

The information contained herein does not and should not be considered an offer to buy or sell securities. In connection with certain outstanding privately placed bank loans of Sarasota County, Florida (the "County"), the County is filing this information as a voluntary filing on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. The County is not required pursuant to any continuing disclosure undertaking to file such information and is additionally under no obligation to update any such information voluntarily filed. This information is for informational purposes only, and does not include all information which may be of interest to a potential investor, nor does it purport to present full and fair disclosure within the meaning of the applicable securities laws. Such information about the County is only accurate as of its date, and the County undertakes no obligation to update such information beyond its date. No representation is being made that there has not been a change in the affairs of the County since such date. Such information is subject to change without notice and posting of other information filed by the County on EMMA does not imply that there has been no change in the affairs of the County since the date of such information.

CERTIFICATE

I, Peter H. Ramsden, Deputy Clerk of Sarasota County, Florida (the "County"), does hereby certify that attached hereto is a true and correct copy of Resolution No. 2009-118, adopted by the Board of County Commissioners of the County on June 10, 2009, at a meeting which was duly called and held and at which meeting a quorum was present and voting throughout. Such Resolution remains in full force and effect as of the date hereof and has not been modified or amended as of the date hereof.

Witness my hand this 17th day of June, 2009.



Peter H. Ramsden, Deputy Clerk

2009 JUN 10 PM 1:42

RESOLUTION NO. 2009- 118

KAREN E. RUSSELL
CLERK OF CIRCUIT COURT
SARASOTA COUNTY, FL

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF SARASOTA COUNTY, FLORIDA AUTHORIZING A LOAN IN THE PRINCIPAL AMOUNT OF \$2,011,000 TO FINANCE OR REFINANCE ALL OR A PORTION OF THE COSTS OF CERTAIN BEACH RESTORATION PROJECTS IN THE SOUTH SIESTA KEY BEACH RESTORATION DISTRICT AND TO PAY THE COSTS OF SUCH LOAN; APPROVING THE FORM OF A SPECIAL ASSESSMENT REVENUE NOTE (SOUTH SIESTA KEY BEACH RESTORATION DISTRICT), SERIES 2009 AND A LOAN AGREEMENT; DELEGATING AUTHORITY TO THE CHAIR AND THE CLERK TO APPROVE THE INTEREST RATES AS PROVIDED HEREIN; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SARASOTA COUNTY, FLORIDA (the "County") that:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the Charter of the County, Chapter 125, Florida Statutes, Sections 197.3631 and 197.3632, Florida Statutes, Article VIII, Section 1, Constitution of the State of Florida, and other applicable provisions of law (collectively, the "Act").

Section 2. Definitions. Words and phrases used herein in capitalized form and not otherwise defined herein (including, without limitation, in the preamble hereto) shall have the meanings ascribed thereto in the Loan Agreement (hereinafter defined) and, in addition, the following words and phrases shall have the following meanings:

"Authorized Signatories" means the Chair or Vice Chair of the Board of County Commissioners of the County, or in their absence or inability to act, any other member of the Board of County Commissioners of the County, and the Clerk of the Circuit Court and ex-officio Clerk of the Board of County Commissioners of the County or any Deputy Clerk.

"Loan Amount" means \$2,011,000.

Section 3. Authorization of Transaction. In order to obtain funds to finance or refinance the beach restoration projects described on Exhibit "A" hereto (the "Project") in the South Siesta Key Beach Restoration District (the "Special Assessment District") established by Ordinance No. 2006-076 enacted by the County on October 11, 2006, as amended by Ordinance No. 2007-096 enacted on November 20, 2007, and to pay the costs of the Loan (hereinafter defined), the County is authorized to obtain a loan (the "Loan") and to borrow an amount equal to the Loan Amount from SunTrust Bank (the "Bank").

Because of prevailing and anticipated market conditions and the nature of the Loan, and taking into account the advice of First Southwest Company, the County's financial advisor, it is not feasible, cost effective or advantageous to enter into the Loan through a competitive sale and it is in the best interest of the County to accept the terms of the Loan from the Bank in a principal amount of the Loan Amount, at a negotiated sale upon the terms and conditions outlined herein

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and in the Loan Agreement (as hereinafter defined) and as determined by the Authorized Signatory executing the Loan Agreement in accordance with the terms hereof.

The rate of interest on the Note shall be seventy-seven percent (77%) of the 7-year International Swap and Derivatives Association mid-market swap rate as shown on Federal Reserve Statistical Release H.15 on the date which is two (2) days prior to the date of delivery of the Note, plus fifty-four one-hundredths of one percent (0.54%) per annum. There is hereby delegated to the Authorized Signatories the authority to approve the interest rate on behalf of the County as so calculated, execution and delivery of the Note by the Authorized Signatories to constitute conclusive evidence of such approval.

Prior to its execution and delivery of the Loan Documents, as hereinafter defined, the County shall have received from the Bank a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and a Truth-in-Bonding Statement pursuant to Section 218.385(3), Florida Statutes, and no further disclosure is or shall be required by the County.

Section 4. Loan Agreement and Note. The County is authorized to execute a Loan Agreement with the Bank in substantially the form attached hereto as Exhibit "B" (the "Loan Agreement") and to make and deliver to the Bank the Special Assessment Revenue Note (South Siesta Key Beach Restoration District), Series 2009 (the "Note") in the form attached to the Loan Agreement. The forms and terms of the Loan Agreement and Note (jointly, the "Loan Documents") attached hereto are hereby approved, and the Authorized Signatories are authorized to execute and deliver the same, with such changes, insertions, omissions and filling of blanks as may be approved by the Authorized Signatories, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories.

Section 5. Loan Agreement and Note Not to be General Obligation or Indebtedness of the County. The Loan Agreement and Note and the obligations of the County thereunder shall not be deemed to constitute general obligations or a pledge of the faith and credit of the County, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of (i) the Special Assessment Revenues, (ii) the Non-Ad Valorem Revenues actually budgeted and appropriated and deposited into the Special Assessment Revenue Note (South Siesta Key Beach Restoration District), Series 2009 Debt Service Account, which is hereby created (the "Debt Service Account"), to pay debt service payments on or under the Loan Agreement and the Note and (ii) funds on deposit in the Debt Service Account and the Project Account (hereinafter defined) (including any investment securities on deposit therein) and all investment earnings on any such funds (collectively, the "Pledged Funds"), in the manner and to the extent herein and in the Loan Agreement provided. No holder or owner of the Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the County or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the County which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the Note be entitled to payment of such principal and interest from any other funds of the County other than the Pledged Funds, all in the manner and to the extent herein and in the Loan Agreement provided. The Loan Agreement and

the Note and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the County, or any part thereof, or any other tangible personal property of or in the County, but shall constitute a lien only on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement.

Funds in the Debt Service Account, until applied to the payment of debt service on the Note, may be invested in investments authorized by law and meeting the County's written investment policy, which investments shall mature no later than the date on which moneys therein shall be needed to pay such debt service.

Section 6. Pledge. The payment of the principal of, premium, if any, and interest under the Loan Agreement and the Note shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement. The County does hereby irrevocably pledge such Pledged Funds to the payment of the principal of, premium, if any, and interest under the Loan Agreement and the Note.

Section 7. Project Account. There is hereby created and established a Special Assessment Revenue Note (South Siesta Key Beach Restoration District), Series 2009 Project Account (the "Project Account") into which shall be deposited the proceeds of the Loan. Moneys in the Project Account, until applied to payment of the costs of the Project or the costs of the Loan, may be invested in investments authorized by law and meeting the County's written investment policy, which investments shall mature no later than the date on which moneys therein shall be needed for costs of the Project or costs of the Loan. Any funds on deposit in the Project Account and determined by the County not to be needed to pay the costs of the Project or the costs of the Loan shall be transferred by the County to the Debt Service Account.

Section 8. Separate Accounts. The moneys required to be accounted for in the Debt Service Account and the Project Account may be deposited in a single bank account, and funds allocated to such accounts may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of moneys on deposit therein and such investments for the various purposes of such accounts. The designation and establishment of the Debt Service Account and the Project Account shall not be construed to require the establishment of any completely independent, self-balancing funds or accounts, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes.

Section 9. 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 10. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

Section 11. Authorizations. The Authorized Signatories are hereby authorized to execute and deliver on behalf of the County the Loan Agreement and the Note as provided hereby. All officials and employees of the County, including, without limitation, the Authorized Signatories, are authorized and empowered, collectively or individually, to take all other actions

and steps and to execute all instruments, documents, and contracts on behalf of the County as they shall deem necessary or desirable in connection with the completion of the Loan and the carrying out of the intention of this Resolution.

Section 12. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

Passed and duly adopted at a regular meeting of the Board of County Commissioners of Sarasota County, Florida on the 10th day of June, 2009.

BOARD OF COUNTY COMMISSIONERS-OF
SARASOTA COUNTY, FLORIDA

By: 

Jon Thaxton, Chair

ATTEST:

Karen E. Rushing, Clerk of the Circuit
Court and Ex-Officio Clerk of the Board
of County Commissioners of Sarasota
County, Florida

By: 

Deputy Clerk

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EXHIBIT "A"

PROJECT DESCRIPTION

Beach restoration improvements to the shoreline located within the Special Assessment District, including, but not limited to, the placement of sand on the eroded beach, dune restoration, access improvements and vegetation plantings.

EXHIBIT "B"

FORM OF LOAN AGREEMENT

122009-118

LOAN AGREEMENT

This LOAN AGREEMENT (the "Agreement") is made and entered into as of June 17, 2009, and is by and between Sarasota County, Florida, a political subdivision of the State of Florida, and its successors and assigns (the "County"), and SunTrust Bank, a Georgia banking corporation, and its successors and assigns, as holder(s) of the hereinafter defined Note (the "Bank").

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.01 Definitions. The words and terms used in capitalized form in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings:

"Act" means the Charter of the County, Chapter 125, Florida Statutes, Sections 197.3631 and 197.3632, Florida Statutes, Article VIII, Section 1, Constitution of the State of Florida, and other applicable provisions of law.

"Agreement" means this Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Annual Budget" means the budget or budgets, as amended and supplemented from time to time, prepared by the County for each Fiscal Year in accordance with the laws of the State of Florida.

"Bond Counsel" means any attorney at law or firm of attorneys retained by the County, of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions.

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

"Code" means the Internal Revenue Code of 1986, as amended, and applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court rulings.

"Collection Costs" means all costs and expenses for collection and administration of the Special Assessments, including, without limitation, (1) any administrative fees of the Tax

Collector and the Property Appraiser of Sarasota County, Florida, (2) auditing expenses, and (3) any costs and expenses incurred in connection with the collection of delinquent Special Assessments.

"Costs" means, with respect to the Project, any lawful expenditure of the County which meets the further requirements of this Agreement.

"Debt" means all of the following to the extent that they are general obligations of the County or are payable from Non-Ad Valorem Revenues: (i) all obligations of the County for borrowed money or evidenced by bonds, debentures, notes or other similar instruments; (ii) all obligations of the County to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; and (iii) all obligations of the County under capitalized leases. "Debt" shall also include any indebtedness that is (a) supported directly or indirectly by a covenant of the County to budget and appropriate from Non-Ad Valorem Revenues and (b) reasonably expected by the County to be required to be satisfied in whole or in part by the application of Non-Ad Valorem Revenues.

"Debt Service Account" means the Special Assessment Revenue Note (South Siesta Key Beach Restoration District), Series 2009 Debt Service Account established by the Resolution from which the County shall make payments of the principal of, interest on and any redemption or prepayment premiums with respect to the Loan under the Note.

"Event of Default" means an event of default specified in Article VI of this Agreement.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period of twelve consecutive months as may hereafter be designated as the fiscal year of the County by general law.

"Loan" means the loan by the Bank to the County contemplated hereby.

"Loan Amount" means \$2,011,000.

"Loan Documents" means this Agreement and the Note.

"Maximum Annual Debt Service Requirements" means the lesser of (i) the maximum annual payment of principal and interest on Debt (net of any subsidy or reimbursement payments payable to the County in relation to interest), or (ii) fifteen percent (15%) of the original par amount of Debt.

"Non-Ad Valorem Revenue Obligations" means obligations evidencing indebtedness for borrowed money, including the Note, (i) the primary security for which is provided by a covenant of the County to budget and appropriate Non-Ad Valorem Revenues of the County for the payment of debt service on such obligations, or (ii) primarily secured or payable from another source of funds, but with respect to which the County has also covenanted to budget and appropriate Non-Ad Valorem Revenues of the County for the payment of debt service on such obligations, provided that obligations described in this clause (ii) shall only be considered Non-Ad Valorem Revenue Obligations to the extent the County has included in its budget (by

amendment or otherwise) the payment of such Non-Ad Valorem Revenues pursuant to such covenant to pay debt service on such obligations.

"Non-Ad Valorem Revenues" means all revenues of the County derived from any source whatsoever, other than ad valorem taxation on real and personal property, which are legally available for the payment by the County of debt service on the Note and other Non-Ad Valorem Revenue Obligations.

"Note" means the County's Special Assessment Revenue Note (South Siesta Key Beach Restoration District), Series 2009 in the form attached hereto as Exhibit "B."

"Notice Address" means,

As to the County: Office of the County Attorney
1660 Ringling Blvd.
2nd Floor
Sarasota, Florida 34236

As to the Bank: SunTrust Bank
Mail Code FL-Fort Myers-3011
12751 New Brittany Boulevard
Fort Myers, Florida 33918-3454
Attention: Nicholas Ayotte

or to such other address as either party may have specified in writing to the other using the procedures specified in Section 7.06.

"Ordinance" means Ordinance No. 2006-076, enacted by the County on October 11, 2006, as supplemented and amended.

"Pledged Funds" means (i) the Special Assessment Revenues, (ii) the Non-Ad Valorem Revenues budgeted and appropriated and deposited into the Debt Service Account to pay debt service on the Note, and (iii) all funds on deposit in the Debt Service Account and the Project Account (including all investment securities on deposit therein) and all investment earnings on any of such funds.

"Principal Office" means, with respect to the Bank, the office located at 211 Perimeter Center Parkway, Atlanta, Georgia 30346, or such other office as the Bank may designate to the County in writing.

"Project" means the payment of the cost of beach restoration described on Exhibit "A" hereto and of the costs of the Loan and the costs of issuance of the Note.

"Project Account" means the Special Assessment Revenue Note (South Siesta Key Beach Restoration District), Series 2009 Project Account created by the Resolution.

"Resolution" means Resolution No. 2009-____, adopted by the County Commission of the County on June __, 2009.

"Special Assessments" means the non-ad valorem special assessments imposed by the County pursuant to the Special Assessment Resolutions against property located in the Special Assessment District and specially benefiting from the Project.

"Special Assessment District" means the South Siesta Key Beach Restoration District created by the Ordinance.

"Special Assessment Resolutions" means Resolution No. 2007-329 adopted on December 19, 2007, Resolution No. 2008-120 adopted on June 10, 2008, and Resolution No. 2008-170 adopted on September 8, 2008.

"Special Assessment Revenues" means all amounts derived from the County from the lawful levy and collection of Special Assessments.

"State" means the State of Florida.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS OF COUNTY

The County represents and warrants to the Bank that:

Section 2.01 Powers of County. The County is a political subdivision, duly organized and validly existing under the laws of the State. The County has the power under the Act to create the Special Assessment District, levy the Special Assessments and to collect the Special Assessment Revenues, to borrow the Loan Amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure this Agreement and the Note in the manner contemplated hereby and to perform and observe all the terms and conditions of the Loan Documents on its part to be performed and observed. The County may lawfully borrow funds hereunder in order to provide funds to finance or refinance the costs of the Project, including paying the costs of issuance of the Loan and the Note. The Project consists of a distinct capital project, which has not been, is not pursuant hereto being and will not be financed with total indebtedness that exceeds the amount of the bonding limitation then in effect pursuant to Section 5.2D of the Charter of the County.

Section 2.02 Authorization of Loan. The County had, has, or will have, as the case may be, at all relevant times, full legal right, power and authority to execute and deliver the Loan Documents, to make the Note, and to carry out and consummate all other transactions contemplated hereby, and the County has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The County has duly authorized the borrowing of the Loan Amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Note to the Bank, and to that end

the County warrants that it will, subject to the terms hereof and of the Note, take all action and do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Note. The Note has been duly authorized, executed, issued and delivered to the Bank and constitutes the legal, valid and binding obligation of the County enforceable in accordance with the terms thereof and the terms hereof, and is entitled to the benefits and security of this Agreement, subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights, heretofore or hereinafter enacted, to the extent constitutionally applicable, and provided that its enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Note or the execution and delivery of or the performance by the County of its obligations under this Agreement and the Note have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE HEREIN OR IN THE NOTE TO THE CONTRARY, NEITHER THIS AGREEMENT NOR THE NOTE SHALL CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE RESOLUTION. No holder or owner of the Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the County or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the County which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the Note be entitled to payment of such principal and interest from any other funds of the County other than the Pledged Funds, all in the manner and to the extent herein and in the Resolution provided.

Section 2.03 No Violation of Law or Contract. The County is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound, the breach of which could result in a material and adverse impact on the financial condition of the County or the ability of the County to perform its obligations hereunder and under the Note. The making and performing by the County of this Agreement and the Note will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the County is a party or by which the County is bound, the breach of which could result in a material and adverse impact on the financial condition of the County or the ability of the County to perform its obligations hereunder and under the Note.

Section 2.04 Pending or Threatened Litigation. Except as has been disclosed to the Bank, there are no actions or proceedings pending against the County or affecting the County or, to the knowledge of the County, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the County, or which questions

the validity of this Agreement or the Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

Section 2.05 Financial Information. The financial information regarding the County furnished to the Bank by the County in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the County from that presented in such information.

Section 2.06 Special Assessment Revenues. The Special Assessment Revenues are not pledged or encumbered in any manner except to pay the principal of and interest on the Note and other payments required by the terms of this Agreement and the Note.

ARTICLE III

COVENANTS OF THE COUNTY

Section 3.01 Affirmative Covenants. For so long as any of the principal amount of or interest or any redemption or prepayment premium on the Note is outstanding or any duty or obligation of the County hereunder or under the Note remains unpaid or unperformed, the County covenants to the Bank as follows:

(a) Payment. The County shall pay the principal of and the interest or any redemption or prepayment premium or penalty on the Note at the time and place and in the manner provided herein and in the Note, but solely from the Pledged Funds.

(b) Use of Proceeds. Proceeds from the Note will be used only to pay Costs of the Project, including the payment of closing costs of the Loan and costs of issuance of the Note, except as otherwise expressly provided hereby.

(c) Notice of Defaults. The County shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing at its Notice Address upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank, with such written notice, a detailed statement by a responsible officer of the County of all relevant facts and the action being taken or proposed to be taken by the County with respect thereto.

(d) Maintenance of Existence. The County will take all reasonable legal action within its control in order to maintain its existence until all amounts due and owing from the County to the Bank under this Agreement and the Note have been paid in full.

(e) Records. The County agrees that any and all records of the County with respect to the Loan shall be open to inspection by the Bank or its representatives at all reasonable times and after receipt by the County of reasonable notice from the Bank at the offices the County.

(f) Financial Statements; Budget; Compliance Certificate. The County will cause an audit to be completed of its books and accounts and shall furnish to the Bank audited year-end financial statements of the County, including a balance sheet as of the end of such Fiscal Year

and related statements of revenues, expenses and changes in net assets, certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the County and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. The County shall provide the Bank with the County's audited financial statements for each Fiscal Year ending on or after September 30, 2009 within two hundred and ten (210) days after the end thereof.

(g) Insurance. The County shall maintain such liability, casualty and other insurance as, or shall self-insure in a manner as, is reasonable and prudent for similarly situated governmental entities of the State of Florida.

(h) Compliance with Laws. The County shall comply with all applicable federal, state and local laws and regulatory requirements, the violation of which could reasonably be expected to have a material and adverse effect upon the financial condition of the County or upon the ability of the County to perform its obligation hereunder and under the Note.

(i) Payment of Document Taxes. In the event the Note or this Agreement should be subject to the excise tax on documents of the State, the County shall, promptly upon receipt of the Bank's written demand for same, pay such taxes or reimburse the Bank for any such taxes paid by it.

(j) Levy of Assessments. The County will diligently enforce its right to impose the Special Assessments and to collect and receive the Special Assessment Revenues. The County shall be unconditionally and irrevocably obligated, so long as the Note is outstanding and unpaid, to take all lawful action necessary or required to continue to entitle the County to receive the Special Assessment Revenues in the same or greater amounts and at the same or greater rates as now provided by law to pay the principal of and interest on the Note and to make the other payments provided for herein. The Special Assessments will be levied by the County to the fullest extent permitted by law, the Act and the Special Assessment Resolutions.

If any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the County shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the County shall have omitted to levy such Special Assessment when it might have done so, the County shall take all necessary steps to cause a new Special Assessment to be made against any property against which may lawfully be imposed such Special Assessment. In case such second Special Assessment shall be annulled, vacated or set aside, the County shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

Section 3.02 Negative Covenants. For so long as any of the principal amount of or interest on the Note is outstanding or any duty or obligation of the County hereunder or under the Note remains unpaid or unperformed, the County covenants to the Bank as follows:

(a) No Adverse Borrowings. The County shall not issue or incur any Debt or obligation if such would materially and adversely affect the ability of the County to timely pay debt service on the Note or any other amounts owing by the County under this Agreement.

(b) No Material Impairment of Pledged Funds. The County will not take any action which will materially impair or materially adversely affect the Special Assessment Revenues, or materially impair or materially adversely affect in any manner the pledge of the Pledged Funds made herein or the rights of the holder of the Note hereunder.

(c) Anti-Dilution. (i) Non-Ad Valorem Revenues (average of actual receipts over the prior two years) must cover projected Maximum Annual Debt Service Requirements on Debt secured by and/or payable solely from such Non-Ad Valorem Revenues by at least 1.5 times; and (ii) projected Maximum Annual Debt Service Requirements for all Debt secured by and/or payable solely from such Non-Ad Valorem Revenues will not exceed 20% of general fund, special fund, debt service fund and capital projects funds revenues, exclusive of (i) ad valorem revenues restricted to payment of debt service on any Debt, and (ii) any Debt proceeds, and based on the County's audited financial statements (average of actual receipts of the prior two years).

Section 3.03 Registration and Exchange of Note. The Note shall initially be owned by the Bank. The ownership of the Note may only be transferred, and the County will transfer the ownership of the Note, upon written request of the Bank to the County specifying the name, address and taxpayer identification number of the transferee, and the County will keep and maintain at all times a record setting forth the identification of the owner of the Note. The Person in whose name the Note shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such Note shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 3.04 Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the County shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Bank furnishing the County proof of ownership thereof, an affidavit of lost or stolen instrument and indemnity reasonably satisfactory to the County and paying such expenses as the County may reasonably incur in connection therewith.

Section 3.05 Payment of Principal and Interest; Limited Obligation. The County promises that it will promptly pay the principal of and interest on and any prepayment or redemption premium on the Note, at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and of the Note, provided that the County may be compelled to pay the principal of and interest on the Note solely from the Pledged Funds, and nothing in the Note, this Loan Agreement or the Resolution shall be construed as pledging any other funds or assets of the County to such payment or as authorizing such payment to be made from any other source. The County is not and shall not be liable for the payment of the principal of and interest on the Note or for the performance of any pledge, obligation or agreement for payment undertaken by the County hereunder, under the Note or under the Resolution from any property other than the Pledged Funds. The Bank shall not have any right to resort to legal or

equitable action to require or compel the County to make any payment required by the Note or this Loan Agreement from any source other than the Pledged Funds.

Section 3.06 Pledge. The payment of the principal of, premium, if any, and interest on the Note shall be secured by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Resolution. The County does hereby pledge such Pledged Funds to the principal of, premium, if any, and interest on the Note and for all other payments provided for herein.

Section 3.07 Covenant to Budget and Appropriate. To the extent that Special Assessment Revenues are not adequate to pay the principal of, interest on and any redemption premium or prepayment penalty in connection with the Note and all other payments required herein, the County hereby covenants and agrees, to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its Annual Budget for each Fiscal Year, by amendment if necessary, and to deposit to the credit of the Debt Service Account in a timely manner as needed to pay debt service on the Note, Non-Ad Valorem Revenues of the County in an amount which is equal to any deficiency in the debt service and such other payments with respect to the Note for the applicable Fiscal Year. Such covenant and agreement on the part of the County to budget and appropriate sufficient amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to make up all deficiencies with respect to the required payments hereunder and under the Note as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the Debt Service Account; provided, however, that such covenant shall not constitute a lien, either legal or equitable, on any of the County's Non-Ad Valorem Revenues or other revenues, nor shall it preclude the County from pledging in the future any of its Non-Ad Valorem Revenues or other revenues to other obligations, nor shall it give the holder or owner of the Note a prior claim on the Non-Ad Valorem Revenues. Anything herein to the contrary notwithstanding, except as otherwise expressly provided hereby, all obligations of the County hereunder shall be secured only by the Pledged Funds, as provided for herein. The County is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. The obligation of the County to budget, appropriate and make payments under this Section 3.07 from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after satisfying funding requirements for obligations having an express lien on or pledge of such revenues and after satisfying funding requirements for essential governmental services of the County. Notwithstanding the foregoing or anything herein to the contrary, except as provided in Section 3.01(j) hereof, the County has not covenanted to maintain any service or program now provided or maintained by the County which generates Non-Ad Valorem Revenues.

If at any point in time during a Fiscal Year of the County, the County determines that the Non-Ad Valorem Revenues are insufficient to satisfy the County's obligation to budget, appropriate and make payments under this Section 3.07 and to satisfy the County's obligations to pay under any other Debt of the County as to which the County has expressly covenanted to budget, appropriate and make payments from Non-Ad Valorem Revenues ("Other Covenant Debt"), then the County shall, from such point, budget, appropriate and make payments from the available Non-Ad Valorem Revenues pro-rata among the Note and such Other Covenant Debt.

Section 3.08 Deposit of Funds. All Special Assessment Revenues shall be deposited, as received, into the Debt Service Account, and shall be applied first to pay Collection Costs and other administrative expenses related to the Note and then to pay the principal of, redemption premium or prepayment penalty with respect to, and interest on the Note. To the extent that Special Assessment Revenues are insufficient to satisfy the payment of such debt service, the County shall timely deposit to the Debt Service Account Non-Ad Valorem Revenues budgeted and appropriated pursuant to Section 3.07 hereof to make up such deficiency.

Section 3.09 Debt Service Account; Project Account. The County shall apply all moneys on deposit in the Debt Service Account to the timely payment of the principal of, premium, if any, and interest on the Note. The County shall deposit the proceeds of the Note into the Project Fund and shall apply the same, together with any investment earnings thereon, to the Costs of the Project and the costs of the Loan and costs of issuance of the Note. Funds in the Debt Service Account and the Project Account may be invested in investments permitted by law and meeting the requirements of the County's written investment policy and that mature not later than the dates that such funds will be needed for the purposes of such accounts. Any funds on deposit in the Project Account and determined by the County not to be needed to pay the Costs of the Project or the costs of the Loan and costs of issuance of the Note shall be transferred by the County to the Debt Service Account.

Section 3.10 Officers and Employees of the County Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Loan Agreement or the Note or for any claim based hereon or thereon or otherwise in respect thereof, shall be had against any officer, agent or employee, as such, of the County, past, present or future, it being expressly understood (a) that the obligation of the County under this Agreement and under the Note is solely a corporate one, limited as provided herein, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the officers, agents, or employees, as such, of the County, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such officer, agent, or employee, as such, of the County under or by reason of the obligations, covenants or agreements contained in this Agreement and under the Note, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Note on the part of the County.

Section 3.11 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 Bank.

Section 3.12 Tax Representations, Warranties and Covenants of the County. It is the intention of the County that the interest on the Note be and remain excluded from gross income of the holders and owners of the Note for federal income tax purposes. The County hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Note to be and remain excluded from the gross income of the registered owner and holder thereof for federal income tax purposes to the extent set forth in the Code, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best

of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The County acknowledges that the continued exclusion of interest on the Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The County hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The County hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Note or other funds of the County to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Note to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The County further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Section 103(b)(2) and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the County covenants and agrees:

- (1) to make or cause to be made all necessary determinations and calculations of the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Note, plus any income attributable to such excess, but not including any amount exempted under Section 148(f) of the Code (the "Rebate Amount");
- (2) to pay the Rebate Amount to the United States of America from legally available funds of the County at the times and to the extent required pursuant to Section 148(f) of the Code;
- (3) to maintain and retain all records pertaining to the Rebate Amount and required payments of the Rebate Amount for at least six years after the final maturity of the Note or such other period as shall be necessary to comply with the Code;
- (4) to refrain from taking any action that would cause the Note to be classified as "private activity bond" under Section 141(a) of the Code; and
- (5) to refrain from taking any action that would cause the Note to become an arbitrage bond under Section 148 of the Code.

The County understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Subpart A of Chapter 1 of the Code so long as such requirements are applicable.

ARTICLE IV

CONDITIONS OF LENDING

The obligations of the Bank to lend hereunder are subject to the following conditions precedent:

Section 4.01 Representations and Warranties. The representations and warranties set forth in this Agreement and the Note are true and correct on and as of the date hereof.

Section 4.02 No Default. On the date hereof, the County shall be in compliance with all the terms and provisions set forth in this Agreement and the Note on its part to be observed or performed, and no Event of Default or any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

Section 4.03 Supporting Documents. On or prior to the date hereof, the Bank shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Bank (such satisfaction to be evidenced by the purchase of the Note by the Bank):

(a) The opinion of the attorney for the County and/or bond counsel to the County, regarding the due authorization, execution, delivery, validity and enforceability of the Resolution authorizing this Agreement and the Note, this Agreement and the Note;

(b) The opinion of Bond Counsel to the County to the effect that the interest on the Note is excluded from gross income for federal income tax purposes and the Note is not an item of tax preference under Section 57 of the Code; and

(c) Such additional supporting documents as the Bank may reasonably request.

ARTICLE V

FUNDING THE LOAN

Section 5.01 The Loan. The Bank hereby agrees to lend to the County the Loan Amount to provide funds to be applied to the purposes described herein upon the terms and conditions set forth in this Agreement. The County agrees to repay the principal amount borrowed plus interest thereon upon the terms and conditions set forth in this Agreement and the Note.

Section 5.02 Description and Payment Terms of the Note. To evidence the obligation of the County to repay the Loan, the County shall make and deliver to the Bank the Note in the form attached hereto as Exhibit "B."

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) The County shall fail to make any payment of the principal of, premium, if any, or interest on the Loan when the same shall become due and payable, whether by maturity, by acceleration at the discretion of the Bank as provided for in Section 6.02, or otherwise; or

(b) The County shall default in the performance of or compliance with any term or covenant contained in this Agreement or the Note, other than a term or covenant a default in the performance of which or noncompliance with which is elsewhere specifically dealt with in this Section 6.01, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) written notice thereof to the County by the Bank, or (ii) the Bank is notified of such noncompliance or should have been so notified pursuant to the provisions of Section 3.01(c) of this Agreement, whichever is earlier; or

(c) Any representation or warranty made in writing by or on behalf of the County in this Agreement or the Note shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(d) The County admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(e) The County is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by the County, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the County, a receiver or trustee of the County or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(f) The County shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State.

Section 6.02 Effect of Event of Default. Immediately and without notice, upon the occurrence of any Event of Default, the Bank may declare all obligations of the County under this Agreement and the Note to be immediately due and payable without further action of any kind and upon such declaration the Note and the interest accrued thereon shall become immediately due and payable. In addition, and regardless whether such declaration is or is not made, the Bank may also seek enforcement of and exercise all remedies available to it under any applicable law.

ARTICLE VII

MISCELLANEOUS

Section 7.01 No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power, remedy hereunder or under the Note shall operate as a waiver of the Bank's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 7.02 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except in writing signed by the Bank and the County. The County agrees to pay all of the Bank's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the County's request or behest.

Section 7.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 7.04 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 7.05 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the County in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Note is outstanding.

Section 7.06 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to the Notice Address.

Section 7.07 Applicable Law; Venue. This Agreement shall be construed pursuant to and governed by the substantive laws of the State. The County and the Bank waive any objection either might otherwise have to venue in any judicial proceeding brought in connection herewith lying in Sarasota County, Florida.

Section 7.08 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The County shall have no rights to assign any of its rights or obligations hereunder without the prior written consent of the Bank.

Section 7.09 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 7.10 Attorneys Fees. To the extent legally permissible, the County and the Bank agree that in any suit, action or proceeding brought in connection with this Agreement or the Note (including any appeal(s)), the prevailing party shall be entitled to recover costs and reasonable attorneys' fees from the other party.

Section 7.11 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Note embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 7.12 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

Section 7.13 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTE AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

SARASOTA COUNTY, FLORIDA

ATTEST:

By: _____
Chair, Board of County Commissioners

By: _____
Clerk of the Circuit Court and
Ex-Officio Clerk of the Board of
County Commissioners

SUNTRUST BANK

By: _____
Title: _____

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EXHIBIT "A"

PROJECT DESCRIPTION

Beach restoration improvements to the shoreline located within the Special Assessment District, including, but not limited to, the placement of sand on the eroded beach, dune restoration, access improvements and vegetation plantings.

EXHIBIT "B"
FORM OF NOTE

R2009-11K

SPECIAL ASSESSMENT REVENUE NOTE
(SOUTH SIESTA KEY BEACH RESTORATION DISTRICT),
SERIES 2009

SARASOTA COUNTY, FLORIDA (the "County"), a political subdivision of the State of Florida created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay, but solely from the sources hereinafter provided, to the order of SunTrust Bank, a Georgia banking corporation, or registered assigns (together with any other registered owner of this Note, hereinafter, the "Bank"), the principal sum of Two Million Eleven Thousand Dollars (\$2,011,000) or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the rate of _____ percent (____%) per annum (subject to adjustment as hereinafter provided with respect to a Determination of Taxability) based upon a year of 360 days consisting of twelve 30-day months, for the actual number of days elapsed. This Note is issued pursuant to Resolution No. 2009-____ of the County adopted on June __, 2009 (the "Resolution") and in conjunction with a Loan Agreement, dated of even date herewith, between the County and the Bank (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or referenced, in the Loan Agreement.

Principal of and interest on this Special Assessment Revenue Note (South Siesta Key Beach Restoration District), Series 2009 (the "Note") are payable in immediately available funds constituting lawful money of the United States of America at such place as the Bank may designate in writing to the County.

As used in this Note:

(1) "Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

(2) "Determination of Taxability" shall mean a final decree or judgment of any federal court shall have been entered or a final action of the Internal Revenue Service or of the United States Treasury Department shall have been taken determining that interest payable on this Note is includable in the gross income of the Bank. No such decree or action shall be considered "final" for the purposes of this paragraph unless the County has been given written notice thereof and, if it is so desired by the County and is legally permissible, the County has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Bank and until the conclusion of any appellate review, if sought.

The County shall pay the Bank interest on the outstanding principal balance of this Note in arrears, on October 1, 2009, and on the first day of each April and October thereafter, or, if

R2009-118

any such day is not a Business Day, on the next succeeding Business Day, and on the Maturity Date (hereinafter defined). The principal amount of this Note shall be payable in seven (7) installments in the amounts and payable on the date provided on Schedule A attached hereto (and if any date shown on Schedule A is not a Business Day, such payment shall be made on the next succeeding Business Day, with the final payment of principal due on April 1, 2016 (the "Maturity Date")).

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

Upon the occurrence of a Determination of Taxability, the interest rate on this Note shall be adjusted to a rate equal to 154% of the interest rate otherwise borne hereby (the "Adjusted Interest Rate") calculated on the basis of a 360-day year consisting of twelve 30-day months for the actual number of days elapsed, as of and from the date such Determination of Taxability is applicable with respect to this Note (the "Accrual Date"); and (i) the County shall on the next interest payment date (or if this Note shall have matured, within 30 days after written demand by the Bank) hereon pay to the Bank an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Note at the Adjusted Interest Rate from the Accrual Date to such next interest payment date (or maturity date), and (B) the actual interest paid by the County on this Note from the Accrual Date to such next interest payment date (or maturity date), and (2) any interest and penalties required to be paid as a result of any additional federal income taxes imposed upon the registered owner hereof and/or former registered owner hereof arising as a result of such Determination of Taxability; and (ii) from and after the Date of the Determination of Taxability, this Note shall continue to bear interest at the Adjusted Interest Rate for the period such determination continues to be applicable with respect to this Note. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

This Note may not be prepaid at the option of the County, but shall be payable only in accordance with Schedule A.

Upon the occurrence of an Event of Default (as defined in the Loan Agreement) then the Bank may declare the entire debt then remaining unpaid hereunder immediately due and payable; and in any such default and acceleration, the County shall also be obligated to pay (but only from the Pledged Funds) as part of the indebtedness evidenced by this Note, all costs of collection and enforcement hereof, including such fees as may be incurred on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist, including specifically but without limitation, claims, disputes and proceedings seeking adequate protection or relief from the automatic stay.

Interest at a rate of _____ percent (___%) per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of an Event of Default described in the preceding paragraph, irrespective of a declaration of maturity.

The County to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is payable solely from the Pledged Funds to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Funds as more specifically provided in the Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the County is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Loan Agreement and the Resolution.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE LOAN AGREEMENT OR THE RESOLUTION TO THE CONTRARY, THIS NOTE AND THE INTEREST HEREON DOES NOT AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE COUNTY BUT SHALL BE PAYABLE SOLELY FROM THE MONEYS AND SOURCES DESIGNATED THEREFOR PURSUANT TO THE LOAN AGREEMENT. NEITHER THE FAITH AND CREDIT NOR ANY AD VALOREM TAXING POWER OF THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENTAL HERETO.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

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.

IN WITNESS WHEREOF, the County has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is June 17, 2009.

SARASOTA COUNTY, FLORIDA

(SEAL)

By: _____
Chair, Board of County Commissioners

ATTEST:

By: _____
Clerk of the Circuit Court and Ex-Officio
Clerk of the Board of County Commissioners

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SCHEDULE A

<u>Payment Date</u>	<u>Payment Amount</u>
April 1, 2010	\$
April 1, 2011	
April 1, 2012	
April 1, 2013	
April 1, 2014	
April 1, 2015	
April 1, 2016	