



PROJECT DEVELOPMENT GRANT AGREEMENT

THIS GRANT AGREEMENT (the "**Agreement**") is made and entered into effective as of **November 15, 2023**, by and between **DUKE ENERGY FLORIDA, LLC** ("**Duke**"), and **Hernando County Board of County Commissioners** ("**Recipient**"). Duke and Recipient may be collectively referred to as the "**Parties**" and either may be referred to as a "**Party**."

WITNESSETH:

WHEREAS, Duke has created and set aside the Duke Energy Advancing Sites Fund for the purpose of funding economic development activities within Florida (the "**Fund**");

WHEREAS, Recipient has requested that Duke grant **\$187,500** to Recipient for the purpose of completing the economic development activity, consistent with Rule 25-6.0426(7), F.A.C., set forth in **Exhibit A** attached hereto (the "**Purpose**"); and

WHEREAS, Duke has made, and Recipient has accepted, an offer to grant up to **\$187,500** to be used by Recipient to carry out the Purpose in accordance with the terms and conditions set forth herein (the "**Grant Amount**").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE 1: SCOPE; PAYMENT

1.1 Recipient shall use its best efforts to ensure that, throughout the term of this Agreement, the Purpose satisfies Duke's requirements for a grant of the Grant Amount from the Fund, which requirements include, without limitation, that (a) the Purpose is development of new businesses or industries or expansion of existing businesses or industries and (b) the Grant Amount is used solely for payment of reasonable expenses that would otherwise hinder successful completion of the Purpose if not supported by the grant. Recipient shall use funds received hereunder solely for the completion of the Purpose.

1.2 Recipient may not be entitled to any portion of the Grant Amount unless all of the Conditions occur on or before the Deadline. The "**Deadline**" shall mean **December 1, 2023**. "**Conditions**" shall mean (x) completion of the Purpose. The first date on or before the Deadline by which all of the Conditions have occurred shall be the "**Completion Date**." The terms by which funds will be released to the Recipient will be as follows: **when the agreement is signed and the invoice is received**. Duke will make payments based upon agreed upon thresholds being met.

1.3 Duke may advance to Recipient all or a portion of the Grant Amount (the total of any such payments from Duke to Recipient being the "**Payments**"), provided, however, that within 30 days following the Completion Date, Duke shall pay Recipient the lesser of (a) the Grant Amount minus the Payments or (b) the Expenditures minus the Payments, provided, further, that if the Payments exceed the Expenditures as of the Completion Date, then no payment shall be due Recipient from Duke and Duke may demand within 30 days following the Completion Date that Recipient repay all or a portion of such excess and Recipient shall repay such demanded amount within 60 days following the Completion Date. If by the Deadline all of the Conditions have not occurred, then Duke may demand within 30 days following the Deadline that Recipient repay all or a portion of the Payments, with interest, and Recipient shall repay such demanded amount within 60 days following the Deadline.

ARTICLE 2: TERM AND TERMINATION

2.1 This Agreement shall terminate upon the earlier of (a) the date two years from the date hereof, (b) the date that Duke terminates this Agreement pursuant to Section 2.2 or (c) the Completion Date. The termination of this Agreement shall not relieve either Party of its obligation to pay the other Party in accordance with Article 1 of this Agreement.

2.2 Duke may terminate this Agreement upon the occurrence of any of the following, which termination shall be effective 10 days following Duke's notification to Recipient of such termination or such later date as Duke may specify therein:

- (i) **Material Breach.** Recipient breaches any of its material obligations set forth herein, including without limitation Recipient's obligations set forth in Section 1.1.
- (ii) **Insolvency.** Recipient becomes insolvent, fails generally to pay its debts as they become due, admits in writing its inability to pay its debts as they become due, makes a general assignment for the benefit of creditors, commences any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of itself or its debts or assets, or adopts an arrangement with creditors, under any bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar law of the United States or any state thereof for the relief of creditors or affecting the rights or remedies of creditors generally.
- (iii) **Assignment.** Recipient assigns, transfers, or attempts to assign or transfer, this Agreement or any right or interest herein without the express written consent of Duke.
- (iv) **Abandonment.** Recipient abandons its efforts to complete the Purpose and fails to recommence its efforts within 5 business days after written notice from Duke.
- (v) **Repudiation.** Recipient repudiates this Agreement.

ARTICLE 3: REPRESENTATIONS AND COVENANTS

Recipient represents and warrants that:

3.1 Recipient is, and for the term of this Agreement shall at all times be, in good standing and qualified to do business in Florida, as the case may be;

3.2 Recipient has, and for the term of this Agreement shall at all times have, all licenses, permits and other authorizations required to perform the Purpose;

3.3 Recipient shall perform the Purpose in accordance with all applicable laws, rules, regulations, orders and ordinances; and

3.4 Execution of this Agreement and performance of the Purpose hereunder does not require any third party consent and does not and will not violate the terms of any agreement to which Recipient may be bound.

ARTICLE 4: NO PUBLICATION

Recipient shall not use Duke's name or the fact that Recipient has entered into this Agreement with Duke or received any funds hereunder from Duke in any press releases, media statements or public communications or otherwise publicize the existence or content of this Agreement without Duke's prior written consent. Recipient shall not use Duke's (including its subsidiaries and affiliates) name, logos, copyrights, trademarks, service marks, trade names or trade secrets in any way without Duke's prior written consent, and Duke shall not be deemed to have granted Recipient a license of, or granted Recipient any rights in, any of the foregoing by entering into this Agreement.

ARTICLE 5: RECORDS; INSPECTION AND AUDIT; COOPERATION

For a period of three years after the termination of this Agreement, (a) Recipient shall maintain and retain records relating to the Purpose and Recipient's receipt of funds hereunder, and (b) Duke and its auditors and other representatives shall have the right and free access during normal business hours to examine, audit and copy any and all records or other documents relating to the Purpose or Recipient's receipt of funds hereunder. Upon Duke's reasonable request, Recipient shall cooperate fully with Duke with respect to any discussions, negotiations, agreements, arrangements or disputes with any city, county, state or federal governmental body relating in any way to this Agreement, the Grant Amount, the Purpose or Recipient's receipt of funds hereunder.

ARTICLE 6: INDEMNIFICATION; NO CONSEQUENTIAL DAMAGES

6.1 To the extent allowed by law, Recipient shall defend, indemnify and hold harmless Duke and its directors, officers, employees, agents, representatives, and subsidiary and affiliated companies and their directors, officers, employees, agents and representatives, from and against all claims, demands, losses, damages, penalties, fines, liabilities, obligations, and attorneys' and other professionals' fees and expenses arising out of or relating to any negligent or wrongful act or omission of Recipient or its employees, contractors and agents in connection with the Purpose or Recipient's receipt of funds hereunder, including without limitation any claim arising out of Recipient's failure to comply with applicable laws, rules, regulations, orders or ordinances.

6.2 In no event shall either Party be liable hereunder for any consequential, special, incidental or indirect damages, except to the extent the indemnifications in this Agreement may be construed to constitute those damages. In no event shall either Party's liability hereunder exceed the Grant Amount.

ARTICLE 7: GENERAL

7.1 This Agreement and all of its provisions shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

7.2 This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflict of laws principles.

7.3 Those provisions that would require survival in order to give them full force and effect shall survive the termination or expiration of this Agreement, regardless of the date, cause or manner of such termination, and shall remain in full force and effect.

7.4 This Agreement, including the Exhibits attached hereto, is intended by Duke and Recipient to constitute the final and complete statement of their agreement and all prior proposals, communications, negotiations, understandings and representations relating to the subject matter of this Agreement, whether verbal or written, are

hereby superseded. No modification or amendment of this Agreement shall be effective unless the same is in writing and signed by both Parties.

7.5 Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

7.6 Any notice required or permitted to be given by either Party hereto to the other Party shall be deemed to have been duly given when delivered personally or otherwise actually received after mailing by certified mail, return receipt requested, or by reputable overnight courier, addressed to the Contact Person for such Party set forth on the signature page of this Agreement at the address provided below such person's name or addressed to any such Party at such other address as such Party shall hereafter furnish to the other Party in writing in accordance with this Section 7.6, provided that a copy of any notice to Duke shall also be sent to:

Duke Energy Florida
Legal Department – FL 151
299 1st Ave N.
St. Petersburg, FL 33701

7.7 No course of dealing or failure of either Duke or Recipient to enforce strictly any term, right or condition of this Agreement shall be construed as a waiver of that term, right or condition. The failure of either Party to exercise any right hereunder or to take any action permitted on a breach by the other Party shall not be deemed a waiver of such right or of any other rights in the event of a subsequent breach of a like or different nature. No express waiver of any term, right or condition of this Agreement shall operate as a waiver of any other term, right or condition or a waiver of that term, right or condition in any other instance.

7.8 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

**Hernando County Board of County
Commissioners**

DUKE ENERGY FLORIDA, LLC

County representative
Title

Marc Hoenstine
Managing Director, DEF Economic Development

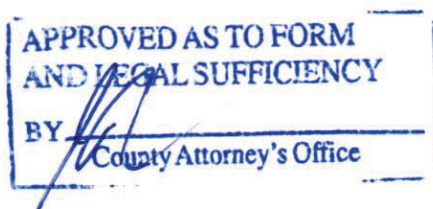


EXHIBIT A

Economic Development Advancing Sites Fund

Name of Organization	Brooksville-Tampa Bay Regional Airport
Contact Name	Steve Miller
Contact Phone Number	(352) 754-4061
Contact Email	<u>smiller@flybkv.com</u>
Program Title	Runway 14/32 Taxiway Conversion Project
Total Project Budget Amount	4000000
Requested Funding Amount	187500
Project Summary	<p>The Brooksville – Tampa Bay Regional Airport (BKV) has entered into a long-term lease agreement with an aircraft maintenance operator that is constructing a new maintenance hangar along the inactive runway on the west side of the BKV to service Group IV (e.g., Boeing 767) and V (e.g., Boeing 777) aircraft. To allow future economic development and growth, Taxiway C and former Runway 14/32 will need to be improved and brought up to current FAA and FDOT design standards. The taxiway and decommissioned runway were originally constructed in the 1940s and have been deteriorating over the years, with joint and corner spalling, joint seal damage and full depth cracking throughout. The project will include the rehabilitation and converting 3,000 feet of the 150 feet wide abandoned runway to a 75 feet</p>

	<p>wide taxiway. The Advancing Sites Program would be utilized for the design phase of the project as well as environmental review and wildlife survey and relocation.</p>
Additional Funding Sources	<p>The Airport has received a \$2M appropriation from the State of Florida. The appropriation is for design and construction. As the estimated total cost of the project is expected to exceed \$4M, we are seeking other funding sources such as the FAA for additional grants for the project.</p>
Fund Use	<p>Funding would be used for various components of the design process.</p>
Outcomes	<p>This project would allow the Airport to expand its operational area footprint by making available approximately 150 + acres of land that will have taxiway/runway access. The most recent economic development project is with Pem-Air. They are constructing a 65,000sf aviation maintenance facility which will employ more than 50 with wages in excess of 125% of the county AAW. Due to their continued success, Pem-Air is already planning for future expansion at BKV provided our infrastructure can support their needs. This prime real estate is currently under consideration by several other aviation companies that require direct access to the airfield. We anticipate the future build out of this area to include 250,000sf of industrial aviation space with total employment exceeding 100 high-wage, high-skill jobs. This investment is further supported through a partnership between the county, school district and state college, bringing corporate and technical education to a site directly connected to the airport. By providing the appropriate training for manufacturing and aviation investors we will be supporting the future workforce needs of our targeted industries.</p>

ADDITIONAL PROPERTY/PROJECT INFORMATION

Property Overview/Map

Property History

Brooksville Army Airfield was constructed in 1942 during WWII and was used as an auxiliary airfield to MacDill Field, Drew Field (now Tampa International) and Orlando area bases for training pilot and ground crews and as a staging base for B17's heading to war theaters. B29 and KC-97 aircraft also used the Airfield for training. The original facility consisted of three concrete runways: 2/20 (which later became 3/21) and 14/32 which were 5,000 X 150 feet and 9/27 which was 7,000 X 150 feet. After the war, the facility which included runways, taxiways, aircraft aprons and about 150 temporary buildings and structures was deeded to the City of Brooksville on September 29, 1947, by the United States of America under the conditions of the Federal Surplus Property Act of 1944. The Airport was transferred from the City of Brooksville to Hernando County by Quit Claim Deed on September 30, 1961. The name of the airport has changed over the years; Brooksville Airport, then Hernando County Airport, to the current Brooksville – Tampa Bay Regional Airport & Technology Center.

Physical Property Attributes

The main address of the Airport is 15800 Flight, Path Drive, Brooksville, FL 34604. Various zoning designations are within the BKV Tech Center including light and heavy industrial, corporate park and aviation. The Airport encompasses approximately 2,400 acres of land and is bordered by the Suncoast Parkway on the west, Spring Hill Drive on the north, Highway 41 on the east and a line running east/west that is 1.8 miles south of Spring Hill Drive. The property is zoned for airport aeronautical use. The property is served by Hernando County water

	<p>and sewer, TECO Peoples Gas, Duke Energy, Spectrum and AT&T. Simultaneous to this project, the airport is conducting a study to assess the complete infrastructure needs for the airport infield.</p>
<p>Current Property Conditions - Strengths</p>	<p>The primary strength that makes this property marketable is the location and access it will have to the airport's existing runway and taxiway system. Other than the necessary runway improvements, this area is ripe for development and ready to be marketed for a wide variety of activities including corporate hangars, maintenance hangars, air cargo facilities, etc.</p>
<p>Current Property Conditions - Challenges</p>	<p>The primary challenge is funding availability and construction costs. In particular, the ever-increasing cost of asphalt presents limitations of the length of pavement that will be able to be converted to a taxiway most likely leading to a phased approach for this project.</p>
<p>Current Property Conditions - Community coordination</p>	<p>Yes, as this is on airport property, the land must be used for aeronautical purposes as dictated by the FAA. The airport's last master plan update was completed in 2016.</p>
<p>Development Plan</p>	<p>The project will include the rehabilitation and converting 3,000 feet of the 150 feet wide abandoned runway to a 75 feet wide, lighted taxiway.</p>
<p>Property Ownership</p>	<p>The property is owned by Hernando County Board of County Commissioners.</p>
<p>Development/Construction Timeline</p>	<p>The design engineer was selected on November 6, 2023. The design project is anticipated to start in early 2024. Construction is anticipated to start in 2025. The new taxiway is anticipated to be available to end users in 2026.</p>

Market Study/Marketing Plan

The Hernando County Office of Economic Development will lead the marketing efforts for this property utilizing print and online media, in-person events at aviation and manufacturing trades shows as well as specific site consultant missions. The marketing efforts have already commenced and have resulted in interested aviation businesses requesting to know when the taxiway would be open for business.

Applicant Information

Hernando County government and more specifically the airport in conjunction with the economic development department have successfully conducted business recruitment, retention, and expansion efforts at the airport for the past 50 years which includes long-term land leases of aviation and non-aviation properties. Today BKV prospers with more than 120 land leases and more than 2,000 people employed at the tech center. Investors lease land, construct and own their facilities which can be sold, and the land leases may be assigned to new ownership.