RESOLUTION NO. 10-39

A RESOLUTION OF THE CITY OF MARCO ISLAND, FLORIDA, AUTHORIZING THE ISSUANCE OF ITS SPECIAL ASSESSMENT REVENUE BOND, SERIES 2012 (ESTATES ASSESSMENT AREA PROJECT) IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $16,300,000 FOR THE PRINCIPAL PURPOSE OF FINANCING, REFINANCING AND/OR REIMBURSING THE COST OF WASTEWATER COLLECTION IMPROVEMENTS AND WASTEWATER TREATMENT CAPACITY IMPROVEMENTS TO SERVE THE ESTATES ASSESSMENT AREA; PROVIDING THAT SUCH BOND SHALL BE A LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM CERTAIN ASSESSMENTS AS DESCRIBED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF SUCH BOND; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AUTHORIZING A VALIDATION PROCEEDING; ESTABLISHING INTENT TO REIMBURSE SUCH IMPROVEMENTS INCURRED WITH PROCEEDS OF SUCH BOND; AND PROVIDING FOR AN EFFECTIVE DATE.

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

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to the provisions of Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Assessment Ordinance, the Charter of the City of Marco Island, Florida, and other applicable provisions of law.

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

"**Act**" means Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the Issuer, the Assessment Ordinance, and other applicable provisions of law.

"**Assessment Ordinance**" means City Ordinance No. 99-1, codified in the City Code in Sections 2-281 through 2-379, as may be amended from time to time, or its successor in function.

"**Assessment Resolution**" means Resolution No. 10-34 adopted by the City Council of the Issuer on October 18, 2010, as amended and supplemented from time to time, and as

particularly supplemented by a resolution adopted by the City Council of the Issuer on December 6, 2010.

"**Assessments**" means special assessments (sometimes characterized as non-ad valorem assessments) imposed by the Issuer against property located within the Estates Assessment Area to respectively fund the Project Cost of Wastewater Collection Improvements and/or Wastewater Treatment Capacity Improvements to serve the Estates Assessment Area and related expenses, computed in the manner described in the Assessment Resolution. The term "Assessments" shall include payments advanced or funded by the Issuer on behalf of an owner of property subject to an Assessment who has entered into a Deferred Payment Agreement authorized by Section 3.09 or 3.10 of the Assessment Resolution.

"**Bond**" means the City of Marco Island, Florida Special Assessment Revenue Bond, Series 2012 (Estates Assessment Area Project) of the Issuer authorized by Section 4 hereof, which constitutes an Original Obligation, as such term is defined in the Assessment Resolution.

"**Bond Counsel**" means Bryant Miller Olive P.A., or another nationally recognized bond counsel firm appointed by the Issuer.

"**Business Day**" means any day except any Saturday or Sunday or day on which the Principal Office of the Original Purchaser is closed.

"**Chairman**" or "**Chairwoman**" means the Chairman or Chairwoman of the Issuer, or in his or her absence or inability to act, the Vice Chairman or Vice Chairwoman of the Issuer.

"**City Attorney**" means the duly appointed and acting City Attorney of the Issuer or any duly authorized deputy thereof.

"**City Clerk**" means the duly appointed and acting City Clerk of the Issuer or any duly authorized deputy or assistant thereof.

"**City Manager**" means the duly appointed and acting City Manager of the Issuer, or any duly authorized deputy or assistant City Manager of the Issuer.

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

"**Deferred Payment Agreement**" means the agreement resulting from the Issuer's advance and funding, on behalf of the owner of such property, the Assessment otherwise attributable to that property, and the agreement shall in turn provide for the alternative consensual special assessment of the benefitted property collected separate and apart from other Assessments imposed as a result thereof.

"**Estates Assessment Area**" shall have the meaning ascribed thereto in the Assessment Resolution.

"**Federal Securities**" shall mean direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which are not redeemable prior to maturity at the option of the obligor.

"**Finance Director**" means the duly appointed and acting Finance Director of the Issuer or any duly authorized deputy or assistant thereof.

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

"**Original Purchaser**" means the original purchaser of the Bond as determined by Supplemental Resolution.

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

"**Permitted Investments**" means investments permitted by the Issuer's written investment policy and applicable law.

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

"**Pledged Revenues**" means the Assessments; provided, however, that in the event the Issuer elects to finance Wastewater Collection Improvements within the Estates Assessment Area through a State Revolving Fund loan from the Florida Department of Environmental Protection, then "Pledged Revenues" shall not include that portion of the Assessments imposed by the Issuer to fund the Project Cost of Wastewater Collection Improvements or any payments or proceeds received by the Issuer pursuant to a Deferred Payment Agreement which are attributable to Wastewater Collection Improvements.

"**Principal Office**" means, with respect to the Original Purchaser, such office as determined by Supplemental Resolution or as the Original Purchaser may designate to the Issuer in writing.

"**Project**" means, collectively, the Wastewater Collection Improvements and the Wastewater Treatment Capacity Improvements.

"**Project Cost**" shall have the meaning ascribed thereto in the Assessment Resolution.

"**Refunding Obligations**" shall have the meaning ascribed thereto in the Assessment Resolution.

"**Resolution**" means this Resolution pursuant to which the Bond is authorized to be issued, including any Supplemental Resolution(s) adopted pursuant to Section 12 hereof.

"**State**" means the State of Florida.

"**Supplemental Resolution**" means any resolution amendatory or supplemental to this Resolution adopted by the Issuer in accordance with Section 12 hereof.

"**Wastewater Collection Improvements**" shall have the meaning ascribed thereto in the Assessment Resolution.

"**Wastewater Treatment Capacity Improvements**" shall have the meaning ascribed thereto in the Assessment Resolution.

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 and in the public interest to provide for the financing, refinancing and/or reimbursing of the Project Costs through the issuance of the Bond. Issuance of the Bond to finance, refinance or reimburse such Project Costs satisfies a paramount public purpose.

(B) Upon the issuance of the Bond, the Assessments will have been imposed pursuant to the Assessment Ordinance and the Assessment Resolution.

(C) Debt service on the Bond will be payable solely from the Pledged Revenues.

(D) The Issuer expects to receive an offer from the Original Purchaser to purchase the Bond, to be accepted pursuant to Supplemental Resolution.

(E) In consideration of the purchase and acceptance of the Bond authorized to be issued hereunder by those who shall be the Owner thereof from time to time, this Resolution shall constitute a contract between the Issuer and the Owner.

SECTION 4. AUTHORIZATION OF PROJECT AND BOND.

(A) There is hereby authorized the design, permitting, acquisition and construction of the Project.

(B) Subject and pursuant to the provisions of this Resolution, an obligation of the Issuer to be known as City of Marco Island, Florida, Special Assessment Revenue Bond, Series 2012 (Estates Assessment Area Project) is hereby authorized to be issued under and secured by this Resolution, in the principal amount of not to exceed $16,300,000, with a final maturity date not later than twenty-one (21) years from its issuance (such date to be determined pursuant to Supplemental Resolution), for the purpose of financing, refinancing and/or reimbursing the Project Costs, including the costs of issuing the Bond.

(C) Because of the characteristics of the Bond, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Bond, it is in the best interest of the Issuer to accept the anticipated offer of the Original Purchaser to purchase the Bond at a private negotiated sale. Prior to the issuance of the Bond, the Issuer shall receive a commitment letter from the Original Purchaser to be approved by Supplemental Resolution, a Purchaser's Certificate from the Original Purchaser, the form of which is attached hereto as Exhibit B and a Disclosure Letter from the Original Purchaser containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

SECTION 5. DESCRIPTION OF BOND. The Bond shall be dated the date of its execution and delivery or such other date as determined by Supplemental Resolution, which shall be a date agreed upon by the Issuer and the Original Purchaser, and shall have such other terms and provisions, including the interest rates not exceeding the maximum interest rates permitted by the Act, principal and interest payment dates, maturity dates, adjustments to interest rates, tender features and prepayment provisions as stated herein, in a Supplemental Resolution and/or in the form of the Bond attached hereto as Exhibit A. The Bond is to be in substantially the form set forth in Exhibit A attached hereto, together with such non-material changes as shall be approved by the Chairman, such approval to be conclusively evidenced by the execution thereof by the Chairman. The Bond 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 and countersigned with the manual or facsimile signature of the City Clerk, to be approved as to form by the City Attorney. In case any one or more of the officers who shall have signed or sealed the Bond or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bond so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. The Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although, at the date of such Bond, 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 Bond shall be actually sold and delivered.

SECTION 6. REGISTRATION AND EXCHANGE OF THE BOND; PERSONS TREATED AS OWNER. The Bond is to be initially registered to the Original Purchaser. So long as the Bond shall remain unpaid, the Issuer will keep books for the registration and transfer of the Bond. The Bond shall be transferable only upon such registration books and only in accordance with the limitations contained in the Bond. Notwithstanding anything herein to the contrary, the Bond may not be transferred in a denomination less than $100,000 under any circumstances.

The Person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Bond

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 such Bond 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 Bond at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Bond 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 Bond issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or the use of ad valorem tax revenues to pay such Bond, or be entitled to payment of such Bond from any funds of the Issuer except from the Pledged Revenues as described herein.

SECTION 8. PLEDGED REVENUES; REFUNDING DEBT.

(A) The Issuer hereby pledges the Pledged Revenues to the payment of amounts due on the Bond.

(B) For so long as the Bond shall be unpaid, except with the written consent of the Owner of the Bond, the Issuer will not issue any other obligations or incur any indebtedness payable from the Pledged Revenues, except for Refunding Obligations which may be payable from the Pledged Revenues on a parity basis.

(C) The Issuer has undertaken extraordinary means to provide for alternative and lawful payment opportunities for landowners whose property is subjected to Assessments and to collect same in lieu of and separate and apart from Assessments pledged hereunder in order to improve community acceptance of the sewering of the Estates Assessment Area and to more efficiently advance planning and construction of improvements comprising the Issuer's water and wastewater utility system. Affected landowners have been given the option of entering into a Deferred Payment Agreement with the Issuer pursuant to which the Issuer shall prepay or otherwise cause the payment of the Assessments for landowners who voluntarily enter into such agreement. Once the Assessments are paid by the Issuer on behalf of such landowners and the lien is transferred to a Deferred Payment Agreement with the Issuer, the proceeds received by the Issuer from such agreements shall not be construed as Pledged Revenues.

SECTION 9. PROJECT FUND. There is hereby created an account to be known as the City of Marco Island Special Assessment Revenue Bond, Series 2012 (Estates Assessment Area) Project Fund (the "Project Fund"). Amounts in the Project Fund shall be used to finance, refinance and/or reimburse Project Costs, including the costs of issuing the Bond. Amounts on deposit in the Project Fund may be invested in Permitted Investments. The Project Fund is a trust fund created for the benefit of the Owner of the Bond, and is subject to a lien in favor of the Owner of the Bond.

SECTION 10. APPLICATION OF PROCEEDS OF BOND. At the time of delivery of the Bond herein authorized, all of the proceeds from the sale of the Bond shall be deposited into the Project Fund.

SECTION 11. TAX COVENANT. The Issuer covenants to the Holder of the Bond provided for in this Resolution that the Issuer will not make any use of the proceeds of the Bond at any time during the term of the Bond which, if such use had been reasonably expected on the date the Bond was issued, would have caused such Bond 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 Bond from the gross income of the Holders thereof for purposes of federal income taxation.

SECTION 12. AMENDMENT. Prior to the issuance of the Bond, this Resolution can be modified or amended at any time without limitation pursuant to Supplemental Resolution. Thereafter, this Resolution, or any Supplemental Resolution relating hereto, shall not be modified or amended in any respect pursuant to Supplemental Resolution except with the written consent of the Owner of the Bond.

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 Bond are 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. BOND MUTILATED, DESTROYED, STOLEN OR LOST. In case the Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bond, or in lieu of and in substitution for the Bond 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 Bond so surrendered shall be canceled.

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

SECTION 16. DEFEASANCE. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest and prepayment premium, if any and if applicable, with respect to the Bond herein authorized, then, and in that event, the lien on

Pledged Revenues described herein in favor of the Owner of the Bond shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Federal Securities or bank certificates of deposit fully secured as to principal and interest by Federal Securities (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance) in irrevocable trust with a banking institution or trust company, for the sole benefit of the Owner of the Bond in an aggregate principal amount which, together with interest to accrue thereon, will be sufficient to make timely payment of the principal of and a prepayment premium, if any, and interest on the Bond in accordance with their terms, and any other expenses occasioned by escrow arrangements. Nothing herein shall be deemed to require the Issuer to prepay the Bond prior to maturity pursuant to any applicable optional prepayment provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

SECTION 17. EVENTS OF DEFAULT; REMEDIES OF OWNER. The following shall constitute Events of Default:

(A) if the Issuer fails to make any payment of principal of or interest on the Bond as the same becomes due and payable;

(B) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Bond (other than as set forth in (a) above) and fails to cure the same within thirty (30) days; or

(C) 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 90 days undismissed or undischarged.

Upon the occurrence and during the continuation of any Event of Default, the Owner of the Bond may, in addition to any other remedies set forth in this Resolution or the Bond, 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 of Florida, 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.

SECTION 18. VALIDATION PROCEEDING. Bond Counsel, together with the City Attorney, is hereby authorized and directed to institute appropriate proceedings in the Circuit Court in and for Collier County, Florida, for validation of the Bond pursuant to Chapter 75, Florida Statutes, and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer the pleadings in such proceedings.

SECTION 19. INTENT TO REIMBURSE. The City Council hereby expresses its intention that the Issuer be reimbursed from the proceeds of the Bond for costs relating to the

Project. Pending reimbursement, the Issuer expects to use funds on deposit in the City's water and sewer enterprise fund or other appropriate fund or account to pay such costs. This Resolution is intended to constitute with respect to the construction of the Project a "declaration of official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations.

SECTION 20. 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 21. BUSINESS DAYS. In any case where the due date of interest on or principal of a Bond 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 22. APPLICABLE PROVISIONS OF LAW. This Resolution shall be governed by and construed in accordance with the laws of the State.

SECTION 23. 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 24. 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 25. CITY COUNCIL MEMBERS EXEMPT FROM PERSONAL LIABILITY. No recourse under or upon any obligation, covenant or agreement of this Resolution or the Bond or for any claim based thereon or otherwise in respect thereof, shall be had against any City Council members, charter officials or employees 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, charter officials or employees 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 member, as such, are waived and released as a condition of, and as a consideration for, the adoption of this Resolution and the issuance of the Bond, on the part of the Issuer.

SECTION 26. AUTHORIZATIONS. The Chairman and any member of the City Council, the City Manager, the Finance Director, the City Attorney, the City Clerk 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 Bond and are authorized and empowered, collectively or individually, to take all actions 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 Bond, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

SECTION 27. FEES AND EXPENSES. The Issuer agrees to pay the fees and expenses of the Original Purchaser on the date of issuance of the Bond as determined by Supplemental Resolution.

SECTION 28. REPEALER. Any resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 29. NO THIRD PARTY BENEFICIARIES. Except such other persons as may be expressly described in this Resolution or in the Bond, nothing in this Resolution or in the Bond, expressed or implied, is intended or shall be construed to confer upon any person, other than the Issuer and the Owner, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, or any provision thereof, or of the Bond, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the person who shall from time to time be the Owner.

SECTION 30. 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, this 6th day of December 2010.

CITY COUNCIL OF MARCO ISLAND, FLORIDA

By: _____
Frank Recker, Chairman

(SEAL)

ATTEST:

_____
Laura M. Litzan, City Clerk

Approved as to Form:

_____
Alan L. Gabriel, City Attorney
Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.

EXHIBIT A

FORM OF BOND

ANY HOLDER SHALL, PRIOR TO BECOMING A HOLDER, EXECUTE A PURCHASER'S CERTIFICATE IN THE FORM ATTACHED TO THE RESOLUTION (HEREIN DEFINED) CERTIFYING, AMONG OTHER THINGS, THAT SUCH HOLDER IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

_____, ____ $_____

CITY OF MARCO ISLAND, FLORIDA
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2012
(ESTATES ASSESSMENT AREA PROJECT)

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 _____ or registered assigns (hereinafter, the "Owner"), the principal sum of $_____, together with interest on the principal balance outstanding at the rate per annum of ___% (as the same may be adjusted as described herein) based upon a year of 360 days consisting of twelve 30 day months. The interest rate on this Bond also may be adjusted as hereinafter provided.

[If for any reason the interest on this Bond becomes includable in the gross income of the Owner for Federal income tax purposes (an "Event of Taxability"), this Bond shall bear interest at the rate per annum of 154% of the rate in the previous paragraph from the effective date on which the interest is first includable in the gross income of the Owner. In addition to the foregoing, the Issuer shall pay any additions to tax, penalties and interest, and any arrears in interest imposed upon the Owner on account of an Event of Taxability. All such additional interest, additions to tax and penalties shall be paid on the first quarterly payment date following the date the Owner advises the Issuer of such Event of Taxability. This adjustment shall survive payment of this Bond until such time as the federal statute of limitations under which the interest on this Bond could be declared taxable under the Code shall have expired.]

Principal of and interest on this Bond are payable in lawful money of the United States of America at such place as the Owner may designate to the Issuer in writing.

The principal of and interest on this Bond shall be payable as follows, subject to adjustment to the extent of any prepayments permitted herein:

[TO COME]

As described above, the final installment of the entire unpaid principal balance, together with all accrued and unpaid interest hereon, is due and payable on _____, ____.

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 Bond shall apply first to accrued interest, then to other charges due the Owner, and the balance thereof shall apply to principal.

This Bond shall be prepayable, in whole or in part, at the option of the Issuer on any scheduled interest payment date without penalty or premium, from (i) the proceeds of Refunding Obligations, (ii) Assessments prepaid pursuant to Sections 3.07 or 3.08 of the Assessment Resolution, (iii) Assessments prepaid by the Issuer pursuant to Sections 3.09 or 3.10 of the Assessment Resolution, or (iv) any other legally available source. Such prepayments shall be applied first to accrued interest, if any, on the portion of the Bond being prepaid and then shall be applied to principal installments as determined in the sole discretion of the Issuer.

In case of an Event of Default (as defined in the hereinafter defined Resolution), the Owner may declare the entire debt then remaining unpaid hereunder immediately due and payable; and in any such default and acceleration, the Issuer shall also be obligated to pay as part of the indebtedness evidenced by this Bond, all costs of collection and enforcement hereof, including such reasonable attorneys' fees as may be incurred, including on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist.

Interest at the maximum lawful rate per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of a default described in the preceding paragraph, irrespective of a declaration of maturity.

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

This Bond is issued pursuant to Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the Issuer, the Assessment Ordinance and Resolution No. 10-__ adopted by the City Council of the Issuer on December 6, 2010 as amended and supplemented from time to time (collectively, 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 upon the occurrence of an Event of Default are by this reference thereto incorporated herein as a part of this Bond. Payment of this Bond is secured solely by the Assessments. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

This Bond may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer and in the manner provided in the 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 Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Marco Island, Florida has caused this Bond to be executed in its name by the manual signature of its Chairman, attested and countersigned by the manual signature of its City Clerk and approved as to form by the manual signature of the City Attorney, and its seal to be impressed hereon, all as of this _____ day of _____, 20___.

CITY OF MARCO ISLAND, FLORIDA

[SEAL]

By:_____
Chairman

ATTESTED AND COUNTERSIGNED:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CERTIFICATE OF VALIDATION

This Bond was validated by judgment of the Circuit Court of the Twentieth Judicial Circuit Court of the State of Florida, in and for Collier County, Florida rendered on _____, 20___.

CITY OF MARCO ISLAND, FLORIDA

By:_____
Chairman

EXHIBIT B

FORM OF PURCHASER'S CERTIFICATE

This is to certify that _____ (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 $_____ City of Marco Island, Florida, Special Assessment Revenue Bond, Series 2012 (Estates Assessment Area Project) dated _____, 2012 (the "Bond") and no inference should be drawn that the Purchaser, in the acceptance of said Bond, is relying on Bryant Miller Olive P.A., Bond Counsel or Weiss Serota Helfman Pastoriza Bole & Boniske, P.L., City Attorney as to any such matters other than the legal opinions rendered by Bond Counsel and by the City Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 10-___adopted by the City Council of the Issuer on December 6, 2010, as amended and supplemented from time to time (the "Resolution").

We are aware that investment in the Bond involves various risks, that the Bond is not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the payment of the Bond is secured solely from the sources described in the Resolution (the "Pledged Revenues").

We have made such independent investigation of the Pledged Revenues 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 Bond and can bear the economic risk of our investment in the Bond.

We acknowledge and understand that the Resolution is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), 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/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Bond Counsel nor the City Attorney 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 Bond 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 Bond may not be transferred in a denomination less than $100,000 in any circumstances.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Bond for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are a "national bank" under the laws of the United States of America.

DATED this _____ of _____, 20___.

_____

By:_____
Name:_____
Its:_____

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, Special Assessment Revenue Bond, Series 2012 (Estates Assessment Area Project) dated _____, 2012 (the "Bond"). Prior to the award of the Bond, 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 Bond (such fees and expenses to be paid by the Issuer):

Legal Fees:

_____

$_____

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Bond 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 Bond.

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:

This Bond is being issued primarily to finance, refinance and/or reimburse the cost of wastewater collection improvements and wastewater treatment capacity improvements to serve the Estates Assessment Area.

The Bond is expected to be repaid on January 15, _____. At a fixed rate of ____%, total interest paid over the life of the Bond is estimated to be $_____.

The Bond will be payable solely from Pledged Revenues as described in Resolution No. 10-___ of the Issuer adopted on December 6, 2010, as amended and supplemented from time to time (the "Resolution"). See the Resolution for a definition of Pledged Revenues. Issuance of the Bond is estimated to result in a maximum of approximately $_____ of revenues of the Issuer not being available to finance the services of the Issuer any year during the life of the Bond.

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

[TO COME]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement on behalf of the Bank this _____ day of _____, 20___.

_____

By:_____
Name:_____
Its:_____