such certificate of the Bond Registrar and Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar and Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

Any Bonds, upon surrender thereof at the principal corporate trust office of the Bond Registrar and Paying Agent, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar and Paying Agent, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds equal to the designated amount of the Bond or Bonds so surrendered.

The Bond Registrar and Paying Agent shall make provision for the exchange of Bonds at the principal corporate trust office of the Bond Registrar and Paying Agent.

SECTION 9. NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS. The Bond Registrar and Paying Agent shall keep books for the registration of transfers of Bonds as provided in this Ordinance. The transfer of any 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 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 Bond, a new Bond or Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Bond or Bonds so surrendered.

In all cases in which Bonds shall be exchanged, the City shall execute, and the Bond Registrar and Paying Agent shall authenticate and deliver, at the earliest practicable time, Bonds in accordance with the provision of this Ordinance. All 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 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 Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Ordinance. Neither the City nor the Bond Registrar and

Paying Agent shall be required to make any such exchange or registration of transfer of Bonds during fifteen (15) days immediately preceding any Bond Service Payment Date or, in the case of any proposed redemption of the Bonds then, for the Bonds called for redemption, during the fifteen (15) days preceding the date of the mailing of notice of such redemption and continuing until such redemption date.

The person in whose name any 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 Bond, and the interest on any such 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 Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

SECTION 10. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the City may, in its sole discretion, cause to be executed, and the Bond Registrar and Paying Agent shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the City and the Bond Registrar and Paying Agent proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City and the Bond Registrar and Paying Agent may prescribe and paying such expenses as the City and the Bond Registrar and Paying Agent may incur. All Bonds so surrendered shall be canceled by the City. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and if such Bond is lost, stolen or destroyed, without surrender thereof.

SECTION 11. REDEMPTION PROVISIONS. The terms of this Section 11 shall apply to redemption of the Bonds.

(A) Prior Redemption. The Bonds may be subject to redemption prior to their maturity as shall be fixed by supplemental resolution of the City Council before the Bonds are delivered to the purchasers.

(B) Selection of the Bonds to be Redeemed. The Bonds shall be redeemed only in the principal amount of $5,000 each and integral multiples thereof. The Issuer 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 Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of the Bonds 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 Bonds of the maturity or maturities designated by the Issuer by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for

redemption of the Bonds or portions of the Bonds in the principal amounts of $5,000 and integral multiples thereof.

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

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

Any notice of optional redemption given pursuant to this Section 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 affected Holders of Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

So long as the 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 Issuer to Cede & Co., or any such successor securities depository.

(D) Effect of Notice of Redemption; Payment. Notice having been given in the manner and under the conditions provided under this Section 11, subject to the right of revocation as heretofore described, the Bonds or portions of the 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 Bonds or portions of the 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 Bonds or portions of the Bonds to be redeemed, interest on the Bonds or portions of the Bonds so called for redemption shall cease to accrue, such Bonds and portions of the Bonds shall cease to be entitled to any lien, benefit or security under this Ordinance, and the registered owners of such Bonds or portions of the Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and to receive the Bonds for any unredeemed portions of such Bonds. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

(E) Redemption of Portions of the Bonds. Any 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 Issuer shall execute and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or 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 Bonds so surrendered.

SECTION 12. FORM OF BONDS. The Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted in this Ordinance or in any supplemental resolution of the City Commission adopted prior to the issuance thereof:

[Form of Fully Registered Bond]

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the City or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

NO. R-__ $_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF KEY WEST, FLORIDA
GENERAL OBLIGATION BOND, SERIES 2025 (ADAPTATION)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP

REGISTERED HOLDER: Cede & Co.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Key West, Florida (herein called the "City"), a municipal corporation of the State of Florida (herein called the "State"), is justly indebted and for value received hereby promises to pay to the Registered Holder shown above or registered assigns or legal representative on the Maturity Date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal office of _____, in the City of _____, _____ (the "Bond Registrar" and "Paying Agent"), the Principal Amount shown above, and to pay to the Registered Holder hereof, by check or draft mailed to the Registered Holder at his address as it appears on the Bond registration books of the City, or by wire transfer to the Registered Holder of at least $1,000,000 aggregate Principal Amount of the Bonds (as hereinafter defined), interest on such Principal Amount from the date hereof or from the _____ 1 or the _____ 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is _____ 1 or _____ 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable on _____ 1 and _____ 1 in each year, commencing _____ 1, 20__, at the Interest Rate per annum specified above, until payment of such Principal Amount.

This Bond is one of an authorized issue of Bonds, in the aggregate principal amount of $_____ of like date, tenor and effect, except as to number, interest rate and maturity, issued to finance the cost to acquire and construct improvements related to public infrastructure adaptations for weather resistance and storm and flooding mitigation, under the authority of and in full compliance with the Constitution and laws of the State of Florida.

The Bonds are issued pursuant to the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Sections 100.201-100.351, Florida Statutes, the Charter of the City, City Ordinance No. 24-18 enacted by the City Commission of the City on July 24, 2024, Section 2-801 of the Code of Ordinances, City of Key West, Florida and other applicable provisions of law, a majority vote of the electors of the City on November 5, 2024, and Ordinance No. ____ enacted by the City Commission of the City on _____, 2025, as amended and supplemented from time to time and particularly as supplemented by a resolution adopted by the City Council of the City on _____, 2025 (collectively, the "Ordinance"), and are subject to all the terms and conditions of said Ordinance. Capitalized undefined terms used herein shall have the meaning ascribed thereto in the Ordinance.

The Bonds are payable from ad valorem taxes on all the taxable property within the City, as provided in the Ordinance and herein. The Ordinance requires that in each year while any of the Bonds are outstanding, there shall be levied and collected an ad valorem tax, without limitation as to rate or amount, on all taxable property within the City, in an amount which will be sufficient to pay the principal of and interest on the Bonds as they become due.

For the prompt payment of the principal of and interest on this Bond as the same shall become due, the full faith, credit and unlimited taxing power of the City of Key West, Florida is hereby irrevocably pledged.

It is hereby certified and recited that all acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond, have happened, exist and have been performed in due time, form and manner as required by the Constitution and the laws of the State of Florida applicable thereto; that the total indebtedness of said City, including the issue of Bonds of which this Bond is one, does not exceed any constitutional or statutory limitation; and that provision has been made for the levy and collection of a direct annual ad valorem tax without limitation as to rate or amount upon all taxable property within the City, sufficient to pay, together with other moneys available, if any, the principal of and interest on the Bonds as the same shall become due, which tax shall be levied, assessed and collected at the same time, and in the same manner as other ad valorem taxes are levied, assessed and collected.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

[Insert Redemption Provisions]

Any such redemption, either in whole or in part, shall be made in the manner and upon the terms and conditions provided in the Ordinance. Notice of such redemption shall be given in the manner provided in the Ordinance.

This transfer of this Bond is registrable by the registered owner hereof or his duly authorized attorney or legal representative at the office of the Bond Registrar and Paying Agent, but only in the manner and subject to the conditions provided in the Ordinance and upon surrender and cancellation of this Bond.

The Bond Registrar shall not be required to exchange or register any transfer of this Bond after this Bond has been selected for redemption.

IN WITNESS WHEREOF, the City of Key West, Florida, has issued this Bond and has caused the same to be signed by its Mayor and countersigned and attested to by its City Clerk, (the signatures of the Mayor and the City Clerk being authorized to be facsimiles of such officers' signatures) and its seal or facsimile thereof to be affixed, impressed, imprinted or reproduced hereon, all as of the ____ day of _____, 2025.

CITY OF KEY WEST, FLORIDA

(SEAL)

_____
Mayor

ATTESTED:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Ordinance.

_____, Bond Registrar, as Authenticating Agent

Date of Authentication:

_____ By:(Manual Signature)_____
Authorized Officer

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto (Please insert Social Security or other identifying number of transferee)_____ the attached bond of the City of Key West, Florida, and does hereby constitute and appoint, attorney, to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date_____

Signature Guaranteed by:

_____

[member firm of the New York Stock Exchange or a commercial bank or a trust company.]

_____

No transfer will be registered and no new Bonds will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

[END OF FORM OF BOND]

SECTION 13. SALE OF BONDS. The Bonds shall be issued and sold after such procedure, in such manner and at public or private sale and at such price or prices consistent with the applicable statutes, all at one time or in installments from time to time, as shall be determined by supplemental resolution of the City Commission.

SECTION 14. PROJECT FUND; APPLICATION OF BOND PROCEEDS.

(A) The City covenants and agrees to establish a special fund to be designated "City of Key West General Obligation Bonds, Series 2025 (Adaptation) Project Fund," which shall be used only for payment of the Costs of the Project. Moneys in the Project Fund, until applied in payment of any item of the Costs of the Project, in the manner hereinafter provided, shall be held in trust by the City and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders. Moneys on deposit in the Project Fund may be invested in Permitted Investments.

(B) The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Bonds, shall be applied by the City simultaneously with the delivery of the Bonds to the purchaser thereof, as follows:

(1) Any accrued interest and interest to accrue on the Bonds from the dated date of the Bonds to the date of delivery shall be deposited in the Debt Service Fund (hereinafter created) and shall be used only for the purpose of paying interest becoming due on the Bonds.

(2) Proceeds shall be used to pay all costs and expenses in connection with the preparation, issuance and sale of the Bonds.

(3) Any remaining proceeds from the Bonds shall be deposited in the Project Fund to be used as permitted in Section 14(A) hereof.

SECTION 15. SECURITY FOR BONDS. The Bonds are general obligations of the City. The principal of and interest on the 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 herein.

SECTION 16. LEVY OF AD VALOREM TAXES. For so long as the 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 within the City 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 shall be in addition to all other taxes authorized to be levied by the City. The City covenants 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 this Ordinance.

All taxes levied pursuant to this Ordinance, as collected, shall immediately be deposited into the Debt Service Fund (hereinafter created) and held in trust for the payment of the principal of and interest on the Bonds as they severally become due and shall be expended for no other purpose.

SECTION 17. COVENANTS OF CITY. For so long as any of the principal of and interest on any of the 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 Bonds remaining unpaid, together with interest accrued or to accrue thereon, the City covenants with the Holders of each and all of the Bonds as follows:

(A) Debt Service Fund. The City covenants and agrees to establish a special fund to be designated "City of Key West, Florida General Obligation Bonds, Series 2025 (Adaptation) Debt Service Fund."

From the Debt Service Fund shall be paid each installment of interest on and principal of the 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 Bonds then outstanding, plus the amount of interest then due or thereafter to become due on such Bonds then outstanding. At such time as the 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.

(B) Special Funds; Investments. Each of the funds and accounts herein established 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 of Florida. Earnings on investments in funds and accounts created under this 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 foregoing funds and accounts established herein 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 herein provided.

The designation and establishment of the various funds and accounts in and by this 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 herein provided.

(C) Books and Records. Books and records of the City shall be kept in which complete and correct entries shall be made, in accordance with generally accepted accounting principles.

At least once a year, on or before June 30 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 Bonds or anyone acting for and on behalf of the Holders of such Bonds; provided, however, that any such costs shall be borne by such Holder or Holders as the case may be.

SECTION 18. DEFEASANCE. If, at any time, the City shall have paid, or shall have made provision for payment of, the principal, interest, and redemption premiums, if any, with respect to any Bonds, then, and in that event, the pledge of and lien on the funds pledged in favor of the Holders of such Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders in respect to which such Federal Securities, the principal and interest received will be sufficient to make timely payment of the principal, interest and redemption premiums, if any, on the outstanding Bonds, shall be considered "provision for payment." Nothing herein shall be deemed to require the City to call any of the outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, if applicable, or to impair the discretion of the City in determining whether to exercise any such option for early redemption, if applicable.

SECTION 19. DEFAULTS; EVENTS OF DEFAULT AND REMEDIES. Except as provided below, if any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default:"

(A) Default in the due and punctual payment of any interest on the Bonds;

(B) Default in the due and punctual payment of the principal of and premium, if any, on any Bond, at the stated maturity thereof, or upon proceedings for redemption thereof, if applicable;

(C) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City contained in this Ordinance or in the Bonds and the continuance thereof for a period of thirty (30) days after written notice to the City given by the Holders of not less than twenty-five percent (25%) of aggregate principal amount of Bonds then outstanding (provided, however, that with respect to any obligation, covenant, agreement or condition which requires performance by a date certain, if the City performs such obligation, covenant, agreement or condition within thirty (30) days of written notice as provided above, the default shall be deemed to be cured);

(D) Failure by the City promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations hereunder; or

(E) Any act of bankruptcy or the rearrangement, adjustment or readjustment of the obligations of the City under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors' rights.

The term "default" shall mean default by the City in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Ordinance, any supplemental resolution or in the Bonds, exclusive of any period of grace required to constitute a default or an "Event of Default" as hereinabove provided.

Any Holder of Bonds issued under the provisions hereof or any trustee acting for the Holders of such Bonds may, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under state or federal law, or granted and contained herein, and may enforce and compel the performance of all duties required herein or by any applicable law to be performed by the City or by any officer thereof.

The foregoing notwithstanding:

(i) No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder.

(ii) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

(iii) No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

(iv) Acceleration of the payment of principal of and interest on the Bonds shall not be a remedy hereunder in the case of an Event of Default.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under this Ordinance, the Bondholders shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the City and the funds pending such proceedings, with such powers as the court making such appointment shall confer.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the City nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay, extension or redemption laws now or hereafter in force, in order to

prevent or hinder the enforcement of this Ordinance, and the City, for itself and all who may claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of redemption to which it may be entitled.

SECTION 20. MODIFICATION OR AMENDMENT. No material modification or amendment of this Ordinance or of any ordinance or resolution amendatory thereof or supplemental thereto may be made without the consent in writing of the Holders of fifty-one percent (51%) or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the City to levy taxes, in the manner and to the extent provided herein, or to pay the principal of and interest on the Bonds, as the same shall become due, from the sources herein provided, or reduce such percentage of Holders of such Bonds required above for such modifications or amendments without the consent of all the Holders of the Bonds to be affected.

SECTION 21. ARBITRAGE. No use will be made of the proceeds of the Bonds which will cause the same to be "arbitrage bonds" within the meaning of the Code. The City, at all times while the Bonds and the interest thereon are outstanding, will comply with the requirements of Section 103(c) of the Code and applicable rules and regulations of the Internal Revenue Service.

SECTION 22. TAX COVENANT. With respect to any Bonds for which the City intends on the date of issuance thereof for the interest thereon to be excluded from gross income for purposes of federal income taxation:

(A) The City shall not use or permit the use of any proceeds of the Bonds or any other funds of the City, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the City with respect to the Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Bonds to be a "private activity bond" within the meaning of Section 141 or an "arbitrage bond" within the meaning of Section 148, or "federally guaranteed" within the meaning of Section 149(b), of the Code, or otherwise cause interest on such Bonds to become subject to federal income taxation.

(B) The City shall, at all times, do and perform all acts and things permitted by law and this Ordinance which are necessary or desirable in order to ensure that interest paid on such Bonds will be excluded from gross income for purposes of federal income taxes and shall take no action that would result in such interest not being so excluded.

(C) The City shall pay or cause to be paid to the United States Government any amounts required by Section 148(f) of the Code and the regulations thereunder (the "Regulations"). In order to ensure compliance with the rebate provisions of Section 148(f) of the Code with respect to any Bonds for which the City intends on the date of issuance thereof to be excluded from gross income for purposes of federal income taxation, the City hereby creates the

"City of Key West, Florida General Obligation Bonds, Series 2025 (Adaptation) Rebate Fund" (the "Rebate Fund") to be held by the City. The Rebate Fund need not be maintained so long as the City timely satisfies its obligation to pay any rebatable earnings to the United States Treasury; however, the City may, as an administrative convenience, maintain and deposit funds in the Rebate Fund from time to time. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held for future payment to the United States Government as required by the Regulations and as set forth in instructions of Bond Counsel delivered to the City upon issuance of such Bonds. Moneys on deposit in the Rebate Fund may be invested in Permitted Investments.

SECTION 23. BOOK-ENTRY ONLY SYSTEM. The person in whose name any 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, if applicable, of any such Bond, and the interest on any such Bonds shall be made only to or upon the order of the registered owner thereto or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

The Issuer has previously executed a blanket letter of representation (the "Letter of Representation") with The Depository Trust Company ("DTC"). It is intended that the Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Letter of Representation. The Bonds shall be initially issued in the form of a single fully registered Bond of each maturity. Upon initial issuance, the ownership of such Bonds shall be registered by the Bond Registrar and Paying Agent in the name of Cede & Co., as nominee for DTC (including any successor nominee of DTC with respect to the Bonds, "Cede & Co."). With respect to Bonds registered by the Bond Registrar and Paying Agent in the name of Cede & Co., as nominee of DTC, the Issuer and the Bond Registrar and Paying Agent shall have no responsibility or obligation to any broker dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depositary (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Issuer and the Bond Registrar and Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Bond register, of any notice with respect to the Bonds, including any notice of redemption, if applicable, or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, if applicable, the Bonds. No person other than a registered owner of a Bond as shown in the Bond register shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Bond Registrar and Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Bonds appearing as

registered owners in the registration books maintained by the Bond Registrar and Paying Agent at the close of business on a Regular Record Date, the name "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representation, (b) the agreement among the Issuer, the Bond Registrar and Paying Agent and DTC evidenced by the Letter of Representation shall be terminated for any reason or (c) the Issuer determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify DTC of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the Bond register in the name of Cede & Co., as nominee of DTC, but only in accordance with the Letter of Representation between the Issuer and DTC. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a universal book entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or changing Bonds designate, in accordance with the provisions hereof. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, if applicable, such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representation.

As long as any Bonds are outstanding in book-entry form, the provisions of this Ordinance inconsistent with such system of book entry registration shall not be applicable to such Bonds, and the Issuer covenants to cause adequate records to be kept with respect to the ownership of any Bonds issued in book-entry form or the beneficial ownership of Bonds issued in the name of a nominee.

SECTION 24. PRELIMINARY OFFICIAL STATEMENT. The preparation and distribution of a Preliminary Official Statement relating to the Bonds is hereby approved and authorized, as is the use thereof in connection with the sale of the Bonds. The form of such Preliminary Official Statement will be approved by supplemental resolution of the City Commission. The distribution of the final Official Statement relating to the Bonds (as it may be amended and supplemented from time to time, the "Official Statement") is hereby authorized, and the execution of such Official Statement by the City Manager and the Finance Director is hereby authorized. The Finance Director of the City is hereby authorized to execute and deliver a certificate of the City which deems such Preliminary Official Statement "final" within the contemplation of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule").

SECTION 25. CONTINUING DISCLOSURE. The City hereby covenants and agrees that, in order to assist the original purchaser in complying with the continuing disclosure requirements of the Rule with respect to the Bonds, it will comply with and carry out all of the provisions of a continuing disclosure certificate to be executed by the City prior to the time the City delivers the

Bonds to the underwriters, as it may be amended from time to time in accordance with the terms thereof (the "Continuing Disclosure Certificate"). The form of such agreement will be approved by supplemental resolution of the City Commission. Notwithstanding any other provision of this Ordinance, failure of the City to comply with such agreement shall not be considered an Event of Default hereunder. However, the agreement shall be enforceable by the Bondholders in the event that the City fails to cure a breach thereunder within a reasonable time after written notice from a Bondholder to the City that a breach exists. Any rights of the Bondholders to enforce the provisions of the covenant shall be on behalf of all Bondholders and shall be limited to a right to obtain specific performance of the City's obligations thereunder.

SECTION 26. APPOINTMENT OF BOND REGISTRAR AND PAYING AGENT. The Bond Registrar and Paying Agent will be appointed by supplemental resolution of the City Commission. The form of an agreement between the Bond Registrar and Paying Agent and the City will be approved by supplemental resolution of the City Commission.

SECTION 27. AUTHORIZATIONS. The members of the City Commission of the City and the City's officers, attorneys and other agents and employees, including but not limited to the City Manager, the Finance Director, the Clerk, and the City Attorney, are hereby authorized to perform all acts and things required of them by this Ordinance 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 Bonds and this Ordinance, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

SECTION 28. NO THIRD PARTY BENEFICIARIES. Except as may be expressly described herein or in a supplemental resolution of the City Commission, nothing in this Ordinance, or in the Bonds, expressed or implied, is intended or shall be construed to confer upon anyone of another entity other than the City and the Holders any right, remedy or claim, legal or equitable, under and by reason of this Ordinance or any provision hereof, or of the Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the City and the Holders from time to time.

SECTION 29. NO PERSONAL LIABILITY. Neither the members of the City Commission of the City, any employees of the City, nor any person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 30. REPEAL OF INCONSISTENT INSTRUMENTS. All ordinances, or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict

SECTION 31. VALIDATION PROCEEDING. Bond Counsel, together with the City Attorney, is hereby authorized and directed to institute appropriate proceedings in the circuit court, for validation of the Bonds pursuant to Chapter 75, Florida Statutes, and the proper officers of the City are hereby authorized to verify on behalf of the City the pleadings in such proceedings.

SECTION 32. EFFECTIVE DATE. This Ordinance shall go into effect immediately upon its passage and enactment and authentication by the signatures of the presiding officer and the City Clerk of the City Commission.

READ AND PASSED by supermajority vote on first reading at a regular meeting held by the City Commission of the City of Key West, Florida on this _____ day of _____, 2025.

READ AND PASSED by supermajority vote on final reading at a regular meeting held by the City Commission of the City of Key West, Florida on this _____ day of _____, 2025.

Authenticated by the presiding officer and Clerk of the Commission on this _____ day of _____, 2025.

Mayor Danise Henriquez	_____
Vice Mayor Lissette Carey	_____
Commissioner Aaron Castillo	_____
Commissioner Monica Haskell	_____
Commissioner Mary Lou Hoover	_____
Commissioner Sam Kaufman	_____
Commissioner Donald "Donie" Lee	_____

_____
DANISE HENRIQUEZ, MAYOR

ATTEST:

_____
KERI O'BRIEN, CITY CLERK