

**CITY OF MARATHON, FLORIDA
RESOLUTION 2007-78**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, AUTHORIZING THE CITY TO ENTER INTO AMENDMENT NO. 2 TO LOAN AGREEMENT WW63702P WITH FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION, THE FINANCING VEHICLE FOR STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION STATE REVOLVING FUND LOAN PROGRAM, TO OBTAIN ADDITIONAL FUNDING FOR CONSTRUCTION LOANS FOR THE WASTEWATER COLLECTION AND TREATMENT INFRASTRUCTURE PROJECT; ESTABLISHING PLEDGED REVENUES; AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO FINALIZE THE TERMS AND CONDITIONS OF THE AGREEMENT; AUTHORIZING THE MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Marathon, Florida (the “City”) entered into Loan Agreement WW63702P with the State Of Florida Department Of Environmental Protection State Revolving Fund Loan Program to fund the Sombrero Beach Sewer Project; and

WHEREAS, the City has previously received \$3,746,211 funding for construction related Projects; and

WHEREAS, an additional amount of \$5,000,000 has been approved for construction by the Florida Department of Environmental Protection

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The City is hereby authorized to apply for loans from the Florida Department of Environmental Protection Revolving Fund program for construction loans on the Project.

Section 3. The City Manager is hereby authorized to enter into Amendment No. 2 to Loan Agreement WW63702P, a copy of which is attached hereto as exhibit A with Florida Water Pollution Control Financing Corporation, the financing vehicle of Florida Department of Environmental Protection, for construction financing for the Sombrero Beach Project in the amount of \$5,000,000.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the City Council of the City of Marathon, Florida, this 31st day of May, 2007.

THE CITY OF MARATHON, FLORIDA


Christopher M. Bull, Mayor

AYES: Tempest, Worthington, Bull
NOES: Vasil, Cinque
ABSENT: None
ABSTAIN: None

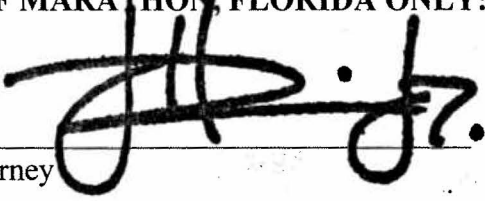
ATTEST:



Diane Clavier
City Clerk

(City Seal)

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:



City Attorney

**AMENDMENT 2 TO LOAN AGREEMENT WW63702P
CITY OF MARATHON**

This amendment is executed by the FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION (the "Corporation") and the CITY OF MARATHON, FLORIDA, (the "Local Borrower") existing as a local governmental agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Corporation and the Local Borrower entered into a Clean Water State Revolving Fund Loan Agreement, Number WW63702P, as amended, authorizing a Loan amount of \$3,746,211, excluding Capitalized Interest; and

WHEREAS, the Local Borrower is entitled to additional financing of \$5,000,000, excluding Capitalized Interest; and

WHEREAS, revised provisions for audit and monitoring are needed; and

WHEREAS, a Financing Rate must be established for the additional financing amount awarded in this amendment; and

WHEREAS, a Loan Service Fee must be assessed for the additional financing; and

WHEREAS, the Semiannual Loan Payment amount needs revision to reflect an adjustment in the Loan amount; and

WHEREAS, the Project costs need adjustment to reflect revised estimates.

NOW, THEREFORE, the parties hereto agree as follows:

1. Subsection 2.04(1) is deleted and replaced as follows:

(1) The financial assistance authorized pursuant to this Loan Agreement consists of the following:

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
CS120001-060	EPA	66.458	Capitalization Grants for State Revolving Funds	\$8,746,211	140131

2. Additional financing in the amount of \$5,000,000, excluding Capitalized Interest, is hereby awarded to the Local Borrower.

3. A Financing Rate of 2.25 percent per annum is established for the additional financing amount awarded in this amendment. Individually, the interest rate is 1.125 percent per annum and the Grant Allocation Assessment rate is 1.125 percent per annum. However, if this amendment is not

executed by the Local Borrower and returned to the Department before July 1, 2007, the Financing Rate may be adjusted.

4. The estimated principal amount of the Loan is hereby revised to \$8,997,411, which consists of \$8,746,211 authorized for disbursement to the Local Borrower and \$251,200 of Capitalized Interest. This total consists of the following:

(a) \$Original Agreement of \$1,233,211, including \$1,188,811 authorized for disbursement to the Local Borrower and \$44,400 of Capitalized Interest, at a Financing Rate of 2.46 percent per annum (the interest rate is 1.23 percent per annum and the Grant Allocation Assessment rate is 1.23 percent per annum); and

(b) \$Amendment 1 of \$2,639,800, including \$2,557,400 authorized for disbursement to the Local Borrower and \$82,400 of Capitalized Interest, at a Financing Rate of 2.36 percent per annum (the interest rate is 1.18 percent per annum and the Grant Allocation Assessment rate is 1.18 percent per annum); and

(c) \$Amendment 2 of \$5,124,400, including \$5,000,000 authorized for disbursement to the Local Borrower and \$124,400 of Capitalized Interest, at a Financing Rate of 2.25 percent per annum (the interest rate is 1.125 percent per annum and the Grant Allocation Assessment rate is 1.125 percent per annum).

5. An additional Loan Service Fee in the amount of \$100,000, for a total of \$174,924, is hereby assessed. The fee represents two percent of the Loan amount excluding Capitalized Interest, that is, two percent of \$8,746,211.

6. The Semiannual Loan Payment amount is hereby revised and shall be in the amount of \$287,675. Such payments shall be paid to, and must be received by, the Trustee beginning on February 15, 2010 and semiannually thereafter on August 15 and February 15 of each year until all amounts due hereunder have been fully paid. Until this Agreement is further amended, each Semiannual Loan Payment will be proportionally applied, after deduction of the Loan Service Fee is complete, toward repayment of the amounts owed on each incremental Loan amount at the date such payment is due.

The Semiannual Loan Payment amount is based on the total amount owed of \$9,172,335, which consists of the Loan principal plus the Loan Service Fee.

8. The Local Borrower, the Corporation and the Department acknowledge that the actual Project costs have not been determined as of the effective date of this agreement. Project cost adjustments may be made as a result of construction bidding or Project changes agreed upon by the Department. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Local Borrower receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The Department shall establish the final Project costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Local Borrower's Project audit or a Department audit.

Funds disbursed in accordance with Section 4.08 of this Agreement shall be disbursed in the order in which they have been obligated without respect to budgetary line item estimates. All disbursements shall be made from the original Loan amount until that amount has been disbursed; the

Financing Rate established for the original Loan amount shall apply to such disbursements for the purpose of determining the associated Capitalized Interest and repayment amount. The Financing Rate established for any additional increment of Loan financing shall be used to determine the Capitalized Interest and repayment amount associated with the funds disbursed from that increment.

The estimated Project costs are revised as follows:

CATEGORY	COST(\$)	AUTHORIZED LOAN AMOUNT(\$) TO DATE
Allowance costs	1,188,811	<i>Line items</i>
Construction and Demolition	12,000,000	<i>may vary</i>
Contingencies	1,200,000	<i>based on Actual</i>
Technical Services After Bid Opening	1,062,713	<i>Disbursements</i>
SUBTOTAL (Disbursable Amount)	15,451,524	8,746,211
Capitalized Interest	251,200	251,200
TOTAL (Loan Principal Amount)	15,702,724	8,997,411

9. All other terms and provisions of the Loan Agreement shall remain in effect.

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This Amendment 2 to Loan Agreement WW63702P shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Corporation has caused this amendment to the Loan Agreement to be executed on its behalf by its Chief Executive Officer and the Local Borrower has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Chief Executive Officer of the Corporation.

for

FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION

Chief Executive Officer

Date

for

CITY OF MARATHON

Michael White

City Manager

I attest that this amendment complies with Section 2.03 of the Agreement and as to form and correctness.

Attest

Diane Clavier

City Clerk

[Signature]

City Attorney

SEAL

APPROVED AND ACCEPTED BY THE STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION.

Deputy Director

Division of Water Resource Management