

**RESOLUTION NO. 2024-016**

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF HERNANDO COUNTY, FLORIDA ACCEPTING THE PROPOSAL OF DNT ASSET TRUST, A WHOLLY OWNED SUBSIDIARY OF JPMORGAN CHASE BANK, N.A., TO PROVIDE THE COUNTY WITH A TERM LOAN IN ORDER TO FINANCE COSTS OF THE ACQUISITION OF VEHICLES AND EQUIPMENT FOR THE COUNTY'S FLEET REPLACEMENT PROGRAM; APPROVING THE FORM OF A LOAN AGREEMENT; AUTHORIZING THE ISSUANCE OF THE HERNANDO COUNTY, FLORIDA NON-AD VALOREM REVENUE NOTE, SERIES 2024 PURSUANT TO SUCH LOAN AGREEMENT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,500,000 IN ORDER TO EVIDENCE SUCH LOAN; AUTHORIZING THE REPAYMENT OF SUCH SERIES 2024 NOTE FROM A COVENANT TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM REVENUES; DELEGATING CERTAIN AUTHORITY TO THE CHAIRMAN AND OTHER OFFICERS OF THE COUNTY FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF THE LOAN AGREEMENT, THE SERIES 2024 NOTE AND VARIOUS OTHER DOCUMENTS WITH RESPECT THERETO; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

**BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF HERNANDO COUNTY, FLORIDA:**

**SECTION 1. DEFINITIONS.** When used in this Resolution, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement (as defined herein), unless the context clearly indicates a different meaning.

"**Act**" shall mean the Florida Constitution, Chapter 125, Florida Statutes, and other applicable provisions of law.

"**Board**" shall mean the Board of County Commissioners of Hernando County, Florida.

"**Chairman**" shall mean the Chairman of the Board or, in his or her absence or unavailability, the Vice Chairman of the Board.

"**Clerk**" shall mean the Clerk of the Circuit Court and Comptroller of Hernando County, Florida and Ex-Officio Clerk of the Board of County Commissioners of Hernando

County, Florida and such other person as may be duly authorized to act on her or his behalf, including any Deputy Clerk.

**"County"** shall mean Hernando County, Florida.

**"County Administrator"** shall mean the County Administrator of the County or, in his or her absence or unavailability, any Assistant County Administrator or a designee of the County Administrator.

**"Financial Advisor"** shall mean PFM Financial Advisors LLC, and its successors and assigns.

**"Loan Agreement"** shall mean the Loan Agreement to be executed between the initial Noteholder and the County, which shall be substantially in the form attached hereto as Exhibit C.

**"Non-Ad Valorem Revenues"** shall have the meaning assigned such term in the Loan Agreement.

**"Noteholder"** or **"Holder"** or **"holder"** or any similar term, when used with reference to the Note, shall mean DNT Asset Trust, a Delaware statutory trust and a wholly owned subsidiary of JPMorgan Chase Bank, N.A., and its successors and assigns.

**"Project"** shall mean the acquisition and equipping of various vehicles and equipment for the County's fleet replacement program, as generally described in Exhibit A attached hereto and more particularly described in the plans and specifications on file with the County, as the same may be amended and supplemented from time to time.

**"Resolution"** shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by a supplemental resolution.

**"Series 2024 Note"** shall mean the Hernando County, Florida Non-Ad Valorem Revenue Note, Series 2024, as such Series 2024 Note is more particularly described in the Loan Agreement.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

**SECTION 2. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the provisions of the Act. The County has ascertained and hereby determined that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the County in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the County herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the County.

**SECTION 3. RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the purchase and acceptance of the Series 2024 Note by the Noteholder, the provisions of this Resolution shall be a part of the contract of the County with the Noteholder and shall be deemed to be and shall constitute a contract between the County and the Noteholder. The provisions, covenants and agreements in this Resolution set forth to be performed by or on behalf of the County shall be for the benefit, protection and security of the Noteholder.

**SECTION 4. FINDINGS.** It is hereby ascertained, determined and declared that:

(A) It is in the best interest of the County to undertake and implement the Project in order to improve and maintain the health, safety and welfare of the residents of the County.

(B) The County has determined that the most efficient and cost-effective method of financing a portion of the costs of the Project is through a term loan.

(C) The County's Financial Advisor solicited proposals from various financial institutions to provide a term loan to finance a portion of the costs of the Project.

(D) The Noteholder submitted its proposal (the "Proposal") to provide the County with a term loan to finance a portion of the costs of the Project, which Proposal was the most favorable proposal received by the County and is attached hereto as Exhibit B.

(E) The Series 2024 Note shall evidence such term loan and shall be repaid solely from the Non-Ad Valorem Revenues in the manner and to the extent set forth herein and in the Loan Agreement and the ad valorem taxing power of the County will never be necessary or authorized to pay said amounts.

(F) Due to the potential volatility of the market for municipal obligations such as the Series 2024 Note and the complexity of the transactions relating to the Series 2024 Note and the competitive nature of the solicitation process utilized in obtaining proposals

for the financing of the Project, it is in the best interest of the County to issue the Series 2024 Note by a negotiated sale to the Noteholder, allowing the County to sell and issue the Series 2024 Note at the most advantageous time, rather than at a specified advertised date, thereby permitting the County to obtain the best possible price, terms and interest rate for the Series 2024 Note.

**SECTION 5. AUTHORIZATION OF THE PROJECT AND THE FINANCING.** The Project is hereby authorized and the financing of a portion of the costs thereof with proceeds of the Series 2024 Note is also hereby authorized and approved.

**SECTION 6. ACCEPTANCE OF PROPOSAL.** The County hereby accepts the Proposal of the Noteholder to provide the County with a term loan to finance a portion of the costs of the Project, a copy of which Proposal is attached hereto as Exhibit B. The County Administrator is hereby authorized to execute and deliver any documents required to formally accept such Proposal and the terms thereof. All actions taken by officers of the County or their designees and the Financial Advisor with respect to such Proposal prior to the date hereof are hereby authorized and ratified. To the extent of any conflict between the provisions of this Resolution or the Loan Agreement and the Proposal, the provisions of this Resolution and the Loan Agreement shall prevail.

**SECTION 7. APPROVAL OF FORM OF LOAN AGREEMENT AND SERIES 2024 NOTE.** The County hereby approves a term loan from the Noteholder in the principal amount of not to exceed \$5,500,000. The terms and provisions of the Loan Agreement in substantially the form attached hereto as Exhibit C are hereby approved, with such changes, insertions and additions as the Chairman may approve. The County hereby authorizes the Chairman to execute and deliver, and the Clerk to attest and affix the County seal to, the Loan Agreement substantially in the form attached hereto as Exhibit C, with such changes, insertions and additions as the Chairman may approve, his execution thereof being conclusive evidence of such approval. In order to evidence the loan under the Loan Agreement, it is necessary to provide for the execution of the Series 2024 Note. The Chairman and the Clerk are authorized to execute and deliver the Series 2024 Note substantially in the form attached to the Loan Agreement as Exhibit B to the Loan Agreement with such changes, insertion and additions as they may approve, their execution thereof being evidence of such approval. The Series 2024 Note shall have a final maturity of May 1, 2034. The interest rate on the Series 2024 Note shall be a fixed interest rate determined in accordance with the provisions of the Proposal, which interest rate shall not exceed 5.00% per annum. The Chairman, the Clerk and the Finance Director are each authorized to execute a Rate Lock Letter Agreement with the Noteholder or JPMorgan Chase Bank, N.A., in order to lock the interest rate for the Series 2024 Note, which Rate Lock Letter Agreement shall be substantially in the form attached hereto as Exhibit D, with such changes as the County's signatory thereto may approve, upon the advice of the Financial Advisor and Bond Counsel, the signature of such signatory being evidence of such approval. The Chairman shall determine, with the advice of the Financial Advisor,

the prepayment provisions for the Series 2024 Note, the principal amount of the Series 2024 Note and the principal repayment schedule for the Series 2024 Note and all of such terms and the other terms of the Series 2024 Note shall be set forth in the Loan Agreement and the Series 2024 Note.

**SECTION 8. LIMITED OBLIGATION.** The obligation of the County to repay the Series 2024 Note is a limited and special obligation payable from Non-Ad Valorem Revenues solely in the manner and to the extent set forth in the Loan Agreement and shall not be deemed a pledge of the faith and credit or taxing power of the County and such obligation shall not create a lien on any property whatsoever of or in the County. The Non-Ad Valorem Revenues shall consist of legally available Non-Ad Valorem Revenues budgeted and appropriated by the Board to pay debt service on the Series 2024 Note, all in the manner and to the extent described in the Loan Agreement.

**SECTION 9. GENERAL AUTHORIZATION.** The Chairman, the County Administrator, the Clerk, the Finance Director and the County Attorney are authorized to execute and deliver such documents, instruments and contracts, whether or not expressly contemplated hereby; and the County Attorney and other employees or agents of the County are hereby authorized and directed to do all acts and things required hereby or thereby as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution.

**SECTION 10. REPEAL OF INCONSISTENT DOCUMENTS.** All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

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**SECTION 11. EFFECTIVE DATE.** This Resolution shall become effective immediately upon its adoption.

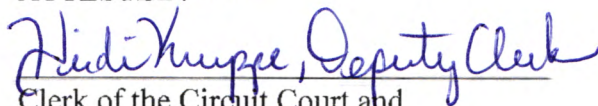
**PASSED AND DULY ADOPTED** this 26th day of March 2024.




**HERNANDO COUNTY, FLORIDA**

By:   
Chairman, Board of County Commissioners

ATTESTED:

  
Clerk of the Circuit Court and  
Comptroller and Ex-Officio Clerk of the  
Board of County Commissioners

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

  
County Attorney's Office

## EXHIBIT A

### GENERAL DESCRIPTION OF THE PROJECT

The Project generally includes the following vehicles (and related and necessary equipment), as the same may be amended and supplemented from time to time:

FLEET REPLACEMENT PROGRAM - RECON					
<u>Dept</u>	<u>Dept Name</u>	<u>Equip ID</u>	<u>Manufacturer</u>	<u>Model ID/ Description</u>	<u>ETA</u>
1421	Animal Services	new	Texas Trailers	cargo trailer	23-Dec
1461	Aquatics	19494	Alan Jay	Ford F350	24-Mar
1531	Code Enforcement	new	Alan Jay	Ford F150	24-Mar
3232	DPW	15182	Texas Trailers	6x16 trailer	24-Feb
3232	DPW	15085	Texas Trailers	6x16 trailer	24-Feb
3232	DPW	new	Dobbs	hydroseeder	24-Apr
3232	DPW	19423	Ring Power	backhoe	24-Apr
3232	DPW	20044	Alan Jay	Ford F550	24-Mar
3232	DPW	20025	Alan Jay	Ford F250	24-Mar
3232	DPW	new	Alan Jay	Ford F150	24-Mar
3232	DPW	19410	Alan Jay	Ford F250	24-Mar
3232	DPW	19426	Dobbs	John Deere tractor	24-Apr
3232	DPW	18885	Alan Jay	Ford F250	24-Mar
3232	DPW	14007	Dobbs	trailer	24-Apr
1352	DPW Engineering	new	Alan Jay	Ford F150	24-Mar
1701	Facilities	19428	Alan Jay	Ford Explorer	24-Mar
1701	Facilities	15111	Beard Equipment	John Deere Gator	24-Apr
1701	Facilities	new	Alan Jay	Ford F250	24-Mar
2261	Fire	new	SFLEV	Fouts tanker	23-Dec
2261	Fire	new	Sutphen	G2 engine	23-Dec
2491	Fire	new	Rev RTC	(2) medics	24-Feb
2261	Fire	17593	Alan Jay	Ford F150	24-Mar
2261	Fire	20345	Alan Jay	Ford F150	24-Mar
2261	Fire	17684	Alan Jay	Ford F150	24-Mar
8021	Fleet	15613	Alan Jay	Ford Maverick	24-Mar
8021	Fleet	17653	Alan Jay	Ford F250	24-Mar
8021	Fleet	19402	Alan Jay	Toyota Sienna	24-Mar
1951	IT	new	Alan Jay	Ford Explorer	24-Mar
7604	Landfill	18862	Tampa Crane	Galbreath trailer	24-Feb
7604	Landfill	18861	Tampa Crane	Galbreath trailer	24-Feb
7604	Landfill	18860	Tampa Crane	Galbreath trailer	24-Feb
7604	Landfill	18880	Alan Jay	Ford F250	24-Mar
7604	Landfill	18887	Alan Jay	Ford F250	24-Mar
7604	Landfill	18888	Alan Jay	Ford F250	24-Mar
7604	Landfill	new	Nextran	Mack straight truck	24-Jul
3302	Mosquito Control	19462	Alan Jay	Ford F250	24-Mar
4441	Parks	new	Global Industrial	mobile pressure washer	23-Nov
4441	Parks	15103	Texas Trailers	cargo trailer	24-Feb
4441	Parks	new	Udump	16yd dumpster	23-Nov
4441	Parks	new	Wesco Turf	tow behind mower	24-Apr
4441	Parks	19456	Beard Equipment	John Deere mower	24-Apr
4441	Parks	19443	Beard Equipment	John Deere Gator	24-Apr
4441	Parks	new	Beard Equipment	multipro sprayer	24-Apr
4441	Parks	18377	Beard Equipment	John Deere Gator	24-Apr
4441	Parks	new	Everglades	5' Bush Hog	24-Apr
4441	Parks	15366	Beard Equipment	aerator	24-Apr
4441	Parks	new	Everglades	John Deere tractor	24-Apr
1102	PIO	new	Alan Jay	Toyota Sienna	24-Mar
1751	Planning	19466	Alan Jay	Chevrolet Malibu	24-Mar
1521	Sensitive Lands	15176	Alan Jay	Ford F250	24-Mar
3233	Traffic	13942	Texas Trailers	7x14 trailer	24-Feb
3233	Traffic	14001	Texas Trailers	cargo trailer	24-Feb
3233	Traffic	9210	Texas Trailers	trailer	24-Feb
3233	Traffic	18867	Federal Contracts	message board	23-Dec
3233	Traffic	20035	Alan Jay	Ford F250	24-Mar

## **EXHIBIT B**

Proposal of DNT Asset Trust



**Hernando County, Florida**  
**Direct Purchase Non-Ad Valorem Revenue Note, Series 2024**  
**Summary of Terms and Conditions**  
**February 14, 2024**

This Summary of Terms and Conditions (the "Term Sheet") is confidential, is intended as a statement of indicative terms only, and is provided to facilitate additional discussion. It is a proposal for your consideration only and not a commitment by DNT Asset Trust, a Delaware statutory trust and wholly-owned subsidiary of JPMorgan Chase Bank, N.A. ("JPMorgan") to provide the financing described in this Term Sheet. The rates and fees set forth in this proposal are indicative and are subject to market conditions at all times until JPMorgan would commit to them in writing and, in any event, should not be regarded as indicative after the date of this Term Sheet. Subject to the foregoing, the terms in this proposal expire on March 15, 2024.

**PRINCIPAL TERMS:**

<b>Purchaser</b>	DNT Asset Trust, a Delaware statutory trust, wholly owned subsidiary of JPMorgan Chase Bank, N.A., and an accredited investor and qualified institutional buyer ("Purchaser").
<b>Bondholder Representative</b>	JPMorgan Chase Bank, N.A. (the "Bondholder Representative" or the "Bank") and its successors and assigns, or any other entity subsequently appointed by a majority of the bondholders, would act as the representative on behalf of the bondholders and would be the party to provide consent, direct remedies and take action on behalf of the Purchaser and other bondholders under the Facility Documents.
<b>Issuer</b>	Hernando County, Florida (the "Borrower")
<b>Facility/Amount</b>	A single maturity Tax-Exempt Bond, in the amount of \$5,500,000 (the "Note" or "Facility").
<b>Purpose</b>	Proceeds of the Facility would be used to fund (i) the purchase of fleet vehicles and (ii) to pay related cost of issuance.
<b>Security</b>	The Borrower will covenant and agree to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues amounts sufficient to pay debt service on the Note.
<b>Interest Rates**</b>	See Appendix
<b>Interest Day Basis</b>	30/360
<b>Financial Covenants</b>	Anti-Dilution Test at 1.5x of the Maximum Annual Debt Service
<b>Note Maturity Date:</b>	May 1, 2034
<b>Legal Fees</b>	Borrower to pay all legal fees of Purchaser. Legal fees are capped at \$9,000 (review only). Mark-David Adams of Locke Lord LLP to be engaged to represent the Purchaser. Mark-David can be reached by phone at 561-820-0281 or by email at mark.adams@lockelord.com.

\*\*Interest rates are indicative until commitment letter and rate lock letter executed by Issuer.

*Additional customary terms and explanations follow in the attached Appendix*

## APPENDIX

**INTEREST RATES, PAYMENTS AND FEES****Non-Bank Qualified****Fixed Interest Rate:**

The Facility would accrue interest at a fixed rate per annum as set forth below, based upon the tenor selected by the Issuer. The following fixed interest rates are indicative as of February 14, 2024 and are subject to change daily until a written rate lock letter agreement is executed between the Issuer and the Purchaser:

Tenor	Optional Redemption Date	Indicative Fixed Rate
10 Years	Standard Make Whole	4.02% per annum
10 Years	May 1, 2026	5.08% per annum
10 Years	May 1, 2028	4.47% per annum
10 Years	May 1, 2030	4.22% per annum
10 Years	May 1, 2032	4.09% per annum

**Note Payments /****Amortization:**

Interest would be payable semi-annually commencing on November 1, 2024.

Principal would be payable annually commencing on May 1, 2025.

Maturity	Principal
5/1/2025	440,000
5/1/2026	485,000
5/1/2027	500,000
5/1/2028	520,000
5/1/2029	540,000
5/1/2030	560,000
5/1/2031	580,000
5/1/2032	600,000
5/1/2033	625,000
5/1/2034	650,000
<b>Total</b>	<b>5,500,000</b>

**Prepayment/Breakage:**

Subject to the notification requirements described in the Facility Documents, the Facility may be prepaid, in whole or in part, without premium or penalty if paid on or after the Optional Redemption Date. Any prepayment on a date other than on the Optional Redemption Date is subject to breakage costs payable by the Borrower.

**Maximum Interest Rate:**

No limitation would exist in the Facility Documents or authorizing resolution that restricts the interest rate to any rate lower than the maximum rate permitted by law.

**Default Rate:**

The then-applicable interest rate + 4.00%.

**OTHER FACILITY TERMS AND PROVISIONS**

<b>Drawdown:</b>	The proceeds of the Facility would be fully drawn on the date of issuance.
<b>Required Documents:</b>	The terms of the Facility would be evidenced by definitive agreements, instruments and documents (collectively, the "Facility Documents") that are usual and customary for a direct purchase note transaction. The Facility Documents would include, but not be limited to, the terms and conditions outlined herein as well as representations and warranties, covenants, conditions precedent, events of default, remedies, to the extent permitted by law, waiver of jury trial, compliance with anti-corruption and sanctions laws, and would otherwise be satisfactory in form and substance to the Purchaser and its counsel. Such Facility Documents shall be prepared by Bond Counsel or Borrower's Counsel, as appropriate.
<b>Conditions Precedent:</b>	<p>Usual and customary representations and warranties and other conditions prior to the issuance of the Note for like situated issuers and for the type and term of the Facility, including absence of default, absence of material litigation and absence of material adverse change from the Issuer's financial conditions and operations as reflected in the financial statements of the Issuer as of September 30, 2022.</p> <p>Additional conditions precedent would include delivery of acceptable Facility Documents and legal opinions, including an opinion of bond counsel as to the validity and enforceability of the obligations of the Issuer under the Facility Documents and that interest payable on the Facility is exempt from federal taxation.</p> <p>The Issuer shall be rated AA- by S&amp;P.</p>
<b>Financial Covenants:</b>	<p>In addition to the financial covenants contained in the Issuer's other debt documents, the Purchaser would require the following financial covenants, as further defined or described in the Facility Documents:</p> <p>The Issuer agrees and covenants with the Purchaser that upon the issuance of any subsequent Debt (A) Non-Ad Valorem Revenues shall cover projected Maximum Annual Debt Service on the Series 2024 Note and maximum annual debt service on Debt by at least 1.5x; and (B) projected Maximum Annual Debt Service on the Series 2024 Note and maximum annual debt service for all Debt will not exceed 20% of all Governmental Funds Revenues, exclusive of (i) ad valorem tax revenues restricted to payment of debt service on any Debt and (ii) any proceeds of the Series 2024 Note or Debt.</p>
<b>Reporting Covenants:</b>	<p>The Borrower would provide the following items in an electronic format acceptable to the Purchaser:</p> <ol style="list-style-type: none"> <li>1. Annual, audited, consolidated and consolidating financial statements of the Borrower within 180 days of fiscal year end.</li> <li>2. Together with the above financial statements, a certificate that no Event of Default has occurred to be signed by an Authorized Officer of the Issuer in a form satisfactory to the Bank.</li> <li>3. As soon as available, and, in any event, within 30 days after its approval, but in no event later than 60 days after the beginning of each Fiscal Year, the annual budget for the Borrower for such Fiscal Year.</li> <li>4. Additional information as reasonably requested by the Bank.</li> </ol>

<b>Tax Gross-Up:</b>	If the interest payable on the Facility becomes taxable as a result of actions, inactions, error or omissions by the Issuer, the interest rate payable on the Facility would increase from the effective date of such taxability to a taxable equivalent rate. The Purchaser would not require any adjustment to the Interest Rate for (i) changes to the regulatory environment or required regulatory capital, or (ii) changes to the Purchaser's marginal corporate tax rate or (iii) changes due to a decline in the Issuer's public bond rating.
<b>Sale / Assignment:</b>	The Issuer would agree that the Purchaser may without limitation (i) at any time sell, assign, pledge or transfer all or a portion of the Note, or one or more interests in all or any part of the Purchaser's rights and obligations under the Note to one or more assignees and/or participants which may include affiliates of the Purchaser; and (ii) at the Purchaser's option, disclose information and share fees with such assignees and/or participants.
<b>Waiver of Jury Trial:</b>	The Issuer and the Purchaser will waive, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to this Term Sheet, any related documentation, or the transactions contemplated hereby or thereby.
<b>Governing Law:</b>	All aspects of the Facility including this Term Sheet and any Facility Documents would be governed by the laws of the State of Florida.
<b>Municipal Advisor Disclosure:</b>	The Issuer acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Issuer and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Issuer, (iii) the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the Issuer on other matters), (v) the Purchaser and its affiliates have financial and other interests that differ from those of the Issuer, and (vi) the Issuer has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.
<b>Expenses:</b>	The Issuer would pay or reimburse the Purchaser for all its out-of-pocket costs and expenses and reasonable attorneys' fees where not prohibited by applicable law and incurred in connection with (i) the development, preparation and execution of the Facility, and (ii) in connection with the enforcement or preservation of any rights under any agreement, any amendment, supplement, or modification thereto, and any other loan documents both before and after judgment.
<b>Information Sharing:</b>	The Issuer would agree that the Purchaser may provide any information or knowledge the Purchaser may have about the Issuer or about any matter relating to the Facility Documents or the Facility described in this Term Sheet to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers or potential purchasers of the Note, or participants or assignees of the Note or the Facility described in this Term Sheet.
<b>EMMA and Rating Agency Disclosure:</b>	Purchaser acknowledges that information about the Facility may be posted on the MSRB's EMMA website as may be required under MSRB rules, may be referenced in "new event notice" requirements under SEC rules, or otherwise disclosed pursuant to best practices in order to maintain transparency with Issuer's existing creditors and rating agencies. Such information, inclusive of the Note indenture, may be posted and/or disclosed, subject to redaction, as requested by Purchaser, including, without limitation, signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information, to the extent that such redactions would not violate any disclosure obligations under applicable MSRB and SEC rules.

**Know Your Customer:** All "Know Your Customer" requirements will be met.

**Loan Closing Statement:** Issuer to provide loan closing statements, signed by an authorized signer, that provides all disbursement instructions including wire details, if applicable.

**Confidentiality:** This Term Sheet is for the Issuer's confidential review and may not be disclosed by it to any other person other than its employees, attorneys, board members and financial advisors (but not other commercial lenders), and then only in connection with the transactions being discussed and on a confidential basis, except where disclosure is required by law, or where the Purchaser consents to the proposed disclosure.

**Purchaser Credit Decision:** Satisfactory final due diligence, in the Purchaser's sole discretion, would be required consisting of, but may not be limited to, full review of requested financial statements and financing documents and discussions with management and other background due diligence of the Issuer and its management. Should the Issuer request financing substantially on the terms and conditions described in this Term Sheet, the Purchaser's credit decision would be made promptly after receipt of such request and completion of due diligence.

**Bank Contacts:**

<b>John McAuley</b> Managing Director 100 N Tampa St, Floor 33 Tampa, FL 33602 W: 813-483-8253 John.T.Mcauley@jpmorgan.com	<b>Olga Held</b> Vice President 383 Madison Ave, Floor 24 New York, NY, 10017 W: 212-270-3172 olga.held@jpmorgan.com
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Should you have any questions, please do not hesitate to contact either of us. Thank you for this opportunity.

Sincerely,

*John McAuley*

John McAuley

*Olga Held*

Olga Held

## **EXHIBIT C**

### **Form of Loan Agreement**

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**LOAN AGREEMENT**

**BETWEEN**

**HERNANDO COUNTY, FLORIDA**

**AND**

**DNT ASSET TRUST,  
a wholly owned subsidiary of  
JPMorgan Chase Bank, N.A.**

**DATED AS OF APRIL 4, 2024**

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This **LOAN AGREEMENT** (this "Agreement") is made and entered into as of April 4, 2024, by and between **HERNANDO COUNTY, FLORIDA**, a political subdivision under the laws of the State of Florida (the "County"), and **DNT ASSET TRUST**, a Delaware statutory trust and wholly owned subsidiary of JPMorgan Chase Bank, N.A., which is authorized to do business in the State of Florida, and its successors and assigns (the "Noteholder");

**WITNESSETH:**

**WHEREAS**, the County is authorized by provisions of the Florida Constitution, Chapter 125, Florida Statutes, and other applicable provisions of law (collectively, the "Act") to, among other things, acquire, construct, equip, own, sell, lease, operate and maintain various capital improvements and public facilities to promote the health, welfare and economic prosperity of the residents of the County and to borrow money to finance and refinance the acquisition, construction, equipping and maintenance of such capital improvements and public facilities; and

**WHEREAS**, the County has various capital improvement requirements in the form of the hereinafter defined Project that need to be acquired and equipped in order to improve and maintain the health, safety and welfare of the residents of the County; and

**WHEREAS**, the County has determined that the most efficient and cost-effective method of financing costs of the Project is through a term loan; and

**WHEREAS**, the financial advisor for the County, PFM Financial Advisors LLC (the "Financial Advisor"), solicited bids on behalf of the County from various financial institutions to provide a term loan to the County to finance costs of the Project; and

**WHEREAS**, the proposal submitted by DNT Asset Trust, a wholly owned subsidiary of JPMorgan Chase Bank, N.A. (including any subsequent successors or assigns, the "Noteholder") was the most favorable proposal received by the County; and

**WHEREAS**, the Noteholder is willing to make a term loan to the County, and the County is willing to incur such term loan, pursuant to the terms and provisions of this Agreement in an aggregate principal amount of \$ \_\_\_\_\_ to finance costs of the Project and to pay costs of issuance of the hereinafter defined Series 2024 Note.

**NOW, THEREFORE, THIS AGREEMENT WITNESSETH:**

That 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 terms defined in this Article I shall, for all purposes of this Agreement, have the meanings in this Article I specified, unless the context clearly otherwise requires.

**"Act"** shall mean the Florida Constitution, Chapter 125, Florida Statutes, and other applicable provisions of law.

**"Agreement"** shall mean this Loan Agreement, dated April 4, 2024, between the County and the Noteholder and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

**"Authorized County Officer"** shall mean the Chairman, the County Administrator or the Clerk or any other person authorized to act on any of their behalfs.

**"Board"** shall mean the Board of County Commissioners of Hernando County, Florida.

**"Bond Counsel"** shall mean Nabors, Giblin & Nickerson, P.A., Tampa, Florida or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

**"Business Day"** shall mean any day other than a Saturday, Sunday or a day on which the Noteholder is authorized or required to be closed.

**"Chairman"** shall mean the Chairman of the Board or, in his or her absence or unavailability, the Vice Chairman of the Board.

**"Clerk"** shall mean the Clerk of the Circuit Court and Comptroller of Hernando County, Florida and Ex-Officio Clerk of the Board of County Commissioners of Hernando County, Florida and such other person as may be duly authorized to act on his or her behalf, including any Deputy Clerk.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended, and applicable rules and regulations.

**"Counterparty"** shall mean the entity entering into a Hedge Agreement with the County. Counterparty would also include any guarantor of such entity's obligations under such Hedge Agreement.

**"County"** shall mean Hernando County, Florida.

**"County Administrator"** shall mean the County Administrator of the County or, in his or her absence or unavailability, any Deputy County Administrator or a designee of the County Administrator.

**"Debt"** shall mean at any date (without duplication) all of the following to the extent that they are secured by or payable in whole or in part from any Non-Ad Valorem Revenues (A) all obligations of the County for borrowed money or evidenced by bonds, debentures, notes or other similar instruments; (B) 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; (C) all obligations of the County as lessee under capitalized leases; and (D) all indebtedness of other Persons to the extent guaranteed by, or secured by, Non-Ad Valorem Revenues of the County; provided, however, if with respect to any obligation contemplated in (A), (B), or (C) above, the County has covenanted to budget and appropriate sufficient Non-Ad Valorem Revenues as a secondary source of security for any such obligation but has not secured such obligation with a lien on or pledge of any Non-Ad Valorem Revenues then, and with respect to any obligation contemplated in (D) above, such obligation shall not be considered "Debt" for purposes of this Agreement unless the County has actually used Non-Ad Valorem Revenues to satisfy such obligation during the immediately preceding Fiscal Year or reasonably expects to use Non-Ad Valorem Revenues to satisfy such obligation in the current or immediately succeeding Fiscal Year. After an obligation is considered "Debt" as a result of the proviso set forth in the immediately preceding sentence, it shall continue to be considered "Debt" until the County has not used any Non-Ad Valorem Revenues to satisfy such obligation for two consecutive Fiscal Years.

**"Default Rate"** shall mean the then current Interest Rate on the Series 2024 Note plus 4.00% per annum.

**"Determination of Taxability"** shall mean (A) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Series 2024 Note is includable for federal income tax purposes in the gross income of the Noteholder thereof, which notice or notification is not contested by either the County or any Noteholder of the Series 2024 Note, or (B) a determination by a court of competent jurisdiction that the interest payable on the Series 2024 Note is includable for federal income tax purposes in the gross income of the Noteholder thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (C) the admission in writing by the County to the effect that interest on the Series 2024 Note is includable for federal income tax purposes in the gross income of the Noteholder thereof. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on the Series 2024 Note is deemed includable in the gross income of the Noteholder. Notwithstanding the foregoing, a Determination of Taxability will only be

deemed to have occurred as the result of any act or omission by the County. A Determination of Taxability does not include and is not triggered by a change in law by Congress that causes the interest to be includable in the Noteholder's gross income.

**"Financial Advisor"** shall mean the County's financial advisor, which as of the date hereof is PFM Financial Advisors LLC.

**"Fiscal Year"** shall mean the 12-month period commencing on October 1 of any year and ending on September 30 of the immediately succeeding year.

**"Fitch"** shall mean Fitch Ratings, and any successors or assigns thereto.

**"Governmental Funds"** shall mean the "Governmental Funds" of the County as described and identified in the County's annual audit.

**"Governmental Funds Revenues"** shall mean total revenues of the County derived from any source whatsoever and that are allocated to and accounted for in the Governmental Funds as shown in the County's annual audit.

**"Hedge Agreement"** shall mean an agreement in writing between the County and a Counterparty pursuant to which (A) the County agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement and (B) the Counterparty agrees to pay to the County an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement.

**"Hedge Payments"** shall mean any amounts payable by the County on the debt or the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or by virtue of termination of a Qualified Hedge Agreement or any obligation of the County to provide collateral.

**"Interest Rate"** shall mean a fixed interest rate equal to \_\_\_\_% per annum. The Interest Rate is subject to adjustment pursuant to Section 3.03 and Section 4.02 hereof.

**"Maturity Date"** shall mean May 1, 2034.

**"Maximum Annual Debt Service"** shall mean the largest aggregate amount of the annual debt service coming due on the Series 2024 Note in any Fiscal Year.

**"Moody's"** shall mean Moody's Investors Service, and any successor or assigns thereto.

**"Non-Ad Valorem Revenues"** shall mean all revenues of the County derived from any source whatsoever other than revenues generated from ad valorem taxation on real or personal property, and which are legally available to make the payments required herein.

**"Noteholder"** or **"Holder"** or **"holder"** or any similar term, when used with reference to a Note, shall mean DNT Asset Trust, a Delaware statutory trust and wholly owned subsidiary of JPMorgan Chase Bank, N.A., and any successors or assigns thereto.

**"Noteholder Representative"** shall mean JPMorgan Chase Bank, N.A. and any successors or assigns thereto, or any other entity specified in writing by the Noteholder to be the Noteholder Representative hereunder.

**"Person"** shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, governmental entity or other legal entity.

**"Qualified Hedge Agreement"** shall mean a Hedge Agreement with respect to which the County has received written notice from at least two of the Rating Agencies that the rating of the Counterparty is not less than "A."

**"Project"** shall mean the capital improvements generally described in the Resolution, as more particularly described in the plans and specifications on file with the County, as the same may be modified and/or supplemented from time to time.

**"Rating Agencies"** shall mean Fitch, Moody's and Standard and Poor's.

**"Resolution"** shall mean Resolution No. 2024-\_\_\_\_ adopted by the County on March 26, 2024, which, among other things, authorized the execution and delivery of this Agreement and the issuance of the Series 2024 Note.

**"Series 2024 Note"** shall mean the Hernando County, Florida Non-Ad Valorem Revenue Note, Series 2024, authorized to be issued by the Resolution and more particularly described in Article III hereof.

**"Standard and Poor's"** shall mean S & P Global Ratings, a business of Standard & Poor's Financial Services Inc., and any successors and assigns thereto.

**"State"** shall mean the State of Florida.

**"Tax Certificate"** shall mean the Certificate as to Arbitrage and certain Other Tax Matters to be executed by the County in connection with the issuance of the Series 2024 Note, as such certificate may be amended from time to time.

**SECTION 1.02. INTERPRETATION.** Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of

the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. Any capitalized term used in this Agreement not herein defined shall have the meaning ascribed to such term in the Resolution. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

**SECTION 1.03. TITLES AND HEADINGS.** The titles and headings of the articles and sections of this Agreement, which 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.

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## **ARTICLE II**

### **REPRESENTATIONS, WARRANTIES AND COVENANTS; SECURITY FOR SERIES 2024 NOTE**

**SECTION 2.01. REPRESENTATIONS AND COVENANTS BY THE COUNTY.** The County represents, warrants and covenants that:

(a) The County is a duly organized and validly existing political subdivision under the Florida Constitution and other laws of the State. Pursuant to the Resolution, the County has duly authorized the execution and delivery of this Agreement, the performance by the County of all of its obligations hereunder, and the issuance of the Series 2024 Note in the principal amount of \$ .

(b) The County has complied with all of the provisions of the Constitution and laws of the State, including the Act, and has full power and authority to enter into and consummate all transactions contemplated by this Agreement or under the Series 2024 Note, and to perform all of its obligations hereunder and under the Series 2024 Note, and to the best knowledge of the County, after due inquiry, the transactions contemplated hereby do not conflict with the terms of any statute, order, rule, regulation, judgment, decree, agreement, instrument or commitment to which the County is a party or by which the County is bound.

(c) The County is duly authorized and entitled to issue the Series 2024 Note and enter into this Agreement and, when executed and delivered, the Series 2024 Note and this Agreement will each constitute a legal, valid and binding obligation of the County enforceable in accordance with its respective terms, subject as to enforceability to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(d) There are no actions, suits or proceedings pending or, to the best knowledge of the County, threatened against or affecting the County, at law or in equity, or before or by any governmental authority, that, if adversely determined, would materially impair the ability of the County to perform the County's obligations under this Agreement or under the Series 2024 Note, in any way questioning or affecting the organization or existence of the County or the right of any of its officers to their respective offices, in any way questioning or affecting the covenant to budget and appropriate the Non-Ad Valorem Revenues, or which would have a materially adverse effect on the County (financial or otherwise).

**SECTION 2.02. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE NOTEHOLDER.** The Noteholder hereby represents, warrants and agrees that it is a Delaware statutory trust and wholly owned subsidiary of JPMorgan



Chase Bank, N.A., authorized to execute and deliver this Agreement and to perform its obligations hereunder, and such execution and delivery will not constitute a violation of its charter, articles of association or bylaws. Pursuant to the terms and provisions of this Agreement, the Noteholder agrees to provide a term loan to the County as evidenced hereby and by the Series 2024 Note for the purpose of financing costs of the Project and paying costs of issuance of the Series 2024 Note.

**SECTION 2.03. SERIES 2024 NOTE SHALL NOT BE INDEBTEDNESS OF THE COUNTY OR STATE.** The Series 2024 Note, when delivered by the County pursuant to the terms of this Agreement, shall not be or constitute an indebtedness of the County, the State of Florida or any political subdivision or agency thereof, within the meaning of any constitutional, statutory or charter limitations of indebtedness, but shall be payable solely as herein provided. The Noteholder shall never have the right to compel the exercise of the ad valorem taxing power of the County, or taxation in any form on any property therein to pay the Series 2024 Note or the interest thereon. The Series 2024 Note is a special and limited obligation secured by and payable as to principal and interest from the Non-Ad Valorem Revenues budgeted and appropriated to the extent and in the manner provided herein.

**SECTION 2.04. COVENANT TO BUDGET AND APPROPRIATE NON-AD VALOREM REVENUES.** During such time as the Series 2024 Note is outstanding hereunder or any amounts due hereunder or with respect to the Series 2024 Note remain unpaid or outstanding, the County covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues amounts sufficient to pay principal of and interest on the Series 2024 Note when due. Such covenant and agreement on the part of the County to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the County, the County does not covenant to maintain any services or programs, now provided or maintained by the County, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the County from pledging in the future its Non-Ad Valorem Revenues, nor does it require the County to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Noteholder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the County. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Series

2024 Note, in the manner described herein, Non-Ad Valorem Revenues and placing on the County a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 129.07, Florida Statutes, which generally provide that the governing body of each county may only make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the County or which are legally mandated by applicable law.

**SECTION 2.05. PAYMENT COVENANT.** The County covenants that it shall duly and punctually pay from the Non-Ad Valorem Revenues in accordance with Section 2.04 hereof, the principal of and interest on the Series 2024 Note at the dates and place and in the manner provided herein and in the Series 2024 Note according to the true intent and meaning thereof and all other amounts due under this Agreement.

**SECTION 2.06. ANTI-DILUTION.** During such time as the Series 2024 Note is outstanding hereunder, or any amounts due hereunder or with respect to the Series 2024 Note remain unpaid or outstanding, the County agrees and covenants with the Noteholder that upon the issuance of any subsequent Debt (A) Non-Ad Valorem Revenues shall cover projected Maximum Annual Debt Service on the Series 2024 Note and maximum annual debt service on all Debt by at least 1.5x; and (B) projected Maximum Annual Debt Service on the Series 2024 Note and maximum annual debt service for all Debt will not exceed 20% of all Governmental Funds Revenues, exclusive of (i) ad valorem tax revenues restricted to payment of debt service on any Debt and (ii) any proceeds of the Series 2024 Note or Debt. The calculations required by clauses (A) and (B) above shall be determined using the average of actual Non-Ad Valorem Revenues and Governmental Funds Revenues for the prior two Fiscal Years based on the County's annual audits. For purposes of the calculations required by clauses (A) and (B) above, Maximum Annual Debt Service on the Series 2024 Note and maximum annual debt service on all Debt shall be done on an aggregate basis whereby the annual debt service for each is combined and the overall maximum is determined.

For the purposes of determining maximum annual debt service for Debt pursuant to the covenants contained in this Section 2.06, annual debt service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual annual debt service, and, with respect to Debt which bears interest at a variable interest rate, annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the current "Bond Buyer Revenue Bond Index" as published in *The Bond Buyer* no more than two weeks prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, annual debt service on such Debt shall be determined assuming such Debt is amortized from the date of incurrence over 30 years on an

approximately level debt service basis. For purposes of the foregoing sentence, "Balloon Indebtedness" means Debt, 25% or more of the original principal of which matures during any one Fiscal Year. In addition, with respect to debt service on any Debt which is subject to a Qualified Hedge Agreement, interest on such Debt during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time. With respect to debt service on any Debt with respect to which the County elects to receive or is otherwise entitled to receive direct subsidy payments from the United States Department of Treasury, when determining the interest on such Debt for any particular interest payment date the amount of the corresponding subsidy payment shall be deducted from the amount of interest which is due and payable with respect to such Debt on the interest payment date, but only to the extent that the County reasonably believes that it will be in receipt of such subsidy payment on or prior to such interest payment date.

**SECTION 2.07. TAX COVENANT.** (a) In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Series 2024 Note, the County shall comply with each requirement of the Code applicable to the Series 2024 Note. In furtherance of the covenant contained in the preceding sentence, the County agrees to continually comply with the provisions of the Tax Certificate, which is incorporated fully by reference herein, as a source of guidance for achieving compliance with the Code.

(b) The County shall make any and all rebate payments required to be made to the United States Department of the Treasury in connection with the Series 2024 Note pursuant to Section 148(f) of the Code.

(c) So long as necessary in order to maintain the exclusion from gross income of interest on the Series 2024 Note for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Series 2024 Note and the interest thereon, including any payment or defeasance thereof.

(d) The County shall not take or permit any action or fail to take any action which would cause the Series 2024 Note to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

**SECTION 2.08. OTHER COVENANTS.** The County will furnish to the Noteholder, if not otherwise available on the Electronic Municipal Market Access website or the County's website, within 215 days after the close of each Fiscal Year a copy of the annual audited financial statements of the County, audited by a certified public accountant, together with a certificate executed by an Authorized County Officer to the effect that the County is not in default under this Agreement. The County shall provide the Noteholder, if not otherwise available on the County's website, with a copy of the annual budget of the County each year within 30 days of the final adoption of such budget and no later than 60 days after the beginning of each Fiscal Year. With reasonable promptness the County shall

provide such other information as may be reasonably requested by the Noteholder from time to time.

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## **ARTICLE III**

### **DESCRIPTION OF SERIES 2024 NOTE; PAYMENT TERMS; OPTIONAL PREPAYMENT**

**SECTION 3.01. DESCRIPTION OF THE SERIES 2024 NOTE.** (a) The County hereby authorizes the issuance and delivery of the Series 2024 Note to the Noteholder which Series 2024 Note shall be in a principal amount equal to AND 00/100 DOLLARS (\$) and shall be designated as the "Hernando County, Florida Non-Ad Valorem Revenue Note, Series 2024." The text of the Series 2024 Note shall be substantially in the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable to reflect the particular terms of the Series 2024 Note. The provisions of the form of the Series 2024 Note are hereby incorporated in this Agreement.

(b) The Series 2024 Note shall be dated the date of its delivery. The Series 2024 Note shall be issued as one note and the authorized denomination of the Series 2024 Note shall be its outstanding principal amount. The Series 2024 Note shall be executed in the name of the County by the manual signature of the Chairman and the official seal of the County shall be affixed thereto and attested by the manual signature of the Clerk. In case any one or more of the officers, who shall have signed or sealed the Series 2024 Note, shall cease to be such officer of the County before the Series 2024 Note so signed and sealed shall have been actually delivered, such Series 2024 Note may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed such Series 2024 Note had not ceased to hold such office.

(c) The Series 2024 Note shall bear interest from its date of issuance at the Interest Rate (calculated on the basis of a 360-day year comprised of twelve 30-day months) as the same may be adjusted pursuant to Section 3.03 and Section 4.02 hereof hereof. Interest on the Series 2024 Note shall be payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2024 (each an "Interest Payment Date") so long as any amount under the Series 2024 Note remains outstanding. Principal of the Series 2024 Note shall be payable annually on May 1 of each year, commencing May 1, 2025 (each a "Principal Payment Date"), through and including the Maturity Date. The annual principal payments shall be set forth in the Series 2024 Note. The Series 2024 Note shall be purchased by the Noteholder from the County at a purchase price equal to 100.00% of the principal amount thereof.

(d) All payments of principal of and interest on the Series 2024 Note shall be payable in any coin or currency of the United States which, at the time of payment, is legal tender for the payment of public and private debts and shall be made to the Noteholder in whose name the Series 2024 Note shall be registered on the registration books maintained by the County as of the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date or Principal Payment

Date (i) in immediately available funds, (ii) by delivering to the Noteholder no later than the applicable Interest Payment Date or Principal Payment Date a wire transfer, or (iii) in such other manner as the County and the Noteholder shall agree upon in writing. Notwithstanding the foregoing, the Noteholder shall be required to present and surrender the Series 2024 Note to the County only for the final payment of the principal of the Series 2024 Note or shall otherwise provide evidence that such Series 2024 Note has been fully paid and cancelled. If any Interest Payment Date or Principal Payment Date is not a Business Day, the corresponding payment shall be due on the next succeeding Business Day. The County shall maintain books and records with respect to the identity of the holders of the Series 2024 Note, including a complete and accurate record of any assignment of this Agreement and the Series 2024 Note as provided in Section 3.04.

(e) Except as otherwise provided herein, the Noteholder shall pay for all of its costs relating to servicing the Series 2024 Note.

**SECTION 3.02. OPTIONAL PREPAYMENT.** (a) The Series 2024 Note may be prepaid in whole or in part on any Business Day at a price equal to 100% of the principal amount of the Series 2024 Note to be prepaid plus accrued interest thereon to the date of prepayment, plus the payment of the Prepayment Fee as defined below.

For purposes of this Section 3.02 "Prepayment Fee" shall mean the sum of the differences between (i) each scheduled interest payment which would have been made on the prepaid amount if such prepayment had not occurred and (ii) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Noteholder shall be deemed to have entered into as of the date of such prepayment (the "Replacement Swap") covering its payment obligations under an interest rate swap which the Noteholder shall be deemed to have entered into when the prepaid amount was originally funded, with each such difference discounted to a present value as of the date of prepayment using the fixed interest rate of the Replacement Swap as the applicable discount rate. The County acknowledges that the Noteholder might not fund or hedge its fixed-rate loan portfolio or any prepayment thereof on a loan-by-loan basis at all times, and agrees that the foregoing is a reasonable and appropriate method of calculating liquidated damages for any prepayment irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to the loan evidenced by the Series 2024 Note. All calculations and determinations by the Noteholder of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

(b) Any prepayment of the Series 2024 Note shall be made on such Business Day as shall be specified by the County in a notice delivered to the Noteholder not less than ten (10) days prior thereto specifying the principal amount of the Series 2024 Note to be prepaid and the date that shall be the date of such prepayment. Notice having been given as aforesaid, the amount of the outstanding principal of the Series 2024 Note to be

prepaid shall become due and payable on the date of prepayment stated in such notice, together with interest accrued and unpaid to the date of prepayment on the principal amount then being paid plus the Prepayment Fee, if any. If on the date of prepayment moneys for the payment of the principal amount to be prepaid on the Series 2024 Note, together with interest to the date of prepayment on such principal amount plus the Prepayment Fee, if any, shall have been paid to the Noteholder as above provided, then from and after the date of prepayment, interest on such prepaid principal amount of the Series 2024 Note shall cease to accrue. If said money shall not have been so paid on the date of prepayment, such principal amount of the Series 2024 Note shall continue to bear interest until payment thereof at the then applicable Interest Rate. Any such failure to pay the prepayment price shall not constitute an Event of Default hereunder. Any prepayment in part shall be applied to the remaining principal payments in inverse order of scheduled payments unless otherwise agreed to between the County and the Noteholder.

**SECTION 3.03. ADJUSTMENT TO INTEREST RATE.** While the Series 2024 Note remains outstanding, upon the occurrence of a Determination of Taxability, only as a result of any action or inaction of the County, the Interest Rate on the Series 2024 Note immediately shall be increased to such rate as shall be determined by the Noteholder, absent manifest arithmetic error, as shall be necessary to provide to the Noteholder an after-tax yield on the then outstanding principal amount of the Series 2024 Note equal to the after-tax yield to the Noteholder, if such Determination of Taxability had not occurred (the "Adjusted Rate"); provided, however, such Adjusted Rate shall never exceed the maximum rate allowable by law. Immediately upon a Determination of Taxability, the County also agrees to pay to the Noteholder within sixty (60) days following the Determination of Taxability and demand by the Noteholder, the Additional Amount. "Additional Amount" means (a) the difference between (i) interest on the Series 2024 Note for the period commencing on the date on which the interest on the Series 2024 Note (or portion thereof) is deemed to have lost its tax-exempt status or bank-qualified designation and ending on the effective date of the adjustment of the Interest Rate to the Adjusted Rate (the "Prior Taxable Period") at a rate per annum equal to the Adjusted Rate and (ii) the aggregate amount of interest paid on the Series 2024 Note during the Prior Taxable Period at the Interest Rate applicable to the Series 2024 Note prior to the adjustment to the Adjusted Rate, plus (b) any penalties, fines, fees, costs and interest paid or payable by the Noteholder to the Internal Revenue Service by reason of such Determination of Taxability. The obligation to pay such additional interest and such other costs, expenses, penalties, attorney's fees and other losses shall survive the payment of the principal of the Series 2024 Note but shall be payable solely from the Non-Ad Valorem Revenues in the manner and to the extent described herein.

**SECTION 3.04. TRANSFER AND ASSIGNMENT.** The Noteholder's right, title and interest in and to the Series 2024 Note and any amounts payable by the County thereunder may be assigned and reassigned in whole only by the Noteholder, without the necessity of obtaining the consent of the County; provided, that any such assignment,

transfer or conveyance shall be made only to (a) an affiliate of the Noteholder or (b) a bank, insurance company or their affiliate, provided that any such entity is purchasing the Series 2024 Note for its own account with no present intention to resell or distribute the Series 2024 Note, subject to each investor's right at any time to dispose of the Series 2024 Note as it determines to be in its best interests or (c) a "qualified institutional buyer," as defined in Rule 144A of the Securities Act of 1933, or an "accredited investor," as defined in Rule 501 of Regulation D. Upon notification by the Noteholder to the County of the Noteholder's intent to assign and sell its right, title and interest in and to the Series 2024 Note as herein provided, the County agrees that it shall execute and deliver to the assignee Noteholder, a Series 2024 Note in the principal amount so assigned, registered in the name of the assignee Noteholder, executed and delivered by the County in the same manner as provided herein and with an appendix attached thereto setting forth the amounts to be paid on each Principal Payment Date with respect to the Series 2024 Note. In all cases of an assignment of the Series 2024 Note, the County shall at the earliest practical time enter the change of ownership in the registration books; provided, however, the written notice of assignment must be received by the Clerk at the County's address set forth in Section 5.05 hereof no later than the close of business on the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date in order to have such transfer recorded on the books and records of the County on such next succeeding Interest Payment Date.

Nothing contained in this Section 3.04 shall be interpreted to prohibit the Noteholder from selling participations in the Series 2024 Note to any investors meeting the conditions set forth in the immediately preceding paragraph.

[Remainder of page intentionally left blank]



## **ARTICLE IV**

### **EVENTS OF DEFAULT; REMEDIES**

**SECTION 4.01. EVENTS OF DEFAULT.** An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) The County shall fail to make timely payment of principal or interest when due with respect to the Series 2024 Note;

(b) Any representation or warranty of the County contained in Article II of this Agreement or any certificate provided to the Noteholder in connection with the transactions contemplated hereunder shall prove to be untrue in any material respect when made;

(c) Any covenant, condition or agreement of the County contained in this Agreement shall be breached or violated for a period of thirty (30) days from the earlier of (i) when the County receives notice from the Noteholder of such breach or violation or (ii) when the County was aware of such event and was required herein to notify the Noteholder pursuant to Section 4.03 hereof, unless the Noteholder shall agree in writing, in its sole discretion, to an extension of such time prior to its expiration;

(d) There shall occur the dissolution or liquidation of the County, or the filing by the County of a voluntary petition in bankruptcy, or the commission by the County of any act of bankruptcy, or adjudication of the County as a bankrupt, or assignment by the County for the benefit of its creditors, or appointment of a receiver for the County, or the entry by the County into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the County in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter amended;

(e) The County admits in writing its inability to pay its debts generally as they become due or is adjudged insolvent by a court of competent jurisdiction, or it is adjudged bankrupt on a petition in bankruptcy filed by or against 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, judgements or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof.

**SECTION 4.02. REMEDIES.** If any event of default shall have occurred and be continuing, the Noteholder or any trustee or receiver acting for the Noteholder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in this Agreement, and may enforce and compel the

performance of all duties required by this Agreement or by any applicable statutes to be performed by the County or by any officer thereof, including, but not limited to, specific performance. No remedy herein conferred upon or reserved to the Noteholder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Notwithstanding any other provision hereof, no Noteholder, trustee or receiver shall ever have the right to declare the Series 2024 Note immediately due and payable. Upon the occurrence and continuance of an Event of Default pursuant to Section 4.01 hereof, the Noteholder may adjust the Interest Rate to the Default Rate which shall be effective until such Event of Default has been cured.

**SECTION 4.03. NOTICE OF DEFAULT.** Within 10 days of becoming aware of the same, the County will notify the Noteholder in writing of the County of any default or event which, with notice or lapse of time or both, could become a default under this Agreement, specifying in each case the nature thereof and what action the County has taken, is taking and/or proposed to take with respect thereto. Regardless of the date of receipt of such notice by the Noteholder, such date shall not in any way modify the date of the occurrence of the actual Event of Default.

[Remainder of page intentionally left blank]

## ARTICLE V

### MISCELLANEOUS

**SECTION 5.01. ENTIRE AGREEMENT; AMENDMENTS TO THIS AGREEMENT.** (a) This Agreement constitutes the entire agreement between the Noteholder and the County, and all negotiations and oral understandings between the parties are merged herein. The terms and conditions set forth in this Agreement supersede any and all previous agreements, promises, negotiations or representations. Any other agreements, promises, negotiations or representations not expressly set forth or incorporated into this Agreement are of no force and effect.

(b) Neither the Series 2024 Note, this Agreement nor the Resolution shall be amended, changed or modified without the prior written consent of the Noteholder and the County.

**SECTION 5.02. 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 5.03. SEVERABILITY.** If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such provisions or sections 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 5.04. TERM OF AGREEMENT.** This Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as the Series 2024 Note is outstanding.

**SECTION 5.05. NOTICES.** Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or sent registered or certified mail, postage prepaid, to Hernando County, Florida, 20 N. Main Street, Brooksville, Florida 34601, Attention: Clerk of the Circuit Court and Comptroller for Hernando County, Florida, and to the Noteholder, JPMorgan Chase Bank, N.A., 100 N Tampa Street, Floor 33, Tampa, Florida 33606, Attention: John McAuley, or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

**SECTION 5.06. NOTEHOLDER REPRESENTATIVE.** The Noteholder Representative is authorized to take any and all action required or permitted to be taken by the Noteholder hereunder or with respect to the Series 2024 Note.

**SECTION 5.07. NO THIRD-PARTY BENEFICIARIES.** This Agreement is for the benefit of the County, the Noteholder and the Noteholder Representative and their respective successors and assigns, and there shall be no third-party beneficiary with respect thereto.

**SECTION 5.08. APPLICABLE LAW.** The substantive laws of the State of Florida shall govern this Agreement.

**SECTION 5.09. WAIVER OF JURY TRIAL.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any proceedings relating to this Agreement.

**SECTION 5.10. NO ADVISORY OR FIDUCIARY RELATIONSHIP.** In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the County acknowledges and agrees, that: (a) (i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and any other loan documents, (iii) the Noteholder is not acting as a municipal advisor or financial advisor to the County, and (iv) the Noteholder has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the County with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Noteholder has provided other services or is currently providing other services to the County on other matters); (b) (i) the Noteholder is and has been acting solely as a principal in an arm's length commercial lending transaction and has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the County, or any other person and (ii) the Noteholder has no obligation to the County with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other loan documents entered into in connection herewith; (c) notwithstanding anything herein to the contrary, it is the intention of the County and the Noteholder that the loan documents represent a commercial loan transaction not involving the issuance and sale of a municipal security, and that any bond, note or other debt instrument that may be delivered to the Noteholder is delivered solely to evidence the repayment obligations of the County under the loan documents; and (d) the Noteholder may be engaged in a broad range of transactions that involve interests that differ from those of the County, and the Noteholder has no obligation to disclose any of such interests to the County.

**SECTION 5.11. INCORPORATION BY REFERENCE.** All of the terms and obligations of the Resolution are hereby incorporated herein by reference as if said Resolution was fully set forth in this Agreement and the Series 2024 Note.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.



**HERNANDO COUNTY, FLORIDA**

Chairman, Board of County Commissioners

ATTEST:

By:   
Clerk of the Circuit Court and  
Comptroller of Hernando County,  
Florida and Ex-Officio Clerk of the  
Board of County Commissioners

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

  
County Attorney's Office

**DNT ASSET TRUST**, a wholly owned  
subsidiary of JPMorgan Chase Bank, N.A.

By: Olga Held  
Title: Authorized Officer

**EXHIBIT A**

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
HERNANDO COUNTY, FLORIDA  
NON-AD VALOREM REVENUE NOTE,  
SERIES 2024**

Interest Rate	Date of Issuance	Final Maturity Date
_____%*	April 4, 2024	May 1, 2034

**KNOW ALL MEN BY THESE PRESENTS**, that **Hernando County, Florida** (the "County"), for value received, hereby promises to pay, solely from the Non-Ad Valorem Revenues described in the within mentioned Agreement, to the order of **DNT Asset Trust, a wholly owned subsidiary of JPMorgan Chase Bank, N.A.**, or its successors or assigns (the "Noteholder"), the principal sum of \_\_\_\_\_ AND 00/100 DOLLARS (\$\_\_\_\_\_) pursuant to that certain Loan Agreement by and between the DNT Asset Trust and the County, dated as of April 4, 2024 (the "Agreement"), and to pay interest on the outstanding principal amount hereof from the Date of Issuance set forth above, or from the most recent date to which interest has been paid, at the Interest Rate per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) identified above (subject to adjustment as provided in the Agreement) on November 1 and May 1 of each year, commencing on November 1, 2024 (each an "Interest Payment Date"), so long as any amount under this Note remains outstanding. Principal of this Note shall be payable on May 1 of each year, commencing on May 1, 2025, through and including the Final Maturity Date identified above or earlier prepayment. The principal repayment schedule for this Note is set forth in definitive form on Appendix I attached hereto. The principal and interest on this Note is payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 125, Florida Statutes, and other applicable provisions of law, and pursuant to Resolution No. 2024-\_\_\_ duly adopted by the County on March 26, 2024 (the "Resolution"), as such

\* The Interest Rate is subject to adjustment as provided in the Agreement

Resolution may be amended and supplemented from time to time, and is subject to all terms and conditions of the Resolution and the Agreement. Any capitalized term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Agreement.

This Note is being issued to finance the costs of the acquisition and equipping of various vehicles for the County's fleet replacement program, as more particularly described in the Resolution. This Note is payable from the County's covenant to budget and appropriate legally available Non-Ad Valorem Revenues in the manner and to the extent provided and described in the Agreement.

This Note shall bear interest at the Interest Rate identified above. Such Interest Rate is subject to adjustment as provided in Section 3.03 and Section 4.02 of the Agreement. The Noteholder shall provide to the County upon request such documentation to evidence the amount of interest due with respect to this Note upon any such adjustment. No presentation shall be required for any payment with respect to this Note except upon Final Maturity, as described in the Agreement.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of interest allowed under the State of Florida as presently in effect.

All payments made by the County hereon shall apply first to fees, costs, late charges and accrued interest, and then to the principal amount then due on this Note.

This Note may be prepaid in whole or in part on any Business Day at a price equal to 100% of the principal amount of this Note to be prepaid plus accrued interest thereon to the date of prepayment, plus the payment of the Prepayment Fee as determined in accordance with the Agreement. Any prepayment of this Note shall be made on such Business Day as shall be specified by the County in a notice delivered to the Noteholder not less than ten (10) days prior thereto specifying the principal amount of this Note to be prepaid and the date that shall be the date of such prepayment. Any prepayment in part shall be applied to the remaining principal payments in inverse order of scheduled payments unless otherwise agreed to between the County and the Noteholder.

This Note, when delivered by the County pursuant to the terms of the Agreement and the Resolution, shall not be or constitute an indebtedness of the County or of the State of Florida, within the meaning of any constitutional, statutory or charter limitations of indebtedness, but shall be payable from the Non-Ad Valorem Revenues, in the manner and to the extent provided in the Agreement and the Resolution. The Noteholder shall never have the right to compel the exercise of the ad valorem taxing power of the County or the State, or taxation in any form of any property therein to pay this Note or the interest thereon.

This Note shall be and have all the qualities and incidents of a negotiable instrument under the commercial laws and the Uniform Commercial Code of the State of Florida, subject to the immediately succeeding paragraph and any provisions for registration and transfer contained in the Agreement. So long as any of this Note shall remain outstanding, the County shall maintain and keep books for the registration and transfer of this Note.

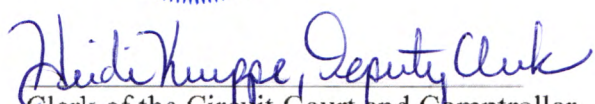
The Noteholder's right, title and interest in and to this Note and any amounts payable by the County hereunder may be assigned and reassigned in accordance with and subject to the restrictions in the Agreement.

**IN WITNESS WHEREOF**, the County caused this Note to be signed by the manual signature of the Chairman and the seal of the County to be affixed hereto or imprinted or reproduced hereon, and attested by the manual signature of the Clerk, and this Note to be dated the Date of Issuance set forth above.



**HERNANDO COUNTY, FLORIDA**

By:   
Chairman, Board of County Commissioners

  
Heidi Kuppe, Deputy Clerk  
Clerk of the Circuit Court and Comptroller  
of Hernando County, Florida and Ex-Officio  
Clerk of the Board of County Commissioners

Approved as to Form and  
Legal Sufficiency:

  
County Attorney's Office



**Principal Repayment Schedule for the**

**HERNANDO COUNTY, FLORIDA  
NON-AD VALOREM REVENUE NOTE,  
SERIES 2024**

Payment Date (May 1)	<u>Principal</u>
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	

## **EXHIBIT D**

Form of Rate Lock Letter Agreement

## RATE LOCK LETTER AGREEMENT

March 26, 2024

Hernando County, Florida

### Defined Terms:

Rate Lock Date: March 26, 2024

Rate Lock Funding Date: XXX

Rate Lock Breakage Date: Date on which the rate lock is broken on or before the Rate Lock Funding date.

Rate Lock Amount: \$5,500,000

Annual Interest Rate (%): XXX

Designated Tenor: 10 years

This letter is to confirm that, pursuant to your request, JPMorgan Chase Bank, N.A. (the "Bank") has reserved for Hernando County, Florida (the "Issuer") \$5,500,000 in fixed rate funds effective on the Rate Lock Date, in anticipation of the Issuer's financing need on or before Rate Lock Funding Date, as further evidenced by the Bank's commitment letter dated February 20, 2024 accepted by Hernando County, Florida.

The interest rate for the 10 year period (the "Designated Tenor") of the above-described financing will be at an annual rate equal to XXX %.

Nothing in this letter shall evidence the commitment of the Bank to engage in the proposed transaction. However, in order to lock the interest rate for this transaction, Issuer agrees that, if for any reason, the full Rate Lock Amount is not funded in accordance with the terms of the financing documents by the Rate Lock Funding Date, then Issuer shall pay a Reinvestment Premium to the Bank within 5 business days of the Bank's written request, as further described below.

- I. A Reinvestment Premium shall be due and payable if (i) exceeds (ii) where (i) equals total scheduled interest payments due on the Rate Lock Amount calculated at the Swap Rate (defined below) for the Designated Tenor on the Rate Lock Date plus XX basis points and (ii) equals the total scheduled interest payments due on the Rate Lock Amount calculated at the Swap Rate for the Designated Tenor on the Rate Lock Breakage Date. For purposes of calculating the Reinvestment Premium, "Swap Rate" means, for a specified date and maturity, the most recently available rate as of that date for a U.S. Dollar SOFR interest rate swap (annual payments of fixed rate versus compounded daily SOFR) of that maturity (the "U.S. Dollar SOFR ICE Swap Rate") as listed in USD Rates SOFR 1100 Report as administered by ICE Benchmark Administration Limited (IBA) at or about 11:15 a.m., New York City, New York time, and published by Bloomberg Professional Services (the "Service") or other information vendors acceptable to the Bank or the following alternatives, as applicable: (a) if the Service does not publish a USD Rates

SOFR 1100 Report on either the Rate Lock Date or the Rate Lock Breakage Date, the most recent U.S. Dollar SOFR ICE Swap Rate published by the Service or administered by the IBA as of the Rate Lock Date or Rate Lock Breakage Date, as applicable shall be utilized, unless such U.S. Dollar SOFR ICE Swap Rate was published more than two business days prior to either the Rate Lock Date or the Rate Lock Breakage Date, as applicable, in which event, the Bank may, notwithstanding any other considerations, calculate the Swap Rate using either alternative (b) or (c); (b) if the Service no longer publishes a USD Rates SOFR 1100 Report, if the IBA no longer administers a USD Rates SOFR 1100 Report, or if the most recent U.S. Dollar SOFR ICE Swap Rate was published more than two business days prior to either the Rate Lock Date or the Rate Lock Breakage Date, as applicable, the Bank may utilize other sources for determining the value of the U.S. Dollar SOFR ICE Swap Rate or may, in lieu of the U.S. Dollar SOFR ICE Swap Rate, utilize other U.S. dollar interest rate swap rates obtained from other sources that it determines, in its sole discretion, provide current market-based information as to mid-price U.S. dollar interest rate swap rates; or (c) if there is no Swap Rate for the Designated Tenor, the applicable Swap Rate will be based upon the linear interpolation between the Swap Rates reported by the Service, administered by the IBA, or otherwise made available by alternative sources for the closest tenors above and below the Designated Tenor. The Bank's determination of the interpolated rate shall be deemed conclusive.

- II. If (ii) above is equal to or greater than (i) above, then no Reinvestment Premium is due.
- III. The Reinvestment Premium payable to the Bank shall be equal to the present value of the difference in scheduled interest payments of (i) above less (ii) above for each scheduled interest period, discounted at the applicable Swap Rate as of the Rate Lock Breakage Date, as determined above.

If the Issuer is in agreement with the above, please indicate such acceptance by providing signatures as set forth below, and returning this letter to my attention. This rate lock letter is only effective if the Commitment Letter, as issued by the Bank, has been timely executed by the Issuer.

JPMorgan is delighted to be of assistance in this matter and looks forward to working with you to complete this transaction.

Yours truly,

**JPMORGAN CHASE BANK, N.A.**

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**J.P.Morgan** <sub>2</sub>

Agreed to and accepted by:


**Hernando County, Florida**

Date: March 26, 2024

By: 

Name: Elizabeth Narverud

Its: Chairperson

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY  
BY   
County Attorney's Office