

HERNANDO COUNTY INCENTIVES AGREEMENT

(Jobs Creation Grant Award)

THIS AGREEMENT dated as of the 22nd day of April, 2025 (the "Agreement"), by and between HERNANDO COUNTY, a political subdivision of the State of Florida, whose address is 15470 Flight Path Drive, Brooksville, FL 34604 (the "County") and FLIGHTPATH AVIATION SERVICES, INC., a Florida corporation, whose address is 2103 American Flyer Way, Brooksville, FL 34604 (the "Company").

RECITALS:

WHEREAS, Florida State statutes, as well as the Hernando County Code of Ordinances, Chapter 11.5, enumerate various Business Development Incentives for Targeted Industries, including but not limited to various jobs creation related incentives; and,

WHEREAS, the County owns the real property and improvements located thereon at 17330 Spring Hill Drive, Brooksville, Florida 34604 (the "Property"), which is situated entirely within the Brooksville - Tampa Bay Regional Airport (the "Airport"); and,

WHEREAS, the Company is a tenant of the Airport that is in the business of providing a range of aviation-related services, and proposes to expand its operations at the Airport; and,

WHEREAS, pursuant to Fla. Stat. § 125.35, the Airport Authority Law of 1945, Fla. Stat. §§ and 332.01-332.12, the Hernando County Property Management Ordinance, Hernando County Code § 2-136, *et seq.*, and the Brooksville-Tampa Bay Regional Airport Ordinance, Hernando County Code § 3-16, *et seq.*, as they each may be amended from time to time, the Hernando County Board of County Commissioners (the "Board") shall administer and dispose of real property and improvements located within the confines of the Airport; and,

WHEREAS, germane to this Agreement, the Property is improved with a ribbed metal/steel aircraft hangar storage building that was constructed in 1979, and various associated site improvements, including, but not limited to, an asphalt-paved driveway, an asphalt-paved parking area, and a concrete-paved apron (collectively, the "Hangar"). The Hangar is described in Exhibit "1," and depicted on Exhibit "2," to this Agreement; and,

WHEREAS, contemporaneously with the entering into of this Agreement, the Company proposes to lease the portion of the Property on which the Hangar is situated (the "Subject Premises" or "Premises"); and,

WHEREAS, the Company intends to invest approximately \$3.26 million through the construction of two hangars on the Subject Premises, each of which will contain no less than 10,000 square feet of interior floor space each, together with certain improvements associated therewith (collectively, the "Improvements"). The Improvements are depicted on Exhibit "3" to this Agreement; and,

WHEREAS, the Company's proposed expansion will create a minimum of twelve (12) new Full-Time Jobs within Hernando County which pay equal to or greater than the Average

Annual Wage for Hernando County, said jobs creation to occur in three phases, extending over approximately three years; and,

WHEREAS, the Hernando County Office of Business Development has determined that the Company constitutes a Targeted Industry ("TI") as defined in the Hernando County Code of Ordinances; and,

WHEREAS, the Company has applied to the County for a Jobs Creation Grant as a Targeted Industry pursuant to Hernando County Code Chapter 11.5 (a copy of the Company's application is attached to the Staff Report in the record and is incorporated herein by this reference); and,

WHEREAS, the Company has requested that, in lieu of monetary payments, that the Jobs Creation Grant be made by the County transferring to it the title to the Hangar; and,

WHEREAS, after review of the application materials, the Hernando County Office of Business Development has determined that the Company qualifies for the Business Development Incentive provided for in this Agreement. The Office of Business Development's detailed analysis of the application and its finding of eligibility are contained in the Staff Report, said findings being incorporated herein by this reference; and,

WHEREAS, the Office of Business Development recommends, subject to compliance with this Agreement, that the Board award a Jobs Creation Grant to the Company as provided for herein; and,

WHEREAS, the Board, after conducting a duly advertised public hearing during which it received public testimony, reviewed the Company's materials, along with the testimony and evidence in the Record, and after due consideration of the recommendations of the Office of Business Development, awarded a Jobs Creation Grant to the Company, subject to the terms of this Agreement.

NOW THEREFORE, the Company and the County hereby agree as follows:

SECTION 1 – RECITALS

1. The Recitals set forth above are true and correct and are incorporated herein by this reference.

SECTION 2 – DEFINITIONS

2. The terms used in this Agreement are defined and utilized in Chapter 11.5 of the Hernando County Code of Ordinances.

SECTION 3 – LAND, IMPROVEMENTS AND PREMISES

3.A. The Company, at its sole cost and expense will construct the Improvements on the Subject Premises. The Improvements shall be built in accordance with all applicable building

codes and standards and subject to all permitting requirements in effect at the time such permit(s) are pulled.

3.B. No Warranties or Representations. The County makes no warranties or representations to the Company, and the Company agrees the County has made no warranty or representation respecting the condition of the Subject Premises, or applicable zoning laws and land use regulations, or environmental conditions, or the applicability of any covenants or restrictions of public record, except as otherwise provided herein.

3.C. The Company shall be solely responsible for obtaining all approvals, permits, licenses, insurance, and authorizations from the responsible federal, state and local authorities, or other entities, necessary to use the Subject Premises in the manner contemplated. Further, it is expressly agreed and understood that the County has no duty, responsibility or liability for requesting, obtaining, ensuring, or verifying the Company's compliance with the applicable federal, state or local agency permit or approval requirements. Any permit or authorization granted by the County, including but not limited to this Agreement, or any development order under the County's land use regulations, shall not in any way be interpreted as a waiver, modification, or grant of any federal, state or local agency permits or authorizations or permission to violate any federal, state or local law or regulation. The Company shall be held strictly liable, and shall hold the County, its officers, employees and agents harmless for administrative, civil and criminal penalties for any violation of federal, state or local statutes or regulations, including but not limited to environmental laws and regulations. Nothing herein shall be interpreted as restricting or limiting the County from bringing an enforcement action against the Company.

3.D. The failure of this Agreement to address a particular permit, condition, term or restriction shall not relieve the Company of the necessity of complying with the law governing said permitting requirements, conditions, terms or restrictions. No rights to obtain land use approvals nor any other rights to the proposed use have been granted or implied simply by the County's approval of this Agreement. The Company may not attempt to force or coerce County authorities to approve any land use or other authorizations or permits, by asserting that the County has committed to such approvals based on the theory of vested rights or equitable estoppel or any other legal theory based on the County's approval of this Agreement. Approval of a County development order requires strict compliance with applicable approval criterion for the requested use in effect at the time.

SECTION 4 – EFFECTIVE DATE AND DURATION / TERM

4.A. Effective Date. This Agreement shall become effective on the date the last party signed this Agreement.

4.B. Duration / Term. This Agreement shall end on January 1, 2034, unless this Agreement is terminated earlier, for any reason, including any Event of Default as defined herein or by operation of law.

SECTION 5 – CAPITAL INVESTMENT / JOBS CREATION AND COMPLIANCE MONITORING

5.A. Capital Investment and Creation of New Jobs. As consideration for the Incentives offered by the County in accordance with this Agreement, the Company shall fully fund, construct, supply, staff and operate the Improvements depicted in Exhibit "1" attached to this Agreement, said construction effort representing approximately \$3.26 million in new capital investment in Hernando County. The Company shall further create, fund and fill a total of twelve (12) new jobs within Hernando County, Florida, which jobs pay an average wage equal to or greater than 115% of the Annual Average Wage, or at least \$50,884.00, for the duration of this Agreement in accordance with the Phases and time schedules set forth herein. The creation of these jobs shall make the Company eligible for the Incentives identified in this Agreement. The failure of Company to fully fund and fill the jobs identified herein in accordance with the terms of this Agreement, in any given year, for any reason or no reason whatsoever, shall constitute noncompliance hereunder and shall trigger the remedies pursuant to **Section 14** below.

5.B. Proofs of Compliance; Certifications; Audits.

5.B.1. No later than December 31st of each year under this Agreement, the Company shall provide the Office of Business Development with a true copy of its most recent Annual Unemployment Report as filed with the Florida Department of Labor.

5.B.2. No later than December 31st of each year under this Agreement, the Company shall provide the Office of Business Development a Certification Statement (on such form as provided by the County), signed by an authorized officer of the Company certifying, under oath and under penalty of perjury:

a. the number of funded and filled positions within the Company during each quarter of said prior year that qualifies as an Annual Average Wage position and those, if any, that qualify as an Above Annual Average Wage position;

b. the total number of funded and filled positions within the Company during each quarter of said prior year that qualifies as an Annual Average Wage position and those that qualify, if any, as an Above Annual Average Wage position.*

Note: Verification of compliance with Jobs Creation Grant and other Incentives requires reports, usually filed in late December, demonstrating compliance with the requirements of this Agreement for the calendar year. Compliance with Incentives and associated draws or other payments, as applicable, are typically made shortly after verification – usually in January of the following year.

5.B.3. The County shall have the right, but not the obligation, to audit, or cause to be audited, the Company's books and records at any time, upon reasonable notice, for the purpose of verifying the information described in **Section 5.B.2** above.

[total number includes all qualifying Full-Time Jobs carried forward from the previous year plus all new qualifying Full-Time Jobs added during the subject year]*

SECTION 6 – OMITTED

SECTION 7 – OMITTED

SECTION 8 - OMITTED

SECTION 9 – OMITTED

SECTION 10 - OMITTED

SECTION 11 – JOBS CREATION GRANT INCENTIVE

11.A. Number of New Full-Time Jobs. The Company represents and promises that it will create a total of twelve (12) new Full-Time Jobs within the County which pay an average annual wage that is equal to or greater than 115% of the Average Annual Wage for Hernando County (i.e., at least \$50,884.00 per annum), and further the Company agrees to maintain said jobs for each and every year of this Agreement.

11.B. Timing. The new Full-Time Jobs referenced above shall be created in approximately five (5) years. All jobs created shall be maintained for a minimum of five (5) years. The Jobs Creation (and maintenance) Schedule shall be as set forth below:

JOBS CREATION SCHEDULE

Phase	Number of net, new Full-Time Jobs created by Company in Hernando County	Dates jobs created/jobs maintained
I	4	December 31, 2026/December 31, 2031
II	4	December 31, 2027/December 31, 2032
III	4	December 31, 2028/December 31, 2033
Total	12	

11.C. OMITTED

SECTION 12 – JOBS CREATION GRANT CALCULATION AND DRAW CONDITIONS

12.A. Calculating Ceiling Amount of Jobs Creation Grant. The maximum grant award is calculated by multiplying the number of eligible new jobs created by the Company by the appropriate multiplier in Hernando County Code Sec. 11.5-30(d). In this case the appropriate multiplier based on the average pay of all new jobs created by the Company as proposed in the application is set forth in Hernando County Code Sec. 11.5(d)(2)(a):

Up to \$3,000.00 per eligible new job created by the Company that pays equal to or greater than 115% the Average Annual Wage for the County (i.e., the average of the new jobs created pay at or above 115% of the Average Annual Wage for the county)

The calculation for the maximum grant award is as follows:

$$12 \text{ [# of eligible new jobs]} \times \$3,000.00 = \$36,000.00 \text{ (“Ceiling Amount”).}$$

12.B. Attributable Tax Increment Amount. The Office of Business Development has determined based on its analysis set forth in the Staff Report that the Company's Attributable Tax Increment to be equal to or greater than \$36,000.00 for purposes of this Agreement.

12.C. Recommendation of the Office of Business Development. The Office of Business Development, taking into account the factors listed in Hernando County Code Sec. 11.5-30(a)(5), is recommending that the Jobs Creation Grant should be awarded to the Company in the form of transferring the title to the Hangar to the Company in lieu of a monetary award. The Hangar has an appraised value of \$20,000.00.

12.D. Total Jobs Creation Grant Amount to be Awarded to Company. Taking the lesser of Sections 12.A, 12.B and 12.C above, this amount is \$20,000.00.

12.E. OMITTED

12.F. OMITTED

SECTION 13 – SECURITY FOR JOBS CREATION GRANT

13.A. At a minimum, Company shall execute and deliver to the County Financial Security in the amount of one hundred percent (100%) of the appraised value of the Hangar, \$20,000.00. The Financial Security shall be maintained (renewed if necessary) for the entire term of this Agreement and shall not expire until at least three (3) months after the expiration of the term of this Agreement. It is considered an Event of Default of this Agreement for the Security Instrument to lapse; if the Security Instrument is not replaced or renewed within thirty (30) days prior to its expiration it shall be deemed called by the County. The Security Instrument shall be submitted, reviewed and approved prior the County's transfer of the title to the Hangar to the Company. Approved Security Instruments include one or more of the following:

13.A.1. An irrevocable and unconditional Letter of Credit, issued by a bona fide federal or state chartered financial institution insured through the Federal Deposit Insurance Corporation, in such form as approved by the County and which shall be in force for the duration of this Agreement in favor of the County and in an amount not less than one hundred percent (100%) of the appraised value of the Hangar, \$20,000.00;

OR

13.A.2. An irrevocable and unconditional Performance Bond, issued by a bonding company acceptable to the County, in its sole discretion, in such form as approved by the County, and which shall be in force for the duration of this Agreement in favor of the County and in an amount not less than one hundred percent (100%) of the appraised value of the Hangar, \$20,000.00;

OR

13.A.3. A Promissory Note in an amount equal to one hundred percent (100%) of the appraised value of the Hangar, \$20,000.00. Said Promissory Note shall be secured by a

recorded Mortgage (and which Mortgage shall have no less than second status and may be subordinate only to any bona fide and legitimate first mortgage).

13.B. Further, to ensure the Company's faithful performance for the duration of this Agreement, the County shall retain a security interest(s) in all Improvements and personal property on the Subject Premises and in such form and documentation as requested by the County. The County, in its sole option, may require the appropriate UCC Forms to be executed by the Company.

SECTION 14 – EVENTS OF DEFAULT AND REMEDIES

14. The occurrence of any one or more of the following events shall constitute a default on the part of the Company: (1) the Company breaches or fails to comply with any term, provision, covenant or condition of this Agreement and such breach or failure shall continue for a period of thirty (30) days or more after written notice thereof from the County; (2) the Company fails to pay any sum of money due the County by the Company under this Agreement within the time provided (e.g., repayment of deferred building permit fees, etc.), following thirty (30) days of written demand thereof; (3) the Company transfers, assigns, or sublets this Agreement, in whole or part, without the prior written consent of the County; (4) the Company abandons, deserts or vacates the Premises for a period of ninety (90) consecutive days or more; (5) the Company mortgages, pledges or encumbers the Premises, in whole or part, or this Agreement, without the prior written consent of the County; (6) the divestiture of the Company's estate herein by operation of law, by dissolution or by liquidation (not including a merger or sale of assets); (7) the Company loses its status as a Targeted Industry during the term of this Agreement; (8) a receiver, custodian or trustee is appointed to take possession of all or substantially all of the assets of the Company, or an assignment is made by the Company for the benefit of its creditors, or any action is taken or suffered by the Company under any insolvency, bankruptcy or reorganization act; (9) the Company fails to maintain financial security as required by this Agreement; (10) the Company closes its business or moves its business out of the County; (11) the Company does not retain and maintain at least eighty percent (80%) of the total newly created Full-Time Jobs as calculated as of the Effective Date of this Agreement; or (12) the Company breaches or fails to comply with any term, provision, covenant or condition of their Airport Ground Lease(s). Any or all of the foregoing shall hereinafter be referred to as "Events of Default". Upon any Event of Default, the County may, in addition to any other remedies provided in law or in equity or under this Agreement: (1) make demand for full or partial payment under such Letter of Credit, Performance Bond or Promissory Note held as security for the Company's monetary obligations (including but not limited to deferred building permit and impact fees, other charges and other secured performance-based obligations) as provided pursuant to this Agreement; and (2) make demand for full or partial refund of all incentive monies which have been unearned (or not maintained), paid by the County to the Company up through the Event of Default. An Event of Default shall further terminate any obligation on the County to excuse or forgive any deferred, suspended or secured monetary obligation and shall further terminate any obligation of the County to pay or fund the Jobs Creation Grant.

SECTION 15 - APPLICABLE LAW; VENUE; ATTORNEY'S FEES; JURY TRIAL WAIVER

15.A. This Agreement shall be governed by the laws of Florida and shall be deemed to have been prepared jointly by the Company and the County, and any uncertainty or ambiguity existing herein, if any, shall not be interpreted against either party, but shall be interpreted according to the application of the rules of interpretation for arm's-length agreements. Any dispute, claim or action arising out of or related to this Agreement shall be brought solely in civil court in Hernando County, Florida. Each party hereto shall bear their own attorneys' fees and costs in the event of any dispute, claim, action or appeal arising out of or related to this Agreement.

15.B. Each of the parties hereto hereby voluntarily and irrevocably waives trial by jury in any action or other proceeding brought in connection with this Agreement or any of the transactions contemplated hereby.

SECTION 16 - MISCELLANEOUS

16.A. All notices or communications whether to the County or to the Company will be considered valid upon receipt by the party as addressed pursuant to the caption on Page 1 hereof, or to such other address as either Party may designate in writing by notice to the other party in accordance with the provisions of this Article. If the Notice is sent through the U.S. Mail or private delivery company (e.g., FedEx, UPS), a verifiable tracking documentation such as certified receipt or overnight mail tracking receipt shall be used.

16.B. The Company will indemnify the County, including its agents, employees and officers, and save harmless the County from and against any and all claims, actions, damages, liability and expense occasioned wholly or in part by any act or omission of the Company, its agents, contractors, or subcontractors related to, arising from, or incidental to this Agreement. This clause shall survive the termination of this Agreement.

16.C. This Agreement represents the complete understanding between the Parties, and any prior agreements or representations, whether written or verbal, are hereby superseded in their entirety.

16.D. This Agreement may subsequently be amended only by written instrument duly signed by the Company and the County.

16.E. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or deemed unenforceable by a court of competent jurisdiction or superseding law, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law, notwithstanding the invalidity of any other term or provision hereof.

16.F. This Agreement and the covenants and conditions contained herein shall be binding upon and inure to the benefit of the County and its successors and assigns and shall be binding upon the Company and its successors and assigns.

16.G. Wherever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

16.H. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

16.I. The County may record this Agreement in the public records of Hernando County. The Company shall pay all recording costs.

16.J. This Agreement requires approval by the Hernando County Board of County Commissioners, at a duly noticed public hearing, as a condition precedent to its execution by the County. At such meeting, the Board of County Commissioners reserves the right to approve, deny, or modify this Agreement, in whole or part, for any reason or no reason. Furthermore, the failure of the Board to act upon, or to act favorably on, this Agreement shall not be actionable in any manner or grounds for any claim or dispute.

[The remainder of this page has intentionally been left blank.]

Signatures

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers or representatives.

**FLIGHTPATH AVIATION SERVICES, INC.
(COMPANY)**

Date: 4-3-2025

By: 
Jeffrey Smith, Manager

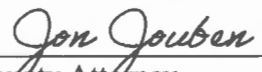
**BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA
(COUNTY)**

Date: 4-22-2025

By: 
Brian Hawkins, Chairman



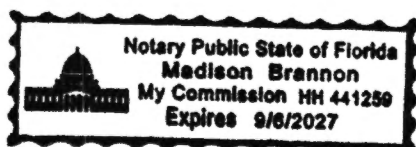
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AND LEGAL SUFFICIENCY:

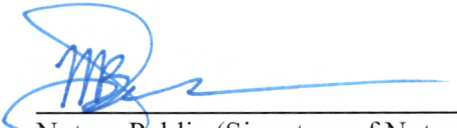

County Attorney

VERIFICATIONS

STATE OF FLORIDA
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 3rd day of April, 2025, by Jeffrey Smith, as Manager of Flightpath Aviation Services, Inc., who ☒ is personally known to me OR ☒ has produced Driver's License, as identification.





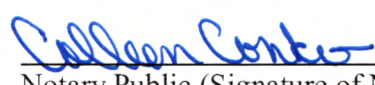
Notary Public (Signature of Notary)

Madison Brannon

Name legibly printed, typewritten or stamped

STATE OF FLORIDA
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 22nd day of April, 2025, by Brian Hawkins, as Chairman of the Hernando County Board of County Commissioners, who ☒ is personally known to me OR ☐ has produced _____, as identification.



Notary Public (Signature of Notary)

Colleen Conko

Name legibly printed, typewritten or stamped

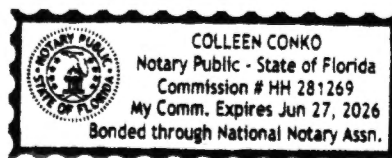


EXHIBIT 1
(Description of Existing Hangar)

Type: Aircraft Hangar (Ribbed Metal/Steel); Low Cost Quality

Size: 3,600 SF GBA/GLA (open storage interior)

Age: Blt 1979 (per tax records); Actual Age - 45 years; Effective Age - 40+ years; Remaining

Economic Life - 0 years; Fair Condition; Deferred Maintenance estimated at \$86,000

Market Value Estimate, As-Is \$ 20,000

***as described in appraisal from March 2024**

EXHIBIT 2
(Aerial Photograph of Existing Hangar)



EXHIBIT 3
(Description of Improvements)

Future development of this aviation site will include:

Hangar #1 - a 10,225 sq ft aircraft hangar with a 2,270 sq ft office

Hanger #2 - a 10,225 sq ft hangar

Existing hangar on site will be refurbished to meet current code

Site improvements will include parking and ramp space

