

THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS AND MAY NOT BE TRANSFERRED EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

REGISTERED  
NO. R-1

REGISTERED  
\$28,000,000

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
SARASOTA COUNTY  
UTILITY SYSTEM REVENUE REFUNDING NOTE,  
SERIES 2015

Interest Rate:

Maturity Date:

Original Dated Date:

2.62%  
(Subject to Adjustment)

October 1, 2024

July 7, 2015

REGISTERED OWNER: STI INSTITUTIONAL & GOVERNMENT, INC.

PRINCIPAL AMOUNT: TWENTY-EIGHT MILLION DOLLARS

Sarasota County, Florida (hereinafter called the "County"), for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, and to pay, solely from such special revenues, interest on the principal sum from the date hereof, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, until payment of the principal sum, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of April and the first day of October of each year, commencing on October 1, 2015. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the County maintained by the Bond Registrar at 5:00 p.m. (Eastern Time) on the fifteenth day (whether or not a Business Day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Note subsequent to such Record Date and prior to such interest payment date, unless the County shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Note is registered at the close of business on a special record date for the payment of such defaulted interest as established by

notice received via the U. S. mails, postage prepaid, by the Registered Owners of Notes not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing. Upon receipt of payment in full of the principal amount of this Note, at maturity or otherwise, this Note shall be cancelled and surrendered by the Registered Owner hereof to the office of the Clerk of the Circuit Court and ex-officio Clerk of the Board of County Commissioners of Sarasota County, Florida, as Bond Registrar and paying agent (the "Bond Registrar").

Upon the occurrence of an Event of Taxability and if the Default Rate shall not be in effect, and for as long as this Note remains outstanding, the Interest Rate on this Note shall be adjusted to the Taxable Rate, and the requirement for such adjustment shall survive payment on 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. In addition, upon an Event of Taxability, the County shall, immediately upon demand, pay to the Registered Owner (or prior Registered Owner, if applicable) (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 and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Lender as a result of the Event of Taxability.

"Event of Taxability" means the entry of a final decree or judgment of any Federal court or the occurrence of 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 County 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 any Registered Owner, and until the conclusion of any appellate review, if sought. An Event of Taxability does not include, and shall not be triggered by, a change in law by Congress or applicable regulations that causes the interest on this Note to be includable in the Registered Owner's gross income for Federal income tax purposes.

"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 (or any prior Registered Owner) thereof for Federal income tax purposes as a result of an Event of Taxability, and (b) the date of the Event of Taxability and after which this Note bears interest at the Taxable Rate.

"Taxable Rate" shall mean the interest rate per annum that shall provide the Registered Owner with the same after tax yield that the Registered Owner would have otherwise received had the Event of Taxability not occurred,

taking into account the increased taxable income of the Registered Owner as a result of such Event of Taxability. The Registered Owner 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.

Upon the occurrence of a failure to timely make a payment on this Note under its terms, the Interest Rate on this Note shall adjust to the Default Rate. "Default Rate" shall mean the lesser of 18% per annum and the maximum lawful rate.

This Note and the interest hereon is payable solely from and secured by a lien upon and pledge of certain revenues (the "Net Revenues") derived by the County from the operation of the County's water and wastewater utility system (the "Utility System") and from lawfully available Impact Fees (as such term is defined in Resolution No. 93-011 adopted on January 12, 1993, as restated, amended and supplemented from time to time, including, without limitation, as the same was compiled, codified, amended and restated by Resolution No. 2007-062 adopted on March 21, 2007, as supplemented and amended (the "Bond Resolution"), all in the manner and to the extent provided herein and in the Bond Resolution. Reference is hereby made to the Bond Resolution for the provisions, among others, relating to the terms, lien and security of this Note, the custody and application of the proceeds of the this Note, the rights and remedies of the Registered Owners of this Note, the extent of and limitations on the County's rights, duties and obligations, and the provisions permitting the issuance of Additional Parity Bonds, to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR 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, AND IT IS EXPRESSLY AGREED BY THE REGISTERED OWNER OF THIS NOTE THAT SUCH REGISTERED OWNER SHALL NEVER 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 THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE BOND RESOLUTION.

This Note and the indebtedness evidenced hereby shall not constitute a lien upon any property of or in the County, but shall constitute a lien only upon the Net Revenues and lawfully available Impact Fees in the manner provided in the Bond Resolution.



This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication endorsed hereon shall have been signed by the Bond Registrar.

This Note may be transferred only upon the books of the County kept by the Bond Registrar upon surrender thereof at the principal corporate trust office of the Bond Registrar with an assignment duly executed by the Registered Owner or his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of a sum sufficient to cover any tax, fee or governmental charge, if any, that may be imposed in connection with any such exchange, as provided in the Bond Resolution. Upon any such transfer, there shall be executed in the name of the transferee, and the Bond Registrar shall deliver, a new registered Note in authorized denominations and in the same aggregate principal amount, series and subseries, maturity and interest rate as this Note. This Note may only be sold, assigned or otherwise transferred to a "Qualified Institutional Buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933.

In like manner, subject to such conditions and upon the payment of a sum sufficient to cover any tax, fee or governmental charge, if any, that may be imposed in connection with any such exchange, the Registered Owner of this Note may surrender the same (together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney) in exchange for a Note in an equal aggregate principal amount of such surrendered note and of the same series and subseries, maturity and interest rate as this Note.

This Note was issued to, together with other legally available funds, refund all of the County's Utility System Revenue Refunding Bonds, Series 2005A, to capitalize interest and to pay or reimburse costs of issuance, all pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly the Bond Resolution, Article VIII, Section 1, Constitution of the State of Florida, Chapter 125, Florida Statutes, and the Charter of Sarasota County, Florida. This Note is issued on a parity with the County's Utility System Revenue Bonds, Series 2007, Utility System Revenue Bonds, Series 2010 (Federally Taxable – Build America Bonds – Direct Subsidy), Utility System Revenue Refunding Bonds, Series 2011A, Utility System Revenue Refunding Bonds, Series 2011B, Utility System Revenue Refunding Note, Series 2012 and Utility System Revenue Bonds, Series 2013, and any other Additional Parity Bonds outstanding on the date hereof or hereafter issued. This Note is subject to the terms and conditions of the Bond Resolution and shall not be secured by a debt service reserve fund or account.

The County has entered into certain covenants with the holders of the Note of this issue for the terms of which reference is made to the Bond Resolution.

This Note may be pre-paid at the option of the County in whole or in part on any day subject to the terms hereof and upon at least ten (10) days' prior written notice to the Registered Owner specifying the amount of prepayment. Any optional redemption in part shall be applied to reduce the principal installments of this Note in inverse order of their due dates. The County shall, at the time of such prepayment, pay to the Registered Owner the interest accrued to the date of prepayment on the principal amount being prepaid plus an additional fee or redemption premium equal to the Make-Whole Payment defined below.

**"Calculation Agent"** means STI Institutional & Government, Inc. or one of its affiliates designated by the Registered Owner.

**"Calculation Date"** means a date chosen by the Calculation Agent, which date shall be within five (5) Business Days after the Registered Owner receives notice of prepayment of this Note.

**"Day Count Fraction"** means 30/360, being the basis on which interest will be computed on this Note.

**"Fixed Rate"** means 2.62%, being the interest rate on this Note. The Fixed Rate equals the sum of the Locked Index Rate and the Spread.

**"Interest Accrual Period"** means the period of time over which interest accrues on this Note for any given Principal Outstanding as stated in Schedule A.

**"LIBOR"** means the London Interbank Offered Rate.

**"Locked Index Payment"** means, for each Period End Date that occurs after a date of prepayment, the product of (A) the Principal Outstanding for the Interest Accrual Period ending on that Period End Date, (B) the Locked Index Rate and (C) the Day Count Fraction.

**"Locked Index Rate"** means 1.86%.

**"Make-Whole Payment"** means, with respect to any date of prepayment, an amount (not less than zero) equal to the difference between (x) the sum of the Present Value of each Locked Index Payment that would be due on each Period End Date that occurs after such date of prepayment and (y) the sum of the Present Value of each Replacement Curve Payment that would be due on each Period End Date that occurs after such date of prepayment.

**"Period Begin Date"** means the first day of each Interest Accrual Period as set forth in Schedule A attached hereto.

**"Period End Date"** means the last day of each Interest Accrual Period as set forth in Schedule A attached hereto.

**"Present Value"** means with respect to any Locked Index Payment or Replacement Curve Payment, the discounted value of such Locked Index Payment or Replacement Curve Payment calculated in good faith by the Calculation Agent using commercially reasonable procedures by reference to the applicable Replacement Curve Rate as the discount rate.

**"Principal Outstanding"** means the principal amount of this Note outstanding for any given Interest Accrual Period as set forth in Schedule A attached hereto.

**"Replacement Curve Payment"** means, for each Period End Date that occurs after a date of prepayment, the product of (A) the Principal Outstanding for the Interest Accrual Period ending on such Period End Date, (B) the applicable Replacement Curve Rate and (C) the Day Count Fraction.

**"Replacement Curve Rate"** means, for any Interest Accrual Period following a date of prepayment, the product of (x) the Tax Exempt Factor and (y) the fixed interest rate determined by the Calculation Agent from the bid side of the LIBOR swap yield curve on the Calculation Date with a maturity closest to the Period End Date of such Interest Accrual Period.

**"Spread"** means 0.76%.

**"Tax-Exempt Factor"** means 67.0%.

The Calculation Agent shall determine the Make-Whole Payment hereunder with respect to date of prepayment reasonably and in good faith. The Calculation Agent's determination in good faith shall be conclusive and binding in the absence of manifest error. The Calculation Agent will provide to County the information necessary to show the computation of the Make-Whole Payment.

Notice of such prepayment or redemption shall be given in the manner required by the Bond Resolution, provided that notice shall not be deemed given until received by the Registered Owner.

The County shall pay the Registered Owner interest on the outstanding principal balance of this Note in arrears, on each October 1 and April 1, commencing October 1, 2015. The principal amount of this Note shall be payable in annual Amortization Installments in the amounts and on the dates set forth on Schedule B hereto, commencing on October 1, 2016, and with the final Amortization Installment payable on October 1, 2024.

If the date for payment of the principal of, premium, if any, or interest on this Note shall not be a Business Day, then the date for such payment shall be the

next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Note exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of this Note of this series does not violate any constitutional or statutory limitation or provision.

By acceptance hereof, the Registered Owner hereof shall be deemed to have consented to the amendments to the Resolution set forth in Resolution No. 2010-285, adopted by the County on December 8, 2010. Such amendments shall only become effective upon the County obtaining consent in writing of the Registered Owners of 51% or more in aggregate principal amount of the Bonds outstanding and, if the Bonds or any series of Bonds outstanding are insured by a Credit Facility, the Credit Facility County and upon obtaining any consents required pursuant to the terms of any other debt secured by a subordinate lien upon the Net Revenues. (This Note shall be considered to be a "Bond" for such purposes.)

This Note is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

Neither the members of the Board of County Commissioners of the County nor any person executing this Note shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in connection with the issuance of this Note, exist, have happened and have been performed, in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto, and that the issuance of this Note does not violate any constitutional or statutory limitations or provisions.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Bond Registrar.

The County and the Registered Owner by acceptance of this Note, hereby knowingly, voluntarily, intentionally, and irrevocably waive, to the fullest extent permitted by applicable law, the right either of them may have to a trial by jury in respect to any litigation, whether in contract or tort, at law or in equity, based hereon or arising out of, under or in connection with this Note and any other document or instrument contemplated to be executed in conjunction with the this Note, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party hereto. This provision is a material inducement for



the each of the County and the Registered Owner selling or purchasing (as the case may be) this Note.

This Note shall be governed by applicable federal law and the internal laws of the state of Florida. The County agrees that certain material events and occurrences relating to this Note bear a reasonable relationship to the laws of Florida and the validity, terms, performance and enforcement of this Note shall be governed by the internal laws of Florida which are applicable to agreements which are negotiated, executed, delivered and performed solely in Florida. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related this Note, the County consents to the jurisdiction and venue of any court located in Sarasota County.

IN WITNESS WHEREOF, Sarasota County, Florida, has issued this Note and has caused the same to be signed by the Chair of its Board of County Commissioners and attested to and countersigned by the Clerk of such Board, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be reproduced hereon, all as of the 7<sup>th</sup> day of July, 2015.

SARASOTA COUNTY, FLORIDA

(SEAL)

By: \_\_\_\_\_

Chair, Board of County  
Commissioners of  
Sarasota County, Florida

ATTESTED:

By \_\_\_\_\_

Clerk of the Board of County  
Commissioners of Sarasota  
County, Florida

#### CERTIFICATE OF AUTHENTICATION

This Note is the Note designated in and executed under the provisions of the within mentioned Bond Resolution.

SARASOTA COUNTY, FLORIDA, as  
Bond Registrar

By \_\_\_\_\_

Authorized Officer

Date of Authentication: July 7, 2015



## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_ (the "Transferor"), hereby sells, assigns and transfers unto \_\_\_\_\_ (the "Transferee")

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFeree

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to register the transfer of the within Note on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: No transfer will be registered and no new Note will be issued in the name of the Transferee, unless the signature(s) to this Assignment correspond(s) with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with right of  
survivorship and not as tenants  
in common

UNIF TRANS MIN ACT — \_\_\_\_\_  
(Cust)

Custodian for \_\_\_\_\_  
under Uniform Transfers to Minors Act of \_\_\_\_\_  
(State)

Additional abbreviations may also be used  
though not in list above

## SCHEDULE A

### Principal Amortization Schedule

Period Begin Date	Period End Date	Principal Outstanding	Principal Amortization
07/07/2015	10/01/2015	28,000,000.00	0.00
10/01/2015	04/01/2016	28,000,000.00	0.00
04/01/2016	10/01/2016	28,000,000.00	2,800,000
10/01/2016	04/01/2017	25,200,000.00	0.00
04/01/2017	10/01/2017	25,200,000.00	2,875,000
10/01/2017	04/01/2018	22,325,000.00	0.00
04/01/2018	10/01/2018	22,325,000.00	2,955,000
10/01/2018	04/01/2019	19,370,000.00	0.00
04/01/2019	10/01/2019	19,370,000.00	3,030,000
10/01/2019	04/01/2020	16,340,000.00	0.00
04/01/2020	10/01/2020	16,340,000.00	3,110,000
10/01/2020	04/01/2021	13,230,000.00	0.00
04/01/2021	10/01/2021	13,230,000.00	3,200,000
10/01/2021	04/01/2022	10,030,000.00	0.00
04/01/2022	10/01/2022	10,030,000.00	3,280,000
10/01/2022	04/01/2023	6,750,000.00	0.00
04/01/2023	10/01/2023	6,750,000.00	3,335,000
10/01/2023	04/01/2024	3,415,000.00	0.00
04/01/2024	10/01/2024	3,415,000.00	3,415,000

Schedule B

Principal Payment Schedule

<u>Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>
2016	\$2,800,000
2017	2,875,000
2018	2,955,000
2019	3,030,000
2020	3,110,000
2021	3,200,000
2022	3,280,000
2023	3,335,000
2024	3,415,000

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