

CLERK'S CERTIFICATE AS TO RESOLUTION NO. 2019-196

I, Doug Chorvat, Jr., Clerk of the Circuit Court and Ex-Officio Clerk to the Board of County Commissioners (the "Board") of Hernando County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto is a copy of "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF HERNANDO COUNTY, FLORIDA ACCEPTING THE PROPOSAL OF SUNTRUST EQUIPMENT FINANCE & LEASING CORP. TO PROVIDE THE COUNTY WITH A \$15,000,000 NON-REVOLVING LINE OF CREDIT TO FINANCE AND REFINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS WITHIN THE COUNTY; APPROVING THE FORM OF A LINE OF CREDIT AGREEMENT WITH SUNTRUST EQUIPMENT FINANCE & LEASING CORP. IN ORDER TO EVIDENCE SUCH LINE OF CREDIT; APPROVING THE FORM OF MASTER NOTE; AUTHORIZING THE REPAYMENT OF DRAWS UNDER THE LINE OF CREDIT AGREEMENT FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED FOR SUCH PURPOSE; DELEGATING CERTAIN AUTHORITY TO CERTAIN OFFICERS OF THE COUNTY; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION," adopted at a meeting of the Board duly called and held on December 10, 2019, at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof as recorded in the Minute Book of said County and that said resolution is a true, complete and correct copy thereof and said resolution has been duly adopted and has not been further modified, amended or repealed, and is in full force and effect on and as of the date hereof in the form attached hereto.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County as of the 11th day of March, 2020.

(SEAL)



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

RESOLUTION NO. 2019-196

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF HERNANDO COUNTY, FLORIDA ACCEPTING THE PROPOSAL OF SUNTRUST EQUIPMENT FINANCE & LEASING CORP. TO PROVIDE THE COUNTY WITH A \$15,000,000 NON-REVOLVING LINE OF CREDIT TO FINANCE AND REFINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS WITHIN THE COUNTY; APPROVING THE FORM OF A LINE OF CREDIT AGREEMENT WITH SUNTRUST EQUIPMENT FINANCE & LEASING CORP. IN ORDER TO EVIDENCE SUCH LINE OF CREDIT; APPROVING THE FORM OF MASTER NOTE; AUTHORIZING THE REPAYMENT OF DRAWS UNDER THE LINE OF CREDIT AGREEMENT FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED FOR SUCH PURPOSE; DELEGATING CERTAIN AUTHORITY TO CERTAIN OFFICERS OF THE COUNTY; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

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

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act (as defined herein).

SECTION 2. DEFINITIONS. When used in this Resolution, terms not otherwise defined herein shall have the meanings set forth in the Line of Credit 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 Clerk of the Circuit Court of Hernando County, Florida and Ex-Officio Clerk to the Board, or his or her duly authorized designee, including any Deputy Clerk.

"**County**" shall mean Hernando County, Florida, a political subdivision of the State of Florida duly organized and validly existing under the laws of the State of Florida.

"**County Administrator**" shall mean the County Administrator of Hernando County, Florida, or his or her duly authorized designee.

"**Designated Revenues**" shall have the meaning assigned such term in the Line of Credit Agreement.

"**Draw**" or "**Drawing**" shall mean a borrowing of money against a Master Note in accordance with the Line of Credit Agreement, each such borrowing constituting a loan from the Noteholder to the County.

"**Finance Director**" shall mean the Finance Director of the County, or her or his authorized designee.

"**Line of Credit Agreement**" shall mean the Line of Credit Agreement to be executed between the Noteholder and the County, which shall be substantially in the form attached hereto as Exhibit B.

"**Master Notes**" shall mean the Hernando County, Florida Line of Credit Tax-Exempt Master Note (SunTrust Equipment Finance & Leasing Corp.) and the Hernando County, Florida Line of Credit Taxable Master Note (SunTrust Equipment Finance & Leasing Corp.), as such Master Notes are more particularly described in the Line of Credit Agreement.

"**Noteholder**" shall mean SunTrust Equipment Finance & Leasing Corp., as the initial holder of the Master Notes, and its successors and assigns.

"**Proposal**" shall mean the proposal of the Noteholder to provide the County with a \$15,000,000 line of credit facility, a copy of which proposal is attached hereto as Exhibit A.

The words "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms shall refer to this Resolution.

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

SECTION 3. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of the Master Notes 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 pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the County shall be for the benefit, protection and security of the Noteholder. The Master Notes and the

Draws to be made there against regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of the Master Notes or such Draws over any other thereof except as provided therein or in the Line of Credit Agreement.

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

(A) the County has and shall have from time to time certain capital infrastructure needs and requirements within the County which must be constructed, acquired and equipped.

(B) the Noteholder submitted the Proposal to provide the County with a line of credit, which Proposal is attached hereto as Exhibit A.

(C) each Draw under the Line of Credit Agreement shall constitute a loan to the County which will be repaid from the Designated Revenues in the manner and to the extent set forth in the Master Notes and the Line of Credit Agreement and the ad valorem taxing power of the County will never be necessary or authorized to pay said amounts.

SECTION 5. ACCEPTANCE OF PROPOSAL. The County hereby accepts the Proposal of the Noteholder to provide the County with a \$15,000,000 non-revolving line of credit in the form attached hereto as Exhibit A. The Chairman and the Clerk are each hereby authorized to execute and deliver the Proposal to the Noteholder, all of the terms and provisions of which are hereby approved.

SECTION 6. APPROVAL OF FORM OF LINE OF CREDIT AGREEMENT. Each Draw under the Line of Credit Agreement shall constitute a loan, the repayment of which by the County shall be pursuant to the terms and provisions of the Line of Credit Agreement. The terms and provisions of the Line of Credit Agreement in substantially the form attached hereto as Exhibit B are hereby approved, with such changes, insertions and additions as the Chairman and Clerk may approve. The County hereby authorizes the Chairman to execute and deliver, and the Clerk to attest and affix the County seal to, the Line of Credit Agreement substantially in the form attached hereto as Exhibit B, with such changes, insertions and additions as they may approve, their execution thereof being evidence of such approval.

SECTION 7. LIMITED OBLIGATION. The obligation of the County to repay amounts, if any, drawn under the Line of Credit Agreement is a limited and special obligation payable from Designated Revenues in the manner and to the extent set forth in the Line of Credit 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 other than the Designated Revenues. The Designated Revenues shall consist of proceeds of Draws pending the application thereof and all

legally available non-ad valorem revenues budgeted and appropriated by the Board in amounts sufficient to pay the Draws, all to the extent described in the Master Notes and the Line of Credit Agreement.

SECTION 8. APPROVAL OF MASTER NOTES. In order to evidence and secure Draws under the Line of Credit Agreement, it is necessary to provide for the execution of a tax-exempt Master Note and a taxable Master Note. The Chairman is authorized to execute and deliver, and the Clerk is authorized to attest and affix the seal to, the Master Notes substantially in the form attached to the Line of Credit Agreement as Exhibit B, with such changes, insertions and additions as they may approve, their execution thereof being evidence of such approval.

SECTION 9. DRAWS TO BE MADE BY CERTAIN AUTHORIZED OFFICERS. The County Administrator, the Clerk and the Finance Director are each authorized to make Draws under the Line of Credit Agreement pursuant to the terms and provisions of the Line of Credit Agreement and to execute such Draw Requests that are required by the Noteholder; provided, however, the following must be satisfied prior to any such Draw being made:

(A) the interest rate on the Draw must not exceed the Interest Rate (as determined in accordance with the Line of Credit Agreement);

(B) the principal amount of the Draw, together with all other Draws previously or simultaneously made under the Line of Credit Agreement, does not exceed \$15,000,000;

(C) the proceeds of the Draw are scheduled to be applied to finance or refinance all or a portion of the costs of capital improvements that have been approved by the Board, as more particularly described in the Line of Credit Agreement;

(D) no Event of Default shall have occurred and be continuing under the Line of Credit Agreement; and

(E) all other conditions required under the Line of Credit Agreement for making a Draw have been satisfied.

SECTION 10. GENERAL AUTHORIZATION. The Chairman, the Clerk, the County Administrator and the Finance Director are authorized to execute and deliver such documents, instruments and contracts, whether or not expressly contemplated hereby, and the County Attorney, Bond Counsel 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 11. REPEAL OF INCONSISTENT DOCUMENTS. All prior ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 12. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 10th day of December, 2019.

HERNANDO COUNTY, FLORIDA

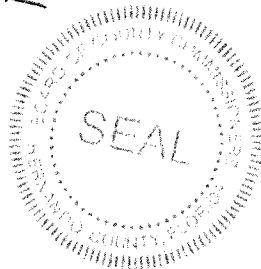


Chairman, Board of County Commissioners

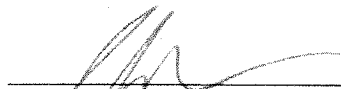
ATTEST:

Susan Buens, Deputy Clerk

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



APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:



County Attorney's Office

EXHIBIT A

PROPOSAL OF SUNTRUST EQUIPMENT FINANCE & LEASING CORP.



SunTrust Equipment Finance & Leasing Corp.
1155 Peachtree Street, NE, 9th Floor
Atlanta, GA 30309
Tel 404.658.4751
Fax 404.230.5550
dennis.mcdermott@suntrust.com

September 27, 2019

Hernando County, FL
c/o Julie Santamaria
Director
RBC Capital Markets

RE: Request for Proposal

Dear Ms. Santamaria:

SunTrust Equipment Finance & Leasing Corp. is pleased to present to you a financing proposal for various equipment as highlighted in your Request for Proposal. The terms and conditions of our proposal are outlined on the attached Summary of Terms and Conditions.

This proposal is provided solely as a response to your request. Neither the delivery of this proposal nor your acceptance thereof represents a commitment from SunTrust Equipment Finance & Leasing Corp. or any of its affiliates to extend financing. This proposal is intended as an outline of certain of the material terms of the financing and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions which would be contained in definitive documents for the financing contemplated hereby.

This proposal should not be construed as advice or a recommendation to you with respect to structure, timing, terms or any other matters relating to the proposed financing. We are not acting as your adviser in connection with the proposal, but solely for our own interests. You should discuss this proposal with any and all internal and external advisors and experts you deem appropriate before acting on it.

Sincerely,

Dennis M. McDermott
Director

AGREED TO AND ACCEPTED BY:

(Name) _____

(Title) _____

(Date) _____

SUMMARY OF TERMS AND CONDITIONS

Issuer:	Hernando County, FL (“Issuer”).
Purchaser:	SunTrust Equipment Finance & Leasing Corp., or its Assignee (“Purchaser”).
Structure/Financing:	Non-revolving Line of Credit. The Line of Credit will be designated as an Uncommitted Guidance Line of Credit, and the Lease Line will expire one year from October 1, 2019. The Line of Credit will be subject to one (1) annual renewal by the Purchaser, at its sole discretion.
Maximum Principal Component:	\$15,000,000.00. Mutually annually renewable line of credit for up to two (2) years.
Draw Term/Rate:	<u>Tax-exempt Draws</u> 3 years: 2.131% (78% of the 2 year ICE Swap Rate (1.631%) which is 1.272% plus 0.859%) 5 years: 2.148% (78% of the 3 year ICE Swap Rate (1.541%) which is 1.202% plus 0.946%) 7 years: 2.188% (78% of the 4 year ICE Swap Rate (1.503%) which is 1.173% plus 1.015%) 10 years: 2.263% (78% of the 5 year ICE Swap Rate (1.488%) which is 1.161% plus 1.102%) 15 years: 2.360% (78% of the 9 year ICE Swap Rate (1.531%) which is 1.195% plus 1.165%) <u>Taxable Draws</u> 3 years: 2.724% (100% of the 2 year ICE Swap Rate which is 1.631% plus 1.093%) 5 years: 2.746% (100% of the 3 year ICE Swap Rate which is 1.541% plus 1.205%) 7 years: 2.797% (100% of the 4 year ICE Swap Rate which is 1.503% plus 1.294%) 10 years: 2.893% (100% of the 5 year ICE Swap Rate which is 1.488% plus 1.405%)

15 years: 3.017% (100% of the 9 year ICE Swap Rate (1.531%) plus 1.486%)

The term(s) of the financing will be subject to review and approval by our credit department to include approval of property/item for each draw. The proposed draw rates are based upon a fixed percentage of the average life term ICE Swap Rates as quoted daily by the ICE Benchmark Administration as of September 23, 2019.

(<https://www.theice.com/marketdata/reports/180>)

The final Draw Rate Factor employed at the date of funding will reflect any change in the Reference Yield and any variation in interest rate swap costs (and any change in the liquidity premium related thereto) from the date hereof, so as to preserve the original economic return to the Purchaser.

Purchaser reserves the right to adjust the aforementioned Payment Factors if there is a material adverse change to the credit worthiness of the Issuer.

Payment Frequency:	Semiannual interest and annual principal.
Security:	To be secured by a Covenant to Budget and Appropriate from the County's legally available non-ad valorem revenues.
Prepayment:	Each Draw shall be subject to prepayment in whole on any draw date, at the option of the Issuer and following 20 days prior written notice to the Purchaser, for 100% of par.
Issuance Costs:	Issuer will pay \$1,000 for review of documentation by Purchaser's counsel.
Tax Status:	The Interest Rate has been established on the assumption that Issuer is a state or political subdivision within the meaning of Section 103 of the Internal Revenue Code, and that therefore interest will be exempt from federal income tax. Issuer will make customary representations, warranties and covenants to establish and maintain the exemption. If qualified, If the interest component of rental payments is determined to be taxable, Issuer will pay Purchaser on demand such amounts (including additional interest, fines, penalties and other additions to tax) as will restore to Purchaser its contemplated after-tax yield on the financing.

Opinions:

For each Draw, Issuer will deliver an opinion of nationally recognized bond counsel regarding the due authorization, execution, delivery and enforceability of Agreement, and the tax-exemption of the interest component of payments under the Agreement in form and substance satisfactory to Purchaser.

All opinions shall expressly provide that successors and assigns of Purchaser may rely on them.

Documentation:

Documentation to be prepared by Issuer's counsel, to be satisfactory to Purchaser in its sole discretion.

Representation, Warranties & Covenants:

The Issuer will make all customary and reasonable representations, warranties and covenants as may be required by Purchaser's attorneys and credit underwriters, including but not limited to all customary tax, validity, non-contravention representations, warranties and covenants.

Parity: This debt will be on parity with all other senior debt secured by a covenant to budget and appropriate legally available funds and/or a pledge of any non-ad valorem revenue.

Anti-Dilution Test: Borrow agrees and covenants that (1) Non-ad valorem Revenues less Essential Service Expenditures not covered by ad valorem revenue shall cover projected Maximum Annual Debt Service on all Bonds and maximum annual debt service on all debt secured by a pledge to covenant and appropriate legally available funds and/or a pledge of any non-ad valorem revenue by at least 1.5x; and (2) projected Maximum Annual Debt Service of the Bonds and maximum annual debt service for all debt will not exceed 20% of general funds revenues, exclusive of (a) ad valorem tax revenues restricted to payment of debt service on any debt and (b) any proceeds of the bonds or debt. The calculations required by clauses (1) and (2) above shall be determined using the average of actual revenues for the prior two Fiscal Years based on the Issuer's Annual Audits.

Essential Service Expenditures is defined as the sum of general government expenditures and public safety expenditure, as itemized in the Comprehensive Annual Financial Report.

Market Disruption:

Notwithstanding anything contained herein to the contrary, in the event any material change shall occur in the financial markets after the date of this proposal, including but not limited to any governmental action or other event which materially adversely affects the extension of credit by banks, leasing companies or other lending institutions, Purchaser may modify the indicative pricing described above.

Credit Approval:

This proposal is subject to credit approval.

Proposal Expiration:

This proposal expires on October 15, 2019, if not awarded to Purchaser by a written notification on or before that date.

EXHIBIT B

FORM OF LINE OF CREDIT AGREEMENT

LINE OF CREDIT AGREEMENT

BETWEEN

HERNANDO COUNTY, FLORIDA

AND

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

Dated as of _____, 20__

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- B - FORM OF MASTER NOTE
- C - FORM OF DRAW REQUEST

This **LINE OF CREDIT AGREEMENT** (the "Agreement") is made and entered into as of _____, 20___, by and between **HERNANDO COUNTY, FLORIDA**, a political subdivision of the State of Florida duly organized and validly existing under the laws of the State of Florida, and its successors and assigns (the "County"), and **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, a corporation duly organized and validly existing under the laws of the State of Georgia and authorized to do business in the State of Florida, and its successors and assigns (the "Noteholder");

W I T N E S S E T H:

WHEREAS, the County is authorized by the provisions of Chapter 125, Florida Statutes, and other applicable provisions of law (the "Act") to, among other things, acquire, construct, equip, own, sell, lease, operate and maintain various capital improvements and public facilities to promote the 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 finds it necessary and in the best interests of the County to finance and refinance from time to time the costs for the planning, design, development, acquisition, construction, reconstruction, equipping and maintenance of various capital improvements and public facilities to be more particularly described and identified as provided herein and all incidental costs relating thereto (collectively, the "Projects"); and

WHEREAS, the County finds and shall find that the Projects will serve a public purpose under the Act; and

WHEREAS, the Noteholder is willing to make available to the County, and the County is willing to enter into, a non-revolving, line of credit arrangement pursuant to the terms and provisions of this Agreement in an aggregate principal amount of not exceeding \$15,000,000 (unless otherwise adjusted upward in accordance with the terms hereof) under which the County may draw moneys from time to time to finance or refinance the costs of Projects.

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 Chapter 125, Florida Statutes, and other applicable provisions of law.

"**Ad Valorem Revenues**" shall mean all revenues of the County derived from the levy and collection of ad valorem taxes.

"**Agreement**" shall mean this Line of Credit Agreement, dated as of _____, 20__, by and between the County and the Noteholder and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"**Authorized Officer**" shall mean the Clerk, the County Administrator or the Finance Director, or their duly authorized designees.

"**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.

"**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 of Hernando County, Florida and Ex-Officio Clerk of the Circuit Court of the Board, or his or her authorized designee, 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, a political subdivision of the State of Florida duly organized and validly existing under the laws of the State of Florida.

"County Administrator" shall mean the County Administrator of the County, or his or her authorized designee.

"Date of Issuance" shall mean, in the case of each Draw the date such Draw is funded. The Date of Issuance for each Draw will be set forth in the corresponding Draw Request.

"Debt" means 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 to satisfy such obligation in the event that other revenues or funds pledged to secure such obligation are insufficient therefor, and with respect to any obligation contemplated in (d) above, such obligation shall not be considered "Debt" for purposes of this Loan 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 lesser of ten percent (10%) per annum or the maximum rate permitted by law.

"Designated Revenues" shall mean, with respect to any Draw, (a) the Non-Ad Valorem Revenues budgeted and appropriated to pay debt service on the Draws in accordance with Section 2.06 hereof, and (b) the proceeds of the Draw pending the application thereof.

"Determination of Taxability" shall mean the circumstance of interest paid or payable on a Draw becoming includable for federal income tax purposes in the gross income of the Noteholder as a consequence of any act, omission or event whatsoever and regardless of whether the same was within or beyond the control of the County. A

Determination of Taxability will be deemed to have occurred upon (a) the receipt by the County or the Noteholder of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other official letter or correspondence from the Internal Revenue Service which holds that any interest payable on a Draw is includable in the gross income of such Noteholder; (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on such Draw is includable in the gross income of the Noteholder; or (c) receipt by the County or the Noteholder of an opinion of a Bond Counsel that any interest on the Draw has become includable in the gross income of the Noteholder for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on a Draw is deemed includable in the gross income of the Noteholder.

"Draw" or **"Drawing"** shall mean a borrowing of money against a Master Note in accordance with this Agreement.

"Draw Certificate" shall mean the certificate of the County required to be delivered with respect to each Draw pursuant to Section 4.01(a) hereof, the form of which is attached hereto as Exhibit A.

"Draw Request" shall mean the written request of the County to the Noteholder to make a Draw against a Master Note pursuant to Section 4.01(a) hereof and approved by the Noteholder, the form of which is attached hereto as Exhibit C.

"Essential Government Services" means public safety and general governmental services provided by the County, the expenditures for which are currently set forth as the line items entitled "General Government" and "Public Safety" in the County's audited financial statements for the Fiscal Year ended September 30, 2018, and any equivalent line items in any future financial statements of the County.

"Event of Default" shall have the meaning ascribed thereto in Section 5.01 hereof.

"Excess Essential Government Services Expenditures" means the excess, if any, of (a) the expenditures made by the County for Essential Government Services that are allocated to and accounted for in the General Fund, over (b) the Ad Valorem Revenues, excluding Ad Valorem Revenues levied with respect to general obligation indebtedness.

"Final Maturity Date" shall mean with respect to each Draw, the final maturity date set forth in the corresponding Draw Request, which Final Maturity Date must be on May 1 or November 1 of a particular year, unless otherwise agreed to by the Noteholder.

"Finance Director" shall mean the Finance Director of the County, or her or his authorized designee.

"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, Inc., and any successors or assigns thereto.

"General Fund" shall mean the "General Fund" of the County as described and identified in the annual audited financial statements of the County.

"General Fund Revenues" shall mean total revenues of the County derived from any source whatsoever and that are allocated to and accounted for in the General Fund as shown in the annual audited financial statements of the County.

"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 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 the applicable Tax-Exempt Interest Rate or Taxable Interest Rate with respect to a particular Draw.

"Loan Term" shall mean the term of each Draw made hereunder, which Loan Term shall be either a 3-Year Loan Term, a 5-Year Loan Term, a 7-Year Loan Term, a 10-Year Loan Term, a 15-Year Loan Term or such other term as is agreed to between the Noteholder and the County prior to the Date of Issuance for the Draw.

"Master Notes" shall mean the Tax-Exempt Master Note and the Taxable Master Note.

"Maximum Annual Debt Service" shall mean the maximum annual debt service to come due during any Fiscal Year of the County on the Draws that are outstanding hereunder.

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

"Non-Ad Valorem Revenues" shall mean all General Fund Revenues, other than Ad Valorem Revenues, which are legally available to make the payments required herein.

"Noteholder" shall mean SunTrust Equipment Finance & Leasing Corp. and its successors and assigns.

"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.

"Project" or **"Projects"** shall refer to the planning, design, development, redevelopment, acquisition, construction, equipping and maintenance, from time to time, of various capital improvements and public facilities in the County including the costs associated therewith financed or refinanced from the proceeds of the Draws. Each Project to be financed or refinanced by each Draw shall be described in a Draw Request delivered on or before the funding of the Draw, all as more particularly described in Section 4.01 hereof.

"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."

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

"Resolution" shall mean Resolution No. 2019-___ adopted by the County on December 10, 2019, which among other things authorized the execution and delivery of this Line of Credit Agreement and the issuance of the Master Notes.

"Standard and Poor's" shall mean Standard & Poor's Financial Services LLC, and any successors and assigns thereto.

"State" shall mean the State of Florida.

"Tax Certificate" shall have the meaning ascribed thereto in Section 2.03 hereof.

"Taxable Draw Rate Factor" shall mean:

- (a) In the case of a Draw with a 3-Year Loan Term, 109.3 basis points (1.093%);
- (b) In the case of a Draw with a 5-Year Loan Term, 120.5 basis points (1.205%);
- (c) In the case of a Draw with a 7-Year Loan Term, 129.4 basis points (1.294%);
- (d) In the case of a Draw with a 10-Year Loan Term, 140.5 basis points (1.405%); and
- (e) In the case of a Draw with a 15-Year Loan Term, 148.6 basis points (1.486%).

The Taxable Draw Rate Factor for any Draw may be adjusted by the Noteholder prior to the date of the Draw to reflect any variation in interest rate swap costs (and any liquidity premium related thereto) from _____, 20__, so as to preserve the original economic return to the Noteholder as contemplated by its proposal to the County. The Taxable Draw Rate Factor may also be adjusted if there is a material adverse change in the credit worthiness of the County. The Noteholder will advise the County of the Taxable Draw Rate Factor for any contemplated Draw upon request. Once so adjusted, the Taxable Draw Rate Factor will be fixed for the applicable Loan Term.

"Taxable Interest Rate" shall mean:

- (a) In the case of a Draw with a 3-Year Loan Term, a fixed interest rate that is equal to 100% of the 2-Year ICE Swap Index, plus the applicable Taxable Draw Rate Factor;
- (b) In the case of a Draw with a 5-Year Loan Term, a fixed interest rate that is equal to 100% of the 3-Year ICE Swap Index, plus the applicable Taxable Draw Rate Factor;
- (c) In the case of a Draw with a 7-Year Loan Term, a fixed interest rate that is equal to 100% of the 4-Year ICE Swap Index, plus the applicable Taxable Draw Rate Factor;
- (d) In the case of a Draw with a 10-Year Loan Term, a fixed interest rate that is equal to 100% of the 5-Year ICE Swap Index, plus the applicable Taxable Draw Rate Factor; or

(e) In the case of a Draw with a 15-Year Loan Term, a fixed interest rate that is equal to 100% of the 9-Year ICE Swap Index, plus the applicable Taxable Draw Rate Factor.

"Taxable Master Note" shall mean the Hernando County, Florida 20__ Line of Credit Taxable Master Note (SunTrust Equipment Finance & Leasing Corp.) authorized by the Resolution and more particularly described in Article III hereof.

"Tax-Exempt Draw Rate Factor" shall mean:

(a) In the case of a Draw with a 3-Year Loan Term, 85.9 basis points (0.859%);

(b) In the case of a Draw with a 5-Year Loan Term, 94.6 basis points (0.946%);

(c) In the case of a Draw with a 7-Year Loan Term, 101.5 basis points (1.015%);

(d) In the case of a Draw with a 10-Year Loan Term, 110.2 basis points (1.102%); and

(e) In the case of a Draw with a 15-Year Loan Term, 116.5 basis points (1.165%).

The Tax-Exempt Draw Rate Factor for any Draw may be adjusted by the Noteholder prior to the date of the Draw to reflect any variation in interest rate swap costs (and any liquidity premium related thereto) from _____, 20__, so as to preserve the original economic return to the Noteholder as contemplated by its proposal to the County. The Tax-Exempt Draw Rate Factor may also be adjusted if there is a material adverse change in the credit worthiness of the County. The Noteholder will advise the County of the Tax-Exempt Draw Rate Factor for any contemplated Draw upon request. Once so adjusted, the Tax-Exempt Draw Rate Factor will be fixed for the applicable Loan Term.

"Tax-Exempt Interest Rate" shall mean:

(a) In the case of a Draw with a 3-Year Loan Term, a fixed interest rate that is equal to 78% of the 2-Year ICE Swap Index, plus the applicable Tax-Exempt Draw Rate Factor;

(b) In the case of a Draw with a 5-Year Loan Term, a fixed interest rate that is equal to 78% of the 3-Year ICE Swap Index, plus the applicable Tax-Exempt Draw Rate Factor;

(c) In the case of a Draw with a 7-Year Loan Term, a fixed interest rate that is equal to 78% of the 4-Year ICE Swap Index, plus the applicable Tax-Exempt Draw Rate Factor;

(d) In the case of a Draw with a 10-Year Loan Term, a fixed interest rate that is equal to 78% of the 5-Year ICE Swap Index, plus the applicable Tax-Exempt Draw Rate Factor; or

(e) In the case of a Draw with a 15-Year Loan Term, a fixed interest rate that is equal to 78% of the 9-Year ICE Swap Index, plus the applicable Tax-Exempt Draw Rate Factor.

"Tax-Exempt Master Note" shall mean the Hernando County, Florida 20__ Line of Credit Tax-Exempt Master Note (SunTrust Equipment Finance & Leasing Corp.) authorized by the Resolution and more particularly described in Article III hereof.

"3-Year Loan Term" shall be the Loan Term for any Draw the Final Maturity Date of which is (i) more than two years and six months after the Date of Issuance of such Draw and (ii) less than three years and six months after the Date of Issuance of such Draw.

"5-Year Loan Term" shall be the Loan Term for any Draw the Final Maturity Date of which is (i) more than four years and six months after the Date of Issuance of such Draw and (ii) less than five years and six months after the Date of Issuance of such Draw.

"7-Year Loan Term" shall be the Loan Term for any Draw the Final Maturity Date of which is (i) more than six years and six months after the Date of Issuance of such Draw and (ii) less than seven years and six months after the Date of Issuance of such Draw.

"10-Year Loan Term" shall be the Loan Term for any Draw the Final Maturity Date of which is (i) more than nine years and six months after the Date of Issuance of such Draw and (ii) less than 10 years and six months after the Date of Issuance of such Draw.

"15-Year Loan Term" shall be the Loan Term for any Draw the Final Maturity Date of which is (i) more than 14 years and six months after the Date of Issuance of such Draw and (ii) less than 15 years and six months after the Date of Issuance of such Draw.

"2-Year ICE Swap Index" shall mean the most recent rate designated as the 2-year swap rate under the USD Rates 1100 (Series/Run) published by the ICE Benchmark Administration on the fifth (5th) business day immediately prior to the Date of Issuance of the corresponding Draw.

"3-Year ICE Swap Index" shall mean the most recent rate designated as the 3-year swap rate under the USD Rates 1100 (Series/Run) published by the ICE Benchmark Administration on the fifth (5th) business day immediately prior to the Date of Issuance of the corresponding Draw.

"4-Year ICE Swap Index" shall mean the most recent rate designated as the 4-year swap rate under the USD Rates 1100 (Series/Run) published by the ICE Benchmark Administration on the fifth (5th) business day immediately prior to the Date of Issuance of the corresponding Draw.

"5-Year ICE Swap Index" shall mean the most recent rate designated as the 5-year swap rate under the USD Rates 1100 (Series/Run) published by the ICE Benchmark Administration on the fifth (5th) business day immediately prior to the Date of Issuance of the corresponding Draw.

"9-Year ICE Swap Index" shall mean the most recent rate designated as the 9-year swap rate under the USD Rates 1100 (Series/Run) published by the ICE Benchmark Administration on the fifth (5th) business day immediately prior to the Date of Issuance of the corresponding Draw.

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 terms used in this Agreement not herein defined shall have the meaning ascribed to such terms 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.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS; SECURITY FOR NOTES

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

(a) The County is a political subdivision of the State. Pursuant to the Resolution, the County has duly authorized the execution and delivery of this Agreement and the Master Notes, the performance by the County of all of its obligations hereunder and under the Master Notes, and the issuance of each Master Note in the aggregate principal amount not to exceed \$15,000,000.

(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 the Resolution, this Agreement, or under the Master Notes, and to perform all of its obligations hereunder and under the Master Notes. To the best knowledge of the County, 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 Master Notes and execute and deliver this Agreement and, when this Agreement is executed and delivered and the Master Notes are issued in accordance with the terms of this Agreement, the Agreement and the Master Notes will each constitute a legal, valid and binding obligation of the County enforceable in accordance with their 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 Master Notes.

(e) The County will furnish to the Noteholder within 210 days after the close of each Fiscal Year of the County a copy of the annual audited financial statements of the County. The County shall also provide the Noteholder with a copy of the annual budget

of the County each year within 30 days of the adoption of such budget and any other information reasonably requested by the Noteholder.

(f) The financial information concerning the County heretofore delivered to the Noteholder is complete and correct and fairly presents the financial condition of the County for the period(s) referred to and has been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the period(s) involved. There are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the County as of the date of such financial information which are not reflected therein. There has been no material adverse change in the financial condition or operations of the County since the date of such information (and to the County's knowledge no such material adverse change is pending or threatened), and the County has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information.

(g) No event has occurred which would constitute a payment-related event of default or an event of termination due to a failure to appropriate funds under any debt, note, revenue bond, lease-purchase, payment agreement, contract or obligation which the County has issued or entered into during the past ten (10) years.

SECTION 2.02. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE NOTEHOLDER. The Noteholder hereby represents, warrants and agrees that it is 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 articles of incorporation or bylaws. Pursuant to the terms and provisions of this Agreement, the Noteholder agrees to establish a line of credit on behalf of the County pursuant to which it will make one or more loans to the County for the purpose of financing or refinancing the costs of Projects.

SECTION 2.03. TAX COVENANT. (a) In order to maintain the exclusion from gross income for purposes of Federal income taxation of interest on the Draws made against the Tax-Exempt Master Note, the County shall comply with each requirement of the Code applicable to the Tax-Exempt Master Note and the Draws there against. In furtherance of the covenant contained in the preceding sentence, the County agrees to continually comply with the provisions of the Certificate as to Arbitrage and Certain Tax Matters executed in connection with the issuance of the Tax-Exempt Master Note, as the same may be amended or supplemented from time to time, as a source of guidance for achieving compliance with the Code (referred to herein as the "Tax Certificate").

(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 Tax-Exempt Master 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 Draws against the Tax-Exempt Master Note for Federal income tax purposes, the covenants contained in this Section shall survive the payments of such Draws 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 Tax-Exempt Master Note to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

SECTION 2.04. MASTER NOTES AND DRAWS NOT TO BE INDEBTEDNESS OF THE COUNTY OR STATE. The Master Notes, when delivered by the County pursuant to the terms of this Agreement, and the Draws made thereagainst, 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 from the Designated Revenues 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 Draws or the interest thereon. The Draws and the Master Notes are special and limited obligations payable as to principal and interest from the Designated Revenues.

SECTION 2.05. SECURITY FOR MASTER NOTES AND DRAWS. The Master Notes and Draws shall be secured by and payable from the County's covenants contained in Section 2.06 hereof and the Designated Revenues. The County does hereby irrevocably pledge the Designated Revenues to the payment of the principal of and interest on the Draws in accordance with the provisions hereof. The pledge of and lien on such Designated Revenues shall attach with respect to each Draw at the time it is made.

SECTION 2.06. COVENANT TO BUDGET AND APPROPRIATE NON-AD VALOREM REVENUES. The County covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts which, together with the other Designated Revenues, shall be sufficient to pay debt service on the Draws. 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 in its general annual budget for the purposes and in the manner stated herein shall have the effect of making Non-Ad Valorem Revenues available for the payment of debt service on the Draws in the manner described herein and in the Resolution 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 provides, in part, that the governing body of each county 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, welfare and safety of the inhabitants of the County or which are legally mandated by applicable law.

SECTION 2.07. PAYMENT COVENANT. The County covenants that it shall duly and punctually pay from the Designated Revenues the principal of and interest on the Draws at the dates and place and in the manner provided herein and in the Master Notes according to the true intent and meaning thereof and all other amounts due under this Agreement. Failure to comply with this Section 2.07 shall result in an Event of Default under Section 5.01(a) hereof.

SECTION 2.08. ANTI-DILUTION. During such time as any Draw remains unpaid hereunder, the County agrees and covenants with the Noteholder that (a) the ratio calculated by dividing (i) Non-Ad Valorem Revenues minus Excess Essential Government Services Expenditures by (ii) Maximum Annual Debt Service on all Draws outstanding hereunder and maximum annual debt service on Debt, shall be at least 1.5x; and (b) the projected Maximum Annual Debt Service on all Draws outstanding hereunder and maximum annual debt service for all Debt will not exceed 20% of General Funds Revenues, exclusive of (I) Ad Valorem Revenues restricted to payment of debt service on any Debt and (II) any proceeds of Draws or Debt. The calculations required by clauses (a) and (b) above shall be determined using the average of actual revenues and expenditures for the prior two Fiscal Years based on the County's annual audited financial statements. For purposes of the calculations required by clauses (a) and (b) above, Maximum Annual Debt Service on outstanding Draws and maximum annual debt

service on 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 the covenants contained in this Section 2.08, maximum annual debt service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual maximum annual debt service in the current or any future Fiscal Year, and, with respect to Debt which bears interest at a variable interest rate, maximum 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, maximum annual debt service on such Debt shall be determined assuming such Debt is amortized over 10 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.

Prior to the issuance of any additional indebtedness that is secured by or payable from any Non-Ad Valorem Revenues, the County shall ensure that upon the issuance of such indebtedness it will be in compliance with the provisions of this Section 2.08 taking into account such proposed additional indebtedness. The County will provide a detailed certification of its compliance with the provisions of this Section 2.08 within 210 days after the end of each Fiscal Year, and contemporaneously with the issuance of additional Debt.

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ARTICLE III

DESCRIPTION OF MASTER NOTES AND DRAWS; PAYMENT TERMS; OPTIONAL PREPAYMENT

SECTION 3.01. DESCRIPTION OF THE MASTER NOTES AND DRAWS. (a) At or prior to the date the County makes the initial Draw against the Tax-Exempt Master Note pursuant to Section 4.01(b) of this Agreement, the County shall, pursuant to the authority granted under the Resolution, issue and deliver a note to the Noteholder, which note shall be in an amount equal to FIFTEEN MILLION AND 00/100 DOLLARS (\$15,000,000) and shall be designated as the "Hernando County, Florida 20__ Line of Credit Tax-Exempt Master Note (SunTrust Equipment Finance & Leasing Corp.)." At or prior to the date the County makes the initial Draw against the Taxable Master Note pursuant to Section 4.01(c) of this Agreement, the County shall, pursuant to the authority granted under the Resolution, issue and deliver a note to the Noteholder, which note shall be in an amount equal to FIFTEEN MILLION AND 00/100 DOLLARS (\$15,000,000) and shall be designated as the "Hernando County, Florida 20__ Line of Credit Taxable Master Note (SunTrust Equipment Finance & Leasing Corp.)." The text of each Master Note shall be substantially in the form attached hereto as Exhibit B, with such omissions, insertions and variations as may be necessary and desirable to reflect the particular terms of each Master Note. The provisions of the form of Master Note are hereby incorporated in this Agreement.

(b) Each Master Note shall be dated the date of its delivery. Each Master 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 a Master Note shall cease to be such officer of the County before such Master Note so signed and sealed shall have been actually delivered, such Master Note may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed such Master Note had not ceased to hold such office. Each Master Note may be signed and sealed on behalf of the County by such person who at the actual time of the execution of such Master Note shall hold the proper office, although at the date such Master Note shall actually be delivered, such person may not have held such office or may have been so authorized.

(c) The cumulative aggregate principal amount of all Draws that may be made hereunder and against the Master Notes shall not exceed FIFTEEN AND 00/100 DOLLARS (\$15,000,000). Each Draw made against the Master Notes shall be designated as "[Tax-Exempt] [Taxable] Draw Number ___." All Draws shall be made by the County in accordance with Article IV hereof. All Draws made against the Tax-Exempt Master Note in accordance with Article IV hereof shall bear interest from the

respective Date of Issuance of such Draws, at the applicable Tax-Exempt Interest Rate, as the same may be adjusted pursuant to Section 3.03 hereof. All Draws made against the Taxable Master Note in accordance with Article IV hereof shall bear interest from the respective Date of Issuance of such Draws at the applicable Taxable Interest Rate.

(d) Subject to the adjustments set forth in Section 3.03 hereof which shall apply only to Draws against the Tax-Exempt Master Note, all Draws made against a Master Note shall bear interest at the applicable Interest Rate. Interest on all Draws made against the Master Notes shall be payable semi-annually on May 1 and November 1 of each year (the "Interest Payment Date") so long as any amount under the Master Notes remains outstanding, interest on a particular Draw commencing on the first Interest Payment Date which next succeeds by at least 60 days the date the Draw was made. The Final Maturity Date of each Draw shall be set forth in the corresponding Draw Request. No Draws may be made after _____, 20__, unless such date is extended pursuant to Section 6.04 hereof. Principal of each Draw shall be payable in such amounts on May 1 or November 1 (or such other date as is agreed to by the Noteholder) of such years as designated in the corresponding Draw Request (and accepted by the Noteholder) through and including the Final Maturity Date. Each Draw must be in an amount equal to or greater than \$50,000. When all Draws have been paid in full in accordance with the terms hereof and no other Draws may be made hereunder, the Noteholder shall cancel the Master Notes and deliver them to the County or shall otherwise provide evidence to the County that such Master Notes have been cancelled. Interest on all Draws made against the Master Notes shall be calculated on a 30/360-day basis and all interest shall be compounded monthly.

(e) All payments of principal of and interest on Draws made against the Master Notes 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 (i) in immediately available funds, (ii) by delivering to the Noteholder no later than the payment date a check or draft of the County, or (iii) in such other manner as the County and the Noteholder shall agree upon in writing.

(f) There will be no Noteholder fees to maintain the Line of Credit. The Noteholder shall pay for all of its costs, including any legal fees and expenses, relating to servicing the line of credit. Except as provided in Section 5.02(b), the Noteholder shall pay for all of its costs, including any legal fees and expenses, relating to servicing the line of credit.

SECTION 3.02. OPTIONAL PREPAYMENT. The County may prepay and redeem any Draw or all Draws made against a Master Note, in whole or in part, on any scheduled Interest Payment Date by paying to the Noteholder the principal amount of the Draw to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, without any prepayment premium. Each

prepayment of a Draw shall be made on such date and in such principal amount 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 Draw or Draws to be prepaid and the date of such prepayment. Upon any partial prepayment as provided herein, such prepayment shall be applied in the inverse order of principal amounts payable on such Draw or Draws, unless the Noteholder and the County shall mutually agree to a revised amortization of the outstanding principal amount, if any, of such Draw or Draws and the Noteholder shall provide the County with evidence of such revised amortization. Notice having been given as aforesaid, the principal amount of the Draw stated in such notice or the whole thereof, as the case may be, shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being paid. If on the prepayment date moneys for the payment of Draw or portion thereof to be prepaid, together with interest to the prepayment date on such amount, shall have been paid to the Noteholder as above provided, then from and after the prepayment date interest on such portion of the Draw shall cease to accrue. If said moneys shall not have been so paid on the prepayment date, such principal amount of such Draw or portion thereof shall continue to bear interest until payment thereof at the rate or rates provided for in this Agreement.

SECTION 3.03. ADJUSTMENTS TO TAX-EXEMPT INTEREST RATES. In the event of a Determination of Taxability, the Tax-Exempt Interest Rate on all Draw amounts outstanding under the Tax-Exempt Master Note, whether then outstanding or funded after the Determination of Taxability, shall be immediately increased to such rate as shall provide the Noteholder with the same rate of return that the Noteholder would have otherwise received with respect to such Draw taking into account the increased taxable income of the Noteholder as a result of such Determination of Taxability (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 agrees to pay to the Noteholder, the Additional Amount. "Additional Amount" means (i) the difference between (A) interest on the outstanding Draw amount for the period commencing on the date on which the interest on such Draw (or portion thereof) is deemed to have lost its tax-exempt status and ending on the effective date of the adjustment of the Tax-Exempt Interest Rate to the Adjusted Rate (the "Taxable Period") at a rate per annum equal to the Adjusted Rate and (B) the aggregate amount of interest paid on the Draw during the Taxable Period at the Tax-Exempt Interest Rate applicable to the Draw prior to the adjustment to the Adjusted Rate, plus (ii) 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.

ARTICLE IV

CONDITIONS FOR DRAWS

SECTION 4.01. CONDITIONS FOR DRAWS. (a) In connection with any Draw, the Noteholder shall not be obligated to make any loan under this Agreement unless at or prior to the date specified for the making thereof the County delivers to the Noteholder a Draw Request of the County's intention to make a Draw at least seven (7) business days prior to the date specified for such Draw. Such Draw Request shall be substantially in the form attached hereto as Exhibit C. Such Draw Request must be signed by an Authorized Officer in connection with each Draw. The Noteholder shall have no obligation to fund any Draw under this Agreement unless the principal amortization schedule contained in the applicable Draw Request is acceptable to it. On or prior to the date of any Draw, the County shall provide the Noteholder with a certificate signed by an Authorized Officer substantially in the form attached hereto as Exhibit A.

(b) On or before the date the initial Draw is made against the Tax-Exempt Master Note, the County shall have caused to be delivered to the Noteholder the following items in form and substance acceptable to the Noteholder:

(i) A fully executed Tax Certificate relating to the Tax-Exempt Master Note and such initial Draw;

(ii) A copy of a completed and executed Form 8038-G to be filed with the Internal Revenue Service;

(iii) An opinion of Bond Counsel to the effect that (A) the Agreement and the Tax-Exempt Master Note, as the case may be, have been duly authorized by the County and are enforceable obligations in accordance with their terms (enforceability of such instruments may be subject to standard bankruptcy exceptions and the like), and (B) subject to certain standard assumptions, interest on the Tax-Exempt Master Note and initial Draw shall be excluded from gross income for federal income tax purposes and will not be treated as a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code;

(iv) An opinion of the County Attorney in form and substance acceptable to the Noteholder and Bond Counsel; and

(v) Such additional certificates, instruments and other documents as the Noteholder or its Counsel or Bond Counsel, or the County Attorney may deem necessary or appropriate.

(c) On or before the date the initial Draw is made against the Taxable Master Note, the County shall have caused to be delivered to the Noteholder the following items in form and substance acceptable to the Noteholder:

(i) An opinion of Bond Counsel to the effect that the Agreement and the Taxable Master Note, as the case may be, have been duly authorized by the County and are enforceable obligations in accordance with their terms (enforceability of such instruments may be subject to standard bankruptcy exceptions and the like);

(ii) An opinion of the County Attorney in form and substance acceptable to the Noteholder and Bond Counsel; and

(iii) Such additional certificates, instruments and other documents as the Noteholder or its Counsel or Bond Counsel, or the County Attorney may deem necessary or appropriate.

(d) Upon satisfaction of the conditions set forth in paragraphs (a) and (b) and/or (c) above, the County may borrow up to \$15,000,000 from the Noteholder pursuant to one or more Draws. After such time as \$15,000,000 in cumulative principal amount (irrespective of any payments or prepayments on the principal balance then outstanding) of Draws shall have been issued hereunder, the Noteholder shall not be required to honor any further Draws; provided, however, that if the Noteholder and the County agree in writing to increase the amount available to be drawn by the County on the line of credit provided by the Noteholder pursuant to this Agreement, such \$15,000,000 limitation shall be increased to such agreed upon amount. The County shall apply the proceeds of each Draw to finance or refinance, or reimburse itself for prior expenditures incurred for, the costs of the Project relating to the Draw, which shall include, but not be limited to:

(i) The costs of architectural and engineering services related to the Project, including, without limitation, the costs of preparation of studies, surveys, reports, tests, plans and specifications;

(ii) The costs of legal, accounting, marketing and other special services related to the Project;

(iii) Costs and fees incurred in connection with the issuance of the Master Notes or the making of a Draw;

(iv) Fees and charges incurred in connection with applications to federal, state and local governmental agencies for any requisite approval or permits regarding the acquisition and construction of the Project;

(v) Costs incurred in connection with the acquisition of the sites for the Project, including any necessary rights-of-way, easements or other interests in real or personal property;

(vi) Costs incurred in connection with the acquisition, construction, improvement or extension of the buildings, structures and facilities comprising the Project;

(vii) Costs incurred in connection with the acquisition and installation of any machines, equipment, fixtures, appurtenances or personal property of any kind or nature, which are to comprise a part of the Project;

(viii) Interest on Draws accruing prior to the completion date of the Project; and

(ix) To the extent permitted by law, other costs and expenses relating to the Project which are incurred for the purpose of providing for the Project, including the administrative and maintenance costs associated with the management of the Project, and other facilities functionally related and subordinate thereto.

(e) Each Draw Request shall constitute a covenant and reaffirmation of the County that the warranties and representations in this Agreement and the Master Notes are still true and correct, that the Resolution, Master Notes and this Agreement are in full force and effect and have not been amended, modified or superseded except as provided pursuant to Section 6.01 hereof, that all of the terms and conditions of this Agreement have been and are being complied with, and that no Event of Default or event which, with the giving of notice or passage of time or both, would constitute an Event of Default hereunder has occurred as of the date of the Draw. Each Draw Request shall be subject to credit approval of the Noteholder.

(f) On or before the date of each Draw hereunder, the Noteholder shall provide the County with a full amortization schedule with respect to such Draw and an Authorized Officer shall confirm such schedule by executing the same and returning it to the Noteholder.

ARTICLE V

EVENTS OF DEFAULT; REMEDIES

SECTION 5.01. 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 then due on any Draw;

(b) Any representation or warranty of the County contained in Article II of this Agreement or any certificate provided the Noteholder under Article IV shall prove to be untrue in any material respect on the date made or deemed made;

(c) Any covenant of the County contained in Article II of this Agreement shall be breached or violated for a period of thirty (30) days after the County's notice of such breach or violation, unless the Noteholder shall agree in writing 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.

SECTION 5.02. REMEDIES. (a) 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. No failure or delay by the Noteholder to insist upon the strict performance of any term, covenant or agreement contained herein or in the Master Notes, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term,

covenant or agreement or of any such breach, or preclude the Noteholder from exercising any such right, power or remedy at any later time or times.

(b) If an Event of Default occurs, the County shall also be obligated to pay as part of the indebtedness evidenced by the Master Notes and Draws thereunder, all costs of collection and enforcement hereof, including such reasonable attorneys' fees as may be incurred by any Noteholder, including on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist.

(c) Upon the occurrence and during the continuation of an Event of Default, (i) the entire outstanding principal amount drawn against each Master Note shall bear interest at the Default Rate, (ii) the Noteholder shall have the right to declare the entire amount then drawn against each Master Note and all interest accrued thereon to be immediately due and payable and (iii) the Noteholder shall not be obligated to honor any further Draws hereunder.

[Remainder of page intentionally left blank]

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. AMENDMENTS, CHANGES OR MODIFICATIONS TO THE AGREEMENT. This Agreement shall not be amended, changed or modified without the prior written consent of the Noteholder and the County.

SECTION 6.02. 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 6.03. SEVERABILITY. This Agreement and the Master Notes constitute the entire agreement of the parties with respect to the subject matter hereof, and supersede all prior and contemporaneous writings or agreements. 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 6.04. TERM OF AGREEMENT. This Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as any Master Note is outstanding. The commitment of the Noteholder to honor Draws in accordance with the terms hereof shall expire on _____, 20__ (as extended as provided in immediately succeeding clause, the "Draw Expiration Date"); provided, however the Draw Expiration Date may be extended upon mutual written agreement between the County and the Noteholder. If the County wants the Draw Expiration Date extended it shall request such extension no later than 45 days prior to the Draw Expiration Date.

SECTION 6.05. NOTICE OF CHANGES IN FACT. Promptly after the County becomes aware of the same, the County will notify the Noteholder of (a) any change in any material fact or circumstance represented or warranted by the County in this Agreement or in connection with the issuance of the Master Notes, and (b) any default or event which, with notice or lapse of time or both, could become an Event of 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.

SECTION 6.06. 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, Room 230, Brooksville, Florida 34601, Attention: Director of Financial Services, and to the Noteholder, SunTrust Equipment Finance & Leasing Corp., P.O. Box 4418, Atlanta, Georgia 30302, 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 6.07. APPLICABLE LAW. The substantive laws of the State of Florida shall govern this Agreement.

SECTION 6.08. 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.

SECTION 6.09. ASSIGNMENT. The rights and obligations of the Noteholder hereunder and under the Master Notes may be assigned in whole to another financial institution prior to the end of the period during which Draws may be made, and to any person that is an “accredited investor” (as that term is defined in the regulations promulgated under the Securities Act of 1933, as amended), after the end of such period, without the consent of the County. The rights and obligations of the County hereunder and under the Master Notes may not be assigned, transferred, conveyed or encumbered without the consent of the Noteholder. The County shall maintain a register of assigns of this Agreement and the Master Notes. This Agreement and the Master Notes shall be binding on the parties and their respective permitted successors and assigns.

SECTION 6.10. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO, IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE MASTER NOTES.

SECTION 6.11. USA PATRIOT ACT COMPLIANCE NOTIFICATION. The Noteholder hereby notifies the County that pursuant to the provisions of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the County. The County will provide the Noteholder with all documentation and other information the Noteholder requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering regulations, including the USA PATRIOT Act.

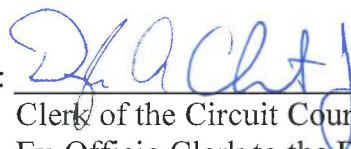
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.



HERNANDO COUNTY, FLORIDA

By: 
Chairman, Board of County Commissioners


ATTEST:

By: 
Clerk of the Circuit Court and
Ex-Officio Clerk to the Board

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: 
County Attorney's Office

**SUNTRUST EQUIPMENT FINANCE &
LEASING CORP.**

By: 
Name: Stephanie Hagland
Title: Vice President

FORM OF DRAW CERTIFICATE

The undersigned, on behalf of Hernando County, Florida (the "County"), in connection with a Draw (the "Draw") to be funded on the ____ day of _____, _____ in the amount of \$_____, pursuant to that certain Line of Credit Agreement dated as of _____, 20__ (the "Agreement"), between the County and SunTrust Equipment Finance & Leasing Corp. (the "Noteholder"), **HEREBY CERTIFIES** as follows:

1. The capitalized terms used herein that are not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.
2. The Resolution is in full force and effect and has not been rescinded, repealed, modified or amended since the date of its adoption except as otherwise described herein.
3. The Agreement is in full force and effect and has not been terminated, modified or amended since the date of its execution except as otherwise described herein.
4. The County has complied in all respects with the terms and provisions of the Resolution, the Master Notes and the Agreement and the County is not in default under any provisions of either the Resolution or the Agreement.
5. All of the representations and warranties contained in the Agreement, the Master Notes and the Resolution are true and correct as of the date hereof.
6. The Project to be financed or refinanced with proceeds of the Draw has been duly authorized and approved by the Board.
7. The County is in full compliance with the Tax Certificate relating to the Tax-Exempt Master Note.
8. The County has delivered to the Noteholder a Draw Request with respect to the Draw in accordance with and in compliance with the Agreement; all necessary approvals of or by the County which are required as a condition precedent to making the Draw have been satisfied.
9. The proceeds of the Draw will be used solely to finance or refinance the costs of the Project to be funded by the Draw and described in the Draw Request referred to in Paragraph 8 above.

10. All terms, conditions, representations, warranties and covenants contained in the Agreement, the Resolution and the Master Notes are incorporated by reference as if fully restated herein.

Executed as of this ____ day of _____, _____.

HERNANDO COUNTY, FLORIDA

By: _____

Title: _____

UNITED STATES OF AMERICA
 STATE OF FLORIDA
 HERNANDO COUNTY, FLORIDA
 20__ LINE OF CREDIT [TAX-EXEMPT] [TAXABLE] MASTER NOTE
 (SUNTRUST EQUIPMENT FINANCE & LEASING CORP.)

Interest Rate	Final Date of Issuance	Maturity Date
Various	_____, 20__	Various

HERNANDO COUNTY, FLORIDA (the "County"), for value received, hereby promises to pay, solely from the Designated Revenues described in the within mentioned Agreement, to the order of SunTrust Equipment Finance & Leasing Corp., or its successors or assigns (the "Noteholder"), the lesser of the principal sum of FIFTEEN MILLION AND 00/100 DOLLARS (\$15,000,000) or so much thereof as may be advanced and outstanding (the "Advanced Amount") pursuant to that certain Line of Credit Agreement by and between the Noteholder and the County, dated as of _____, 20__ (the "Agreement"), and to pay interest on such Advanced Amount from the dates amounts are advanced hereunder and under the Agreement from time to time, or from the most recent date to which interest has been paid, at the Interest Rate (as determined and defined in the Agreement [and subject to adjustment as provided in the Agreement]) semi-annually on May 1 and November 1 of each year, commencing with respect to each advance hereunder on the first May 1 or November 1 that follows the date of such advance by at least 60 days, until such Advanced Amount shall have been paid. The Advanced Amount hereof shall be payable on [May 1 or November 1] of the years and in the amounts identified in the applicable Draw Request (as defined in the Agreement) and approved by the Noteholder through the Final Maturity Date (as set forth in the Draw Request). Such Advanced Amount and interest 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, Resolution No. 2019-__ duly adopted by the County on December 10, 2019 (the "Resolution"), as such 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 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 or refinance the costs of acquiring, constructing and equipping various capital improvements as described in the Agreement. This Note is secured by the County's covenant contained in Section 2.06 of the Agreement to budget and appropriate legally available Non-Ad Valorem Revenues and a

pledge of the Designated Revenues, all as provided in the Agreement. This Note shall be payable from the Designated Revenues as described in the Agreement.

This Note shall bear interest at the Interest Rate on a 30/360-day year basis. [Such Interest Rate is subject to adjustment as provided in Section 3.03 of the Agreement.] The Noteholder shall provide to the County upon request such documentation to evidence the amount of interest due with respect to any Draw (as defined in the Agreement) against the Note. Upon the occurrence and during the continuation of an Event of Default (as defined in the Agreement), this Note shall bear interest at the Default Rate (as defined 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 accrued interest, and then to the principal amount then due on this Note.

The County may prepay this Note as a whole or in part, on any scheduled Interest Payment Date by paying to the Noteholder all or part of the Advanced Amount to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, without any prepayment premium. Each prepayment of the Note shall be made on such date and in such principal amount as shall be specified by the County in a written notice delivered to the Noteholder not less than ten (10) days prior thereto. Notice having been given as aforesaid, the principal amount stated in such notice or the whole thereof, as the case may be, shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being paid. If on the prepayment date moneys for the payment of the principal amount to be prepaid, together with interest to the prepayment date, shall have been paid to the Noteholder as above provided, then from and after the prepayment date interest on such principal amount of such Note shall cease to accrue. If said moneys shall not have been so paid on the prepayment date, such principal amount shall continue to bear interest until payment thereof at the rate or rates provided for in the Agreement. Upon any partial prepayment as provided herein, such prepayment shall be applied in the inverse order of principal amounts on such Draw or Draws, unless the Noteholder and the County shall mutually agree to a revised amortization of the outstanding principal amount, if any, of such Draw and the Noteholder shall provide the County with evidence of such revised amortization.

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 solely from the Designated Revenues, as 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 the Note or the interest thereon.

The County hereby waives demand, protest and notice of dishonor.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation. It is further certified that all of the representations, warranties, terms, conditions, and covenants made and set forth in the Agreement, the Resolution and in the ancillary and closing documents relevant to this Note are remade and incorporated fully by reference herein.

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

(SEAL)

By: _____
Chairman, Board of County Commissioners

Attest:

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

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: _____
County Attorney's Office

FORM OF DRAW REQUEST

The undersigned, on behalf of Hernando County, Florida (the "County"), hereby makes this Draw Request in accordance with Section 4.01(a) of that certain Line of Credit Agreement dated as of _____, 20__ (the "Agreement"), between the County and SunTrust Equipment Finance & Leasing Corp. (the "Noteholder") and in connection with the Hernando County, Florida 20__ Line of Credit [Tax-Exempt] [Taxable] Master Note (SunTrust Equipment Finance and Leasing Corp.) dated as of _____, 20__ (the "Note").

Type of Draw: [Tax-Exempt] [Taxable]

Draw Amount: \$ _____

Date of Issuance: _____

Final Maturity Date: _____ 1, _____

Project Description:

Term: [3-year term] or [5-year term] or [7-year term] or [10-year term] or [15-year term]

Initial Amortization*:

YEAR (May 1/November 1):

PRINCIPAL REPAYMENT

* Upon any prepayment in accordance with the Agreement, the principal amortization shall be revised in accordance with the mutual agreement of the County and the Noteholder. In the absence of any such agreement, prepayments shall be applied in inverse order of maturity.

Executed and made a part of the Agreement and the Note as of this ____ day of _____, _____.

HERNANDO COUNTY, FLORIDA

By: _____
Title: _____

APPROVED:

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

By: _____
Title: _____