

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.

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THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE LOAN AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, OR A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933.

REVENUE NOTE, SERIES 2013A

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 STI INSTITUTIONAL & GOVERNMENT, INC., a Delaware general business corporation or registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), the principal sum of TWELVE MILLION FIVE HUNDRED FORTY-THREE THOUSAND DOLLARS (\$12,543,000.00) or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the Interest Rate (defined below) (subject to adjustment as hereinafter provided), calculated based upon a year of 360 days consisting of twelve 30-day months, such amounts to be payable as provided herein. This Note is issued pursuant to a Resolution of the County adopted on October 9, 2013 (the "Resolution") and in conjunction with a Loan Agreement, dated as of October 11, 2013, between the County and the Lender (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 Revenue Note, Series 2013A (the "Note") are payable in immediately available funds constituting lawful money of the United States of America at the Principal Office or such place as the Lender may designate in writing to the County at least 10 days prior to such payment date.

The County shall pay the Lender interest on the outstanding principal balance of this Note in arrears, on each October 1 and April 1, commencing April 1, 2014. The principal amount of this Note shall be payable in annual installments in the amounts and on the dates set forth on Schedule A hereto, commencing on October 1, 2014, and with the final installment payable October 1, 2024. If any date for the payment of principal or interest is not a Business Day, such payment shall be due on the next succeeding Business Day in the manner provided in the Loan Agreement.

All payments by the County pursuant to this Note shall apply first to accrued interest, then to other charges due the Lender, and the balance thereof shall apply to the principal sum due; provided, however, in an Event of Default, payment shall be applied in accordance with Section 6.02 of the Loan Agreement.

"Default Rate" means the lesser of eighteen percent (18%) per annum and the maximum lawful rate.

"Determination of Taxability" means the occurrence after the date hereof of the adoption or taking effect of any law, rule or regulation that changes the ability of the registered owner of

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the Note to exclude all or a portion of the interest on this Note from gross income for Federal income tax purposes, or a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of this Note is or was includable in the gross income of the registered owner for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Issuer has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of the registered owner, and until the conclusion of any appellate review, if sought.

"Interest Rate," as used herein, shall mean a per annum rate equal to (a) 2.29%, multiplied, prior to the occurrence of a Determination of Taxability, by (b) the Margin Rate Factor.

"Margin Rate Factor" shall mean the fraction the numerator of which is equal to one (1) minus the Maximum Federal Corporate Tax Rate on the date of calculation and the denominator of which is 0.65. The Margin Rate Factor shall be 0.65/0.65 or 1.0 so long as the Maximum Federal Corporate Tax Rate shall be 35%, and thereafter shall increase from time to time effective as of the effective date of any decrease in the Maximum Federal Corporate Tax Rate.

"Maximum Federal Corporate Tax Rate" shall mean the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, determined without regard to tax rate or tax benefit make-up provisions such as the last two sentences of Section 11(b)(1) of the Code, as in effect from time to time (or, if as a result of a change in the Code the rate of income taxation imposed on corporations shall not be applicable to the registered owner of this Note, the maximum statutory rate of federal income taxation which could apply to the registered owner of this Note). The Maximum Federal Corporate Tax Rate on the date of execution of this Note is 35%.

"Taxable Period" shall mean the period of time between (a) the date that interest on this Note is deemed to be includable in the gross income of the registered owner thereof for federal income tax purposes as a result of a Determination of Taxability, and (b) the date of the Determination of Taxability and after which interest is accruing and being paid at the Taxable Rate.

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

After and during the continuance of an Event of Default, the Interest Rate shall be the Default Rate.

Upon the occurrence of a Determination of Taxability and for as long as this Note remains outstanding, the Interest Rate on this Note shall be converted to the Taxable Rate (unless an Event of Default shall have occurred, in which case the Default Rate shall apply). In

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addition, upon a Determination of Taxability, the County shall pay to the registered owner of this Note (i) an additional amount equal to the difference between (A) the amount of interest actually paid on this Note during the Taxable Period and (B) the amount of interest that would have been paid during the Taxable Period had this Note borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the registered owner of this Note as a result of the Determination of Taxability. 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.

Notwithstanding anything herein to the contrary, in no event shall the Interest Rate in any year exceed the maximum rate permitted by law.

This Note may be prepaid in whole on a principal payment date at the option of the County upon two (2) days' prior written notice by the County to the registered owner, such prepayment to be at a prepayment price of the principal amount to be repaid, plus accrued interest thereon to the date of prepayment and a prepayment premium equal to the present value of the difference between (1) the amount that would have been realized by the registered owner on the prepaid amount for the remaining term of this Note at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps for a term corresponding to the term of this Note, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the origination date of this Note and (2) the amount that would be realized by the registered owner by reinvesting such prepaid funds for the remaining term of this Note at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect three Business Days prior to the prepayment date; both discounted at the same interest rate utilized in determining the applicable amount in (2). Should the present value have no value or a negative value, the County may prepay at par with no additional prepayment charge or premium. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, the registered owner may substitute the Federal Reserve H.15 Statistical Release with another similar index. The registered owner shall provide the County with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding. This premium is not intended to, and does not, increase the interest rate payable on this Note. Partial prepayments shall be applied against the installments of principal shown on Schedule A hereto in such order as the County shall determine in its discretion.

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

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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, THIS NOTE AND THE RESOLUTION. 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 connection with 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.

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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 October 11, 2013.

SARASOTA COUNTY, FLORIDA

(SEAL)

By: Carolyn J. Mason
Chair, Board of County Commissioners

ATTEST:

Peter H. Ramm
Deputy Clerk

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SCHEDULE A

<u>Date</u> <u>(October 1)</u>	<u>Principal Amount</u>
2014	\$ 990,000
2015	1,041,000
2016	1,065,000
2017	1,089,000
2018	1,114,000
2019	1,140,000
2020	1,166,000
2021	1,193,000
2022	1,220,000
2023	1,248,000
2024	1,277,000