RESOLUTION 14-15

A RESOLUTION OF THE CITY OF MARCO ISLAND, FLORIDA; AUTHORIZING THE ISSUANCE OF A CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2014 OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $6,050,000 FOR THE PURPOSE OF FINANCING AND REIMBURSING THE COST OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING THE SMOKEHOUSE BAY BRIDGE REPLACEMENT AS MORE PARTICULARLY DESCRIBED HEREIN AND PAYING COSTS RELATED THERETO; PROVIDING THAT THE NOTE SHALL BE A LIMITED OBLIGATION OF THE CITY PAYABLE FROM NON-AD VALOREM REVENUES BUDGETED, APPROPRIATED AND DEPOSITED AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF THE NOTE; DESIGNATING THE NOTE AS A QUALIFIED TAX-EXEMPT OBLIGATION WITHIN THE MEANING OF THE INTERNAL REVENUE CODE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARCO ISLAND, FLORIDA, AS FOLLOWS:

SECTION 1: AUTHORITY FOR THIS RESOLUTION. The City of Marco Island, Florida (the "Issuer"), pursuant to Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer and any other applicable provisions of law (all of the foregoing, collectively, the "Act") is authorized, in accordance with the Act, to borrow money, issue bonds, notes or other obligations to finance the costs of the Project (as defined herein).

SECTION 2: DEFINITIONS. The following words and phrases shall have the following meanings when used herein:

"Act" shall have the meaning ascribed in Section 1 hereof.

"Ad Valorem Revenues" means all revenues of the Issuer derived from the levy and collection of ad valorem taxes that are allocated to and accounted for in the General Fund.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Owner is lawfully closed.

"Chairman" means the Chairman of the Issuer, or in his or her absence or inability to act, the Vice Chairman of the Issuer or such other person as may be duly authorized by the City Council to act on his or her behalf.

"City Attorney" means the City Attorney or assistant City Attorney of the Issuer, or any special counsel appointed by the City Council of the Issuer.

"City Manager" means the City Manager or assistant, deputy, interim or acting City Manager of the Issuer.

"Clerk" shall mean the City Clerk or assistant or deputy City Clerk of the Issuer, or such other person as may be duly authorized by the City Council of the Issuer to act on his or her behalf.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"Construction Fund" shall mean the Construction Fund established with respect to the Note pursuant to Section 10 hereof.

"Debt Service Fund" shall mean the Debt Service Fund established with respect to the Note pursuant to Section 9 hereof.

"Finance Director" means the Finance Director of the Issuer, or such other person as may be duly authorized by the City Manager of the Issuer to act on his or her behalf.

"General Fund" shall mean the "General Fund" of the Issuer as described and identified in the Comprehensive Annual Financial Report of the Issuer.

"Issuer" means the City of Marco Island, Florida, a municipal corporation of the State of Florida.

"Maturity Date" means, for the Note, October 1, 2029.

"Non-Ad Valorem Revenues" means all revenues of the Issuer that are allocated to and accounted for in the General Fund other than Ad Valorem Revenues, and which are lawfully available to be used to pay debt service on the Note.

"Note" means the Note of the Issuer authorized by Section 4 hereof.

"Original Purchaser" means TD Bank, N.A.

"Owner" means the Person in whose name the Note shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of this Resolution.

"Permitted Lender" shall mean any affiliate of the Owner or any bank, trust company, savings institution, insurance company or qualified institutional buyer under Rule 144A promulgated under the Securities Act of 1933 that is engaged as a regular part of its business in purchasing notes or obligations similar to the Note.

"Person" means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

"Pledged Revenues" means the Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided herein.

"Principal Office" means, with respect to the Original Purchaser, the office located at 5900 North Andrews Avenue, 2nd Floor, Ft. Lauderdale, Florida, 33309, or such other office as the Original Purchaser or future Owner may designate to the Issuer in writing.

"Project" means capital projects of the Issuer, including without limitation the removal and disposal of the super structures and substructures of the two existing bridges known as the "Smokehouse Bay Bridge", construction of a single one span replacement bridge, removal and replacement of Issuer owned utility lines currently attached to the existing structures, removal and replacement of seawalls under and adjacent to the existing structures, installation of retaining wall systems to raise the roadway approaches, relocation of Issuer owned utilities and storm drainage facilities, removal and reconstruction of new approach roads with sidewalks, installation of scour protection measures, installation of navigation lights and installation of landscape and hardscape amenities.

"Resolution" means this Resolution, pursuant to which the Note is authorized to be issued, including any resolutions amendatory or supplemental thereto.

"State" means the State of Florida.

SECTION 3: FINDINGS.

(A) For the benefit of its inhabitants, the Issuer finds, determines and declares that it is necessary for the continued preservation of the health, welfare, convenience and safety of the Issuer and its inhabitants to finance a portion of the costs of the Project. Issuance of the Note to finance and/or reimburse the cost of the Project satisfies a paramount public purpose.

(B) Debt service on the Note will be secured by the Issuer's covenant to budget and appropriate Non-Ad Valorem Revenues and by a pledge of the Pledged Revenues as provided herein.

(C) Debt service on the Note and all other payments hereunder shall be payable solely from moneys deposited in the manner and to the extent provided herein. The Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Note or to make any other payments to be made hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any other Non-Ad Valorem Revenues. The Note shall not constitute a lien on any property owned by or situated within the limits of the Issuer.

(D) It is estimated that the Non-Ad Valorem Revenues will be available after satisfying funding requirements for obligations having an express lien on or pledge thereof and after satisfying funding requirements for essential governmental services of the Issuer, in amounts sufficient to provide for the payment of the principal of and interest on Note and all other payment obligations hereunder.

(E) The Issuer has received an offer from the Original Purchaser to purchase the Note.

SECTION 4: AUTHORIZATION OF NOTE AND PROJECT.

The Project is hereby authorized.

Subject and pursuant to the provisions of this Resolution, an obligation of the Issuer to be known as City of Marco Island, Florida, Capital Improvement Revenue Note, Series 2014 is hereby authorized to be issued under and secured by this Resolution, in the principal amount of not to exceed $6,050,000 for the purpose of financing and/or reimbursing a portion of the cost of the Project and paying the costs of issuing the Note. Because of the characteristics of the Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Note, it is in the best interest of the Issuer to accept the offer of the Original Purchaser to purchase the Note at a private negotiated sale. Prior to the issuance of the Note, the Issuer shall receive from the Original Purchaser a Purchaser's Certificate, the form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

In consideration of the purchase and acceptance of the Note authorized to be issued hereunder by the Owner thereof from time to time, this Resolution shall constitute a contract between the Issuer and the Owner.

SECTION 5: DESCRIPTION OF THE NOTE. The Note shall be dated the date of its execution and delivery, which shall be a date agreed upon by the Issuer and the Original

Purchaser, and shall have such other terms and provisions, including a fixed interest rate of 2.46% (subject to adjustment upon the occurrence of certain events as provided herein and in the Note), principal and interest payment terms, maturity dates and prepayment provisions as stated herein and/or in the form of the Note attached hereto as Exhibit A. The Note is to be in substantially the form set forth on Exhibit A attached hereto, together with such non-material changes as shall be approved by the Chairman or Vice Chairman, such approval to be conclusively evidenced by the execution thereof by the Chairman. The Note shall be executed on behalf of the Issuer with the manual or facsimile signature of the Chairman and the official seal of the Issuer, and be attested with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed the Note or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Note so signed and sealed has been actually sold and delivered, the Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed the Note had not ceased to hold such office. The Note may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of the Note shall hold the proper office of the Issuer, although, at the date of the Note, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Note shall be actually sold and delivered.

SECTION 6: REGISTRATION AND EXCHANGE OF NOTE; PERSON TREATED AS OWNER. The Note is initially registered to the Original Purchaser. So long as the Note shall remain unpaid, the Issuer will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books, only in whole, not in part, and only to Permitted Lenders.

The Person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Note shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

SECTION 7: PAYMENT OF PRINCIPAL AND INTEREST; LIMITED OBLIGATION. The Issuer promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Note shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from the Pledged Revenues in accordance with the terms hereof. No holder of the Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or taxation of any real or personal property thereon or the use or application of ad valorem tax revenues to pay the Note, or be entitled to

payment of the Note from any funds of the Issuer except from the Pledged Revenues as described herein.

SECTION 8: PREPAYMENT. The Note shall be subject to prepayment as provided in the Note.

SECTION 9: COVENANT TO BUDGET AND APPROPRIATE. (A) Subject to the next paragraph, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund hereinafter created, amounts sufficient to pay principal of and interest on the Note and all other payments due hereunder not being paid from other amounts as the same shall become due. Such covenant and agreement on the part of the Issuer to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such payments due in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the holder of the Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the Issuer hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem tax power or ad valorem taxing revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no holder of the Note nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. The obligation of the Issuer to budget, appropriate, deposit and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations

having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer. Notwithstanding any provisions of this Resolution or the Note to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Resolution nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein and is subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer and is further subject to the provisions of Section 166.241, Florida Statutes insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer.

There is hereby created and established the "City of Marco Island, Florida Capital Improvement Revenue Note, Series 2014 Debt Service Fund," which fund shall be a trust fund held by the Finance Director, which shall be held solely for the benefit of the holder of the Note. The designation and establishment of the Debt Service Fund in and by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided. The Issuer may at any time and from time to time appoint one or more depositaries to hold, for the benefit of the Owner of the Note, the Debt Service Fund established hereby. Such depository or depositaries shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from such Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars ($50,000,000).

(B) Until applied in accordance with this Resolution, the Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established herein, plus any earnings thereon, shall be pledged to the repayment of the Note.

SECTION 10. APPLICATION OF PROCEEDS OF NOTE. Proceeds from the sale of the Note shall be used to finance a portion of the costs of the Project and pay related associated costs of issuance (including but not limited to legal and financial advisory fees and expenses).

The Issuer hereby covenants that it will establish with a depository in the State of Florida, which is a member of the Federal Deposit Insurance Corporation and which is eligible under the laws of the State of Florida to receive municipal funds, a fund to be known as the "City of Marco Island, Florida, Capital Improvement Revenue Note, Series 2014, Construction Fund" (the "Construction Fund"). Proceeds from the sale of the Note herein authorized shall be deposited into the Construction Fund and shall be used as described above. When the construction of the Project has been completed and all construction costs have been paid in full, all funds remaining in the Construction Fund shall be spent based on the advice of Bond Counsel.

The funds and accounts created and established by this Resolution shall constitute trust funds for the purpose provided herein for such funds. All of such funds, except as hereinafter provided, shall be continuously secured in the same manner as municipal deposits of funds are required to be secured by the laws of the State of Florida. Moneys on deposit to the credit of all funds and account created hereunder may be invested pursuant to applicable law and the Issuer's investment policy and shall mature not later than the dates on which such moneys shall be needed to make payments in the manner herein provided. The securities so purchased as an investment of funds shall be deemed at all times to be a part of the account from which the said investment was withdrawn, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, except as expressly provided in this Resolution, and any loss resulting from such investment shall likewise be charged to said fund or account.

SECTION 11: TAX COVENANT. The Issuer covenants to the Owner of the Note provided for in this Resolution that the Issuer will not make any use of the proceeds of the Note at any time during the term of the Note which would cause the Note to be an "arbitrage bond" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Note from the gross income of the holders thereof for purposes of federal income taxation.

SECTION 12: AMENDMENT. This Resolution shall not be modified or amended in any respect subsequent to the issuance of the Note except with the written consent of the Owner of the Note.

SECTION 13: LIMITATION OF RIGHTS. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or shall be construed to give to any Person other than the Issuer and the Owner any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Owner.

SECTION 14: NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for the mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Owner furnishing the Issuer proof of ownership thereof and indemnity reasonably satisfactory to the Issuer and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. The Note so surrendered shall be canceled.

SECTION 15: IMPAIRMENT OF CONTRACT. The Issuer covenants with the Owner of the Note that it will not, without the written consent of the Owner of the Note, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Note hereunder.

SECTION 16: BUDGET AND FINANCIAL INFORMATION; RATING COVENANT.

(A) At no cost to the Owner, the Issuer shall provide the Owner of the Note with a copy of its annual budget within 60 days of its completion and adoption. At no cost to the Owner, the Issuer shall provide the Owner of the Note with annual financial statements for each fiscal year of the Issuer when available and in no event later than 210 days after the close of such fiscal year, prepared in accordance with applicable law and generally accepted accounting principles and audited by an independent certified public accountant. All accounting terms not specifically defined or specified herein shall have the meanings attributed to such terms under generally accepted accounting principles as in effect from time to time, consistently applied.

(B) If at any time the Issuer does not maintain a general obligation rating ("GO Rating") by a national rating agency, at the written request of the Owner the Issuer shall, within six months from receipt of such request in writing from the Owner, obtain a rating on the Note of at least BBB- (or its equivalent) by a national rating agency. The Issuer shall promptly provide notice to the Owner when a Rating Event (as such term is defined in the Note) occurs.

SECTION 17: EVENTS OF DEFAULT; REMEDIES OF OWNER OF THE NOTE. The following shall constitute Events of Default: (i) if the Issuer fails to pay any payment of principal of or interest on the Note as the same becomes due and payable and does not cure such failure within ten (10) days of such failure; (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Note (other than set forth in (i) above) and fails to cure the same within thirty (30) days of knowledge of such event; or (iii) filing of a petition by or against the Issuer relating to bankruptcy, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and the continuance of any such event for 30 days undismissed or undischarged.

Notwithstanding anything herein to the contrary, neither failure to maintain a GO Rating of the Issuer at all nor a downgrade of a GO Rating of the Issuer below BBB or its equivalent (without regard to gradations) shall constitute an Event of Default hereunder.

Upon the occurrence and during the continuation of any Event of Default, the Owner of the Note may, in addition to any other remedies set forth in this Resolution or the Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, or by any applicable statutes to be performed by the Issuer or by any officer thereof. Only in the case of an Event of Default based on a failure to pay any payment of principal of or interest on the Note as the same becomes due and payable, the Owner may declare the entire debt remaining unpaid hereunder immediately due and payable.

SECTION 18: ANTI-DILUTION TEST. The Issuer may incur additional debt secured by all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior fiscal year were at least 1.5 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the Issuer's most recent audited financial statements and the debt proposed to be incurred) to be paid from Non-Ad Valorem Revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources. Notwithstanding anything herein to the contrary, for purposes of the calculation, Debt shall not include any indebtedness the debt service on which is reasonably expected to be paid from sources other than Non-Ad Valorem Revenues.

For purposes of calculating maximum annual debt service if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on such Variable Rate Debt shall be computed at an interest rate equal to the higher of 4% per annum or most recently published The Bond Buyer 40 Index.

For purposes of calculating maximum annual debt service, balloon indebtedness shall be assumed to amortize in 30 years on a level debt service basis. In the event that the Issuer is required to fund a reserve fund, the funding of such reserve fund shall be included in the calculation of debt service.

Within 15 days of the closing of any additional debt described above, the Issuer agrees to provide notice of the issuance of such additional debt and evidence of compliance with the requirements of this Section 18.

SECTION 19: SEVERABILITY. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

SECTION 20: BUSINESS DAYS. In any case where the due date of interest on or principal of the Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Owner.

SECTION 21: WAIVER OF JURY TRIAL; VENUE; APPLICABLE PROVISIONS OF LAW. The Issuer hereby waives any right to a trial by jury in any civil action arising out of, or based upon, this Resolution or the Note. Venue for any state action hereunder shall lie in the 20th Judicial Circuit of and for Collier County, Florida, and venue for any federal action hereunder shall lie in the U.S. Middle District Court, Fort Myers Division. This Resolution and the Note shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 22: RULES OF INTERPRETATION. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

SECTION 23: CAPTIONS. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

SECTION 24: CITY COUNCIL MEMBERS OF THE ISSUER EXEMPT FROM PERSONAL LIABILITY. No recourse under or upon any obligation, covenant or agreement of this Resolution or the Note or for any claim based thereon or otherwise in respect thereof, shall be had against any City Council members of the Issuer, as such, of the Issuer, past, present or future, either directly or through the Issuer it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the City Council members of the Issuer, as such, under or by reason of the obligations, covenants or agreements contained in this Resolution or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such City Council members of the Issuer, as such, are waived and released as a condition of, and as a consideration for, the execution of this Resolution and the issuance of the Note, on the part of the Issuer.

SECTION 25: AUTHORIZATIONS. The Chairman and any member of the City Council, the City Manager, the City Attorney, the Clerk, the Finance Director and such other officials and employees of the Issuer as may be designated by the Issuer are each designated as agents of the Issuer in connection with the issuance and delivery of the Note and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the Issuer that are necessary or desirable in

connection with the execution and delivery of the Note, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

SECTION 26: BANK QUALIFIED. The Issuer hereby designates the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code. The Issuer and any subordinate entities of the Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during the calendar year 2014 to issue more than $10,000,000 of "tax-exempt" obligations including the Note, exclusive of any private activity bonds as defined in Section 141(a) of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code).

SECTION 27: REPEALER. All resolutions or parts thereof in conflict herewith are hereby repealed.

SECTION 28: EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

Passed in open and regular session through roll call vote by the City Council of the City of Marco Island, Florida on this 16th day of June, 2014.

(SEAL)

ATTEST:

By: _____
Laura M. Litzan, City Clerk

CITY OF MARCO ISLAND, FLORIDA

By: _____
Kenneth E. Honecker, Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: _____
Burt L. Saunders, City Attorney

EXHIBIT A

FORM OF NOTE

June 17, 2014 $6,045,000

CITY OF MARCO ISLAND, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE,
SERIES 2014

Maturity Date: October 1, 2029

KNOW ALL MEN BY THESE PRESENTS that the City of Marco Island, Florida (the "Issuer"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of TD Bank, N.A., or registered assigns (hereinafter, the "Owner"), the principal amount of $6,045,000, together with interest on the unpaid balance of this Note at the hereinafter defined Interest Rate, which is subject to adjustment as provided herein. Interest shall be calculated on a 30/360 day basis. This Note shall have a final maturity date of October 1, 2029 (the "Maturity Date").

Principal of and interest on this Note is payable to the Owner in lawful money of the United States of America and shall be made via auto debit.

The Issuer promises to pay the Owner interest on amounts outstanding from the date of this Note at the Interest Rate, but in no event shall it exceed the maximum interest rate permitted by applicable law. Such interest shall be paid semi-annually on each April 1 and October 1, commencing October 1, 2014, until the Maturity Date.

Upon a Determination of Taxability, in addition to the Interest Rate (which shall thereupon equal the hereinafter defined Taxable Rate), the Issuer shall pay to the Owner, subject to a Determination of Taxability, a hereinafter defined Additional Amount upon demand.

If any payment of principal of or interest on this Note is not paid by the fifteenth day after such payment is due, the Issuer shall pay to the Owner a late charge equal to six percent (6%) of the amount of such overdue payment.

Principal on this Note shall amortize on the following dates and in the following amounts:

Date (October 1)	Amounts
2015	$340,000
2016	345,000
2017	355,000
2018	365,000
2019	375,000
2020	380,000
2021	390,000
2022	400,000
2023	410,000
2024	420,000
2025	430,000
2026	440,000
2027	455,000
2028	465,000
2029	475,000

This Note shall be subject to prepayment in whole or in part at any time at the option of the Issuer, upon two (2) Business Days' prior written notice, at a fee equal to the greater of (i) 1.00% of the principal balance being prepaid, or (ii) a "Yield Maintenance Fee" in an amount computed as follows: the current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the Remaining Term, shall be subtracted from the Interest Rate. If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the scheduled outstanding principal balance for each remaining monthly period of the Remaining Term. Each resulting amount shall be divided by 360 and multiplied by the number of days in the monthly period. Said amounts shall be reduced to present values calculated by using the above referenced current costs of funds divided by 12. The resulting sum of present values shall be the Yield Maintenance Fee due to the Owner upon prepayment of the principal of this Note plus accrued interest due as of the prepayment date. The Owner shall provide the Issuer with a written statement explaining the calculation of such fee, which statement shall, in absence of manifest error, be conclusive and binding.

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

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

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

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

This Note is issued pursuant to Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer and any other applicable provisions of law, and Resolution No. 14-15 duly adopted by the Issuer on June 16, 2014, as from time to time amended and supplemented (herein referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. All terms, conditions and provisions of the Resolution including without limitation remedies in the Event of Default are by this reference thereto incorporated herein as a part of this Note. Payment of this Note is secured by a covenant to budget, appropriate and deposit Non-Ad Valorem Revenues of the Issuer, as provided for in the Resolution. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

This Note may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer, only in whole, not in part, and only to Permitted Lenders (as such term is defined in the Resolution) in the manner provided in the Resolution.

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

"Additional Amount" means (i) the difference between (a) interest on this Note for the period commencing on the date on which the interest on this Note ceased to be excludable from gross income for federal income tax purposes and ending on the earlier of the date this Note ceased to be outstanding or such adjustment is no longer applicable to this Note (the "Taxable

Period") at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest paid on this Note for the Taxable Period under the provisions of this Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by such Owner to the Internal Revenue Service by reason of such Determination of Taxability.

"Default Rate" means the interest rate then applicable to this Note plus 6% per annum.

"Determination of Taxability" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service or of the United States Treasury Department determining that, as a result solely of an action or inaction by the Issuer, interest payable on this Note is includable in the gross income of the Owner for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose unless the Issuer has been given written notice and, if it is so desired by the Issuer and is legally allowed, the Issuer has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Owner, and until the conclusion of any appellate review, if sought.

"Financial Distress Rate" means the interest rate then applicable to this Note plus 6% per annum.

"Interest Rate" means a per annum rate equal to 2.46%. However, (i) upon a Determination of Taxability, the Interest Rate shall adjust to the Taxable Rate, (ii) upon the occurrence of an Event of Default, the Interest Rate shall adjust to the Default Rate, (iii) upon the occurrence of a Rating Event, so long as no Event of Default has occurred and is continuing, the Interest Rate shall adjust to the Financial Distress Rate retroactive to the date on which such Rating Event took place, and (iv) upon the occurrence of the Loss of Bank Qualified Status, the Interest Rate shall adjust to the Non-Bank Qualified Rate, from the effective date of such Loss of Bank Qualified Status.

"Loss of Bank Qualified Status" means if the Bond ceases to be a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code.

"Non-Bank Qualified Rate" means the interest rate equal to the tax-exempt non-bank qualified equivalent per annum rate.

"Rating Event" means, (a) to the extent the Issuer maintains a general obligation rating by a national rating agency, such rating is downgraded below BBB- (or its equivalent), or, (b) to the extent the Issuer does not maintain a general obligation rating by a national rating agency and the Owner has made the request specified in Section16(B) of the Resolution, the Issuer fails to comply with the requirements of such Section 16(B).

"Remaining Term" means the shorter of (i) the remaining term of this Note, or (ii) the remaining term of the then current fixed interest rate period.

"Taxable Rate" means, upon a Determination of Taxability, the interest rate per annum that shall provide the Owner with the same after tax yield that the Owner would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Owner as a result of such Determination of Taxability. The Owner shall provide the Issuer with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Issuer.

IN WITNESS WHEREOF, said City of Marco Island, Florida, by resolution duly adopted by its City Council, has caused this Note to bear the signatures of its Chairman, and to be attested by the signature of its City Clerk, and a facsimile of the official seal of the City to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the 17th day of June, 2014.

(SEAL)

CITY OF MARCO ISLAND, FLORIDA

By:_____
Kenneth E. Honecker
Chairman of the City Council

ATTESTED:

By:_____
Laura M. Litzan, City Clerk

EXHIBIT B

FORM OF PURCHASER'S CERTIFICATE

This is to certify that TD Bank, N.A. (the "Purchaser") has not required the City of Marco Island, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of the $6,045,000 City of Marco Island, Florida, Capital Improvement Revenue Note, Series 2014, dated June 17, 2014 (the "Note"), and no inference should be drawn that the Purchaser, in the acceptance of the Note, is relying on Note Counsel or Issuer's Counsel as to any such matters other than the legal opinion rendered by Note Counsel, Bryant Miller Olive P.A. and by Issuer's Counsel, GrayRobinson, P.A. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 14-15 adopted by the City Council of the Issuer on June 16, 2014 (the "Resolution").

We are aware that investment in the Note involves various risks, and that the payment of the Note is secured solely from the sources described in the Resolution (the "Note Security").

We have made such independent investigation of the Note Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our investment decision, we have relied upon the accuracy of information which has been provided to us by the Issuer.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Note and can bear the economic risk of our investment in the Note.

We acknowledge and understand that the Resolution is not being qualified under the Trust Indenture Act of 1939, as amended, and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and that neither the Issuer, Note Counsel nor Issuer's Counsel shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and are purchasing the Note as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Note may be transferred only in Authorized Denominations.

We are a "qualified institutional buyer " as such term is defined in the Securities Act of 1933, as amended, and Regulation D thereunder. We are not purchasing the Note for direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

DATED this 17th of June, 2014.

TD BANK, N.A.

By:_____
Name: Marcel Summermatter
Title: Vice President

EXHIBIT C

FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the City of Marco Island, Florida (the "Issuer") for the private purchase of its City of Marco Island, Florida, Capital Improvement Revenue Note, Series 2014 (the "Note"), in the principal amount of $6,045,000. Prior to the award of the Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Bank") in connection with the issuance of the Note (such fees and expenses to be paid by the Issuer):

Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.
Bank Counsel Fee -- $5,000

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Note to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Bank, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Bank, or to the knowledge of the Bank, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Note.

3. The amount of the underwriting spread expected to be realized by the Bank is $0.

4. The management fee to be charged by the Bank is $0.

5. Truth-in-Bonding Statement:

The Note is being issued to finance a portion of the cost of replacing the Smokehouse Bay Bridge as more fully described in the hereinafter defined Resolution, and transaction costs.

Unless earlier prepaid, the Note is expected to be repaid on October 1, 2029. At a fixed interest rate of 2.46%, total interest paid over the life of the Note is estimated to be $1,299,773.80.

The Note will be payable solely from a covenant to budget and appropriate from Non-Ad Valorem Revenues sufficient to make such payments, appropriated and deposited as described in Resolution No. 14-15 of the Issuer adopted on June 16, 2014 (the "Resolution"). See

the Resolution for a definition of Non-Ad Valorem Revenues. Based on the above assumptions, issuance of the Note is estimated to result in an annual maximum of approximately $489,317.00 of revenues of the Issuer not being available to finance the services of the Issuer during the life of the Note.

6. The name and address of the Bank are as follows:

TD Bank, N.A.
5900 North Andrews Avenue
2nd Floor
Ft. Lauderdale, FL 33309

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement on behalf of the Bank this 17th day of June, 2014.

TD BANK, N.A.

By:_____
Name: Marcel Summermatter
Title: Vice President