

Sponsored by: Hernstadt

**CITY OF MARATHON, FLORIDA
RESOLUTION 2010-111**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, CONFIRMING TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (FDEP) BUREAU OF WATER FACILITIES FUNDING THE PROPER EXPENDITURE OF FLORIDA WATER POLLUTION CONTROL, FINANCING CORPORATION LOAN WW63702P SERVICE AREAS 4 & 6 FUNDS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE DECLARATION OF OFFICIAL INTENT ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to Treasury Regulations §1.150-2, the City is required to confirm to Florida Department of Environmental Protection (“FDEP”) Bureau of Water Facilities Funding the proper expenditure of specified funds for capital projects in order for the expenditures to be eligible for reimbursement from proceeds of subsequently issued notes, bonds or other obligations (“Bonds); and

WHEREAS, this does not change the City’s loan agreement with FDEP, but pledges the use of State Revolving Fund loan WW63702P for proper purposes.

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

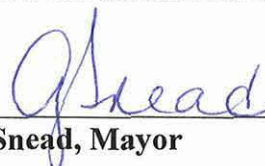
Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The Declaration of Official Intent, a copy of which is attached as Exhibit “A,” together with such non-material changes as may be acceptable to the City Manager and approved as to legal form by the City Attorney, is hereby approved. The City Manager is authorized to execute the Declaration on behalf of the City.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 26th DAY OF OCTOBER, 2010.

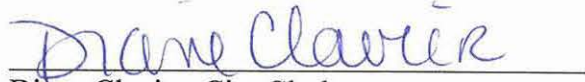
THE CITY OF MARATHON, FLORIDA



Ginger Snead, Mayor

AYES: Keating, Ramsay, Worthington, Snead
NOES: None
ABSENT: Cinque
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

DECLARATION OF OFFICIAL INTENT

For Reimbursement of Expenditures from Bonds/Notes

This is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 150 of the Internal Revenue Code of 1986, as amended (the "Code").

1. The undersigned, on behalf of the CITY OF MARATHON (the "Borrower") declares that the Borrower reasonably expects that the capital and other expenditures described in paragraph 2 (the "Project") will be reimbursed with the proceeds of "bonds" (as defined in Section 150 of the Code). The maximum principal amount of bonds expected to be issued for the Project is \$31,308,211.
2. Description of capital and other expenditures to be reimbursed.

Expenditures for (insert a general functional description of property, project, program or purpose):

Water Pollution Control Improvements

The undersigned has been authorized by the Borrower to make and sign this Declaration on behalf of the Borrower.

Date of Declaration:

October 31, 2010

CITY OF MARATHON

By 
(Signature)

Ginger Snead, Mayor
(Type or print Name and Title)

Caution: This Declaration of Official Intent will not be effective unless the bonds providing moneys for the reimbursement are issued and the reimbursement for the Project described above is made (by an allocation on the books and records identifying the expenditures as in paragraph 2 above) within the applicable period prescribed in the Treasury Regulations – generally, 18 months after the later of the date of the expenditure or the date the Project is placed in service, but in no event later than three years after the date of the expenditure.

INSTRUCTIONS
for
DECLARATION OF OFFICIAL INTENT
for
Reimbursement From Tax-Exempt Bonds/Notes

PURPOSE

The form to which these instructions pertain is intended for use under Treasury Regulations §1.150-2 (the "Reimbursement Regulations") in order that capital and certain other expenditures paid with moneys temporarily advanced from other funds that are reasonably expected to be reimbursed from proceeds of subsequently issued notes, bonds or other obligations ("Bonds") may qualify for such reimbursement. Failure to comply can result in the inability for federal income tax purposes to treat proceeds of the Bonds used to reimburse the expenditures as spent for arbitrage/rebate purposes. With certain exceptions for qualified "preliminary expenditures" and certain de minimis expenditures, a Declaration of Official Intent must be made not later than 60 days after payment of any expenditure expected to be reimbursed from proceeds of Bonds. Declarations of Official Intent should not be made systematically for all expenditures or in exaggerated amounts regardless of actual expectations, but only when it is realistically expected that the expenditure will be reimbursed from the proceeds of Bonds. In general only capital expenditures can be reimbursed from the proceeds of Bonds. "Capital expenditures" include (subject to any more restrictive state law) any costs related to the acquisition or construction of land or interests in real estate, buildings, structures, additions thereto, or other permanent improvements, and restoration or betterments made to increase the value of property or substantially prolong its useful life, and machinery, equipment, furniture and fixtures or other property having a useful life of at least one year or such longer period as is required by applicable state law. Costs of issuance of the Bonds are capital expenditures. Certain other expenditures also qualify for reimbursement. The Regulations do not apply to, and this form is not needed in connection with, the use of proceeds of Bonds to finance expenditures paid on or after the date of issuance of the Bonds. This form also generally is not needed in connection with the issuance of Bonds to refinance external borrowings (taxable or tax-exempt).

INSTRUCTIONS

These instructions are based on the Reimbursement Regulations currently in effect. The references are to the particular paragraphs on the form of Declaration of Official Intent.

Paragraph 1. Insert the anticipated maximum principal amount of Bonds expected to be issued for the Project. The amount should include the maximum principal amount of all Bonds to be issued for the Project (i.e., Bonds for reimbursement of prior expenditures and Bonds to finance expenditures to be paid on or after the date of issuance of the Bonds). A Project includes any property, project, or program (e.g., highway capital improvement program, hospital equipment acquisition, or school building renovation).

Paragraph 2. The general description of the capital expenditures to be reimbursed may be set forth in one of two ways -- either by a functional description of the property, project or program for which the expenditures are made --

Examples--"highway capital improvement program"; "street and bridge improvements"; "hospital equipment acquisition"; "school buildings renovation";

or by identification of the fund or account from which the money will be advanced to pay the expenditures that will be reimbursed subsequently from Bonds, and a statement of the general functional purpose of that fund or account --

Example--“parks and recreation fund, the general functional purpose of which fund or account is recreational facility capital improvement program.”

The second option concerning identification and description of the fund can be used where the fund purpose, in effect, describes the generic purpose of the project, property or program, such as a waterworks improvement for which money is advanced from the water utility capital improvement fund. If the money is to be advanced from a general purpose fund such as the general fund or a capital improvements fund that is available for any type of capital improvement, use the first option by stating the generic function of the project, property or improvement.

501(c) Organizations. If the proceeds of the Bonds will be loaned to a 501(c)(3) organization, either the 501(c)(3) organization or the issuer of the Bonds may make the Declaration with respect to expenditures of the 501(c)(3) organization that are to be reimbursed.