

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: January 13, 2009 [X] Consent [] Regular [] Workshop [] Public Hearing
Department: Administration
Submitted By: Administration
Submitted For: Economic Development Office

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: A) A Contract between the U.S. Housing & Urban Development (HUD) and Palm Beach County (PBC) in the amount of \$199,000, B) A Loan Agreement between PBC and Glades Gas and Electric Corporation (GG&EC) in the amount of \$199,000 under the PBC Section 108 Program, C) A Brownfield Economic Development Initiative (BEDI) Grant disbursement in the amount of \$99,258, D) An Inter-creditor Agreement between GG&EC and the Bank of Belle Glade, and E) Authority for County Administrator to sign all documents associated with this item.

Summary: On October 9, 2008, the Section 108 Loan Review Committee, made up of representatives from the Economic Development Office, Housing and Community Development and Office of Financial Management & Budget, recommended providing a loan through the Palm Beach County Section 108 Program for GG&EC, a full service propane gas, appliance and air conditioning company. This is the first Avenue A Revitalization project. The total project investment is \$596,774, which includes \$278,516 from the Bank of Belle Glade, \$199,000 from the County's Section 108 Loan Program, \$99,258 from HUD's Brownfield Economic Development Initiative (BEDI) grant, and \$20,000 from the County's Business Frontage Program, in partnership with the Lake Okeechobee Regional Economic (LORE) Alliance of the Palm Beaches. Of the \$199,000 of Section 108 funds, \$99,000 will be for fixed assets and \$100,000 for working capital, which is within the County's criteria. The combined Section 108 loan and BEDI grant amount per job to be created is \$33,140, which is within the HUD criteria. The project will create nine (9) full-time equivalent jobs in the next five (5) years. The borrower will use the funds to renovate the interior and exterior of the building in which the business operates, construct a 15 x 200 sq. ft. addition, landscape and improve the driveway and parking areas. The family business was established in 1929 and is located at 5 SW Avenue A, Belle Glade. The interest on the Section 108 loan will be the 3-month London Inter Bank Offered Rate (LIBOR) at the time of closing (as of 12/30/2008, LIBOR was 1.460%) plus one percent (1%). The fixed assets loan will have a term of twenty (20) years and the working capital loan will have a term of ten (10) years. These are Federal funds that require no local match. Closing is planned to occur after January 13, 2009, and is contingent upon release of funds by HUD. All documents are subject to such modifications required for consistency with the loan commitment, compliance with HUD's criteria, and to protect the County's interest. District 6 (DW)

Background and Policy Issues: On March 12, 2002 (Agenda Item # 6D-1), the Board of County Commissioners (BCC) approved policies for the development and administration of a revolving loan program funded by HUD under the CDBG Section 108 Loan Guarantee Program. (Continue on Page 3)

- Attachments:
1. Conceptual Loan Documents: Loan and Security Agreement, Mortgage and Security Agreement, Section 108 Promissory Note for \$99,000, Section 108 Promissory Note for \$100,000, Assignment of Leases and Rents, Guaranty, Environmental Indemnity Agreement, Tenant Estoppel Certificate, Non-Disturbance and Attornment Agreement, Further Assurances, Opinion Borrower Counsel to County and County's Counsel, Opinion County's Counsel to HUD, Opinion County's Counsel to County, and Closing Checklist.
2. Inter-Creditor Loan Agreement.
3. HUD Section 108 Loan Guarantee Contract and HUD Section 108 Variable/Fixed Rate Note.

Recommended by: [Signature] Economic Development Director 1-9-09 Date

Approved by: [Signature] Assistant County Administrator 1-9-09 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Grant Expenditures	\$ 298,258				
Expenditure					
Operating Cost					
External Revenue	(298,258)				
Program Income (PBC)					
In-Kind Match (PBC)					
NET FISCAL IMPACT	-0-				
# ADDITIONAL FTE POSITIONS					
(Cumulative)					

Is Item Included In Current budget? Yes No

Budget Account Number:

Fund Department Unit Object

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: *[Signature]* 12/31/08

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

[Signature] 1-9-08
OFMB *[initials]* 1/5/09

[Signature] 1/9/09
Contract Dev. and Control
At the time of COCS review, the documents for this item were not executed.

B. Legal Sufficiency:

[Signature] 1/12/09
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

(Continue)

Background and Policy Issues: On June 18, 2002 (Documents R-2002-0989 and R-2002-0990), the BCC approved the first amendment to the Palm Beach County Five-year Consolidated Plan to incorporate the Section 108 Loan Guarantee Program and the application for 108 funds for \$15,000,000. HUD approved the County's application for funding on September 26, 2002. The BCC has approved three amendments to the Palm Beach County Section 108 Loan Program Criteria as follows: the first amendment on January 28, 2003 (Agenda Item No. 5C-1), the second amendment on May 15, 2007 (Agenda Item No. 5A-2), and the third amendment on December 2, 2008 (Agenda Item No. 6A-1).

LOAN AND SECURITY AGREEMENT

THIS AGREEMENT, made the ___ day of January, 2009, by and between **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401 (hereinafter called the "Creditor"), and **Glades Gas & Electric Corporation**, a Florida corporation with a business address of 5 W. Avenue A, Belle Glade, Florida 33430 (hereinafter called the "Debtor").

R E C I T A L S :

A. The Debtor, concurrently with the execution and delivery of this Agreement, is becoming indebted to the Creditor in the amount of \$199,000.00, further evidenced by that certain Section 108 Promissory Note in the amount of \$99,000.00 ("Note A") and that certain Section 108 Promissory Note in the amount of \$100,000.00 ("Note B", together with Note A, the "Note") given by Debtor to the Creditor of even date herewith in said amount, payable in accordance with the terms of said Note, which is incorporated herein by reference;

B. The Debtor desires to enter into this Agreement for the purpose of creating a security interest in favor of the Creditor in certain property, hereinafter referred to as Collateral, more particularly described in the schedule hereto attached, marked Schedule "A" and made a part hereof.

NOW THEREFORE, THIS AGREEMENT WITNESSETH: That Debtor, in order to secure (1) the payment of the debt evidenced by said note; (2) all costs and expenses incurred in the collection of the same, including the attorney's fee and commission therein provided for; (3) all future advances and expenditures made by the Creditor for any rents, taxes, levies, assessments, charges, insurance, repairs, maintenance or protection on or of the Collateral described in Schedule A hereof, (4) all other money heretofore or hereafter advanced by the Creditor to or for the account or the Debtor at the option of the Creditor, and/or all future direct or contingent liabilities of the Debtor to the Creditor and (5) together with all interest on all of the foregoing, and intending to be legally bound, hereby grants to the Creditor a security interest in said Collateral described on Schedule A hereof.

UNTIL default hereunder, Debtor shall be entitled to possession of the Collateral and to use and enjoy the same

THE DEBTOR warrants, covenants and agrees that:

1. The Collateral is or will be owned by the Debtor and is not subject to any prior security interest or to any liens or encumbrances, and the Debtor will defend the Collateral against the claims and demands of all persons, except as specified herein.

2. The Debtor will not sell, exchange, lease, mortgage, encumber or pledge, conceal, remove or otherwise dispose of the Collateral, or create any security interest therein, or attempt to do so without the prior written consent of the Creditor.

3. Debtor will care for and maintain the Collateral in a good and careful condition, manner and repair, reasonable wear and tear excepted, and will pay and discharge all taxes, levies and other impositions levied thereon as well as the cost or repairs to or maintenance of the same. If Debtor fails to pay such sums, Creditor may do so for Debtor's account, adding the amount thereof to the debt hereby.

4. Debtor will insure the Collateral against such risks and casualties and in such amounts as Creditor shall require, and shall pay all premiums therefor. All insurance policies shall be written for the benefit of Debtor and Creditor as their interests shall appear and endorsements showing this coverage shall be furnished to Creditor. If Debtor fails to pay the premium on any such insurance, Creditor may do so for Debtor's account, adding the amount thereof to the debt secured hereby. Debtor hereby assigns to Creditor any return or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay Creditor any amounts so due. Creditor is hereby appointed Debtor attorney-in-fact to endorse any draft or check which may be payable to Debtor in order to collect such return or unearned premiums or the proceeds of such insurance; any balance of insurance proceeds remaining after payment in full of all amounts secured hereunder shall be paid to Debtor.

5. Debtor will not permit any of the Collateral to be removed from its location at 5 W. Avenue A, Belle Glade, Florida 33430 and 620 SW 16th Street, Belle Glade, Florida 33430 without the prior written consent of Creditor, and will permit Creditor to inspect the Collateral at any time.

6. Debtor will not permit any other security interest to attach to the Collateral; permit the Collateral to be levied upon under any legal process; or permit anything to be done that may impair the value of the Collateral or the security intended to be afforded by this Agreement, except with regard to any pledge of a first priority security interest to Bank of Belle Glade, the Mortgagee for the premises.

7. The Debtor hereby grants to the Creditor a security interest in and to all proceeds, increases, substitutions, replacements, additions, and accessions to the Collateral. This provision shall not be construed to mean that the Debtor is authorized to sell, lease or dispose of the Collateral without the consent of the Creditor, except in the ordinary course of business.

8. The Debtor shall, if in the Creditor's reasonable judgment the Collateral has materially decreased in value or if the Creditor shall at any time reasonably deem that the Debtor is insecure, either provide evidence that the value of the Collateral exceeds the amount of indebtedness or reduce the total indebtedness by an amount sufficient to satisfy the Creditor.

9. The Debtor will pay the Note secured by this Security Agreement and any renewal or execution thereof and any other indebtedness hereby, secured in accordance with the terms and provisions thereof and, will repay immediately all sums expended by the Creditor in accordance with the terms and provisions of this Security Agreement.

10. In performing any act under this Security Agreement and the Note secured thereby, time shall be of the essence. The Creditor's acceptance of partial or delinquent

payments, or the failure of the Creditor to exercise any right or remedy shall not be a waiver of any obligation of the Debtor or right of the creditor or constitute a waiver of any other similar default subsequently occurring.

11. Debtor will pay all costs of filing any financing, continuation or termination statement with respect to the security interest created by this Agreement. Creditor is hereby appointed Debtor's attorney-in-fact to do all acts and things which Creditor may deem necessary to perfect and continue perfected the security interest created by this Agreement and to protect the Collateral.

12. Debtor will promptly notify the Creditor of any change in its place of business or of the location of the Collateral and hereby certifies that the Debtor's present business address is at the address shown above.

13. If the Collateral includes a motor vehicle for which a certificate of title is issuable, Debtor will deliver to Creditor the certificate of title issued with respect thereof, and hereby agrees to cause a statement of Creditor's security interest to be noted as a lien on said certificate. Failure of Debtor to deliver the certificate of title to Creditor within ten (10) days from the date of this Agreement shall constitute a default hereunder.

14. Debtor will at all times keep accurate and complete records of Debtor's Equipment and Creditor or any of its agents, shall have the right to call at Debtor's or places of business at intervals to be determined by Creditor and without hindrance or delay to inspect Debtor's inventory and to inspect, audit, check and make extracts from the books, records, journals, order, receipts, correspondence and other data relating to Debtor's Equipment or to any other transactions between the parties hereto.

15. If any of said Collateral shall be injured or destroyed without fault of Debtor, such injury or destruction shall, at the option of the Creditor, constitute a default under this Agreement, unless this loss was an insurable event with coverage as Creditor's interests appear.

16. The bankruptcy or insolvency of the Debtor shall, at the option of the Creditor, cause the entire indebtedness secured hereby to become immediately due and payable.

PROVIDED HOWEVER, That in case of default in the payment of said debt or any part of future advances, expenditures or liabilities hereby secured, or in the due observance or performance of any of the other conditions or agreements hereof, or in case of any of the warranties of Debtor herein contained shall prove to be false or misleading, Creditor may declare the unpaid balance of said debt and all such advances, expenditures and liabilities immediately due and payable without demand or notice and Creditor may proceed to exercise any one or more of the rights or remedies accorded by the Uniform Commercial Code enacted in the State of Florida and amendments thereto, and any note simultaneously or consecutively, and the choice of one or more rights or remedies shall not be construed as a waiver or election barring other rights or remedies. It is understood and agreed that this Agreement has been made and entered into in pursuance to said Code and shall be subject to all of the provisions thereof, and the Creditor has all the rights and remedies accorded thereby. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, this Agreement shall be construed as

if such invalid or unenforceable provision had never been contained herein. Upon the happening of any such default, Debtor, upon demand by the Creditor, shall assemble the Collateral and make it available to the Creditor at a place reasonably convenient to both parties. The Creditor shall also have the right to remove the Collateral from the premises of the Debtor and, for purposes of removal and possession, the Creditor or its representatives may enter any premises of the Debtor without legal process and the Debtor hereby waives and releases the Creditor of and from any and all claims in connection therewith or arising therefrom.

The rights and privileges of Creditor under this Agreement shall inure to the benefit of its successors and assigns. All covenants, warranties and agreements of Debtor contained in this Agreement are joint and several and shall bind its successors and assigns.

This Agreement may be executed in one or more counterparts, all of which shall constitute collectively but one and the same instrument.

This Agreement shall be construed under and in accordance with the Florida Uniform Commercial Code and other applicable laws of the Uniform Commercial Code as well as all other rights and remedies possessed by the holder of said note.

Debtor has obtained a mortgage loan from Bank of Belle Glade in the original principal amount of \$278,516.00 evidenced by a promissory note and secured by a first priority mortgage and security agreement dated _____, 20__ and recorded in the Palm Beach County Clerk and Comptroller's Office on _____, 20__ in Book of Mortgages _____ page _____ ("Prior Loan"). This Agreement shall be subject to the terms of the Prior Loan.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Debtor and Creditor have caused this Loan and Security Agreement to be duly executed and delivered as of the date first above written.

GLADES GAS & ELECTRIC CORPORATION, a Florida Corporation

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss:

On this ___ day of January, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

ATTEST:
Sharon R. Bock, Clerk & Comptroller

PALM BEACH COUNTY, FLORIDA, a political subdivision of the State of Florida
BY ITS BOARD OF COUNTY COMMISSIONERS

By: _____
Deputy Clerk

By: _____
John F. Koons, Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Economic Development Director

SCHEDULE A

First priority security interest (the "Security Interest") in all furniture, trade fixtures, furnishings, fittings, inventories, supplies, appliances, apparatus, equipment, machinery, chattels and articles of personal property, of every kind and nature whatsoever other than those items which are real estate fixtures, and all replacements thereof, now or at any time hereafter placed upon the Premises or the Improvements, or any part thereof, which are used or usable in connection with any present or future use, construction, occupancy, management, maintenance or operation of the Project or the Improvements located at 5 W. Avenue A, Belle Glade, Florida, 33430 and 620 SW 16th Street, Belle Glade, Florida 33430 or any part thereof, together with all alterations, additions, accession and improvements thereto, substitutions therefor and renewals, replacements and proceeds thereof, excluding any property owned by tenants of the Project or Improvements or any portion thereof (all of the foregoing being hereafter sometimes referred to collectively as the "Equipment")

MORTGAGE AND SECURITY AGREEMENT

Maximum Principal Indebtedness
Not To Exceed \$199,000.00

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage") made as of January ____, 2009, by **Glades Gas & Electric Corporation**, a Florida corporation with a business address of 5 W. Avenue A, Belle Glade, Florida 33430 (the "Mortgagor"), in favor of **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401 (the "Mortgagee"):

WITNESSETH:

WHEREAS, Mortgagor is the owner in fee simple of certain real property located at 5 W. Avenue A, Belle Glade, Florida 33430 and 620 SW 16th Street, Belle Glade, Florida 33430 (the "Premises"), as more particularly described on Exhibit A attached hereto, as improved on the date hereof;

WHEREAS, Mortgagor has applied to Mortgagee for a HUD 108 Loan in the principal sum of \$199,000.00 (the "Mortgage Amount") and in connection therewith, Mortgagor has executed and delivered to Mortgagee that certain Promissory Note in the amount of \$99,000.00 ("Note A") and that certain Promissory Note in the amount of \$100,000.00 ("Note B", together with Note A, the "Note"), both dated of even date herewith, made by Mortgagor as Borrower, in favor of Mortgagee, as Lender, evidencing the indebtedness of Mortgagor to Mortgagee; and

WHEREAS, Mortgagor has obtained a mortgage loan from Bank of Belle Glade in the original principal amount of \$278,516.00 evidenced by a promissory note and secured by a first priority mortgage and security agreement dated _____, 20__, and recorded in the _____ Palm Beach County Clerk & Comptroller's Office on _____, 20__ in Book of Mortgages _____ page _____ ("Prior Mortgage"). The terms of this Mortgage and Security Agreement are subject to the Prior Mortgage; and

WHEREAS, to secure the payment of indebtedness under the Note in the Mortgage Amount, together with interest thereon at the interest rate or rates set forth in the Note, and together with any sums that may become due and payable hereunder or under the Note or the other Loan Documents (as hereafter defined), and to secure the performance by Mortgagor of its obligations hereunder and under the Note, Mortgagor has agreed to execute and deliver this Mortgage to Mortgagee.

NOW, THEREFORE, in order to secure the payment of an indebtedness in the principal sum of \$199,000.00, together with all interest thereon, and all other sums, advances, expenses and charges that may or shall become due hereunder or under the Note or any of the other agreements between the Mortgagor and the Mortgagee relating to the Loan, Mortgagor does hereby grant, assign, convey, mortgage and pledge to Mortgagee, its successors and assigns, the Premises, and all of Mortgagor's estate, right, title and interest therein;

TOGETHER with all right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the ways, easements, streets, alleys, passages, water, water courses, riparian rights, oil, gas and other mineral rights, gaps, gores, rights, hereditaments, liberties and privileges thereof, if any, and in any way appertaining to the Premises;

TOGETHER with all buildings and improvements of every kind and description now or hereafter erected or placed on the Premises including, without limitation, all materials intended for construction, reconstruction, alteration and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Mortgaged Property (as hereinafter defined) immediately upon the delivery thereof to the Premises, and all fixtures and articles of personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the Premises, including, without limitation, all furniture, apparatus, machinery, equipment, motors, elevators, fittings, radiators, furnaces, stoves, microwave ovens, awnings, shades, screens, blinds, office equipment, trash and garbage removal equipment, carpeting and other furnishings, and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air-conditioning, conveyor, security, sprinkler and other equipment, and all fixtures and appurtenances thereof; and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to such improvements in any manner; it being intended that all the above-described property owned by Mortgagor and placed by Mortgagor on the Premises shall, so far as permitted by law, be deemed to be fixtures and a part of the realty, and security for the indebtedness of Mortgagor to Mortgagee hereinafter described and secured by this Mortgage, and as to the balance of the above-described property, this Mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest in such property, securing such indebtedness, for the benefit of Mortgagee; all of the property described in this paragraph is hereinafter sometimes collectively called the "Improvements";

TOGETHER with any and all warranty claims, maintenance contracts and other contract rights, instruments, documents, chattel papers and general intangibles with respect to or arising from the Premises, the Improvements and the balance of the Mortgaged Property, and all cash and non-cash proceeds and products thereof; and

TOGETHER with all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property, including without limitation the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Mortgaged Property; and

TOGETHER with all awards and other compensation heretofore or hereafter to be made to the present and all subsequent owners of the Mortgaged Property for any taking by eminent domain, either permanent or temporary (a "Taking"), of all or any part of the Mortgaged Property or any easement or other appurtenance thereof, including severance and consequential damage and change in grade of streets (collectively, "Taking Proceeds"), and any and all refunds of impositions or other charges relating to the Mortgaged Property or the indebtedness secured by this Mortgage.

The property described above is hereafter called the "Premises" to the extent that such property is realty, and the "Collateral" to the extent that such property is personalty. The Premises and the Collateral are hereafter collectively called the "Mortgaged Property."

TO HAVE AND TO HOLD, all and singular, the Mortgaged Property, whether now owned or held or hereafter acquired by Mortgagor, with the appurtenances thereunto belonging, unto Mortgagee, its successors and assigns, forever. Mortgagor does hereby warrant to Mortgagee, its successors and assigns, that Mortgagor has good and indefeasible estate in fee simple and is the sole owner of the Collateral, and has good right to mortgage, assign and grant a security interest in the Mortgaged Property in manner and form as above written; that title to the Mortgaged Property is free and clear of all defects, liens and encumbrances except for real estate taxes and assessments and rights of way of record, and first priority lien of Provident Bank (the "Permitted Exceptions") and that Mortgagor will warrant and defend the Premises, with the appurtenances thereunto belonging, and the Collateral to Mortgagee, its successors and assigns, forever, against all liens, security interests, encumbrances, defects, claims and demands whatsoever.

Mortgagor has executed and delivered this Mortgage to secure the following:

- (a) Payment of principal, interest and all other charges under the Note, as the same may be amended, extended, supplemented, modified and/or renewed, and all replacements and substitutions therefor, together with interest thereon at a rate or rates which may vary from time to time as specified in the Note, with principal and interest payable in accordance with the terms of the Note, and all accrued but unpaid interest and the entire unpaid principal amount being due and payable, in accordance with the terms of the Note;
- (b) Payment of any and all amounts or charges required to be paid by Mortgagor pursuant to this Mortgage or any of the other Loan Documents;
- (c) Payment by Mortgagor to Mortgagee of all sums expended or advanced by Mortgagee pursuant to this Mortgage or any of the other Loan Documents;
- (d) Payment of any and all amounts advanced by Mortgagee with respect to the Mortgaged Property for the payment of taxes, assessments, insurance premiums or costs incurred in the protection of the Mortgaged Property;
- (e) Performance and observance of each covenant and agreement of Mortgagor contained herein or in any of the other Loan Documents; and
- (f) Payment by Mortgagor to Mortgagee of any and all other liabilities and indebtedness of Mortgagor to Mortgagee, direct or contingent, now or hereafter owing by Mortgagor to Mortgagee, other than as provided in subparagraphs (a) through (e) above.

PROVIDED, HOWEVER, that if Mortgagor shall pay or cause to be paid to Mortgagee the principal, interest and all other charges under the Note on or before the date on which the outstanding principal balance of the Note is due and payable in full in accordance with the terms

of the Note, and in the manner stipulated therein and herein, all without deduction or credit for taxes or other charges paid by Mortgagor, and if Mortgagor shall have kept, performed and observed all of the covenants and conditions contained in this Mortgage and all of the other Loan Documents, then this Mortgage shall cease, determine and be void, but otherwise shall remain in full force and effect.

Mortgagor further covenants and agrees as follows:

1. Payment of Indebtedness. Mortgagor shall pay promptly the indebtedness evidenced by the Note at the time and in the manner provided herein and in the Note, and all other sums and charges payable when due by Mortgagor and pursuant to the Note, this Mortgage and any of the other Loan Documents.

2. Tax and Insurance Escrows.

(a) Subject to the terms and conditions of subsection 2(d) below, Mortgagor shall pay to Mortgagee, in addition to the monthly payments under the Note and concurrently therewith in a single payment monthly until the Note is fully paid, a sum equal to annual real estate taxes, general and special assessments and premiums for insurance required hereunder (all as estimated by Mortgagee) less all sums previously paid therefor, divided by the number of full calendar months to elapse before the date which is one (1) month prior to the date when such taxes and assessments and insurance premiums will become due. Such sums shall be held by Mortgagee for payment of such taxes and assessments and insurance premiums as and when due. Mortgagee shall have the right to commingle and hold such sums with its general funds, and no interest shall accrue thereon in favor of Mortgagor.

(b) Mortgagee shall have the right to make any and all payments notwithstanding that at that time any such tax, assessment or premium is then being protested or contested by Mortgagor, unless Mortgagor shall have notified Mortgagee in writing not less than thirty (30) days prior to the due date of such protest or contest of such tax, assessment or premium, in which event, Mortgagee shall make such payment under protest in the manner prescribed by law or shall withhold such payment, but only if (a) such contest precludes enforcement of collection and the foreclosure or sale of the Mortgaged Property in satisfaction of such tax, assessment, or premium; (b) Mortgagor shall first pay to Mortgagee such amount as Mortgagee may request as security for the payment of the amount withheld; and (c) the withholding of such payment shall not result in any criminal or civil penalty being imposed against Mortgagor, Mortgagee or any of the Mortgaged Property. In the event such protest or contest shall or might result in a penalty or other charges, Mortgagor shall likewise deposit with Mortgagee monthly pro-rata the amount of any such penalty or additional charge. If, upon receipt by Mortgagee of any refunds of impositions or other charges relating to the Mortgaged Property or the indebtedness secured hereby, Mortgagor is not in default hereunder, then Mortgagee shall promptly pay such refund to Mortgagor; if Mortgagor is in default hereunder beyond any applicable grace period, Mortgagee shall have the right to apply such refund to reduce the indebtedness secured hereby.

(c) Without limiting the rights of Mortgagee hereunder, including, without limitation, those provided in Paragraph 18 hereof, in the event of a sale of the Premises or any other part of the Mortgaged Property, any funds then on deposit with the Mortgagee shall, at Mortgagee's option, and thereupon automatically and without the necessity of further notice or written assignment, be transferred to and held thereafter for the account of the new owner, to be applied in accordance with the foregoing. If the Premises or any other part of the Mortgaged Property is purchased by Mortgagee at foreclosure sale or is otherwise acquired by Mortgagee after an Event of Default, the remaining balance, if any, of the funds deposited with Mortgagee pursuant to subsection 2(a) above shall continue to be applied, subject to the security interest hereunder, first to Mortgagee's unreimbursed costs and expenses in such purchase or acquisition, then to reduce the indebtedness secured by this Mortgage, and the balance, if any, shall be paid to Mortgagee, subject to the order of the court having jurisdiction in any such proceeding.

(d) Mortgagee hereby waives the requirement for deposit by Mortgagor of the sums described in subsection 2(a) above, for so long as (i) there is no default in the obligations of Mortgagor or any other person under this Mortgage or any of the Loan Documents, and no event which, with the giving of notice, passage of time or both, would constitute such a default, and (ii) Mortgagor delivers to Mortgagee, no later than five (5) days prior to the last day for payment of such sums without penalty or interest, evidence satisfactory to Mortgagee in Mortgagee's sole and absolute discretion, that all sums described in subsection 2(a) above have been paid in full. Upon failure of either of the foregoing conditions, the waiver set forth in this subsection 2(d) shall immediately and automatically become null and void, without notice from Mortgagee to Mortgagor.

3. Protection Against Charges. Except for the Permitted Exceptions, Mortgagor shall keep the Mortgaged Property free from liens of every kind, except only for real estate taxes and general and special assessments which are not yet due and payable, and special taxes, if any, as provided in Paragraph 7 hereof, and shall pay, before delinquency and before any penalty for non-payment attaches thereto, all taxes, assessments, and other governmental or municipal or public dues, charges, fines or impositions which are or hereafter may be levied against the Mortgaged Property or any part thereof. Mortgagor shall promptly deliver to Mortgagee receipted bills evidencing each such payment, together with any other evidence of payment required by Mortgagee in its sole and absolute discretion, no later than five (5) days prior to the last day upon which such payment can be made without penalty or interest. Mortgagor shall also pay, in full, under protest or otherwise in the manner provided by law, any tax, assessment, charge, fine or imposition described above which Mortgagor contests in accordance with the provisions of law and this Mortgage.

4. Insurance and Casualty Damage.

(a) Mortgagor shall keep, or cause to be kept, all of the following insurance policies with respect to the Mortgaged Property in companies, forms, amounts and coverage satisfactory to Mortgagee, containing waiver of subrogation and standard Florida mortgagee endorsements in favor of Mortgagee and providing for thirty (30) days' written notice to Mortgagee in advance of cancellation of said policies for non-payment of premiums or any other

reason or for material modification of said policies, and ten (10) days' written notice to Mortgagee in advance of payment of any insurance claims under said policies to any person:

(1) Insurance against loss or damage by fire and such other hazards, casualties and contingencies (including, without limitation, so-called all risk coverages) as Mortgagee reasonably may require, in an amount equal to the greater of (1) the Loan Amount, or (2) the replacement cost of the Mortgaged Property, with a replacement cost endorsement and in such amounts so as to avoid the operation of any coinsurance clause, for such periods and otherwise as Mortgagee reasonably may require from time to time.

(2) Comprehensive general public liability, property damage and indemnity insurance, including, without limitation, so-called assumed and contractual liability coverage and claims for bodily injury, death or property damage, naming Mortgagee as an additional insured, in such amounts as Mortgagee reasonably may from time to time require.

(3) Insurance against business interruption rent loss or abatement of rent, covering payment of rent and like charges from the Mortgaged Property over a term of not less than twelve (12) months, in an amount at least equal to the aggregate annual amount payable from time to time under the Note.

Mortgagor shall deliver renewal certificates of all insurance required above, together with written evidence of full payment of the annual premiums therefor at least thirty (30) days prior to the expiration of the existing insurance. Any such insurance may be provided under so-called "blanket" policies, so long as the amounts and coverages thereunder will, in Mortgagee's sole judgment, provide protection equivalent to that provided under a single policy meeting the requirements hereinabove. All policies of insurance shall be issued by a financially sound and generally recognized insurer lawfully doing business in Florida and acceptable to Mortgagee having an A.M. Best Company rating of A-VIII or better. If at any time, Mortgagee is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Mortgagee shall have the right with reasonable notice to Mortgagor to take such action as Mortgagee deems necessary to protect its interest in the Mortgaged Property, including without limitation, the obtaining of such insurance coverage as Mortgagee in Mortgagee's sole reasonable discretion deems appropriate, and all expenses incurred by Mortgagee in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Mortgagor to Mortgagee upon demand.

(b) Notice. In case of any material damage or destruction of the Mortgaged Property, or any part thereof, or any interest therein or right accruing thereto, Mortgagor shall promptly give to Mortgagee written notice generally describing the nature and extent of such damage or destruction which has resulted or which may result therefrom. Mortgagee may appear in any such proceedings and negotiations and Mortgagor shall promptly deliver to Mortgagee copies of all notices and pleadings in any such proceedings. Mortgagor will in good faith, file and prosecute all claims necessary for any award or payment resulting from such damage or destruction. All costs and expenses incurred by Mortgagee in exercising its rights under this section shall constitute indebtedness secured by this Mortgage.

(c) Application of Insurance Proceeds and Condemnation Awards. All proceeds of insurance and all proceeds of condemnation in connection with the Mortgaged Property or any portion thereof shall, after the deduction therefrom and repayment to the Mortgagee of any and all costs incurred by the Mortgagee in the recovery thereof, including attorneys' fees, may be applied by Mortgagee, at its sole option (i) to a prepayment of the Indebtedness, whether or not due and in whatever order Mortgagee elects, without prepayment premium or penalty, (ii) to the repair and/or restoration of the Improvements, upon such conditions as Mortgagee may determine, and/or (iii) for any other purposes or objects for which Mortgagee is entitled to advance funds under this Mortgage, all without reducing or impairing the lien of this Mortgage or any obligations secured hereby. Any balance of such proceeds then remaining shall be paid to Mortgagor or the person or entity lawfully entitled thereto. Mortgagee shall not be obligated to see to the proper application of any amount paid over to Mortgagor and shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy or any condemnation awards, regardless of the cause of such failure. If Mortgagee shall elect to apply such proceeds to any then unpaid installments of the principal balance of the Note in the inverse order of their maturity, the regular payments, if any, under the Note shall not be reduced or altered in any manner.

Notwithstanding the foregoing, and upon the sole determination of Mortgagee that (1) no Event of Default shall have occurred and be continuing, (2) the proceeds of insurance or condemnation award are sufficient to enable the Mortgagor to fully restore the Mortgaged Property to at least equal value and of substantially the same character as prior to such damage or destruction, (3) the term of, and proceeds derived from, the Mortgagor's business interruption or loss of rental insurance shall be sufficient to fully cover the period that the Mortgaged Property is undergoing restoration or Mortgagee is satisfied as to the Mortgagor's financial ability in connection with same, and (4) the Mortgagee reasonably determines that the restoration is capable of being completed on or before the Maturity Date of the Note, then the Mortgagee shall upon receiving adequate verification of direct expense(s) incurred therewith, release insurance or condemnation award proceeds to the Mortgagor for the cost of restoring, repairing, replacing or rebuilding the Mortgaged Property, all to be effected in accordance with applicable law and plans and specifications approved by the Mortgagee, and upon procedures consistent with those normally contained in a building loan agreement involving the Mortgagee.

5. Maintenance of Improvements.

(a) None of the Improvements shall be structurally or otherwise materially altered, removed or demolished, nor shall any fixtures or any portion of the Collateral on, in or about the Premises be severed, removed, sold, mortgaged or otherwise encumbered, without the prior written consent of Mortgagee in each case; except, however, that Mortgagor shall have the right, without such consent, to remove and dispose of, free from the lien of this Mortgage such Collateral as from time to time may become worn out or obsolete, provided that simultaneously with or prior to such removal, such Collateral shall be replaced with other new Collateral of like kind and quality, and by such removal, the Mortgagor shall be deemed to have subjected the replacement Collateral to the lien of this Mortgage. Any Improvements or any of the Collateral which are demolished or destroyed in whole or in part shall be replaced promptly by similar Improvements and articles of personal property of comparable quality, condition and value as

those demolished or destroyed, thereupon becoming part of the Mortgaged Property free from any other lien or security interest or encumbrance on or reservation of title to such property. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof and shall keep and maintain (or cause to be kept and maintained) the same in good repair and condition. Mortgagor shall make (or cause to be made) all necessary and proper repairs and replacements so that all components of the Mortgaged Property will, at all times, be in good condition, fit and proper for the respective purposes for which they were erected or installed, other than for matters of health and safety prior to the demolition thereof.

(b) Mortgagor hereby grants to Mortgagee and its agents the right in their reasonable discretion, but Mortgagee shall have no obligation, to enter upon the Premises at any time for the purpose of inspecting and appraising the Mortgaged Property and conducting tests and surveys thereof. In the event that Mortgagor shall fail fully to comply with any of the requirements of this Paragraph 5, without prejudice to any other right or remedy that may be available to Mortgagee in such event, Mortgagee shall have the right to recover, as damages for such failure, an amount equivalent to the cost required to restore the Mortgaged Property to the condition hereby required.

(c) Mortgagor hereby covenants and agrees to comply with, and to cause all occupants of all or any portion of the Mortgaged Property to comply with, all applicable zoning, building, use and environmental restrictions and all laws, rules, statutes, ordinances, regulations, orders and requirements, including, without limitation, environmental matters and notices of violation of all governmental authorities having jurisdiction over the Mortgaged Property or the maintenance, use and operation thereof, and all applicable restrictions, agreements and requirements, whether or not of record (collectively, "Laws"). Mortgagor will deliver to Mortgagee within ten (10) days after receipt thereof any additional permits or renewals, issued and approved or disapproved with respect to the Mortgaged Property. Mortgagor hereby indemnifies Mortgagee and its officers, directors, shareholders, employees, agents and partners and their respective heirs, successors and assigns (collectively, "Indemnified Parties") and agrees to defend and hold the Indemnified Parties harmless from and against any and all claims, demands, loss, cost, damage, liability or expense incurred or suffered by the Indemnified Parties arising from any failure of the Mortgaged Property to comply with Laws, or from any failure of Mortgagor to obtain, maintain or renew, or to have obtained, maintained or renewed, any permit or approval required with respect to the Mortgaged Property. The foregoing indemnification and agreement shall survive the release of this Mortgage and the payment or other satisfaction of the indebtedness secured hereby.

Upon any default by the Mortgagor in satisfying its obligations under this paragraph 5 after thirty (30) days notice from Mortgagee, Mortgagee at its option may put the Mortgaged Property into reasonable condition and repair, and all sums paid by Mortgagee for such purpose purposes shall, together with interest thereon, be added to the amount secured hereunder and be payable on demand. Mortgagor will not, without obtaining the prior written consent of the Mortgagee, initiate, join in or consent to any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or defining the uses that may be made of the mortgaged property or any part thereof.

6. Hazardous Materials and Wetlands.

(a) Without limiting the generality of any provision herein or in any of the Loan Documents, Mortgagor hereby represents and warrants to Mortgagee that neither Mortgagor nor, to the best knowledge and belief of Mortgagor, any previous owner or user of the Property, has used, generated, stored or disposed of in violation of Environmental Law (as defined below) in, on, under, around or above the Property, any Regulated Material (defined herein as flammable explosives, radioactive materials, solid waste, hazardous substances, hazardous waste, hazardous materials, asbestos containing materials, petroleum or any fraction thereof, pollutants, irritants, contaminants, toxic substances, or any other materials respectively defined as such in, or regulated by, any applicable Environmental Law), that, to the best knowledge and belief of Mortgagor, or any of them, the Property is not currently in violation of any Environmental Law (defined herein as any federal, state or local law, regulation or ordinance, as each may be validly interpreted and applied by the appropriate governmental entity, governing any Regulated Material for the protection of human health, safety or the environment, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 and the Emergency Planning and Community Right-to-Know Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act and the Oil Pollution Act of 1990). Mortgagor shall keep and maintain, and shall cause all tenants and any other persons present on or occupying the Property ("Tenants"), employees, agents, contractors and subcontractors of Mortgagor and Tenants, to keep and maintain the Property, including, without limitation, the soil and ground water thereof, in compliance with, and not cause or knowingly permit the Property, including the soil and ground water thereof, to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions thereon (including but not limited to any Environmental Law). Neither Mortgagor nor Tenants nor any employees, agents, contractors and subcontractors of Mortgagor or Tenants or any other persons occupying or present on the Property shall (i) use, generate, manufacture, store or dispose of in violation of Environmental Law on, under or about the Property or transport to or from the Property any Regulated Material, except as such may be required to be used, stored, or transported in connection with the permitted uses of the Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor; or (ii) perform, cause to be performed or permit any fill activities or other acts which would in any way destroy, eliminate, alter, obstruct, interfere with, or otherwise affect any Wetlands, as defined in 33 C.F.R. Section 328.3 and in any comparable state and local law, statute, ordinances, rule or regulation ("Wetlands"), in violation of any federal, state or local laws, statutes, ordinances, rules or regulations pertaining to such Wetlands ("Wetlands Law").

(b) Except as otherwise provided in the environmental disclosures and reports made available to Mortgagee in connection with the Loan, Mortgagor further represents and warrants to Mortgagee that to the best of its knowledge:

(1) Underground storage tanks are not and have not been located on the Property.

(2) All Environmental Permits applicable to the Property have been obtained and are in full force and effect.

(3) No event has occurred with respect to the Property which, with the passage of time or the giving of notice, or both, would constitute a violation of any applicable Environmental Law or non-compliance with any Environmental Permit.

(4) There are no agreements, consent orders, decrees, judgments, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Property which require any change in the present condition of the Property or any work, repairs, construction, containment, clean up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Property.

(5) There are no actions, suits, claims or proceedings, pending or threatened, which could cause the incurrence of expenses or costs of any name or description or which seek money damages, injunctive relief, remedial action or any other remedy that arise out of, relate to or result from (i) a violation or alleged violation of any applicable Environmental Law or non-compliance or alleged non-compliance with any Environmental Permit, (ii) the presence of any Hazardous Substance or a Release or the threat of a Release of any Hazardous Substance on, at or from the Property or any property adjacent to or within the immediate vicinity of the Property or (iii) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Property or the ownership, use, operation, sale, transfer or conveyance thereof.

(c) Mortgagor shall immediately advise Mortgagee in writing of: (i) any notices (whether such notices are received from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of violation or potential violation which are received by Mortgagor of any applicable federal, state or local laws, ordinances, or regulations relating to any Environmental Law or any Wetlands Law; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Environmental Law or Wetlands Law; (iii) all claims made or threatened by any third party against Mortgagor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Environmental Law or Wetlands Law (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Environmental or Wetlands Claims"); and (iv) discovery by Mortgagor of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as in violation of any Environmental Law or Wetlands Law or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Environmental Law or Wetlands Law.

(d) Mortgagee shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection

with any Environmental or Wetlands Claims, and to have its reasonable attorneys' and consultants' fees in connection therewith paid by Mortgagor upon demand.

(e) Mortgagor shall be solely responsible for, and each hereby jointly and severally indemnifies and agrees to defend and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns and any other person or entity claiming by, through, or under Mortgagee, from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence (whether prior to or during the term of the loan secured by this Mortgage) of Regulated Materials on, under or about the Property (whether by Mortgagor or a predecessor in title or any Tenants, employees, agents, contractors or subcontractors of Mortgagor or any predecessor in title or any third persons at any time occupying or present on the Property), including, without limitation: (i) all foreseeable consequential damages; (ii) the cost of any required or necessary repair, cleanup or detoxification of the Property, including the soil and ground/ water thereof, and the preparation and implementation of any closure, remedial or other required plans; (iii) damage to any Wetlands or natural resources; and (iv) all reasonable costs and expenses incurred by Mortgagee in connection with clauses (i), (ii), and (iii), including but not limited to reasonable attorneys' and consultants' fees; provided, however, that nothing contained in this paragraph shall be deemed to create or give any rights to any person other than Mortgagee and its successors and assigns, it being intended that there shall be no third party beneficiary of such provisions, or preclude Mortgagor from seeking indemnification from, or otherwise proceeding against, any third party including, without limitation, any tenant or predecessor entitled to the Property.

(f) Any costs or expenses reasonably incurred by Mortgagee for which Mortgagor is responsible or for which Mortgagor has indemnified Mortgagee shall be paid to Mortgagee on demand, and failing prompt reimbursement, shall earn interest at the default rate of interest set forth in the Loan Documents (the "Default Rate").

(g) Mortgagor shall take any and all remedial action in response to the presence of any Regulated Materials or Wetlands on, under, or about the Property, required pursuant to any settlement agreement, consent decree or other governmental proceeding; furthermore, Mortgagor shall take such additional steps as may be necessary to preserve the value of Mortgagee's security under the Loan Documents.

7. Changes in Tax Laws. If at any time any governmental authority, whether federal, state or municipal, or any agency or subdivision of any of them, shall require Internal Revenue or other documentary stamps on the Note, this Mortgage or any of the other Loan Documents, or upon the passage of any law of the State of Florida deducting from the value of land for the purposes of real estate taxation the amount of any lien thereon, or changing in any way the laws for the taxation of mortgages or debts secured by mortgages for federal, state or local purposes, or the manner of the collection of any such taxes so as to impose, in any such event, a tax (other than an income tax) upon or otherwise to substantially and adversely affect the value of this Mortgage, then all indebtedness secured hereby shall become due and payable at the election of Mortgagee thirty (30) days after the mailing of notice of such election to Mortgagor; provided, however, this Mortgage, the Note and the other Loan Documents shall be and remain

in effect if Mortgagor lawfully may pay, and does in fact pay, when payable, for such stamps and taxes, including interest and penalties thereon, to or for Mortgagee. Mortgagor further agrees to deliver to Mortgagee, at any time, upon demand, such evidence as may be required by any government agency having jurisdiction in order to determine whether the obligation secured hereby is subject to or exempt from any such tax.

8. Indemnification for Costs. Mortgagor hereby indemnifies Mortgagee and agrees to defend and hold Mortgagee harmless from and against all costs, liabilities and expenses, including but not limited to attorneys' fees and expenses to the fullest extent not then prohibited by applicable law, and costs of any Environmental Audit, title search, continuation of abstract and preparation of survey, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body, including an action to foreclose or to collect any indebtedness or obligation secured hereby, or incurred in connection with any extra-judicial collection procedure, in and to which Mortgagee may be or become a party by reason hereof, including, without limitation, any Taking, bankruptcy, probate and administration proceedings, as well as any other proceeding wherein proof of claims required to be filed by law or in which it becomes necessary to defend or uphold the terms of and the lien created by this Mortgage.

9. Taking.

(a) In the event all or any part of the Mortgaged Property shall be damaged or taken as a result of a Taking, either temporarily or permanently, Mortgagor shall assign, transfer and set over unto Mortgagee the Taking Proceeds or any claim for damages for any of the Premises taken or damaged under the power of eminent domain, and agrees that in the event the whole or any part of the Premises is taken by eminent domain proceedings, then all sums awarded as damages for the Taking shall be applied in reduction of the indebtedness secured by this Mortgage, but without imposition of the prepayment premium to such application. Any and all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses to the fullest extent not then prohibited by applicable law, incurred by Mortgagee by reason of any condemnation, threatened condemnation or proceedings thereunder shall be secured hereby and Mortgagor shall reimburse Mortgagee therefor immediately, or Mortgagee shall have the right, at its option, to deduct such costs and expenses from any Taking Proceeds paid to Mortgagee hereunder. In the event that the Premises is wholly condemned, Mortgagee shall receive from Mortgagor and/or from the Taking Proceeds payment of the entire amount of the indebtedness secured by this Mortgage.

(b) Subject to paragraph (a) of this Section, Mortgagor will immediately notify Mortgagee of the actual or threatened commencement of any Taking proceedings affecting all or any part of the Premises, including any easement therein or appurtenance thereof, including severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute and deliver to Mortgagee, from time to time upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments or other instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning the Taking Proceeds and all other awards and compensation heretofore and hereafter to be made to Mortgagor, including the assignment of any award from

the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof, for any Taking, either permanent or temporary, under any such proceedings. In the event of a Taking, Mortgagee shall not be limited to the rate of interest paid on the award by the condemning authority but shall be entitled to receive out of the Taking Proceeds interest on the entire unpaid principal sum under the Note and the other Loan Documents at the applicable rate(s) provided therein. Mortgagor hereby assigns to Mortgagee so much of the balance of the Taking Proceeds payable by the condemning authority as is required to pay such interest.

(c) Subject to paragraph (a) of this Section, Mortgagor hereby irrevocably authorizes and appoints Mortgagee its attorney-in-fact, coupled with an interest, to collect and receive any such Taking Proceeds from the authorities making the same, to appear in any proceeding therefor, to give receipts and acquittances therefor, and to apply the same to payment on account of the indebtedness secured hereby whether then matured or not. Mortgagor shall execute and deliver to Mortgagee on demand such assignments and other instruments as Mortgagee may require for such purposes.

10. Estoppel Certificate. Within ten (10) days after request by Mortgagee, Mortgagor shall furnish to Mortgagee a written statement, duly acknowledged, of the aggregate amount of indebtedness secured by this Mortgage, confirming (to the extent true) that no right of offset exists under the Loan Documents or otherwise, and stating either that no defenses exist against the indebtedness secured hereby, or, if such defenses are alleged to exist, the nature thereof, and any other information which Mortgagee may reasonably request.

11. Title Warranty; Title Evidence. Mortgagor hereby confirms the warranties and representations as to title to the Mortgaged Property made in the granting clause of this Mortgage. In the event of any subsequent change in title to the Mortgaged Property, other than a change expressly permitted by the Loan Documents, Mortgagor agrees to pay the cost of (i) an extension or endorsement to such title evidence showing such change in title, and (ii) changing any and all insurance and other records in connection with the servicing of the loan secured hereby made necessary by such change in title.

12. Mortgagee's Reliance. Mortgagee, in advancing any payment relating to taxes, assessments and other governmental or municipal charges, fines, impositions or liens asserted against the Mortgaged Property, shall have the right to do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy or validity thereof. Mortgagee shall have the right to make any such payment whenever Mortgagee, in its sole discretion, shall deem such payment to be necessary or desirable to protect the security intended to be created by this Mortgage. In connection with any such advance, Mortgagee, at its option, shall have the right to and is hereby authorized to obtain, at Mortgagor's sole cost and expense, a continuation report of title prepared by a title insurance company of Mortgagor's choice.

13. Default. Each of the following events shall be deemed to be an "Event of Default" hereunder:

(a) Mortgagor shall fail to make payment of any sum of money due and payable under this Mortgage within ten (10) days after the date such payment is due as herein provided, or of the indebtedness evidenced by the Note, or any sum of money due and payable under any of the other Loan Documents on the date when the same is due and payable or within any applicable grace period; or

(b) Mortgagor, or any guarantor, shall file a voluntary petition in bankruptcy or under any bankruptcy act or similar law, state or federal, whether now or hereafter existing, or make an assignment for the benefit of creditors or file an answer admitting insolvency or inability to pay its or their debts generally as they become due, or shall fail to obtain a vacation or stay of any such proceedings which are involuntary within sixty (60) days after the institution of such proceedings, as hereinafter provided; or

(c) Any plan of liquidation or reorganization is filed by or on behalf of Mortgagor, or any guarantor, or either in any bankruptcy, insolvency or other judicial proceeding, or a trustee or a receiver shall be appointed for the Mortgaged Property in any involuntary proceeding and such trustee or receiver shall not be discharged or such jurisdiction relinquished, vacated or stayed on appeal or otherwise within sixty (60) days after the appointment thereof; or

(d) Failure of Mortgagor to commence, diligently pursue and/or complete actions as and when provided in Paragraphs 5 or 6 above; or

(e) Any sale or transfer of the Mortgaged Property in violation of Paragraph 21 of this Mortgage; or

(f) The occurrence of an involuntary transfer under subsection 29(d) of this Mortgage; or

(g) Any violation of the representations and warranties, or the filing of formal charges or commencement of proceedings as contemplated by Paragraph 34 of this Mortgage; or

(h) Default shall be made in the due observance or performance of any of the other covenants, agreements or conditions required to be kept, performed or observed by Mortgagor under this Mortgage, and such default is not cured within thirty (30) days after written notice thereof has been delivered to Mortgagor by Mortgagee; provided, however if such default cannot reasonably be cured within the thirty (30) day period, and Mortgagor promptly commences such cure within the thirty (30) day period, then within such additional period during which Mortgagor diligently pursues and prosecutes such cure to completion and so long as the value of the Mortgaged Property is not impaired;

(i) The death or dissolution of the Mortgagor or of any guarantor; or

(j) Default shall be made in the due observance or performance of any of the covenants, agreements or conditions required to be kept, performed or observed by Mortgagor or any other party under the Note, or any of the other Loan Documents or any future loan to

Mortgagor, and such default is not cured within the applicable grace period, if any, expressly provided for therein; then and upon any such Event of Default, the entire amount of the indebtedness hereby secured, shall, at the option of Mortgagee, become immediately due and payable, without execution or other process and without further notice or demand, all of which are hereby expressly waived. Thereafter, the indebtedness hereby secured shall, at the option of Mortgagee, bear interest at the Default Rate (as defined in the Note), payable on demand. Acceleration of maturity, once claimed hereunder by Mortgagee, may, at the option of Mortgagee, be rescinded by written acknowledgment to that effect by Mortgagee, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity, nor extend or affect the grace period, if any.

14. Rights and Remedies Upon Default: Upon the occurrence of any Event of Default hereunder, the Mortgagee may, at its option, exercise any one or more of the following rights and remedies:

(a) Right to Take Possession of Mortgaged Property. The Mortgagor agrees to surrender possession of the Mortgaged Property to the Mortgagee upon demand, and the Mortgagee shall thereupon have the right to enter and take possession of the Mortgaged Property, to lease the Land, the Improvements, the Equipment, or any part thereof, to collect all Rents, rental insurance proceeds and business interruption insurance proceeds and to apply the same on account of the Debt, whether then matured or not, after payment of all proper costs, charges and expenses, including, but not limited to, (1) Taxes and other impositions, (2) any premiums for fire, public liability and other insurance coverage affecting the Land, the Improvements, the Equipment or any part thereof and (3) any and all other costs, charges and expenses which it may be necessary or advisable for the Mortgagee to pay in the management, operation and maintenance of the Land, the Improvements, the Equipment or any part thereof, including, but not limited to, the cost of making repairs, alterations, and tenant improvements, commissions for renting the Land, the Improvements, the Equipment, or any part thereof and legal expenses incurred in enforcing claims, preparing papers or any other services that may be required, or otherwise as a court of competent jurisdiction may direct. After taking possession of the Mortgaged Property, the Mortgagee may dispossess, by summary proceedings or otherwise, any tenants, subtenants or occupants of the Land, the Improvements or any part thereof then or thereafter in default in the payment of any Rent, and the Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagee's agent and attorney-in-fact (which agency shall be deemed to be coupled with an interest), with full power of substitution, for such purpose. In the event that the Mortgagor is then an occupant of the Land, the Improvements or any part thereof, Mortgagor agrees to surrender possession thereof to the Mortgagee upon demand, and if the Mortgagor remains in possession thereof after such demand, such possession shall be as tenant of the Mortgagee, and the Mortgagor agrees to pay monthly in advance to the Mortgagee such rent for the Land, the Improvements or any part thereof so occupied as the Mortgagee may reasonably demand, and in default of so doing, the Mortgagor may also be dispossessed by summary proceedings or otherwise.

(b) Right to Foreclose Mortgage. The Mortgagee may foreclose this Mortgage and sell, if permitted by law, or petition to be sold, the Property in one parcel or in such parcels, manner or order as a court of competent jurisdiction may direct. If permitted by

law, Mortgagee may foreclose this Mortgage for any portion of the Debt or any other sums secured hereby which are then due and payable, subject to the continuing lien of this Mortgage for the balance of the Debt not then due. If any real property transfer tax or real property transfer gains tax shall be due and payable upon the conveyance of the Property pursuant to a judicial sale in any action, suit or proceeding brought to foreclose this Mortgage or by deed in lieu of foreclosure, the Mortgagor will pay or cause the same to be paid. In the event that the Mortgagor fails to pay any such tax within twenty (20) days after notice and demand for payment is given by the Mortgagee, the Mortgagee is hereby authorized to pay the same, and any amount thereof so paid by the Mortgagee, together with all costs and expenses incurred by the Mortgagee in connection with such payment, including, but not limited to, reasonable attorneys' fees and disbursements, and interest on all such amounts, costs and expenses at the Default Interest Rate (as defined in the Note) shall be paid by the Mortgagor to the Mortgagee on demand. Until paid by the Mortgagor, all such amounts, costs and expenses, together with interest thereon, shall be secured by this Mortgage and may be added to the judgment in any suit brought by the Mortgagee against the Mortgagor hereon.

(c) Mortgagee's Right to Non-Judicial Foreclosure. Upon the occurrence of an Event of Default under this Mortgage, the Note, bond, or other obligation secured hereby, Mortgagee shall have the right to sell the Mortgaged Property. In particular and without limitation, Mortgagee shall have all of the rights and remedies provided by Article 14 of the Real Property Actions and Proceedings Law of the State of Florida.

(d) Right to Appointment of Receiver. In any action to foreclose this Mortgage, the Mortgagee shall be entitled, without notice, without regard to the adequacy of any security for the indebtedness secured hereby and without regard to the solvency of any person, firm or corporation who is or may become liable for the payment of all or any part of the Debt secured hereby, to have a receiver appointed with all the rights and powers permitted under the laws of the State of Florida. In addition, the receiver shall be entitled to take any and all action necessary or deemed advisable to lease the Mortgaged Property, including, without limitation, making reasonable improvements or tenant improvements and adding the cost of same to the Debt secured hereby. In the event that a receiver of the Mortgaged Property is appointed hereunder, such receiver shall also have and may enforce all of the rights and remedies of the Mortgagee under subparagraph (a) hereof.

(e) Additional Rights and Remedies. The rights and remedies of the Mortgagee hereunder shall be in addition to Mortgagee's rights and remedies under the laws of the State of Florida, including without limitation Mortgagee's rights and remedies under Section 254 of the Florida Real Property Law. Nothing contained in this Mortgage shall be construed as requiring the Mortgagee to pursue any particular right or remedy for the purpose of procuring the satisfaction of the obligations and Debt secured hereby, and the Mortgagee may exercise any or all of Mortgagee's rights and remedies under this Mortgage, the instruments evidencing the Debt, or otherwise provided by law, in Mortgagee's sole discretion. No failure of the Mortgagee to insist upon strict performance by the Mortgagor of any of Mortgagor's covenants or obligations under this Mortgage, the Note, the Loan Documents, and no delay by the Mortgagee in exercising any of Mortgagee's rights or remedies hereunder, thereunder or otherwise provided by law, shall be deemed to be a waiver of such covenants or obligations or to preclude the exercise

of such rights or remedies, and the Mortgagee, notwithstanding any such failure or delay, shall have the right thereafter to insist upon the strict performance by the Mortgagor of any and all of its covenants and obligations under this Mortgage and the instruments evidencing the Debt, and to exercise any and all of its rights and remedies hereunder, thereunder or otherwise provided by law.

15. Right to Cure Defaults/Costs of Collection. If an Event of Default occurs, the Mortgagee may, at its discretion, remedy the same and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to Mortgagor, any tenant or any other person in possession thereof holding under Mortgagor. If Mortgagee shall remedy such a default or appear in, defend, or bring any action or proceeding to protect Mortgagee's interest in the Mortgaged Property or to foreclose this Mortgage or collect the Debt, or take any other action of any kind to protect its interest in the Mortgaged Property or collect the Debt (including without limitation taking possession, monitoring, appointing a receiver, or collecting rents), the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 15, shall be paid by Mortgagor to Mortgagee upon demand. All such costs and expenses incurred by Mortgagee in remedying such default or in appearing in, defending, or bringing any such action or proceeding, or in taking any other action shall be paid by Mortgagor to Mortgagee upon demand, with interest at the Default Interest Rate for the period after notice from Mortgagee that such costs or expenses were incurred to the date of payment to Mortgagee. All such costs and expenses incurred by Mortgagee pursuant to the terms of this Mortgage, with interest, shall be secured by this Mortgage.

16. Late Payment Charge. If any portion of the Debt is not paid within ten (10) days after the date on which it is due, Mortgagor shall pay to Mortgagee upon demand a late payment charge of five percent (5%) of such unpaid portion of the Debt to defray the expense incurred by Mortgagee in handling and processing such delinquent payment, and such amount shall be secured by this Mortgage.

17. Non-Waiver. The failure of Mortgagee to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligation to pay the Debt at the time and in the manner required by reason of (a) failure of Mortgagee to comply with any request of Mortgagor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note, this Mortgage or any other Loan Documents, (b) the release, regardless of consideration, of the whole or any part of the Mortgaged Property or any other security for the Debt, or (c) any agreement or stipulation between Mortgagee and any subsequent owner or owners of the Mortgaged Property or other person extending the time of payment or otherwise modifying or supplementing the Note, this Mortgage or any other Loan Documents, without first having obtained the consent of Mortgagor; and in the latter event, Mortgagor shall continue to be obligated to pay the Debt at the time and in the manner provided in the Note, this Mortgage or any other Loan Documents, as so extended, modified and supplemented, unless expressly released and discharged by Mortgagee. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, Mortgagee may release any person at any time liable for

the payment of the Debt or any portion thereof or any part of the security held for the Debt and may extend the time of payment or otherwise modify the terms of any instrument evidencing the Debt and/or this Mortgage, including, without limitation, a modification of the interest rate payable on the principal balance on the Note without in any manner impairing or affecting this Mortgage or the lien thereof or the priority of this Mortgage, as so extended and modified, as security for the Debt over any such subordinate lien, encumbrance, right, title or interest. Mortgagee may resort for the payment of the Debt to any of the other Loan Documents in such order and manner as Mortgagee, in its discretion, may elect. Mortgagor's obligations shall not be impaired or altered by the taking of any other or additional security for or guarantee of the Debt or any part thereof, or by the failure to hold, protect, or realize upon any other additional security or guarantee, or by the release of same. Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

18. Waiver. Mortgagor shall not, and anyone claiming through or under Mortgagor shall not, set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the final and absolute sale of the Mortgaged Property, or the final and absolute placing into possession thereof, immediately after such sale, of the purchaser or purchasers thereof, and Mortgagor, for itself and all who may claim through or under it, waive, if and to the fullest extent not prohibited by applicable law, all benefits and protections under such appraisal, valuation, stay, extension and redemption laws.

19. Marshalling of Assets. Mortgagor hereby waives for itself and, to the fullest extent not prohibited by applicable law, for any subsequent lienor, any right to apply for an order, decree, judgment, or ruling requiring or providing for a marshalling of assets which would require Mortgagee to proceed against certain of the Mortgaged Property before proceeding against any of the other Mortgaged Property. Mortgagee shall have the right to proceed, in its sole discretion, against the Mortgaged Property in such order and in such portions as Mortgagee may determine, without regard to the adequacy of value or other liens on any such Mortgaged Property. No such action shall in any way be considered as a waiver of any of the rights, benefits, liens or security interests created hereby or by any of the Loan Documents.

20. Subrogation. If the indebtedness hereby secured or any part thereof, including any amounts advanced by Mortgagee, are used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then Mortgagee shall be subrogated to such other liens or encumbrances and to any additional security held by the holder thereof and shall have the benefit of the priority of all of the same, whether or not any such lien, encumbrance or additional security is canceled of record upon such payment or advancement or otherwise, and in addition to the security afforded by this Mortgage and the other Loan Documents.

21. Sale or Transfer. Mortgagor, without the prior written consent of Mortgagee, shall not create, effect, consent to, attempt, contract for, agree to make, suffer or permit any conveyance, sale, assignments, transfer, lien, pledge, encumbrance, mortgage, security interest or alienation of all or any portion of, or any ownership or beneficial interest in, the Mortgaged Property or the Mortgagor, whether effected directly, indirectly, voluntarily, involuntarily, by operation of law or otherwise. If any of the foregoing shall occur without Mortgagee's prior written consent, then the same shall conclusively be deemed to increase the risk to Mortgagee and immediately constitute an Event of Default hereunder.

22. Mortgagee's Cost of Collection or Performance. If any action or proceeding is commenced by or against Mortgagee, including, without limitation, condemnation proceedings, proceedings involving the foreclosure of this Mortgage or of any other liens or encumbrances, the enforcement or interpretation of contracts, leases or other documents relating to the Mortgaged Property, or any other proceeding of any nature, legal or otherwise, affecting the Mortgage Property or any part thereof, or the title thereto, or the validity or priority of the lien of this Mortgage, Mortgagee shall have the right to appear, defend, prosecute, retain counsel, and take such action as Mortgagee shall determine. In addition, upon an Event of Default hereunder, Mortgagee is authorized, but not obligated, to discharge Mortgagor's obligations hereunder. Mortgagor shall pay to Mortgagee, promptly upon demand, all costs, including, without limitation, "late charges" payable under the Note, out-of-pocket expenses and attorneys' fees and expenses, to the fullest extent not prohibited by applicable law, and the costs of any environmental examination and analysis, title examination, supplemental examination of title or title insurance, that may be incurred by Mortgagee in connection with any proceedings affecting the Mortgaged Property, or any part thereof, to cause the enforcement of the covenants or agreements of Mortgagor contained herein or in the any of other Loan Documents, or with or without the institution of an action or proceeding, or that may otherwise be incurred by Mortgagee in the performance of any other action by Mortgagee authorized by this Mortgage. All such costs, expenses and attorneys' fees and expenses, and any other moneys advanced by Mortgagee to protect the Mortgaged Property shall, to the fullest extent not prohibited by applicable law, bear interest from the date of payment thereof at the Default Rate until repaid by Mortgagor, and shall be repaid by Mortgagor to Mortgagee immediately upon demand. Notwithstanding that the indebtedness secured hereby shall not have been declared due and payable upon any Event of Default, Mortgagor hereby agrees that if an Event of Default has occurred, pursuant to the terms hereof, Mortgagee shall be entitled to receive interest thereon at the Default Rate, to be computed from the due date through actual receipt and collection of the amount then in default. The preceding sentence shall not be construed as an agreement or privilege to extend the time for performance of any obligation under the Mortgage or any of the other Loan Documents, nor as a waiver of any other right or remedy accruing to Mortgagee by reason of any such default.

23. Partial Release. Mortgagee, without notice, and without regard to any consideration paid therefor, and notwithstanding the existence at the time of any inferior liens thereon, shall have the right to release (a) any part of the security for the indebtedness secured hereby, including, without limitation, the interest under this Mortgage in and to any of the Mortgaged Property, or (b) any person liable for any indebtedness secured hereby, without

affecting the priority of any part of the security and the obligations of any person not expressly released, and shall have the right to agree with any party remaining liable for such indebtedness or having any interest therein to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not in any way release or impair the lien hereof, but shall extend the lien hereof as against all parties having any interest in such security.

24. Non-Waiver. In the event Mortgagee (a) releases, as aforesaid, any part of such security or any person liable for any indebtedness secured hereby; (b) grants an extension of time for any payments of the indebtedness secured hereby; (c) takes other or additional security for the payment thereof; (d) accepts partial payments; or (e) otherwise exercises or waives or fails to exercise any right granted herein or in any of the other Loan Documents, no such act or omission shall constitute a waiver of any default, or extend or affect the grace period, if any, release Mortgagor, subsequent owners of the Mortgaged Property or any part thereof, or makers or guarantors of the Note, this Mortgage, or any of the other Loan Documents, or preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted for any Event of Default.

25. No Merger of Estates. There shall be no merger of the lien, security interest or other estate or interest created by this Mortgage with the fee estate in the Mortgaged Property by reason that any such interest created by this Mortgage may be held, directly or indirectly, by or for the account of any person who shall own the fee estate or any other interest in the Mortgaged Property. No such merger shall occur unless and until all persons at the time having such concurrent interests shall join in a written instrument effecting such merger, and such instrument shall be duly recorded.

26. Further Assurances. Upon request of Mortgagee, Mortgagor shall execute, acknowledge and deliver to Mortgagee, in form satisfactory to Mortgagee, financing statements covering as Collateral any personal property owned by the Mortgagor, which, in the sole opinion of Mortgagee, is essential to the operation of any of the Mortgaged Property, and any supplemental mortgage, security agreement, financing statement, assignment of leases, rents, income and profits from the Mortgaged Property, affidavit, continuation statement or certification as Mortgagee may request in order to protect, preserve, maintain, continue and extend the lien and security interest hereunder or the priority hereof. Mortgagor hereby irrevocably appoints Mortgagee its attorney-in-fact, coupled with an interest, and authorizes, directs and empowers such attorney, at its option, to execute, acknowledge and deliver on behalf of Mortgagor, its successors and assigns, any such documents if Mortgagor shall fail so to do within five (5) days after request by Mortgagee. Mortgagor shall pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording and filing of any such documents.

27. Application of Proceeds. All payments made by Mortgagor under the Note, this Mortgage or any of the other Loan Documents and received by Mortgagee shall be applied by Mortgagee to the following items and in such order as Mortgagee may determine in its sole discretion: (a) advances by Mortgagee for payment of taxes, assessments, insurance premiums and other costs and expenses, as set forth in this Mortgage, the Note or any of the other Loan Documents; (b) any amounts which may be overdue under the Note, this Mortgage or any of the

other Loan Documents; (c) interest on the indebtedness secured hereby; and (d) outstanding principal under the Note.

28. Mortgagee's Subordination Right. At the option of Mortgagee, this Mortgage shall become subject and subordinate, but not with respect to the priority of entitlement to Casualty Proceeds or any Taking Proceeds, to any and all leases of all or any part of the Mortgaged Property, upon the execution by Mortgagee and recording of a unilateral declaration to that effect at any time hereafter, in the Office of the Recorder or Clerk of the County in which Mortgaged Property is located.

29. UCC Security Agreement. This Mortgage is hereby deemed to be as well a Security Agreement and creates a security interest in and to the Collateral securing the indebtedness secured by this Mortgage. Without derogating any of the provisions of this instrument, Mortgagor to the extent permitted by law hereby:

(a) grants to Mortgagee a security interest in and to all Collateral, including without limitation the items referred to above, together with all additions, accessions and substitutions and all similar property hereafter acquired and used or obtained for use on or in connection with the Mortgaged Property. The proceeds of the Collateral are intended to be secured hereby; however, such intent shall never constitute an expressed or implied consent on the part of Mortgagee to the sale of any or all Collateral;

(b) agrees that the security interest hereby granted shall secure the payment of the indebtedness specifically described herein together with payment of any future debt or advancement owing by Mortgagor to Mortgagee with respect to the Mortgaged Property;

(c) except as otherwise provided herein, agrees not to remove from the Mortgaged Property, sell, convey, mortgage or grant a security interest in, or otherwise dispose of or encumber, any of the Collateral or any of the Mortgagor's right, title or interest therein, without first obtaining Mortgagee's written consent; Mortgagee shall have the right, at its sole option, to require Mortgagor to apply the proceeds from the disposition of Collateral in reduction of the indebtedness secured hereby;

(d) agrees that if Mortgagor's rights in the Collateral are voluntarily or involuntarily transferred, whether by sale, creation of a security interest, attachment, levy, garnishment or other judicial process, without the prior written consent of Mortgagee, such transfer shall constitute an Event of Default hereunder;

(e) agrees that upon or after the occurrence of any Event of Default, Mortgagee shall have all rights and remedies contemplated hereunder, including, without limitation, the right to take possession of the Collateral, and for this purpose Mortgagee shall have the right to enter upon any premises on which any or all of the Collateral is situated without being deemed guilty of trespass and without liability for damages thereby occasioned, and take possession of and operate the Collateral or remove it therefrom. Mortgagee shall have the further right, as Mortgagee may determine, to repair, refurbish or otherwise prepare the Collateral for sale, lease or other use or disposition, and to sell at public or private sale or

otherwise dispose of, lease or utilize the Collateral and any part thereof in any manner authorized or permitted by law and to apply the proceeds thereof toward payment of any costs and expenses incurred by Mortgagee including, to the fullest extent not prohibited by applicable law, attorneys' fees and expenses, and toward payment of the indebtedness secured hereby, in such order and manner as Mortgagee may determine. To the fullest extent not prohibited by applicable law, Mortgagor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of a debtor or formalities prescribed by law relative to a sale or disposition of the Collateral or to exercise any other right or remedy existing after an Event of Default. To the extent any notice is required and cannot be waived, Mortgagor agrees that if such notice is deposited for mailing, postage prepaid, certified or registered mail, to the owner of record of the Mortgaged Property, directed to the such owner at the last address actually furnished to Mortgagee at least five (5) days before the time of sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirements for giving of such notice;

(f) agrees, to the extent not prohibited by law and without limiting any rights and privileges herein granted to Mortgagee, that Mortgagee shall have the right to dispose of any or all of the Collateral at the same time and place upon giving the same notice, if any, provided for in this Mortgage, and in the same manner as the nonjudicial foreclosure sale provided under the terms and conditions of this Mortgage; and

(g) authorizes Mortgagee to file without the Mortgagor's signature, in the jurisdiction where this agreement will be given effect, financing statements covering the Collateral and the proceeds of the Collateral. At the request of Mortgagee, Mortgagor will join Mortgagee in executing one or more such financing statements pursuant to this Mortgage. To the extent permitted by law, a carbon, photographic or other reproduction of this instrument or any financing statement executed in accordance herewith shall be sufficient as a financing statement.

30. Management. Mortgagee shall have the right to give or withhold its prior consent to any contract or other arrangement for the management of all or any part of the Mortgaged Property. Mortgagee shall have the right, exercisable at its option upon an Event of Default or an event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default, to terminate the rights of any party engaged to manage the Mortgaged Property and any and all other agreements or contracts relating to the operation or management of the Mortgaged Property, if, in Mortgagee's sole discretion, the management and/or operation of the Mortgaged Property is unsatisfactory.

31. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (i) if hand delivered, or if sent by telecopy, effective upon receipt, or (ii) if delivered by overnight courier service, effective on the day following delivery to such courier service or (iii) if mailed by United States registered or certified mail, postage prepaid, return receipt requested, effective two (2) business days after deposit in the United States mails addressed as follows:

If to Mortgagor:

Glades Gas & Electric Corporation
5 SW Avenue A
Belle Glade, FL 33430
Attn: _____

If to Mortgagee:

Palm Beach County, Florida
c/o County Attorney's Office
301 N. Olive Avenue, Suite 610
West Palm Beach, FL 33401
Attn: _____

or at such other address or to such other addressee as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

32. Loan Documents. The term "Loan Documents" as used herein collectively refers to (a) the Note, (b) this Mortgage, (c) the Assignment of Leases and Rents, (d) all Uniform Commercial Code Financing Statements in favor of Mortgagee, as secured party, in connection with the Mortgaged Property, (e) Indemnity Agreement, (f) the Loan and Security Agreement, (g) the Guaranty Agreement, and (h) any and all other documents and/or agreements evidencing, securing or relating to the loan.

33. Survival and Conflicts. In the event of any inconsistency or conflict between any provisions of the Loan Documents and the U.S. Department of Housing and Urban Development documents evidencing the source of funds to Mortgagee ("HUD Documents"), the provisions of the HUD Documents shall prevail and apply.

34. Anti-Forfeiture. Mortgagor hereby further expressly represents and warrants to Mortgagee that to the best of Mortgagor's knowledge there has not been committed by Mortgagor or any other person involved with the Mortgaged Property or the Mortgagor any act or omission affording the federal government or any state or local government the right and/or remedy of forfeiture as against the Mortgaged Property or any part thereof or any monies paid in performance of its obligations under the Note or under any of the other Loan Documents, and Mortgagor hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right and/or remedy of forfeiture. In furtherance thereof, Mortgagor hereby indemnifies Mortgagee and agrees to defend and hold Mortgagee harmless from and against any loss, damage or other injury, including without limitation, attorneys' fees and expenses, to the fullest extent not prohibited by applicable law, and all other costs and expenses incurred by Mortgagee in preserving its lien, security interest and other rights and interests in the Mortgaged Property and any additional collateral under any of the Loan Documents in any proceeding or other governmental action asserting forfeiture thereof, by reason of, or in any manner resulting from, the breach of the covenants and agreements or the warranties and representations set forth in the preceding sentence. Without limiting the generality of the

foregoing, the filing of formal charges or the commencement of proceedings against Mortgagor, Mortgagee, any guarantor, any additional collateral under any of the Loan Documents or all or any part of the Mortgaged Property under any federal or state law in respect of which forfeiture of the Mortgaged Property or any part thereof or of any monies paid in performance of Mortgagor's obligations under the Loan Documents is a potential result shall, at the election of the Mortgagee in its absolute discretion, constitute an Event of Default hereunder without notice or opportunity to cure.

35. Miscellaneous. The Mortgaged Property is located in the State of Florida, and this Mortgage and the rights and indebtedness secured hereby shall, without regard to the place of contract or payment, be construed and enforced according to the laws of Florida. Nothing herein contained nor any transaction related hereto shall be construed or so operate as to require Mortgagor to do any act contrary to law, and if any clauses or provisions herein contained operate or would prospectively operate to invalidate this Mortgage, in whole or in part, or any of the Mortgagor's obligations hereunder, such clauses and provisions only shall be held void and of no force or effect as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect. All of the obligations, rights and covenants herein contained shall run with the land, and shall bind and inure to the benefit of Mortgagor, its successors and permitted assigns, and Mortgagee and any subsequent holder of the Note. Whenever used, the singular number shall include the plural and the plural numbers shall include the singular, and the use of any gender shall include all genders, all as the context may reasonably require.

MORTGAGOR HEREBY, AND MORTGAGEE BY ITS ACCEPTANCE HEREOF, EACH WAIVES THE RIGHT OF A JURY TRIAL IN EACH AND EVERY ACTION ON THIS MORTGAGE OR ANY OF THE OTHER LOAN DOCUMENTS, IT BEING ACKNOWLEDGED AND AGREED THAT ANY ISSUES OF FACT IN ANY SUCH ACTION ARE MORE APPROPRIATELY DETERMINED BY A JUDGE SITTING WITHOUT A JURY; FURTHER, MORTGAGOR HEREBY CONSENTS AND SUBJECTS ITSELF TO THE JURISDICTION OF COURTS OF THE STATE OF FLORIDA AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO THE VENUE OF SUCH COURTS IN THE COUNTY IN WHICH THE MORTGAGED PROPERTY IS LOCATED.

37. Offsets, Counterclaims and Defenses. Any assignee of this Mortgage, the Note or any other Loan Document shall take the same free and clear of all offsets, counterclaims or defenses of any nature whatsoever which Mortgagor may have against any assignor of this Mortgage, the Note or any other Loan Document and the Debt and no such offset, counterclaim or defense shall be interposed or asserted by Mortgagor in any action or proceeding brought by any such assignee upon this Mortgage, the Note or any other Loan Document and/or the Debt and any such right to interpose or assert any such offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Mortgagor.

38. Prepayment After Event of Default. If an Event of Default shall occur under this Mortgage and if by reason thereof Mortgagee elects to declare the entire principal balance hereof to be immediately due and payable, or if an action is commenced for the foreclosure of this

Mortgage, then in such event the prepayment consideration in the Note provided for shall become due and payable on the date of such election in the same manner as though Mortgagor had exercised such right of prepayment as herein set forth. If any such event occurs prior to the earliest date upon which Mortgagor has a right of prepayment, then in such event the prepayment consideration applicable upon the earliest date on which Mortgagor had such right of prepayment shall apply and Mortgagor also shall pay to Mortgagee a sum equal to interest which would have accrued on the principal balance of the Debt at the rate specified in the Note from the date of payment to the end of the period during which prepayment is prohibited. The amount of such prepayment consideration computed on the principal balance as of the date aforesaid, shall be added to and secured by this Mortgage and shall be recoverable by the Mortgagee in the same manner as the principal balance hereof and in addition thereto, in any action brought for the foreclosure of this Mortgage.

PROVIDED, THAT THE CONDITION OF THIS MORTGAGE IS SUCH that if Mortgagor shall pay all of the indebtedness secured hereby, then thereupon this Mortgage shall be released of record by Mortgagee, at the cost and expense of Mortgagor, and thereafter the Mortgage shall be void. The foregoing shall not affect the covenants, agreements, indemnifications and warranties in this Mortgage which expressly survive the release hereof, which shall remain in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed and delivered as of the date first above written.

MORTGAGOR:

Glades Gas & Electric Corporation

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss:

On the __ day of January, in the year 2009 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Exhibit A

Legal Description

Parcel I – 5 W Avenue A, Belle Glade, Florida 33430

[INSERT DESCRIPTION]

Parcel II – 620 SW 16th Street, Belle Glade, Florida 33430

[INSERT DESCRIPTION]

PALM BEACH COUNTY, FLORIDA

SECTION 108 PROMISSORY NOTE

Principal: \$99,000.00

Date: January __, 2009

RE: Glades Gas & Electric Corporation

FOR VALUE RECEIVED, the undersigned, **Glades Gas & Electric Corporation**, a Florida corporation with an address of 5 W. Avenue A, Belle Glade, Florida 33430 (the "**Borrower**"), promise(s) to pay to the order of **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401 ("**Lender**") or its successors, or assigns, the sum of NINETY NINE THOUSAND AND 00/100 DOLLARS (\$99,000.00) together with interest thereon, or on the amount thereof from time to time outstanding, to be computed, as hereinafter provided, from the date hereof until the entire Principal Amount shall be fully paid. The Principal Amount or the amount thereof outstanding, with all accrued interest thereon, shall be due and payable on **January __, 2029** (the "**Maturity Date**"). From the date hereof until the Maturity Date, the rate of interest shall be equal to one percent (1%) above the three-month London Interbank Offered Rate (LIBOR), subject to adjustment as follows:

(a) On the fifteenth (15th) day of every third calendar month (a "**Change Date**"), the rate of interest shall automatically and without notice change to a rate equal to one percent (1%) above the LIBOR rate as of each Change Date.

(b) Lender's cost of funds is based on the LIBOR rate, adjusted monthly. To the extent such adjustment does not coincide with any Change Date, Lender's cost of funds may be based on a rate other than the LIBOR rate used to establish the interest calculated hereunder. Lender will reconcile the rate of interest charged to the Borrower with Lender's cost of funds every three (3) months and notify Borrower of same. Any underpayment of interest during such three (3) month period shall be due by Borrower upon demand. Any overpayment of interest during such three (3) month period shall be credited to Borrower's account. Lender may, in its discretion, net any such underpayment or overpayment at any time during the term of this Note, and will notify Borrower of its reconciliation.

(c) During the term of this Note, Lender may be offered the right to fix the rate of interest charged Lender by the U.S. Department of Housing and Urban Development ("HUD"). In the event HUD notifies Lender of such right, Lender shall notify Borrower of same and provide in such notice the deadline Lender may have to elect a fixed rate. Borrower must notify Lender prior to such deadline of its desire to fix the rate of interest under this Note at a rate equal to one percent (1%), plus the fixed rate offered by HUD to Lender. Should Borrower's notice to Lender elect to so fix its rate of interest hereunder, Lender will upon timely receipt of Borrower's notice, make such election with HUD to fix its rate of interest. Concurrently with the fixing of the interest rate hereunder, the net underpayment or overpayment of interest based on the reconciliation conducted under (b) above shall be satisfied on terms acceptable to Lender.

THE UNDERSIGNED reserve(s) the right to prepay at any time all or any part of the principal amount of this Note without the payment of penalties or premiums, so long as Borrower does not elect to fix its rate of interest under (c) above. In the event that Borrower elects to fix its rate of interest under (c) above, there shall be a defeasance payment as established by HUD and on terms acceptable to Lender. All payments on this Note shall be applied first to the interest due on the Note, and then to the principal due on the Note, and the remaining balance shall be applied to late charges, if any. Except as provided below, all monthly installment payments on this Note shall be credited as of the due date thereof without adjustment of interest because paid either before or after such due date.

IN THE EVENT the undersigned shall fail to pay the interest on or principal amount of this Note when due, and if such failure be subsisting on the date the next installment payment under this Note becomes due and payable, the unpaid principal amount of this Note, together with accrued interest and late charges, shall become due and payable at the option of Lender, without notice to the undersigned. Failure of Lender to exercise such option shall not constitute a waiver of such default. No default shall exist by reason of nonpayment of any required installment of principal and interest so long as the amount of optional prepayments already made pursuant hereto equals or exceeds the amount of the required installment. If the interest on, and principal of, this Note are not paid by the tenth (10) day of the month, the undersigned shall pay to Lender a late charge of five percent (5%) per calendar month, or fraction thereof, on the amount past due and remaining unpaid. If this Note be reduced to judgment, such judgment should bear the statutory interest rate on judgment, but not to exceed nine percent (9%) per annum. If suit is instituted by Lender to recover on this Note, the undersigned agree(s) to pay all costs of such collection, including reasonable attorneys' fees and court costs.

THIS NOTE is secured by a mortgage of the maker hereof bearing even date herewith duly filed for record in the Palm Beach County Clerk & Comptroller's Office. All of the terms, conditions and provisions of the mortgage are incorporated herein by reference and are hereby made a part hereof, and any breach or violation thereof shall constitute a breach or violation of this Note and the total amount due under this Note shall be due and payable.

THE UNDERSIGNED jointly and severally waive(s) presentment protest and demand, notice of protest, demand and dishonor and nonpayment of this Note and agree(s) to perform and comply with each of the covenants, conditions, provisions and agreements of any of the undersigned as contained in every instrument now evidencing or securing said indebtedness. No extension of the time for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability under this Note, either in whole or in part of any of the undersigned not a parry to such agreement.

THE UNDERSIGNED further jointly and severally hereby waive(s), to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned, as of its date.

Glades Gas & Electric Corporation

By: _____

Name: _____

Title: _____

STATE OF FLORIDA)

:ss.:

COUNTY OF PALM BEACH)

On this ___ day of January, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

PALM BEACH COUNTY, FLORIDA

SECTION 108 PROMISSORY NOTE

Principal: \$100,000.00

Date: January __, 2009

RE: Glades Gas & Electric Corporation

FOR VALUE RECEIVED, the undersigned, **Glades Gas & Electric Corporation**, a Florida corporation with an address of 5 W. Avenue A, Belle Glade, Florida 33430 (the "**Borrower**"), promise(s) to pay to the order of **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401 ("**Lender**") or its successors, or assigns, the sum of ONE HUNDRED THOUSAND AND 00/100 DOLLARS (**\$100,000.00**) together with interest thereon, or on the amount thereof from time to time outstanding, to be computed, as hereinafter provided, from the date hereof until the entire Principal Amount shall be fully paid. The Principal Amount or the amount thereof outstanding, with all accrued interest thereon, shall be due and payable on **January __, 2019** (the "**Maturity Date**"). From the date hereof until the Maturity Date, the rate of interest shall be equal to one percent (1%) above the three-month London Interbank Offered Rate (LIBOR), subject to adjustment as follows:

(a) On the fifteenth (15th) day of every third calendar month (a "**Change Date**"), the rate of interest shall automatically and without notice change to a rate equal to one percent (1%) above the LIBOR rate as of each Change Date.

(b) Lender's cost of funds is based on the LIBOR rate, adjusted monthly. To the extent such adjustment does not coincide with any Change Date, Lender's cost of funds may be based on a rate other than the LIBOR rate used to establish the interest calculated hereunder. Lender will reconcile the rate of interest charged to the Borrower with Lender's cost of funds every three (3) months and notify Borrower of same. Any underpayment of interest during such three (3) month period shall be due by Borrower upon demand. Any overpayment of interest during such three (3) month period shall be credited to Borrower's account. Lender may, in its discretion, net any such underpayment or overpayment at any time during the term of this Note, and will notify Borrower of its reconciliation.

(c) During the term of this Note, Lender may be offered the right to fix the rate of interest charged Lender by the U.S. Department of Housing and Urban Development ("HUD"). In the event HUD notifies Lender of such right, Lender shall notify Borrower of same and provide in such notice the deadline Lender may have to elect a fixed rate. Borrower must notify Lender prior to such deadline of its desire to fix the rate of interest under this Note at a rate equal to one percent (1%), plus the fixed rate offered by HUD to Lender. Should Borrower's notice to Lender elect to so fix its rate of interest hereunder, Lender will upon timely receipt of Borrower's notice, make such election with HUD to fix its rate of interest. Concurrently with the fixing of the interest rate hereunder, the net underpayment or overpayment of interest based on the reconciliation conducted under (b) above shall be satisfied on terms acceptable to Lender.

THE UNDERSIGNED reserve(s) the right to prepay at any time all or any part of the principal amount of this Note without the payment of penalties or premiums, so long as Borrower does not elect to fix its rate of interest under (c) above. In the event that Borrower elects to fix its rate of interest under (c) above, there shall be a defeasance payment as established by HUD and on terms acceptable to Lender. All payments on this Note shall be applied first to the interest due on the Note, and then to the principal due on the Note, and the remaining balance shall be applied to late charges, if any. Except as provided below, all monthly installment payments on this Note shall be credited as of the due date thereof without adjustment of interest because paid either before or after such due date.

IN THE EVENT the undersigned shall fail to pay the interest on or principal amount of this Note when due, and if such failure be subsisting on the date the next installment payment under this Note becomes due and payable, the unpaid principal amount of this Note, together with accrued interest and late charges, shall become due and payable at the option of Lender, without notice to the undersigned. Failure of Lender to exercise such option shall not constitute a waiver of such default. No default shall exist by reason of nonpayment of any required installment of principal and interest so long as the amount of optional prepayments already made pursuant hereto equals or exceeds the amount of the required installment. If the interest on, and principal of, this Note are not paid by the tenth (10) day of the month, the undersigned shall pay to Lender a late charge of five percent (5%) per calendar month, or fraction thereof, on the amount past due and remaining unpaid. If this Note be reduced to judgment, such judgment should bear the statutory interest rate on judgment, but not to exceed nine percent (9%) per annum. If suit is instituted by Lender to recover on this Note, the undersigned agree(s) to pay all costs of such collection, including reasonable attorneys' fees and court costs.

THIS NOTE is secured by a mortgage of the maker hereof bearing even date herewith duly filed for record in the Palm Beach County Clerk & Comptroller's Office. All of the terms, conditions and provisions of the mortgage are incorporated herein by reference and are hereby made a part hereof, and any breach or violation thereof shall constitute a breach or violation of this Note and the total amount due under this Note shall be due and payable.

THE UNDERSIGNED jointly and severally waive(s) presentment protest and demand, notice of protest, demand and dishonor and nonpayment of this Note and agree(s) to perform and comply with each of the covenants, conditions, provisions and agreements of any of the undersigned as contained in every instrument now evidencing or securing said indebtedness. No extension of the time for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability under this Note, either in whole or in part of any of the undersigned not a party to such agreement.

THE UNDERSIGNED further jointly and severally hereby waive(s), to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned; as of its date.

Glades Gas & Electric Corporation

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
 :ss.:
COUNTY OF PALM BEACH)

On this ___ day of January, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS ("Assignment"), made this ___ day of January, 2009 by **Glades Gas & Electric Corporation**, a Florida corporation with a business address of 5 W. Avenue A, Belle Glade, Florida 33430 (the "**Assignor**"), in favor of **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401 ("**Assignee**").

R E C I T A L S:

FOR VALUE RECEIVED, Assignor does hereby absolutely and unconditionally SELL, ASSIGN, TRANSFER, SET OVER and DELIVER unto the Assignee, all leases and tenancies of all or any portion of the premises situated at 5 W. Avenue A, Belle Glade, Florida 33430 and 620 SW 16th Street, Belle Glade, Florida 33430 and more particularly described in Schedule A attached hereto and made a part hereof, together with the buildings and improvements thereon (collectively called "Premises");

TOGETHER with any and all extensions and renewals of such leases, and any and all other and further leases, licenses, concession contracts and other agreements granting a right or privilege of use or occupancy, whether written or oral (including subleases and tenancies following attornment) of all or any part of the Premises (collectively, the "Leases");

TOGETHER with any and all guarantees of performance by any of the lessees under any of the Leases;

TOGETHER with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues and profits now due or which may become due or to which Assignor may now or shall hereafter (including during the period of redemption, if any) become entitled or may demand or claim (all such moneys, rights and claims described in this paragraph are hereafter collectively called "Rents"), arising or issuing from or out of the Leases or from or out of the Premises or any part thereof, including, without limitation: minimum rents, additional rents, percentage rents, parking, maintenance, operation, tax and insurance contributions, proceeds of sale of electricity, gas, chilled and heated water and other utilities and services, deficiency rents and liquidated damages following default, royalties, the premium payable by any lessee upon the exercise of a cancellation privilege originally provided in any of the Leases, and, except as may be otherwise provided for in the Loan Documents (as defined below), all proceeds payable under any policy of insurance for loss of rents, together with any and all rights and claims of any kind which Assignor may have against any lessee under such Leases or any subtenants or occupants of the Premises, it being the intention of Assignor and Assignee that this Assignment be treated and construed as an absolute assignment and not an assignment for additional security only; and

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever, or for such shorter period as hereinafter may be indicated.

FOR THE PURPOSE OF SECURING the payment of the indebtedness in the original principal amount of ONE HUNDRED NINETY NINE THOUSAND AND 00/100 DOLLARS (\$199,000.00) as evidenced by that certain Section 108 Promissory Note in the amount of \$99,000.00 ("Note A") and that certain Section 108 Promissory Note in the amount of \$100,000.00 ("Note B", together with Note A, the "Note") both dated of even date herewith executed and delivered by Assignor in favor of Assignee, as the same may be amended, extended, supplemented, modified and/or renewed, and all replacements and substitutions therefor, as well as the payment, observance, performance and discharge of all other obligations, covenants, conditions and warranties contained in the Mortgage and Security Agreement covering the Premises and securing the Note, executed and delivered by Assignor in favor of Assignee, and to be recorded concurrently herewith (together with any amendments, modifications, extensions, supplements and/or consolidations thereof, the "Mortgage") and all of the other Loan Documents (as defined in the Mortgage). Assignor has obtained a mortgage loan from Bank of Belle Glade in the original principal amount of \$278,516.00 evidenced by a promissory note and secured by a first priority Mortgage and Security Agreement dated _____, 20__ and recorded in the Palm Beach County Clerk & Comptroller's Office on _____, 20__ in Book of Mortgages _____ page _____ ("Prior Mortgage"). This Assignment shall be subject to the terms of the Prior Mortgage.

TO PROTECT THE SECURITY OF THIS ASSIGNMENT, IT IS COVENANTED AND AGREED AS FOLLOWS:

1. Assignor's Warranties. Assignor represents and warrants that (a) Assignor is the owner in fee simple of the Premises, and has good title to the Leases and Rents hereby assigned and good right to assign the same, and that no other person or entity has any right, title or interest therein; (b) Assignor has performed all of the terms, covenants, conditions and warranties of the Leases on Assignor's part to be kept, observed and performed; (c) the Leases are valid and unmodified except as indicated herein and in full force and effect; (d) Assignor has not previously sold, assigned, transferred, mortgaged or pledged the Leases or the Rents, whether now due or hereafter to become due; (e) none of the Rents due for any period subsequent to the month in which this Assignment is made have been collected by Assignor, and that payment of any of such Rents has not otherwise been anticipated, waived, released, discounted, setoff, or otherwise discharged or compromised by Assignor, nor does Assignor have knowledge thereof; (f) Assignor has not received any funds or deposits from any lessee, other than security deposits pursuant to the terms of the applicable Leases, for which credit has not already been made on account of accrued Rents; and (g) to the knowledge of Assignor, neither Assignor nor any of the lessee(s) under the Leases is in default of any of the terms thereof.

2. Covenants of Assignor. Assignor covenants and agrees as follows: (a) to observe, perform and discharge, duly and punctually, all obligations, terms, covenants, conditions and warranties of the Loan Documents, and of the Leases, on the part of the Assignor to be kept, observed and performed, and to give prompt notice to Assignee of any failure on the part of Assignor to observe, perform and discharge the same; (b) to notify and direct in writing each and every present or future lessee or occupant of the Premises or any part thereof that any security or other deposit heretofore delivered to Assignor has been retained by Assignor or

assigned and delivered to Assignee as the case may be; (c) enforce or secure in the name of Assignee the performance of each and every obligation, term, covenant, condition and agreement in the Leases to be performed by any lessee; (d) to appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of the Assignor and any lessee thereunder, and, upon request by Assignee, will do so in the name and on behalf of the Assignee but at the expense of the Assignor, and to pay all costs and expenses of the Assignee, including attorney's fees to the fullest extent not prohibited by applicable law, in any action or proceeding in which the Assignee may appear.

3. Negative Covenants of Assignor. That Assignor further covenants and agrees as follows: (a) not to receive or collect any Rents from any present lessee of the Premises or any part thereof in advance of the rent requirement set forth in such lessee's Lease, or from any future lessee more than one (1) month in advance of the due date thereof (whether in cash or by promissory note); (b) not to waive, excuse, condone, discount, set-off, compromise, or in any manner release or discharge any lessee thereunder, of and from any obligations, covenants, conditions and agreements by the lessee to be kept, observed and performed, including the obligation to pay the Rents thereunder, in the manner and at the place and time specified therein; (c) not to cancel, terminate or consent to any surrender of any of the Leases, nor materially (in Assignee's determination) modify or alter the terms thereof to the detriment of the Assignee; (d) not to consent, without the prior written consent of Assignee, to any subletting of the Premises or any part thereof, or to any assignment of any of the Leases by any lessee thereunder, unless the lessee has the right under the terms of the Lease (i) to assign or sublet to specified assignees or sublessees, in which event Assignor shall provide Assignee with written notice of any such assignment or subletting, or (ii) generally assign or sublet to unspecified assignees or sublessees with the prior consent of Assignor, as Landlord, not to be unreasonably withheld, in which event the consent of Assignee required under this clause (d) shall not be unreasonably withheld; (e) not to enter into any renewal or extension of any of the Leases, other than upon exercise of an express option therefor contained in such Lease, nor into any new Lease without the prior written consent of the Assignee. Any of the above acts done without the prior written consent of the Assignee shall be null and void at the option of Assignee.

4. Cross-Default. In the event any representation or warranty herein of Assignor shall be found to be untrue in any respect, or Assignor shall default in the observance or performance of any obligation, term, covenant, condition or warranty herein, then, in each such instance, the same shall be a default under this Assignment and under each of the other Loan Documents. In the event Assignor shall default in the observance or performance of any obligation, term, covenant, condition or warranty in any of the other Loan Documents, then, in each such instance, the same shall be deemed to be a default hereunder. Upon any default hereunder or under any of the Loan Documents, Assignee shall be entitled to declare all sums evidenced and/or secured thereby and hereby immediately due and payable, and to exercise any and all of the rights and remedies provided under this Assignment, any of the other Loan Documents, or by law or at equity.

5. License to Receive Rents. (a) Assignor has and hereby does authorize Assignee or its representatives to collect the Rents and hereby directs each tenant of the Property and lessee under the Leases to pay all Rent to Assignee or its representatives; provided, however, so

long as there shall exist no default or Event of Default by Assignor herein or in any of the other Loan Documents or the Leases, Assignor shall have the right, but limited as provided in this Assignment and in any of the other Loan Documents: (i) to collect upon, but not prior to one (1) month in advance of, the due date thereof, all of the Rents as trustee for the benefit of Assignee, and Assignor shall receive and first apply such Rents, subject to any obligation to escrow same with Assignee, to the payment of taxes and assessments upon the Premises before penalty or interest are due thereon, to the cost of such insurance, maintenance and repairs as may be required by the terms of the Mortgage, to satisfy all of Assignor's obligations under the Leases, and pay interest and principal and other charges becoming due, as and when due and payable, under the Loan Documents; and (ii) to otherwise deal with, and enjoy the rights of the lessor under, the Leases. Assignee shall not at any time (regardless of any exercise by Assignee, or right of Assignee to exercise, any powers herein conferred) be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability of Assignor as landlord under any Lease, and Assignor shall and does hereby agree to indemnify and hold Assignee and its representatives harmless of and from any and all liability, loss or damage which Assignor or its representatives may or might incur under or by reason of (i) any Lease, (ii) this Assignment, (iii) the Mortgage or any of the other Loan Documents, (iv) any action taken by Assignee or its representatives hereunder, the Mortgage or any of the other Loan Documents, unless constituting willful misconduct or gross negligence, or (iv) claims and demands which may be asserted against Assignee or its representatives by reason of any alleged obligations or undertakings on its part or their part to perform or discharge any of the terms, covenants or agreements contained in any Lease. This Assignment shall not operate to place upon Assignee any responsibility for the management, operation or maintenance of the Premises, and the execution of this Assignment by Assignor shall constitute conclusive evidence that all responsibility for the management, operation and maintenance of the Premises is, shall be and shall remain that of the Assignor, in the absence of the taking of actual possession of the Premises by Assignee pursuant to the provisions of the Mortgage. The provisions of the foregoing indemnification obligation shall survive the assignment or repayment of the Note, the assignment, satisfaction, foreclosure or other termination of the Mortgage or this Assignment and the sale or other transfer or conveyance of the Premises.

(b) Assignee may immediately take possession of all Rents, whether past due, then due or to become due, by delivering a notice to Assignor stating that a default or any "Event of Default", by Assignor exists in the payments due under, or in the performance of any of the terms, covenants or conditions of the Note, Mortgage or Loan Documents, and without the necessity of Assignee entering upon and taking possession of the Premises in person, by agent or by a court-appointed receiver, instituting legal proceedings of any kind or taking any other affirmative action of any kind, and the license referred to in Subsection 5(a) above shall thereupon be revoked and Assignor shall thereafter hold all such Rents as trustee for the exclusive benefit of Assignee. After the delivery of such notice by Assignee, Assignor hereby authorizes and directs any lessee under any of the Leases and any successor to all or any part of the interests of any such lessee to pay to Assignee the Rents due and to become due under the Leases and each tenant is so authorized to make such payments. A demand on any lessee made by Assignee for such payment of Rents shall be sufficient warrant to the lessee to make future payments of Rents to Assignee without the necessity for further consent by the Assignor. Assignor agrees that (i) each lessee under any of the Leases shall have the right to rely upon any

such request by Assignee, (ii) each lessee shall pay such Rents to Assignee without any obligation or right to inquire as to whether such default actually exists and notwithstanding any notice from or claim of Assignor to the contrary, and (iii) Assignor shall have no right to claim against any lessee for any such Rents so paid by the lessee to Assignee. Nothing contained herein shall be construed as constituting Assignee a "mortgagee in possession" in the absence of Assignee taking actual possession of the Premises pursuant to the provisions of the Mortgage. As between Assignee, Assignor and any person claiming through or under Assignor, this Assignment is intended to be absolute, unconditional and presently effective, and the provisions of this Subsection 5(b) regarding written demand for the Rents by Assignee to the lessees are intended solely for the benefit of such lessees and shall never inure to the benefit of Assignor or any person claiming through or under Assignor, other than a tenant who has not received such written demand.

6. Rights Upon Transfer. (a) Subject to the restrictions on the sale and conveyance of the Premises set forth in the Loan Documents, upon the sale or conveyance by Assignor, or its successors and assigns, of title to the Premises, all right, title, interest and powers granted to Assignor shall, unless amended or revoked as provided in the Loan Documents, automatically pass to and may be exercised by each such subsequent owner. At any time after a default or any "Event of Default" under this Assignment or under any of the Loan Documents or under any of the Leases, Assignee, at its option, shall have the right, power and authority to exercise and enforce any or all of the following rights and remedies: (i) to terminate the license granted above to Assignor to collect the Rents, and thereafter, without taking or being deemed to have taken possession, in Assignee's own name, to demand, collect, receive, sue for, attach and levy the Rents, to give proper receipts, releases and acquittances therefor, and after deducting all costs and expenses of operation and collection, as determined by Assignee, including attorneys' fees to the fullest extent not prohibited by applicable law, to apply the net proceeds thereof, together with any funds of Assignor deposited with Assignee, upon any indebtedness secured hereby and in such order as Assignee may determine; (ii) to declare all sums secured hereby immediately due and payable and, at its option, exercise any and all of the rights and remedies contained in any of the Loan Documents; and (iii) without regard to the adequacy of the security, to the fullest extent not prohibited by applicable law, through any person or agent, then or thereafter (A) to enter upon, take possession of, manage and operate the Premises and the other Mortgaged Property (as defined in the Mortgage) or any part thereof; (B) make, modify or enforce any of the Leases; (C) remove and evict any lessee; (D) increase or decrease Rents; (E) decorate, clean and repair the Premises; and (F) otherwise do any act or incur any costs or expenses as Assignee shall deem proper to protect the security hereof, as fully and to the same extent as Assignor could do if in possession, and in such event to apply the Rents so collected to the operation and management of the Premises, but in such order as Assignee shall deem proper, and including the payment of management, brokerage and attorneys' fees to the fullest extent not prohibited by applicable law, payment of the indebtedness under the Loan Documents and maintenance, without interest, or a reserve for replacement.

(b) The acceptance by Assignee of this Assignment, and the exercise of any or all of the rights, powers, privileges and authority herein created, shall not, prior to entry upon and taking of possession of the Premises by Assignee, be deemed or construed to constitute Assignee a mortgagee in possession, or thereafter or at any time or in any event obligate Assignee (i) to

appear in or defend any action or proceeding relating to any of the Leases or the Premises, (ii) to take any action hereunder, (iii) to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under any of the Leases or (iv) to assume any obligation or responsibility for any security or other deposits delivered to Assignor by any of the lessee(s) thereunder and not assigned and delivered to Assignee. Assignee shall not be liable in any way for any injury or damage to person or property sustained by any person or entity in or about the Premises.

(c) Collection and application of the Rents by Assignor, or its agent, as set forth above, and/or the entry upon and taking possession of the Premises, shall not cure or waive any default, or waive, modify or affect any notice of default, under the Loan Documents or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Assignee, once exercised, shall continue for so long as Assignee shall elect during the pendency of the default. If Assignee shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

7. Assignee's Collection Authority. Upon a default, following any applicable notice and expiration of any applicable grace period, or any "Event of Default", by Assignor hereunder or under any of the other Loan Documents, Assignor hereby constitutes and irrevocably appoints Assignee, its successors and assigns, the true and lawful attorney-in-fact, coupled with an interest, of Assignor, and authorizes Assignee in the name, place and stead of Assignor, in the exercise of the powers provided and set forth in Subsection 5(b) and the remedies provided for in clause (i) of subparagraph 6(a) above, but subject to and not in limitation of the provisions of Subsection 5(b) hereof or the absolute assignment of the Rents made hereby, to demand, sue for, attach, levy, recover and receive any premium or penalty payable upon the exercise, by any lessee under any of the Leases, of a privilege of cancellation provided in any of the Leases, and to give proper receipts, releases and acquittances therefor, and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by Assignee, of the indebtedness evidenced or secured by the Loan Documents, notwithstanding that the amount owing thereunder may not then be due and payable or that the indebtedness is otherwise adequately secured. Assignor hereby authorizes and directs any such lessee to deliver such payment to Assignee in accordance with the foregoing, and hereby ratifies and confirms all actions whatsoever that its attorney, the Assignee, shall do or cause to be done by virtue of the powers granted hereby. The foregoing appointment shall be continuing, and such rights, powers and privileges shall be exclusive in Assignee, its successors and assigns, so long as any part of the indebtedness secured hereby shall remain unpaid.

8. Assignee's Subordination Authority. Assignor hereby constitutes and irrevocably appoints Assignee, its successors and assigns, the true and lawful attorney-in-fact, coupled with an interest, of Assignor and in the name, place and stead of Assignor, at any time and from time to time, to subject and subordinate any of the Leases to the Mortgage, or to request or require such subordination of the lessee as the case may be, to the extent Assignor would have the right, power or authority so to do. This appointment is to be continuing and these rights, powers and privileges shall be exclusive in Assignee, its successors and assigns, so long as the indebtedness secured hereby remains unpaid. Assignor hereby warrants that Assignor has not, at any time

prior to the date hereof, exercised any such right, and covenants not to exercise any such right, to so subordinate any of such Leases to any other mortgage or lien except only those which exist under this Assignment or any of the other Loan Documents.

9. Indemnification. Assignor hereby indemnifies Assignee and agrees to defend and hold Assignee harmless from and against any and all liability, loss, damage or expense which Assignee may incur under or by reason of this Assignment, or for any action taken by the Assignee as contemplated herein, (other than Assignee's negligence or willful misconduct) or by reason or in defense of any and all claims and demands whatsoever which may be asserted against Assignee arising out of any of the Leases, including, without limitation, any claim by any lessee of credit for rental paid to and received by Assignor but not delivered to Assignee for any period under any of the Leases more than one (1) month in advance of the due date thereof. Should Assignee incur any such liability, loss, damage or expense, the amount thereof (including attorneys' fees to the fullest extent not prohibited by applicable law), with interest thereon at the Default Rate (as defined in the Note), shall be payable by Assignor immediately without demand, and shall be secured hereby and by the other Loan Documents.

10. Lease Copies and Further Assurances. Until the indebtedness secured by the Loan Documents is paid in full, Assignor will deliver to the Assignee photocopies certified by Assignor as true, correct and complete, of executed originals of (a) any and all existing Leases, and (b) all other and future Leases upon all or any part of the Premises. Upon request of Assignee, Assignor will specifically transfer and assign to Assignee such other and future Leases upon the same terms and conditions as herein contained. Assignor hereby covenants and agrees to make, execute and deliver to Assignee, upon demand and at any time or times, any and all further assignments and other instruments as Assignee may determine for carrying out the purposes and intent of this Assignment.

11. Non-Waiver. The failure of Assignee to avail itself of any of the terms, covenants and conditions of this Assignment for any period of time or at any time or times, shall not be construed or deemed to be a waiver of any such right, an amendment to any of the Loan Documents, or an estoppel against Assignee in any respect, and nothing herein contained nor anything done or omitted to be done by Assignee pursuant hereto shall be deemed a waiver by Assignee of any of its rights and remedies under the Loan Documents or under the laws of the State of Florida. The right of the Assignee to collect the indebtedness and to enforce any other security therefor may be exercised by Assignee, either prior to, simultaneously with, or subsequent to any action taken hereunder.

12. Non-Merger. So long as any of the indebtedness evidenced or secured by the Loan Documents shall remain unpaid, unless the Assignee shall otherwise consent in writing, the fee title and the leasehold estate(s) on the Premises shall not merge, but shall always be kept separate and distinct, notwithstanding the union of both such estates in the Assignor, any lessee or a third party by purchase or otherwise.

13. Defeasance. Upon payment in full of the unpaid balance of the principal, interest, advances and other charges evidenced or secured by the Loan Documents, this Assignment shall become void and of no effect, and all the Leases shall be immediately and automatically

revested, reconveyed and released to Assignor. Upon demand from Assignor in such event, Assignee, its successors or assigns, shall mark this Assignment as void and paid in full, satisfied and discharged and return this Assignment to the Assignor; provided, however, that an affidavit, certificate, letter or statement of Assignee showing any part of the indebtedness remaining unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment, and any person or entity may and is hereby authorized to rely thereon.

14. Notices. Any notice required hereunder shall be in writing, and shall be given in accordance with the requirements of, and to the addresses, as set forth in the Mortgage.

15. Binding Effect. The terms, covenants, conditions and warranties contained herein and the powers granted hereby shall run with the land, shall inure to the benefit of and bind all parties hereto and their respective heirs, executors, administrators, successors and assigns, and all lessees, subtenants, assigns, and all subsequent owners of the Premises, subject however to the terms of Paragraph 6 above, and all subsequent holders of the Loan Documents.

16. Miscellaneous. The captions and headings in this instrument are inserted only as a matter of convenience and for reference, and they in no way define, limit or describe the scope of this instrument or the intent of any provision thereof. Whenever the context so requires, the masculine gender shall include the feminine and/or neuter and the singular number shall include the plural and conversely in each case.

ASSIGNOR HEREBY, AND ASSIGNEE BY ITS ACCEPTANCE HEREOF, EACH WAIVES THE RIGHT OF A JURY TRIAL IN EACH AND EVERY ACTION ON THIS ASSIGNMENT OR ANY OF THE OTHER LOAN DOCUMENTS, IT BEING ACKNOWLEDGED AND AGREED THAT ANY ISSUES OF FACT IN ANY SUCH ACTION ARE MORE APPROPRIATELY DETERMINED BY THE COURTS; FURTHER ASSIGNOR HEREBY CONSENTS AND SUBJECTS ITSELF TO THE JURISDICTION OF COURTS OF THE STATE OF FLORIDA AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO THE VENUE OF SUCH COURTS IN THE COUNTY IN WHICH THE PREMISES IS LOCATED.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this Assignment of Leases and Rents has been duly executed by the Assignor as of the date first above written.

ASSIGNOR:

Glades Gas & Electric Corporation

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss:

On the ___ day of January, in the year 2009, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Schedule A

Legal Description

Parcel I – 5 W Avenue A, Belle Glade, Florida 33430

[INSERT DESCRIPTION]

Parcel II – 620 SW 16th Street, Belle Glade, Florida 33430

[INSERT DESCRIPTION]

GUARANTY

FOR VALUE RECEIVED and to induce **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401 ("Lender") to make a loan in the total principal amount of ONE HUNDRED NINETY NINE THOUSAND AND 00/100 DOLLARS (\$199,000.00) to **Glades Gas & Electric Corporation**, a Florida corporation with a business address of 5 W. Avenue A, Belle Glade, Florida 33430 (the "Borrower"), the undersigned jointly and severally, irrevocably and unconditionally guarantee to Lender, its successors and assigns:

The due performance and prompt payment, whether at maturity or by acceleration or otherwise, of all of the present and future debts, liabilities and/or obligations of the Borrower to Lender (collectively "Borrower's Debt"), together with interest on the Borrower's Debt, and all legal and other costs or expenses paid or incurred by Lender in the enforcement thereof against the Borrower or the undersigned.

To indemnify Lender against loss, cost or expense caused by the assertion by the Borrower of any defense to the Borrower's Debts or other obligations or the assertion by the undersigned of any defense to the undersigned's obligations thereunder. The undersigned waives any right or claim of right to cause a marshaling of the Borrower's assets or to cause Lender to proceed against any of the security for the Borrower's Debt or for the obligations guaranteed thereby before proceeding against the undersigned; we agree that any payments required to be made by the Borrower hereunder shall become due on demand immediately upon the happening of any Event of Default under the Note of the Borrower, dated the date hereof (the "Note"), the Loan and Security Agreement, dated the date hereof (the "Loan Agreement"), entered into between the Borrower and Lender, and without presentment to the Borrower, demand for payment or protest thereof, or notice of nonpayment or protest thereof.

Liability hereunder shall be unaffected by (i) any amendment or modification of the provisions of any instrument, made to or with the undersigned by the Borrower or other persons, including but not limited to the extension of the time of any payment; (ii) any sale, assignment or foreclosure of any of the property securing Borrower's Debt; (iii) any exculpatory provision in any instruments limiting Lender's recourse to property encumbered by the Borrower's Debt or to any other security, or limiting Lender's rights to a deficiency judgment against the Borrower; (iv) the release of the Borrower or any other persons from performance or observance of any of the agreements, covenants, terms or conditions contained in any of said instruments by operation of law or otherwise; (v) the release in whole or in part of any security for the Borrower's Debt; or (vi) Lender's failure to file any UCC financing statements (or Lender's improper recording or filing of any thereof) or to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Borrower's Debt; and in any such case, whether with or without notice to the undersigned and with or without consideration.

The undersigned fully understand that this Guaranty is a continuing Guaranty; that it applies to all future debts, liabilities and obligations of the Borrower, as well as those now

outstanding and to those made on or about the date of this Guaranty. The undersigned has the right to terminate the continuing nature of this Guaranty at any time upon written notification to Lender by certified or registered mail, return receipt requested. Termination shall apply only to debts incurred by the Borrower after written notice of termination is received by Lender and shall not apply to or affect my responsibility under this Guaranty for all of the Borrower's Debts existing as of the date the notice is received.

No delay on Lender's part in exercising any right, power or privilege under any instrument securing the Borrower's Debt or this Guaranty, or any other document made to or with Lender by the Borrower shall operate as a waiver of any such privilege, power or right.

This Guaranty cannot be modified orally. This guarantee is a personal obligation of each of the undersigned. We have been advised by counsel of our choosing as to the nature and consequences of the liabilities undertaken pursuant to the terms hereof.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty of Payment on January __, 2009.

Glades Gas & Electric Corporation

By: _____
Name: _____
Title: _____

Dennis J. McCarthy, Individually

Karen L. McCarthy, Individually

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT is made as of the ___ day of January, 2009 by and among **Glades Gas & Electric Corporation**, a Florida corporation having an address of 5 W. Avenue A, Belle Glade, Florida 33430 (hereinafter called the "Borrower" and the "Corporate Guarantor"); **Dennis J. McCarthy and Karen L. McCarthy**, individuals with an address of 1150 SE 18th Street, Belle Glade, Florida 33430 ("Individual Guarantors"); (Borrower, Corporate Guarantor and Individual Guarantors hereinafter collectively called the "Indemnitor") and **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401 (hereinafter called "Lender").

RECITALS:

A. Borrower owns certain parcels of real property situated at 5 W. Avenue A, Belle Glade, Palm Beach County, Florida 33430 and 620 SW 16th Street, Belle Glade, Florida 33430 as more particularly described on Schedule A attached hereto (collectively, the "Land"), and certain buildings, structures and other improvements now or at any time hereafter located on the Land and all rights, privileges, easements, hereditaments and appurtenances thereunto relating or appertaining and all fixtures and equipment required for the operation thereof (collectively, the "Improvements"). The Improvements and the Land on all of the referenced properties are hereinafter collectively called the "Properties".

B. Borrower has applied to Lender for a loan in the maximum amount of One Hundred Ninety Nine Thousand and 00/100 Dollars (\$199,000.00) (the "Loan").

C. Lender is willing to provide the Loan on the condition, inter alia, that Borrower and Indemnitor enter into this Indemnity Agreement to set forth certain representations, warranties and agreements made herein by Borrower and Indemnitor in favor of and for the benefit of Lender and to evidence and confirm the express intent, understanding and agreement of Borrower, Indemnitor and Lender that these representations, warranties and agreements survive the satisfaction, foreclosure, delivery of a deed in lieu of foreclosure, execution, termination or cancellation of the mortgage and security agreements securing the Loan to the Properties as set forth in any of the Loan Documents (as defined in the Mortgage Agreement dated the date hereof) for whatever reason.

D. In order to induce Lender to make the Loan, Borrower and Indemnitor are each willing to enter into this Environmental Indemnity Agreement.

NOW, THEREFORE, in consideration of the promises expressed above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Guarantor make the following representations, warranties and agreements in favor of and for the benefit of Lender:

1. Covenants.

(a) Without limiting the generality of any provision herein or in any of the Loan Documents, Indemnitee hereby represents and warrants to Lender that neither Indemnitee, nor to the best knowledge and belief of Indemnitee, any previous owner or user of the Properties or adjacent property has used, generated, stored or disposed of in violation of any Environmental Law (as defined below) in, on, under, around or above the Properties or any adjacent property, any Hazardous Material (defined herein as flammable explosives, radioactive materials, solid waste, hazardous substances, hazardous waste, hazardous materials, asbestos containing materials, petroleum or any fraction thereof, pollutants, irritants, contaminants, toxic substances, or any other materials respectively defined as such in, or regulated by, any applicable Environmental Law), that, to the best knowledge and belief of Indemnitee, the Properties are not currently in violation of any Environmental Law (defined herein as any federal, state or local law, regulation or ordinance, as each may be validly interpreted and applied by the appropriate governmental entity, governing any Hazardous Material for the protection of human health, safety or the environment, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 and the Emergency Planning and Community Right-to-Know Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act and the Oil Pollution Act of 1990).

(b) Indemnitee shall keep and maintain, and Indemnitee shall cause each and every one of the tenants and any other persons present on or occupying the Properties (collectively, the "Tenants"), employees, agents, contractors and subcontractors of Indemnitee and Tenants, to keep and maintain the Properties, including, without limitation, the soil and ground water thereof, in compliance with, and not cause or knowingly permit the Properties, including the soil and ground water thereof, to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions thereon (including, but not limited to, any Environmental Law).

(c) Neither Indemnitee nor Tenants nor any employees, agents, contractors and subcontractors of Indemnitee or Tenants or any other persons occupying or present on the Properties shall (i) use, generate, manufacture, store or dispose on, under or about the Properties or transport to or from the Properties any Hazardous Material, except as such may be required to be used, stored, or transported in connection with the permitted uses of the Properties and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor; or (ii) perform, cause to be performed or permit any fill activities or other acts which would in any way destroy, eliminate, alter, obstruct, interfere with, or otherwise affect any Wetlands, as defined in 33 C.F.R. Section 328.3 and in any comparable state and local law, statute, ordinance, rule or regulation ("Wetlands"), in violation of any federal, state or local laws, statutes, ordinances, rules or regulations pertaining to such Wetlands ("Wetlands Law").

(d) Indemnitor further represents and warrants to Lender that to the best of its knowledge:

(1) Underground storage tanks are not and have not been located on the Properties.

(2) All Environmental Permits (hereinafter defined) applicable to the Properties have been obtained and are in full force and effect. "Environmental Permits" mean all permits, licenses, permits, approvals, authorizations, consents or registrations required by any applicable Environmental Laws in connection with the ownership, lease, purchase, transfer, closure, use and/or operation of the Properties and/or operation of the Properties for the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials.

(3) No event has occurred with respect to the Properties which, with the passage of time or the giving of notice, or both, would constitute a violation of any applicable Environmental Law or non-compliance with any Environmental Permit, except as set forth in the Environmental Reports.

(4) There are no agreements, consent orders, decrees, judgments, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Properties which require any change in the present condition of the Properties or any work, repairs, construction, containment, clean up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Properties.

(5) There are no actions, suits, claims or proceedings, pending or threatened, which could cause the incurrence of expenses or costs of any name or description or which seek money damages, injunctive relief, remedial action or any other remedy that arise out of, relate to or result from (i) a violation or alleged violation with respect to the Properties of any applicable Environmental Law or non-compliance or alleged non-compliance with any Environmental Permit, (ii) the presence of any Hazardous Material or a release or the threat of a release of any Hazardous Material on, at or from the Properties or any property adjacent to or within the immediate vicinity of the Properties or (iii) human exposure to any Hazardous Material, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Properties or the ownership, use, operation, sale, transfer or conveyance thereof.

(e) Indemnitor shall immediately advise Lender in writing of: (i) any notices (whether such notices are received from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of violation or potential violation which are received by Indemnitor of any applicable federal, state or local laws, ordinances, or regulations relating to any Environmental Law or any Wetlands Law; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Indemnitor or the Properties pursuant to any Environmental Law or Wetlands Law; (iii) all claims made or threatened by any third party against Indemnitor or the

Properties relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Environmental Law or Wetlands Law (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Environmental or Wetlands Claims"); and (iv) discovery by Indemnitor of any occurrence or condition on any real property adjoining or in the vicinity of the Properties that could cause the Properties or any part thereof to be classified as in violation of any Environmental Law or Wetlands Law or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Properties under any Environmental Law or Wetlands Law.

(f) Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Environmental or Wetlands Claims, and to have its reasonable attorneys' and consultants' fees in connection therewith paid by Indemnitor upon demand.

(g) Except to the extent resulting from Lender's acts or omission after taking possession of the Properties pursuant to Section 14 of the Mortgage, Indemnitor and any guarantor of the Loan shall be responsible for, and each hereby jointly and severally indemnifies and agrees to defend and hold harmless Lender, its directors, officers, employees, agents, successors and assigns and any other person or entity claiming by, through, or under Lender, from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence (whether prior to or during the term of the loan secured by the Mortgages) of Hazardous Materials on, under or about the Properties (whether by Indemnitor or a predecessor in title or any Tenants, employees, agents, contractors or subcontractors of Indemnitor or any predecessor in title or any third persons at any time occupying or present on the Properties), including, without limitation: (i) all consequential damages; (ii) the cost of any required or necessary repair, cleanup or detoxification of the Properties, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans; (iii) damage to any Wetlands or natural resources; and (iv) all reasonable costs and expenses incurred by Lender in connection with clauses (i), (ii), and (iii), including but not limited to reasonable attorneys' and consultants' fees; provided, however, that nothing contained in this paragraph shall be deemed to create or give any rights to any person other than Lender and its successors and assigns, it being intended that there shall be no third party beneficiary of such provisions, or preclude Indemnitor from seeking indemnification from, or otherwise proceeding against, any third party including, without limitation, any tenant or predecessor entitled to the Properties.

(h) Any costs or expenses reasonably incurred by Lender for which Indemnitor is responsible or for which Indemnitor has indemnified Lender shall be paid to Lender on demand, and failing prompt reimbursement, shall earn interest at the default rate of interest set forth in the Loan Documents (the "Default Rate").

(i) Indemnitor shall take or cause to be taken any and all remedial action in response to the presence of any Hazardous Materials or Wetlands on, under, or about the Properties, required pursuant to any settlement agreement, consent decree or other governmental

proceeding; furthermore, Indemnitor shall take such additional steps as may be necessary to preserve the value of Lender's security under the Loan Documents.

(j) Upon Lender's request, based upon a reasonable belief by Lender of a change in the status of the Properties, Indemnitor shall retain, at Indemnitor's sole cost and expense, a licensed geologist, industrial hygienist or an environmental consultant (referred to hereinafter as the "Consultant") acceptable to Lender to conduct a baseline investigation of the Properties for the presence of Hazardous Materials or Wetlands ("Environmental Audit"). The Environmental Audit shall be performed in a manner reasonably calculated to discover the presence of Hazardous Materials or Wetlands contamination; provided, however, such investigation shall be of a scope and intensity no greater than a baseline investigation conducted in accordance with the general standards of persons providing such services taking into consideration the known uses of the Properties and properties in the vicinity of the Properties and any factors unique to the Properties. The Consultant shall concurrently deliver the results of its investigation in writing directly to Indemnitor and Lender. Such results shall be kept confidential by both Indemnitor and Lender unless legally compelled or required to disclose such results or disclosure is reasonably required in order to pursue rights or remedies provided herein or at law.

(k) If Indemnitor fails to pay for or obtain an Environmental Audit as provided for herein, Lender may, but shall not be obligated to, obtain the Environmental Audit, whereupon Indemnitor shall immediately reimburse Lender all its costs and expenses in so doing, together with interest on such sums at the Default Rate.

(l) Indemnitor covenants to reasonably cooperate with the Consultant and to allow entry and reasonable access to all portions of the Properties for the purpose of Consultant's investigation. Indemnitor covenants to comply, at its sole cost and expense, with all recommendations contained in the Environmental Audit reasonably required to bring the Properties into compliance with all Environmental Laws and Wetlands Law, including any recommendation for additional testing and studies to detect the quantity and types of Hazardous Materials or Wetlands present, if Lender requires the implementation of the same.

2. Notices. Except for any notice required under applicable law to be given in another manner, any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (i) if hand delivered or if sent by telecopy, effective upon receipt or (ii) if delivered by overnight courier service, effective on the first business day following delivery to such courier service, or (iii) if mailed by United States registered or certified mail, postage prepaid, return receipt requested, effective two (2) days after deposit in the United States mails, addressed in each case to a party hereto at the address set forth at the beginning of this agreement or at such other address or to such other addressee as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

3. Survival. Notwithstanding anything in this Indemnity Agreement, the Mortgage or any of the other Loan Documents to the contrary, the representations and undertakings of

Indemnitor in this Indemnity Agreement shall survive the expiration, satisfaction, foreclosure, or other termination of the Mortgage and the other Loan Documents, and the repayment of the debt secured thereby, regardless of the means of such expiration, termination or repayment provided, however, the indemnification and obligations herein shall not apply to events first occurring after Lender forecloses or takes title to the Properties by deed in lieu of foreclosure. No release of the Mortgage or any of the other Loan Documents shall be deemed to effect a release of this Indemnity Agreement, but rather, this Indemnity Agreement shall be released and canceled only by a separate, specific, written release of this Indemnity Agreement. The liability of the Indemnitor to the Lender hereunder shall in no way be limited, abridged, impaired or otherwise affected by (i) any amendment or modification of the Loan Documents by or for the benefit of the Indemnitor or any subsequent owner of the Properties, (ii) any extensions of time for payment or performance required by any of the Loan Documents, (iii) the release of the Indemnitor of the Loan, or any other person from the performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents or this Agreement by operation of law, Lender's voluntary act or otherwise, (iv) the invalidity or unenforceability of any of the terms or provisions of the Loan Documents, (v) any exculpatory provision contained in any of the Loan Documents limiting Lender's recourse to Properties encumbered by the Mortgages or to any other security or limiting Lender's rights to a deficiency judgment against Indemnitor, (vi) any applicable statute of limitations, (vii) any investigation or inquiry conducted by or on the behalf of Lender or any information which Lender may have or obtain with respect to the environmental or ecological condition of the Properties, (viii) the sale, assignment or foreclosure of the Note or the Mortgages evidencing and securing the Loan, respectively, (ix) the sale, transfer or conveyance of all or part of the Properties, (x) the dissolution and liquidation of the Indemnitor (xi) the release or discharge, in whole or in part, of the Indemnitor or Guarantor in any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding or (xii) any other circumstances which might otherwise constitute a legal or equitable release or discharge, in whole or in part, of Indemnitor under the Loan Documents or this Agreement.

4. Successors and Assigns. The provisions contained herein shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

5. Governing Law. This agreement shall be governed by the laws of the State of Florida.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Indemnitor has caused this Indemnity Agreement to be duly executed and delivered as of the date set forth above.

INDEMNITOR

Glades Gas & Electric Corporation

By: _____

Name: _____

Title: _____

Dennis J. McCarthy, Individually

Karen L. McCarthy, Individually

SCHEDULE A

LEGAL DESCRIPTION

Parcel I – 5 W Avenue A, Belle Glade, Florida 33430

[INSERT DESCRIPTION]

Parcel II – 620 SW 16th Street, Belle Glade, Florida 33430

[INSERT DESCRIPTION]

TENANT ESTOPPEL CERTIFICATE

To: Palm Beach County, Florida, a political subdivision of the State of Florida, its successors and assigns (collectively "Lender")

The undersigned hereby certifies and agrees as follows:

1. The undersigned is the tenant (the "Tenant") under that certain Lease which is attached hereto and made a part hereof (the "Lease") by and between Tenant and _____ (such party, together with its successors and assigns hereinafter collectively referred to as the "Landlord") dated _____, 20__ affecting approximately _____ square feet of space in the building located at 5 W. Avenue A, Belle Glade, County of Palm Beach, Florida (the "Building").

2. The Lease commenced on _____, 20__.

3. The Lease expires _____, 20__. Tenant has _____ () options to extend the term of the Lease for _____ () years each.

4. There are no defenses to or offsets against the enforcement of the Lease or any provision thereof by the Landlord.

5. Tenant has [not] made a security deposit with the Landlord [in the amount of \$_____].

6. Landlord has not agreed to grant Tenant any free rent or rent rebate or to make any contribution to tenant improvements. Landlord has not agreed to reimburse Tenant for or to pay Tenant's rent obligation under any other lease.

7. Tenant has not advanced any funds for or on behalf of Landlord for which Tenant has a right to deduct from or offset against future rent payments.

8. The Lease is in full force and effect without default thereunder by Tenant or, to the best knowledge of Tenant, Landlord.

9. The Lease is the entire agreement between the Landlord and Tenant pertaining to the Premises.

10. The Lease has not been amended, modified or supplemented except as set forth in Paragraph 1 above.

11. Tenant agrees that no future amendment of the Lease shall be enforceable unless such amendment has been consented to in writing by Lender.

12. Tenant does not have any purchase option or first refusal right with respect to the Building. Tenant does not have any right or option for additional space in the Building [or set forth details if any such options are provided to Tenant].

13. Since the date of the Lease, there has been no material adverse change in the financial condition of Tenant, and there are no actions, whether voluntary or otherwise, pending against Tenant under the bankruptcy, reorganization, arrangement, moratorium or similar laws of the United States, any state thereof or any other jurisdiction.

14. Tenant will not seek to terminate the Lease or seek or assert any set-off or counterclaim against the rent or additional rent by reason of any act or omission of the Landlord, until Tenant shall have given written notice of such act or omission to Lender.

Tenant acknowledges that Lender will rely on this Certificate in making a loan or otherwise extending credit to Borrower.

TENANT:

Dated: _____, 20__

By: _____

Name: _____

Title: _____

Sworn to before me this
__ day of _____, 20__

Notary Public

PALM BEACH COUNTY, FLORIDA
("Mortgagee")

and

("Tenant")

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

_____, 20__

This instrument affects real property situated, lying and being in the
County of Palm Beach, State of Florida, known as the following:

5 W. Avenue A, City of Belle Glade, Florida

Section:
Block(s):
Lot(s):

NO MORTGAGE RECORDING TAX IS PAYABLE WITH
RESPECT TO THIS AGREEMENT. NOTHING IN THIS
AGREEMENT IS INTENDED TO EVIDENCE OR SECURE
ANY INDEBTEDNESS OR TO CREATE ANY LIEN.

RECORD AND RETURN TO:
Harris Beach PLLC
One Park Place
300 South Street
Syracuse, New York 13202
ATTN: Anthony P. Marshall, Esq.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT (this "Agreement") is entered into as of January ___, 2009 (the "Effective Date"), between Palm Beach County, Florida, a political subdivision of the State of Florida, having an address at 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401 ("Mortgagee), and _____ with an address at 5 W. Avenue A, Belle Glade, Florida 33430 ("Tenant").

R E C I T A L S:

A. Glades Gas & Electric Corporation, a corporation with an address at 5 W. Avenue A, Belle Glade, Florida 33430 ("Landlord") owns the fee title interest in real property located at 5 W. Avenue A, Belle Glade, Florida (the real property, including all buildings, improvements, structures and fixtures located thereon, "Landlord Premises"), as more particularly described in Schedule A.

B. Mortgagee has made a loan to Landlord in the original principal amount of \$199,000.00 (the "Loan").

C. To secure the Loan, Landlord has encumbered Landlord's Premises by entering into that certain Mortgage dated January ___, 2009, in favor of Mortgagee (as amended, increased, renewed, extended, spread, consolidated, restated, or otherwise changed from time to time, the "Mortgage") to be recorded in the Palm Beach County Clerk & Comptroller's Office (the "Recording Office").

D. Pursuant to a Lease dated as of _____, 20__ (the "Lease"), Landlord leased to Tenant a portion of the Landlord's Premises ("Tenant's Premises"). Tenant's Premises are commonly known as _____, _____, Florida.

E. Tenant and Mortgagee desire to agree upon the relative priorities of their interests in Landlord's Premises and their rights and obligations if certain events occur.

NOW, THEREFORE, for good and sufficient consideration, Tenant and Mortgagee agree:

1. Definitions. The following terms shall have the following meanings for purposes of this Agreement.

(a) Construction-Related Obligation. A "Construction-Related Obligation" means any obligation of Landlord under the Lease to make, pay for, or reimburse Tenant for any alterations, demolition or other improvements or work at Landlord's Premises, including Tenant's Premises. "Construction-Related Obligations" shall not include (a) reconstruction or repair following fire, casualty or condemnation; or (b) day-to-day maintenance and repairs.

(b) Foreclosure Event. A "Foreclosure Event" means (a) foreclosure under the Mortgage; (b) any other exercise by Mortgagee of rights and remedies (whether under the Mortgage or under applicable law, including bankruptcy law) as holder of the Loan and/or the

Mortgage, as a result of which Successor Landlord becomes owner of Landlord's Premises; or (c) delivery by Landlord to Mortgagee (or its designee or nominee) of a deed or other conveyance of Landlord's interest in Landlord's Premises in lieu of any of the foregoing.

(c) Former Landlord. A "Former Landlord" means Landlord and any other party that was landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

(d) Offset Right. An "Offset Right" means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of Rent or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or other applicable law) from Landlord's breach or default under the Lease.

(e) Rent. The "Rent" means any fixed rent, base rent or additional rent under the Lease.

(f) Successor Landlord. A "Successor Landlord" means any party that becomes owner of Landlord's Premises as the result of a Foreclosure Event.

(g) Termination Right. A "Termination Right" means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

2. Subordination. The Lease shall be, and shall at all times remain, subject and subordinate to the Mortgage, the lien imposed by the Mortgage, and all advances made under the Mortgage.

3. Non-disturbance, Recognition and Attornment.

(a) No Exercise of Mortgage Remedies Against Tenant. So long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable cure periods (an "Event of Default"), Mortgagee shall not name or join Tenant as a defendant in any exercise of Mortgagee's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or prosecuting such rights and remedies. In the latter case, Mortgagee may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

(b) Non-disturbance and Attornment. If the Lease has not been terminated on account of an Event of Default by Tenant, then, when Successor Landlord takes title to Landlord's Premises: (a) Successor Landlord shall not terminate or disturb Tenant's possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its

terms (except as provided in this Agreement), between Successor Landlord and Tenant.

(c) Further Documentation. The provisions of this Article shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, confirm the provisions of this Article in writing upon request by either of them.

4. Protection of Successor Landlord. Notwithstanding anything to the contrary in the Lease or the Mortgage, Successor Landlord shall not be liable or bound by any of the following matters:

(a) Claims Against Former Landlord. Any Offset Right that Tenant may have against any Former Landlord relating to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of attornment. (The foregoing shall not limit either (a) Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring after the date of attornment or (b) Successor Landlord's obligation to correct any conditions that existed as of the date of attornment and violate Successor Landlord's obligations as landlord under the Lease.)

(b) Prepayments. Any payment of Rent that Tenant may have made to Former Landlord more than thirty days before the date such Rent was first due and payable under the Lease with respect to any period after the date of attornment other than, and only to the extent that, the Lease expressly required such a prepayment.

(c) Payments; Security Deposit. Any obligation (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant or (b) with respect to any security deposited with Former Landlord, unless such security was actually delivered to Mortgagee. This paragraph is not intended to apply to Landlord's obligation to make any payment that constitutes a Construction-Related Obligation.

(d) Modification, Amendment or Waiver. Any modification or amendment of the Lease, or waiver of any term of the Lease, made without Mortgagee's written consent.

(e) Surrender. Any consensual or negotiated surrender, cancellation or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected pursuant to the express terms of the Lease.

(f) Construction-Related Obligations. Any Construction-Related Obligations of Former Landlord.

5. Exculpation of Successor Landlord. Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liability under the Lease shall never extend beyond Successor Landlord's (or its successors' or assignment's) interest, in any, in Landlord's Premises from time to time, including insurance and condemnation proceeds, Successor Landlord's interest in the Lease, and the proceeds from any sale or other disposition of Landlord's Premises by Successor Landlord (collectively,

"Successor Landlord's Interest"). Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) for payment or discharge of any obligations of Successor Landlord under the Lease as affected by this Agreement. If Tenant obtains any money judgment against Successor Landlord with respect to the Lease or the relationship between Successor Landlord and Tenant, then Tenant shall look solely to Successor Landlord's Interest (or that of its successors and assigns) to collect such judgment. Tenant shall not collect or attempt to collect any such judgment out of any other assets of Successor Landlord.

6. Mortgagee's Right to Cure.

(a) Notice of Mortgagee. Notwithstanding anything to the contrary in the Lease or this Agreement or the Lease, before exercising any Termination Right or Offset Right, Tenant shall provide Mortgagee with notice of the breach or default by Landlord giving rise to same (the "Default Notice") and, thereafter, the opportunity to cure such breach or default as provided for below.

(b) Mortgagee's Cure Period. After Mortgagee receives a Default Notice, Mortgagee shall have a period of thirty days beyond the time available to Landlord under the Lease in which to cure the breach or default by Landlord. Mortgagee shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Landlord, except to the extent that Mortgagee agrees or undertakes otherwise in writing.

(c) Extended Cure Period. In addition, as to any breach or default by Landlord the cure of which requires possession and control of Landlord's Premises, provided only that Mortgagee undertakes to Tenant by written notice to Tenant within thirty days after receipt of the Default Notice to exercise reasonable efforts to cure or cause to be cured by a receiver such breach or default within the period permitted by this paragraph, Mortgagee's cure period shall continue for such additional time (the "Extended Cure Period") as Mortgagee may reasonably require to either (a) obtain possession and control of Landlord's Premises and thereafter cure the breach or default with reasonable diligence and continuity or (b) obtain the appointment of a receiver and give such receiver a reasonable period of time in which to cure the default.

7. Miscellaneous Provisions.

(a) Notices. All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested) or by nationally recognized overnight courier service that regularly maintains records of items delivered. Each party's address is as set forth in the opening paragraph of this Agreement, subject to change by notice under this paragraph. Notices shall be effective the next business day after being sent by overnight courier service, and five business days after being sent by certified mail (return receipt requested).

(b) Successors and Assigns. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. If Mortgagee assigns the Mortgage, then upon delivery to Tenant of written notice thereof accompanied by the assignee's written assumption of all obligations under this Agreement, all liability of the assignor shall terminate.

(c) Entire Agreement. This Agreement constitutes the entire agreement between Mortgagee and Tenant regarding the subordination of the Lease to the Mortgage and the rights and obligations of Tenant and Mortgagee as to the subject matter of this Agreement.

(d) Interaction with Lease and with Mortgage. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of non-disturbance agreements by the holder of the Mortgage. Mortgagee confirms that Mortgagee has consented to Landlord's entering into the Lease.

(e) Mortgagee's Rights and Obligations. Except as expressly provided for in this Agreement, Mortgagee shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Mortgagee under this Agreement shall terminate, without thereby affecting in any way the rights and obligation of Successor Landlord provided for in this Agreement.

(f) Interpretation; Governing Law. The interpretation, enforcement and validity of this Agreement shall be governed by and construed under the internal laws of the State of Florida, excluding its principles of conflict of laws.

(g) Amendments. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged.

(h) Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, this Subordination, Non-Disturbance and Attornment Agreement has been duly executed by Mortgagee and Tenant as of the Effective Date.

MORTGAGEE:

PALM BEACH COUNTY, FLORIDA, a political subdivision of the State of Florida BY ITS BOARD OF COUNTY COMMISSIONERS

ATTEST:
Sharon R. Bock, Clerk & Comptroller

By: _____
Deputy Clerk

By: _____
John F. Koons, Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Economic Development Director

TENANT:
[NAME: _____]

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss:

On the __ day of _____ in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individuals(s) acted, executed the instrument.

Notary Public

Schedule A

Description of Landlord's Premises

[INSERT DESCRIPTION OF 5 W. AVENUE A, BELLE GLADE, FLORIDA 33430]

FURTHER ASSURANCES

On this ___ day of January, 2009, and in consideration of the closing of a certain loan in the amount of One Hundred Ninety Nine Thousand and 00/100 Dollars (\$199,000.00) from Palm Beach County, Florida, a political subdivision of the State of Florida, to Glades Gas & Electric Corporation, a Florida corporation, the undersigned individually covenant and agree as follows:

1. To execute such other documents and assurances as legal counsel to Palm Beach County, Florida may require in order to ensure compliance with U.S. Department of Housing and Urban Development requirements and procedures.

2. To execute all documents necessary to correct any errors or omissions in the documents executed this day in connection with the \$199,000.00 HUD Section 108 Loan.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the date first above written.

Glades Gas & Electric Corporation

By: _____
Name: _____
Title: _____

Dennis J. McCarthy, Individually

Karen L. McCarthy, Individually

DRAFT

BORROWER COUNSEL LETTERHEAD

Palm Beach County, Florida
c/o Palm Beach County Attorney's Office
301 N. Olive Avenue, Suite 601
West Palm Beach, FL 33401

Harris Beach PLLC
One Park Place
300 South State Street
Syracuse, New York 13202

RE: \$199,000.00 Mortgage Loan to Glades Gas & Electric Corporation (the "Borrower") by Palm Beach County, Florida ("Lender"), as guaranteed by Dennis J. McCarthy and Karen L. McCarthy (jointly and severally, the "Guarantor") with respect to premises located at 5 W. Avenue A, Belle Glade, Florida 33430 and 620 SW 16th Street, Belle Glade, Florida 33430

Ladies and Gentlemen:

We have acted as counsel to Glades Gas & Electric Corporation, a Florida corporation ("**Borrower**" and "**Corporate Guarantor**"), and Dennis J. McCarthy and Karen L. McCarthy ("**Individual Guarantors**"; collectively with Corporate Guarantor and Individual Guarantors the "**Guarantor**"), in connection with that certain \$199,000.00 loan (the "Loan") from Palm Beach County, Florida, a political subdivision of the State of Florida ("**Lender**"), to Borrower being consummated on the same date as this opinion letter, and affecting the premises known as and located at 5 W. Avenue A, Belle Glade, Florida 33430 and 620 SW 16th Street, Belle Glade, Florida 33430 (the "Property").

1. (a) For purposes of this opinion letter, we have examined the loan documents executed on or about this date by Borrower and more fully described on Exhibit A annexed hereto (collectively, the "Loan Documents").

(b) We have also examined and reviewed originals or counterparts of the following documents and instruments:

(i) Certificate of Incorporation of Borrower and Corporate Guarantor filed _____, 20__ ; and

(ii) By-laws of Borrower and Corporate Guarantor.

2. (a) In rendering the opinions set forth below, we have also examined and relied upon originals, copies or specimens, certified or otherwise identified to our satisfaction, of such certificates, corporate records and other documents, agreements, instruments and opinions,

including, among other things, the documents delivered at the closing of the Loan (the "Closing"), as we have deemed necessary as a basis for such opinions hereafter expressed.

(b) In connection with such examination, we have assumed the genuineness of all signatures, the authenticity of all documents, agreements and instruments submitted to us as originals, the conformity to original documents, agreements and instruments of all documents, agreements and instruments submitted to us as copies or specimens, and the authenticity of the originals of such documents, agreements and instruments submitted to us as copies or specimens. As to any facts material to such opinion that we did not independently establish or verify, we have relied upon statements, certificates and representations of officers and other representatives of Borrower included in the Loan Documents and other documents, certificates and opinions delivered at the Closing and we have no reason to believe that they are not true, correct and complete. We have examined such questions of law as we have deemed necessary for purposes of rendering the following opinions.

(c) We express no opinion with respect to the effect of any laws other than the laws of the State of Florida and the federal laws of the United States.

3. Subject to the qualifications set forth in subsequent portions of this opinion letter, it is our opinion that:

(a) Borrower and Corporate Guarantor is a corporation duly formed, validly existing and in good standing under the laws of the State of Florida (the "State").

(b) Borrower and Corporate Guarantor has all requisite authority and legal rights to conduct its business as presently conducted, to own, lease and operate the Property, to borrow the proceeds of the Loan and to execute and perform Borrower's obligations under the Loan Documents.

(d) The Loan Documents have each been duly authorized and properly executed and delivered by Borrower, and each of the Loan Documents is a valid and binding obligation and agreement of Borrower enforceable in accordance with its terms.

(e) The Guaranty and the Environmental Indemnity Agreement have each been duly authorized and properly executed and delivered by each Guarantor, and each is a valid and binding obligation and agreement of Guarantor enforceable in accordance with its terms.

(f) There are no actions, suits or proceedings pending or threatened against or affecting Borrower, Guarantor, the Property, the validity or enforceability of the Leasehold Mortgage or the priority of the lien thereof at law, in equity or before or by any Governmental Authorities except actions, suits or proceedings which have been disclosed to Lender in writing and which are fully covered by insurance or would, if adversely determined, not substantially impair the ability of Borrower or Guarantor to pay when due any amounts which may become payable under the Notes or Guaranty or to otherwise pay and perform their respective obligations in connection with the Loan; neither Borrower nor Guarantor is in default with respect to any order, writ, injunction, decree or demand of any court or Governmental Authorities.

(g) The consummation of the transactions contemplated by and the performance of the Loan Documents, to our knowledge, after due inquiry, have not resulted and will not result in any breach of, violate, conflict or constitute a default under, any contract, agreement, instrument, judgment, decree, order, statute, rule or regulation, or any law, or judgment, judicial decree, or the like, or any formation and/or organizational document, to which Borrower or Guarantor is a party or by which either of them may be bound or affected.

(h) To the best of our knowledge, no consent, approval or authorization of Borrower, any other person or entity, or registration, filing or declaration with or consent by any federal, state or municipal governmental authority or other regulatory agency is required for the legal and valid execution, delivery and performance by Borrower of the Loan Documents (or with respect to any Guarantor, for the legal and valid execution, delivery and performance by the Guarantor of the Guaranty and the ADA Environmental Indemnity Agreement)

(i) The Loan, as reflected in the Loan Documents, is not usurious under any applicable laws of the Florida.

(j) The Mortgage and the Assignment of Leases are each in form satisfactory for recording in the Office of the County Clerk & Comptroller of Palm Beach County, Florida, and subject to the qualifications set forth in this Subparagraph (j) and elsewhere in this opinion, such recordation shall constitute a perfected security interest in and a perfected lien upon the property or rights described therein in each case in favor of Lender; provided, however, that we express no opinion whatsoever as to the priority of such security interests as so perfected.

(k) The Financing Statements are in appropriate form for filing in the Office of the County Clerk & Comptroller of Palm Beach County, Florida and the Florida Secretary of State's Office, and upon the filing of the Financing Statements in such offices, Lender shall have a perfected security interest in and perfected lien upon the collateral described therein pursuant to the Uniform Commercial Code of the State of Florida (the "Code") to the extent that a lien may be created under Article 9 of the Code with respect to such personal property by the filing of a Financing Statement. We advise you, however, that to continue the effectiveness of the Financing Statements, continuation statements must be filed in the office in which such Financing Statements are filed or recorded within six months prior to the expiration of each fifth anniversary of the date of filing of the Financing Statements. Any such continuation statement must be signed by the secured party, who should identify the original statements by file number and state that the original statement is still effective. No other recordation or filing is required to preserve such interest or lien. No fees, taxes or other charges are due in the State in connection with the execution, delivery, filing and recording of the Financing Statements other than the customary fee in respect of filing same.

(l) There are no legal or administrative proceedings or injunctions pending or, to the best of our knowledge, threatened against or affecting Borrower or the Property.

(m) The Loan Documents do not violate, conflict with, result in the breach of, or constitute a default under any applicable laws or any contract to which Borrower is a party, or result in the creation or imposition of any lien, charge or encumbrance upon any assets of

Borrower other than the Property, pursuant to the terms of any contract to which Borrower is a party.

(n) To the best of our knowledge, the Property complies with all applicable laws, regulations and ordinances. There exist no violations of any laws, statutes, ordinances, rules, orders, regulations or requirements of any governmental authorities with respect to the Improvements and that the anticipated use thereof complies with all applicable laws, regulations and ordinances.

4. The opinions expressed in paragraph 3 above are subject to (i) principles of equity which may limit the availability of certain equitable remedies provided the unavailability of said remedies should not prevent the realization by Lender of the practical benefits intended to be provided by the Loan Documents; and (ii) bankruptcy, insolvency, reorganization, moratorium and other laws applicable to creditor's rights or the collection of debtor's obligations generally.

5. This opinion letter may be relied upon only by Lender and by Harris Beach PLLC, Lender's counsel. Our opinion may not be relied upon by any other party for any other purpose.

Very Truly Yours,

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EXHIBIT A

Loan Documents

1. Loan and Security Agreement
2. Promissory Note in the principal sum of \$99,000.00
3. Promissory Note in the principal sum of \$100,000.00
4. Mortgage and Security Agreement
5. UCC Financing Statements (State and County)
6. Assignment of Leases and Rents
7. Environmental Indemnity Agreement
8. Guaranty Agreement
9. Subordination, Non-Disturbance and Attornment Agreement
10. Such other documents and certificates executed at closing in connection with the Loan

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**HARRIS BEACH
LETTERHEAD**

Palm Beach County, Florida
c/o Palm Beach County Attorney's Office
301 N. Olive Avenue, Suite 601
West Palm Beach, Florida 33401

RE: \$199,000.00 Mortgage Loan to Glades Gas & Electric Corporation, a Florida Corporation (the "Borrower"), by Palm Beach County, Florida, a political subdivision of the State of Florida ("Lender"), as guaranteed by Dennis J. McCarthy and Karen L. McCarthy (jointly and severally, the "Guarantor") with respect to premises located at 5 W. Avenue A, Belle Glade, Florida 33430 and 620 SW 16th Street, Belle Glade, Florida 33430

Ladies and Gentlemen:

We have acted as counsel to the Lender in connection with a certain \$199,000.00 loan (the "Loan") to Borrower by Lender. In such capacity, we have reviewed the following documents each dated January ___, 2009 in connection with the Loan:

1. Promissory Note from Borrower to Lender in the principal amount of \$99,000.00 ("Note A");
2. Promissory Note from Borrower to Lender in the principal amount of \$100,000.00 ("Note B", together with Note A, the "Note");
2. Loan and Security Agreement;
3. Mortgage and Security Agreement from Borrower to Lender (the "Mortgage") as security for the Note and covering the premises at the above-referenced location as more particularly described in the Mortgage (the "Premises");
4. Assignment of Leases and Rents by Borrower to Lender;
5. Guaranty Agreement of Guarantor to Lender;
6. Environmental Indemnity Agreement between the Borrower and Lender;
7. Subordination, Non-Disturbance and Attornment Agreement;

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8. UCC-1 Financing Statements (the "Financing Statements") made between Borrower as debtor and Lender as secured party.

The above-referenced documents and any other pertinent loan documents are hereinafter collectively referred to as the "Loan Documents".

In rendering our opinion, we have also examined and rely on the opinion of Donia A. Roberts, P.A., attorneys for the Borrower and Guarantor, such certificates of public officials, and records and other certificates and instruments as we have deemed necessary for the purposes of the opinion herein expressed. As to various questions of fact material to our opinion, we have relied upon certificates and written statements of the Borrower. We have assumed that the Mortgage will be duly recorded in the Palm Beach County Clerk & Comptroller's Office, and that all applicable mortgage recording tax imposed thereon, if any, will be paid.

We understand that with respect to title matters, you will be relying on the title insurance commitment issued by _____ Title Agency, Inc. as agent for _____ Title Insurance Company, bearing Title No _____ and dated as of _____, 20__ and redated as of today. We have not made any investigation of, and do not express an opinion as to, any matters of title to or the descriptions of any property (whether real, personal or mixed) or priority of liens.

We express no opinion with respect to the effect of any laws other than the laws of the State of Florida and the Federal Laws of the United States.

Based on the foregoing and upon such investigation as we have deemed necessary, and subject to the qualifications and exceptions herein contained, we are of the opinion that:

1. The Borrower is a corporation duly incorporated and validly existing and in good standing under the laws of the State of Florida.
2. The Borrower has the corporate power and authority to execute, deliver and perform its obligations under the Loan Documents.
3. The Guarantor has the power and authority to execute, deliver and perform their obligations under the Loan Documents to which it is a party.
4. The execution and delivery of the Loan Documents by Borrower and Guarantor, and the performance of Borrower's and Guarantor's obligations under the Loan Documents have been duly authorized by all requisite action of Borrower and Guarantor and the Loan Documents have been duly executed and delivered by the Borrower and Guarantor.
5. The Loan Documents to which Borrower and Guarantor are a party are valid and binding obligations of the Borrower and Guarantor enforceable against each in

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accordance with their terms, except as may be limited by (i) bankruptcy, insolvency or other similar laws affecting the rights of creditors generally, and (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law). The aforesaid opinion as to enforceability of the Loan Documents is also subject to the qualification that certain provisions contained in the Loan Documents may not be enforceable, but subject to the limitations set forth in the foregoing clauses (i) and (ii), such unenforceability will not render the Loan Documents invalid as a whole or substantially interfere with realization of the principal benefits and/or security provided thereby.

6. The execution and delivery by the Borrower and Guarantor of the Loan Documents do not, the payment by the Borrower and guaranty by the Guarantor of the indebtedness evidenced by the Loan Documents will not (a) conflict with or violate any provision of the certificate of incorporation or bylaws of the Borrower or, (b) to the best of our knowledge, (i) conflict with or violate or result in a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of a lien, charge or encumbrance upon any of the properties or assets of the Borrower or Guarantor pursuant to any agreement or instrument to which the Borrower or Guarantor, is a party or by which any of their properties is bound, or (ii) conflict with or violate any judgment, order, writ, injunction or decree binding on the Borrower or Guarantor, or by which any of its properties is bound, or (ii) conflict with or violate any judgment, order, writ, injunction or decree binding on the Borrower or Guarantor, or (c) conflict with or violate any law, rule, regulation or ordinance applicable to the Borrower or Guarantor.
7. We have no actual knowledge of any material pending or threatened lawsuits, claims or criminal proceedings against the Borrower or the Guarantor specifically applicable to the Premises.

Very truly yours,

HARRIS BEACH PLLC

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HARRIS BEACH PLLC
LETTERHEAD

Honorable _____
Secretary of Housing and Urban Development
451 7th Street, SW
Washington, D. C. 20410

Re: Note No. B-07-UC-12-0004 in the Maximum Commitment Amount of \$199,000.00 to be executed by the County of Palm Beach, Florida to be guaranteed by the Secretary of Housing and Urban Development ("HUD") under section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. 5308 ("Section 108")

Dear Secretary _____:

The undersigned, being duly licensed and in good standing to practice law in the State of _____, is legal counsel to the County of Palm Beach, Florida ("Borrower"). As such, we have represented Borrower regarding that certain Variable/Fixed Rate Note, referred to as Note No. B-07-UC-12-0004 in the Maximum Commitment Amount of \$199,000.00 (the "Note"), to be executed by Borrower payable to the order of the Registered Holder thereof, and to be guaranteed by the Secretary of Housing and Urban Development ("HUD") under section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. 5308 ("Section 108"). The Note will initially be issued to the interim lender, which will make advances to the Borrower in the amount requested by the Borrower under the Note. HUD's guarantee of the Note will be governed by the Contract for Loan Guarantee Assistance under Section 108 between the Borrower and HUD (the "Contract"), in which the Borrower pledges Community Development Block Grants pursuant to 24 CFR 570.705(b)(2), as well as any other security specified therein, as security for HUD's guarantee. It is anticipated that the Note, as authorized by the Contract, will be included in a future trust created by HUD (together with other Section 108 Notes issued by other borrowers), and participation certificates based on the trust will ultimately be sold in a future public offering by the underwriters selected by HUD.

In our capacity as legal counsel, we have made an examination and investigation of all such matters of fact and questions of law as we consider necessary or advisable to enable me to render the opinion hereafter set forth. Specifically, and without limiting the generality of the foregoing, we have examined:

1. Resolution No. _____ of the governing body of Borrower, dated _____ authorizing _____ to execute on behalf of Borrower all documents necessary or desirable to accomplish the transaction.

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2. The Contract.
3. The Note.
4. The Amended and Restated Master Fiscal Agency Agreement dated as of May 17, 2000, the Trust Agreement dated as of January 1, 1995, and the form of Supplement to the Trust Agreement.

Based on the foregoing investigation and authorities, I am of the opinion that:

1. Borrower has authorized the transaction in accordance with applicable State and local law, including issuance of the Note, the pledge of Community Development Block Grants, and the execution of all documents necessary or desirable to accomplish the transaction.
2. Borrower has authorized _____ in their capacity as _____ to execute the Contract, the Note and all other documents necessary or desirable to accomplish the transaction
3. The Note and the Contract have been duly executed by the aforementioned authorized representative of the Borrower, and upon delivery thereof, due execution of the Contract and the Guarantee on behalf of HUD, and receipt of the loan proceeds on behalf of the Borrower, the Note and the Contract, including the provisions for compensation of the Fiscal Agent/Trustee from funds pledged under the Contract (as incorporated therein), shall be valid, binding and enforceable obligations of the Borrower.
4. The pledge of Community Development Block Grants by the Borrower pursuant to 24 CFR 570.705(b)(2) and the Contract is valid.
5. There is no outstanding, or to my knowledge threatened, action, suit, proceeding, investigation or litigation by or against the Borrower which will affect the validity of the Note or, the security therefor.

Very truly yours,

HARRIS BEACH PLLC

DRAFT

THIS INSTRUMENT PREPARED BY AND RETURN TO:
DONIA A. ROBERTS, P.A.
1100 N. MAIN STREET, STE C
BELLE GLADE, FL 33430

**INTERCREDITOR AGREEMENT
AND LIMITATION OF FUTURE ADVANCES**

This Intercreditor Agreement And Limitation of Future Advances is executed January _____, 2009 by Palm Beach County, Florida ("PBC"), a political subdivision of the State of Florida, whose post office address is c/o County Attorney's Office, 301 North Olive Avenue, Suite 601, West Palm Beach, Florida 33401 and Bank of Belle Glade whose address is 108 SE Avenue D, Belle Glade, Florida 33430 and _____ whose address is _____.

WITNESSETH

- A. Glades Gas & Electric Corporation has executed and delivered to PBC _____ Notes dated January _____, 2009 in the respective amounts of One Hundred Ninety Nine dollars and no/100 (\$199,000.00), which is secured by a Second Mortgage dated January _____, 2009 to be recorded in the Public Records of Palm Beach County, Florida (the "PBC Mortgage"). The PBC Mortgage encumbers the real property described in Exhibit "A" attached hereto (the "Property").
- B. Subject to the terms and conditions of the Loan Agreement dated January _____, 2009 between Glades Gas & Electric Corporation and PBC, PBC has agreed to loan funds to Glades Gas & Electric Corporation for the purpose of construction rehabilitation of the existing building and permanent financing.
- C. As a condition of PBC agreeing to make the Loans to Glades Gas & Electric Corporation, PBC has asked Bank of Belle Glade to enter into this Intercreditor Agreement.
- D. Bank of Belle Glade has agreed to make a construction Loan to Glades Gas & Electric Corporation in the amount of \$278,516.00 as evidenced by a Promissory Note dated January _____, 2009 and as secured by a First Mortgage (the "First Mortgage") on the Property.
- E. PBC is willing to provide the funds in accordance with the terms of the Loan Agreement, provided the Bank of Belle Glade agrees to enter into this intercreditor Agreement.

NOW THEREFORE, for valuable consideration, the parties agree as follows:

- 1. The recitals set forth in paragraph A through E are true and correct and are incorporated herein by reference.
- 2. Bank of Belle Glade hereby acknowledges and consents to the PBC Notes and the securing of its loans by a PBC Mortgage, which will encumber the Property.
- 3. Neither party shall make any additional advances to Borrower under the PBC Notes or the Bank of Belle Glade Note or Mortgages without securing the consent of all other parties to this Agreement. Further, neither party is obligated to ensure that the other party

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(Bank of Belle Glade or PBC) funds are used for the purposes intended. The liability for proper use of acquisition or construction funds rest with _____.

4. In the event Glades Gas & Electric Corporation is in default under the Bank of Belle Glade Note or Mortgage, PBC Note or Mortgage secured thereby or under any other document executed in connection with this transaction, then the party declaring the default agrees to notify the other party at the address noted on Page 1 of this Agreement.
5. This Intercreditor Agreement shall be binding on the successors and assigns of PBC, Bank of Belle Glade and Glades Gas & Electric and shall be recorded in the Public Records of Palm Beach County, Florida.
6. This Intercreditor Agreement shall be construed and interpreted in accordance with the laws of the State of Florida.
7. Pursuant to Section 697.04 (1)(b), Fla. Stat. (2001), Bank of Belle Glade hereby gives notice that the maximum principal amount secured by First Mortgage shall hereafter be limited to the principal balance thereof outstanding as of the date of this Agreement, which Glades Gas & Electric Corporation certifies to be in an amount not greater than \$278,516.00 plus any amounts advanced by Bank of Belle Glade for payment of taxes, liens, levies, fees, costs, insurance, maintenance or repair of the improvements of the Property, or accrued interest on the indebtedness secured by the First Mortgage. Glades Gas & Electric Corporation further agrees and acknowledges that Glades Gas & Electric Corporation or any of its affiliates or subsidiaries, shall not accept any additional future advances under the First Mortgage and that this Agreement shall be binding on Glades Gas & Electric Corporation and its successors and/or assigns, and shall inure to the benefit of PBC and its successors and/or assigns.
8. The parties specifically acknowledge that all machinery and equipment purchased by the Borrower with the loan proceeds from PBC will not be deemed fixture and PBC will hold a first security interest on all such machinery and equipment. This provision shall apply regardless of whether such machinery and equipment is affixed to the structure.
9. The parties agree that in the event of a sale of a portion of the Property, PBC and Bank of Belle Glade shall consent to such a sale so long as the loan to value ratios remain unchanged and PBC receives 50% of the net sale proceeds and Bank of Belle Glade receives 40% of the net sale proceeds.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**CONTRACT FOR LOAN GUARANTEE ASSISTANCE UNDER
SECTION 108 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT
OF 1974, AS AMENDED, 42 U.S.C. §5308**

Date of Contract _____

This Contract for Loan Guarantee Assistance ("Contract") is entered into between the County of Palm Beach, Florida, as Borrower (the "Borrower"), and the Secretary of Housing and Urban Development ("Secretary"), as guarantor for the Guarantee made pursuant to section 108 ("Section 108") of title I of the Housing and Community Development Act of 1974, as amended (the "Act") and 24 CFR Part 570, Subpart M, of the promissory note executed contemporaneously herewith and numbered B-07-UC-12-0004

[Avenue A Revitalization Project - City of Belle Glade], in the Maximum Commitment Amount of \$199,000, and any amended note or note issued in substitution for such note and having the same note number (the "Note"). This is the first Contract under the Funding Approval ("Commitment") of the same number, which was approved by the Secretary on September 19, 2008 in the amount of \$2,600,000, and this Contract covers other Notes having the same Note number up to such Commitment amount. The funds paid or credited to the account of the Borrower pursuant to the Note are referred to herein as the "Guaranteed Loan Funds." The Note (including the Fiscal Agency Agreement and the Trust Agreement as defined in Section I.A. of the Note and incorporated therein) is hereby incorporated into the Contract. Terms used in the Contract with initial capital letters and not otherwise defined in the text hereof shall have the respective meanings given thereto in the Note. The Fiscal Agency Agreement and the Trust Agreement are sometimes collectively referred to herein as the "Fiscal Agency/Trust Agreements," and the Fiscal Agent and the Trustee respectively are sometimes collectively referred to as the "Fiscal Agent/Trustee."

PART I

- A. **The Note: Advances and Records.** The Note provides that Advances and Conversion Date Advances shall be made thereunder upon the written request of the Borrower and the approval of the Secretary, pursuant to this Contract and the Fiscal Agency Agreement. The Commitment Schedule attached to the Note represents the principal repayment schedule for the Maximum Commitment Amount of the Note. At all times, the total amount of all Advances and Conversion Date Advances under the Note for all Principal Due Dates shall not exceed the Maximum Commitment Amount of the Note. Prior to the Conversion Date (as defined in the Note, Section I.A.), the total amount of Advances made by the Holder for each Principal Due Date under the Note shall not exceed the applicable Commitment Amount for such Principal Due Date set

forth in the Commitment Schedule of the Note. Prior to the Conversion Date, the Borrower agrees that the Fiscal Agent pursuant to the Fiscal Agency Agreement shall record the date and amount of each payment and Advance under the Note and shall maintain the books and records of all Advances and Conversion Date Advances for each Principal Due Date, interest rates on Advances, payments, and Principal Amounts outstanding for each Principal Due Date. On and after the Conversion Date, the Borrower agrees that the Trustee pursuant to the Trust Agreement will maintain the books and records of all payments on the Note and all Principal Amounts and interest rates on such Principal Amounts (each as to be set forth on Schedule P&I to the Note). No advances of any kind may be made on the Note after its Conversion Date.

- B. **Borrower's Requests for Advances.** All requests for Advances or Conversion Date Advances by the Borrower under the Note shall: be in writing; specify the amount of the Advance requested; identify the Note by Borrower, number and Maximum Commitment Amount; be addressed to the Secretary at the address for notices specified in paragraph 12(f) of this Contract; be signed by an authorized official of the Borrower; and otherwise be in the form prescribed by the Secretary. Advances and Conversion Date Advances shall be requested and will only be approved and made in increments of not less than \$1,000 for any Principal Due Date. A request for an initial Advance under a Note, or a request for a Conversion Date Advance, shall be received by the Secretary at least ten Business Days prior to the Borrower's proposed Funding Date or Conversion Date, as applicable. All other requests for Advances shall be received by the Secretary not less than five Business Days prior to the proposed Funding Date. The Borrower may not deliver a Note or a request for an Advance or Conversion Date Advance to the Secretary more than two calendar months prior to the Borrower's proposed Funding Date. At least two Business Days prior to the proposed Funding Date or Conversion Date if the Borrower's request was timely received, or the next available Funding Date for which the request was timely received, the Secretary shall, except as otherwise provided in paragraph 11(c) or 12 hereof, deliver a corresponding Authorization Order or Advance Order (as applicable) to the Fiscal Agent in accordance with Section 2.03 or 2.04 of the Fiscal Agency Agreement for the applicable Funding Date or Conversion Date. If the Borrower requests an Advance or Conversion Date Advance of less than the outstanding Maximum Commitment Amount under the Note, the Borrower may also specify in its written request the amount of the Advance or Conversion Date Advance to be allocated to each Commitment Amount or Principal Amount per Principal Due Date under the Note. If the Borrower does not specify how the Advance or Conversion Date Advance should be allocated among Commitment Amounts/Principal Due Dates, the Borrower hereby authorizes

the Secretary to direct the Fiscal Agent to allocate the Advance to the respective Commitment Amounts or Principal Amounts in order of the earliest Principal Due Date(s).

- C. **Conversion; Public Offering.** On the Conversion Date (if any), trust certificates backed by the Note (and similar notes issued by other Section 108 borrowers) will be purchased for a purchase price of the full principal amount thereof by underwriters selected by the Secretary (the "Underwriters") pursuant to an Underwriting Agreement between the Underwriters and the Secretary, at a closing on such Conversion Date as determined by the Secretary and the Underwriters. The Borrower agrees that the interest rate at which the trust certificate of a specified maturity is sold to the Underwriters shall govern the interest rate inserted on the Conversion Date in Schedule P&I of the Note for the Principal Amount of corresponding maturity.
- D. **Consents.** By execution of this Contract, the Borrower ratifies and consents to the Secretary's selection of the Underwriters and authorizes the Secretary to negotiate with the Underwriters the terms of the Underwriting Agreement and of the public offering of interests in the trust certificates to investors (including the applicable interest rates). In addition, by execution hereof the Borrower ratifies and consents to the Secretary's selection of the Fiscal Agent/Trustee and agrees to the respective terms of the Fiscal Agency/Trust Agreements. If Advances have been made in the Maximum Commitment Amount of the Note not less than ten Business Days prior to the proposed Conversion Date, or if the Borrower requests a Conversion Date Advance, the Borrower authorizes the Secretary to deliver Schedule P&I to the Note completed in accordance herewith to the Fiscal Agent/Trustee on the Conversion Date in accordance with the Fiscal Agency/Trust Agreements, concurrent with delivery of the Secretary's Guarantee of the trust certificates at the closing on the Conversion Date, and thereafter the Note shall be enforceable in accordance with its terms including Schedule P&I. In addition, the Secretary reserves the right to notify the Borrower not less than one calendar month in advance of a specified Conversion Date that the Note will be sold to the Underwriters on such date, if the Secretary in his sole discretion determines that market conditions or program needs require the participation in the proposed public offering of all or substantially all Borrowers with outstanding Advances.

PART II**1. Receipt, Deposit and Use of Guaranteed Loan Funds.**

(a) Except for funds deducted on the Conversion Date pursuant to paragraph 4(b) and fees and charges deducted by the Fiscal Agent/Trustee pursuant to paragraph 4(a), the Guaranteed Loan Funds shall be electronically transferred in accordance with the Borrower's instructions for deposit in a separate, identifiable custodial account (the "Guaranteed Loan Funds Account") with a financial institution whose deposits or accounts are Federally insured. The Guaranteed Loan Funds Account shall be established and designated as prescribed in the attached form document entitled "Letter Agreement for Section 108 Loan Guarantee Program Custodial Account" (**Attachment 1**) and shall be continuously maintained for the Guaranteed Loan Funds. Such Letter Agreement must be executed when the Guaranteed Loan Funds Account is established. (A fully executed copy of such Letter Agreement shall be submitted to the Secretary within thirty days of its execution.)

The Borrower shall make withdrawals from said account only for payment of the costs of approved Section 108 activities, for transfer to the Loan Repayment Account or for the temporary investment of funds pursuant to this paragraph 1(a). Such temporary investment of funds into the Guaranteed Loan Funds Investment Account shall be required within three Business Days after the balance of deposited funds exceeds the amount of the Federal deposit insurance on the Guaranteed Loan Funds Account. At that time, any balance of funds in the Guaranteed Loan Funds Account exceeding such insurance coverage shall be fully (100%) and continuously invested in Government Obligations, as defined in paragraph 10 hereof, held in the Guaranteed Loan Funds Investment Account.

All temporary investments, whether or not required as above, shall be limited to Government Obligations having maturities that are consistent with the cash requirements of the approved activities. In no event shall the investments mature on or after December 31, 2010, or have maturities which exceed one year. All such investments shall be held in trust for the benefit of the Secretary by the above financial institution in an account (the "Guaranteed Loan Funds Investment Account") established and designated as prescribed in the attached form document entitled "Letter Agreement for Section 108 Loan Guarantee Program Custodial Investment Account" (**Attachment 2**), which account shall be maintained for all Government Obligations purchased with funds from the Guaranteed Loan Funds Account. The Guaranteed Loan Funds Investment Account need only be established if and when the Borrower is required to invest, or otherwise invests, the Guaranteed Loan Funds in Government Obligations. Such Letter

Agreement must be executed when the Guaranteed Loan Funds Investment Account is established. (A fully executed copy of such Letter Agreement shall be submitted to the Secretary within thirty days of its execution.) All proceeds and income derived from such investments shall be returned to the Guaranteed Loan Funds Account.

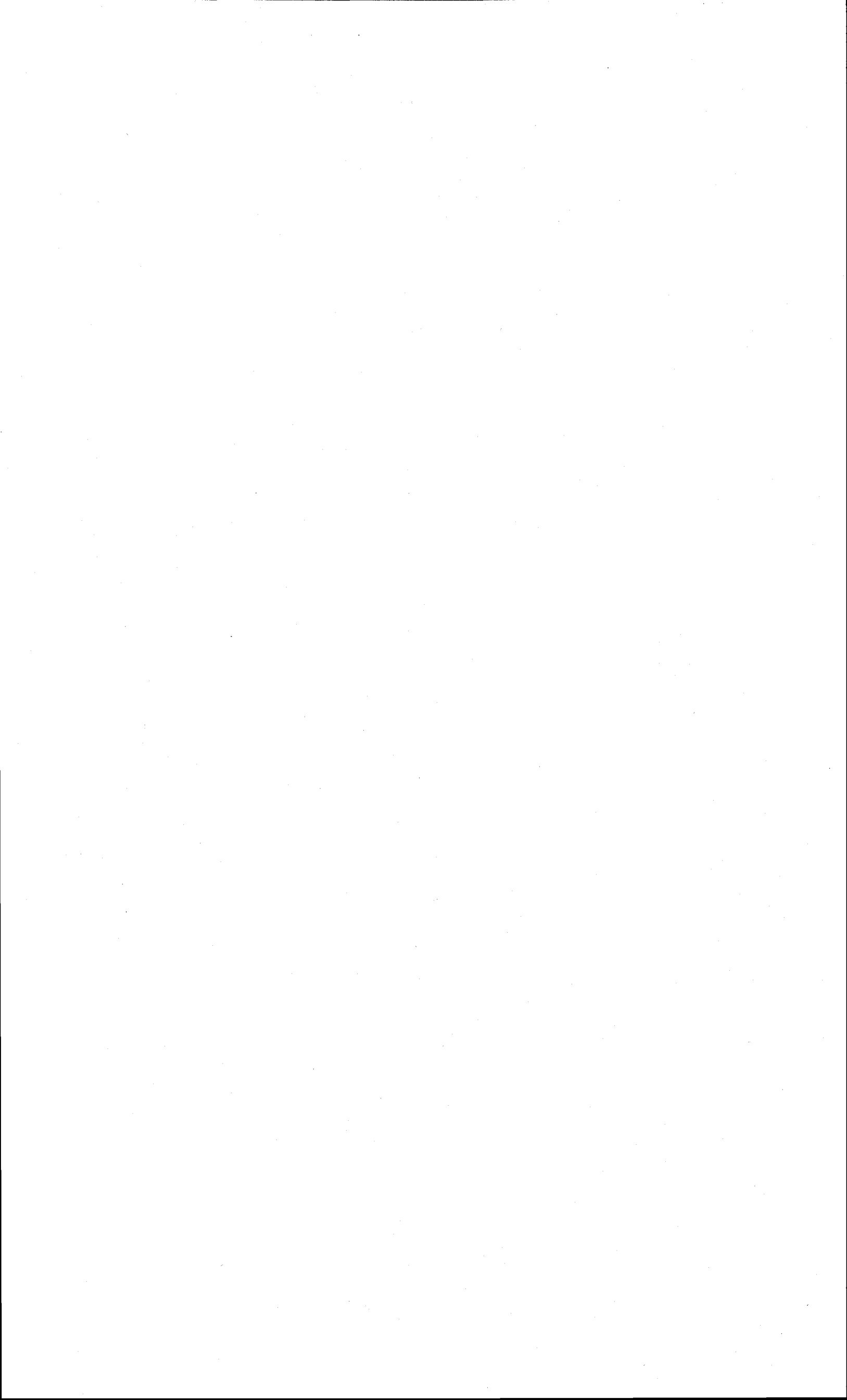
All funds in the Guaranteed Loan Funds Account or the Guaranteed Loan Funds Investment Account must be withdrawn and disbursed by the Borrower for approved activities by December 31, 2010. Any funds remaining in either Account after this date shall be immediately transferred to the Loan Repayment Account established pursuant to paragraph 6 of this Contract.

(b) The Borrower shall by the fifteenth day of each month provide the Secretary with a written statement showing the balance of funds in the Guaranteed Loan Funds Account and the withdrawals from such account during the preceding calendar month, and a statement identifying the obligations and their assignments in the Guaranteed Loan Funds Investment Account.

(c) Upon the Secretary giving notice that the Borrower is in Default under this Contract or the Note, all right, title, and interest of the Borrower in and to the Guaranteed Loan Funds and Guaranteed Loan Funds Investment Accounts shall immediately vest in the Secretary for use in making payment on the Note, purchase of Government Obligations in accordance with paragraph 10, or payment of any other obligations of the Borrower under this Contract or the Fiscal Agency/Trust Agreements.

2. **Payments Due on Note; Final Payment and Discharge.** The Borrower shall pay to the Fiscal Agent/Trustee, as collection agent for the Note, all amounts due pursuant to the terms of the Note. In accordance with the Note and the Fiscal Agency/Trust Agreements, payment shall be made by 3:00 P.M. (New York City time) on the seventh Business Day (the "Note Payment Date") preceding the relevant Interest Due Date or Principal Due Date (each as defined in the Note). If any Note Payment Date falls on a day that is not a Business Day, then the required payment shall be made on the next Business Day. Payment may be made by check or wire transfer.

Upon final payment of all amounts due to Holders under the Note, including any payment made by the Secretary pursuant to the Guarantee, the Fiscal Agent/Trustee is required by the Fiscal Agency/Trust Agreements to return the Note to the Secretary. Upon final payment to the Secretary of any amounts due as a result of Guarantee Payments or otherwise due under this Contract, the Secretary will cancel and return the Note to the Borrower in discharge of the Borrower's obligations under the Note.



3. **Selection of New Fiscal Agent or Trustee.** The Secretary shall select a new Fiscal Agent or Trustee if the Fiscal Agent or Trustee resigns or is removed by the Secretary. The Borrower hereby consents in advance to any such selection and to any changes in the Fiscal Agency/Trust Agreements agreed to by any Fiscal Agent or Trustee and the Secretary, subject to paragraph 4(e) of this Contract.

4. **Payments Due Fiscal Agent or Trustee; Documents to the Secretary.**

(a) The Borrower agrees to pay the fees of the Fiscal Agent as required by Exhibit G to the Fiscal Agency Agreement, and any additional amounts that may be due pursuant to Section 6.01 of the Fiscal Agency Agreement. If not paid by the Borrower by any other means prior thereto, the Borrower agrees that any such fees or additional amounts that have been incurred prior to an Advance or a Conversion Date Advance may be deducted by the Fiscal Agent/Trustee from the proceeds of the Advance or Conversion Date Advance, as applicable.

(b) The Borrower agrees to pay the Borrower's share, as determined by the Secretary, of the customary and usual issuance, underwriting, and other costs related to the public offering and future administration of the Note and the trust certificates, as approved by the Secretary, including the cost of reimbursement and/or compensation of the Trustee pursuant to the Trust Agreement, including Sections 3.11 and 7.01 thereof. In connection with the public offering on the Conversion Date, such payment shall either be made by wire transfer to the Trustee on the day prior to the Conversion Date or shall be deducted from the Guaranteed Loan Funds on the Conversion Date.

(c) The Borrower shall submit to the Secretary not later than ten Business Days prior to the Funding Date for the initial Advance hereunder, or if not submitted earlier, prior to any Conversion Date or Public Offering Date applicable to the Note, this executed Contract, the executed Note, a request for an Advance or a Conversion Date Advance (as applicable) in proper form, and an opinion acceptable to the Secretary from the Borrower's counsel to the effect that: (i) the governing body of the Borrower has authorized by resolution or ordinance, in accordance with applicable State and local law, the issuance of the Note and the execution of this Contract; (ii) the Note and this Contract are valid, binding, and enforceable obligations of the Borrower; (iii) the pledge of funds pursuant to 24 CFR 570.705(b)(2) and paragraph 5(a) of this Contract is valid and binding; and (iv) there is no outstanding litigation that will affect the validity of the Note or this Contract. In addition, the Borrower shall submit any other additional documents or opinions specifically

required by this Contract (e.g., paragraph 5(c), or paragraph 15, *et seq.*), at the time required thereby.

(d) The Borrower agrees to reimburse the Underwriters upon demand by the Secretary for the Borrower's share, as determined by the Secretary, of all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) incurred in connection with a proposed public offering, if the Underwriters incur such additional costs for the public offering because of any refusal, inability, or failure on the part of the Borrower timely to submit in acceptable form any document required by this Contract (including paragraph 4(c)), or because of any withdrawal by the Borrower from the public offering, after the Borrower has submitted a request for a Conversion Date Advance hereunder. By execution and delivery of this Contract to the Secretary, the Borrower hereby expressly authorizes the Secretary to pay amounts due under this paragraph from funds pledged under paragraph 5(a) of this Contract.

(e) The undertakings in paragraphs 3 and 4 of this Contract are expressly subject to the requirement that the Fiscal Agency/Trust Agreements shall in no event require payment of fees or charges, reimbursement of expenses, or any indemnification by the Borrower from any source other than funds pledged pursuant to paragraphs 5 or 15 *et seq.* of this Contract.

5. **Security.** The Borrower hereby pledges as security for repayment of the Note, and such other charges as may be authorized in this Contract, the following:

(a) All allocations or grants which have been made or for which the Borrower may become eligible under Section 106 of the Act, as well as any grants which are or may become available to the Borrower pursuant to Section 108(q).

(b) Program income, as defined at 24 CFR 570.500(a) (or any successor regulation), directly generated from the use of the Guaranteed Loan Funds.

(c) Other security as described in paragraph 15, *et seq.*

(d) All proceeds (including insurance and condemnation proceeds) from any of the foregoing.

(e) All funds or investments in the accounts established pursuant to paragraphs 1 and 6 of this Contract.

6. **Loan Repayment Account.**

(a) All amounts pledged pursuant to paragraphs 5(b), 5(c), and 5(d) of this Contract shall be deposited immediately on

receipt in a separate identifiable custodial account (the "Loan Repayment Account") with a financial institution whose deposits or accounts are Federally insured. The Loan Repayment Account shall be established and designated as prescribed in the attached form document entitled "Letter Agreement for Section 108 Loan Guarantee Program Custodial Account" (**Attachment 1**) and shall be maintained for such pledged funds. The Loan Repayment Account need only be established if and when the Borrower receives amounts pledged pursuant to paragraph 5(b), 5(c) or 5(d). Such Letter Agreement must be executed when the Loan Repayment Account is established. (A fully executed copy of such Letter Agreement shall be submitted to the Secretary within thirty days of its execution.) Borrower shall make withdrawals from said account only for the purpose of paying interest and principal due on the Note (including the purchase of Government Obligations in accordance with paragraph 10 hereof), for payment of any other obligation of the Borrower under this Contract or the Fiscal Agency/Trust Agreements, or for the temporary investment of funds pursuant to this paragraph, until final payment and discharge of the indebtedness evidenced by the Note, unless otherwise expressly authorized by the Secretary in writing. Such temporary investment of funds shall be required within three Business Days after the balance of deposited funds exceeds the amount of the Federal deposit insurance on the Loan Repayment Account. At that time, the balance of funds in the Loan Repayment Account exceeding such insurance coverage shall be fully (100%) and continuously invested in Government Obligations, as defined in paragraph 10 hereof.

All temporary investments, whether or not required as above, shall be limited to Government Obligations having maturities that are consistent with cash requirements for payment of principal and interest as required under the Note. In no event shall the maturities of such investments exceed one year. All such investments shall be held in trust for the benefit of the Secretary by the above financial institution in an account (the "Loan Repayment Investment Account") established and designated as prescribed in the attached form document entitled "Letter Agreement for Section 108 Loan Guarantee Program Custodial Investment Account" (**Attachment 2**), which account shall be maintained for all Government Obligations purchased with funds from the Loan Repayment Account. Such Letter Agreement must be executed when the Loan Repayment Investment Account is established. (A fully executed copy of such Letter Agreement shall be submitted to the Secretary within thirty days of its execution.) All proceeds and income derived from such investments shall be returned to the Loan Repayment Account.

(b) Borrower shall by the fifteenth day of each month, provide the Secretary with a written statement showing the

balance of funds in the Loan Repayment Account and the deposits and withdrawals of all funds in such account during the preceding calendar month and a statement identifying the obligations and their assignments in the Loan Repayment Investment Account.

(c) Upon the Secretary giving notice that the Borrower is in Default under this Contract or the Note, all right, title, and interest of the Borrower in and to the Loan Repayment and Loan Repayment Investment Accounts shall immediately vest in the Secretary for use in making payment on the Note, purchase of Government Obligations in accordance with paragraph 10, or payment of any other obligation of the Borrower under this Contract or the Fiscal Agency/Trust Agreements.

7. **Use of CDBG, EDI or BEDI Funds for Repayment.** Any funds available to the Borrower under Section 106 of the Act (including program income derived therefrom) are authorized to be used by the Borrower for payments due on the Note, Optional Redemption (as defined in the Note), payment of any other obligation of the Borrower under this Contract or the Fiscal Agency/Trust Agreements, or the purchase of Government Obligations in accordance with paragraph 10. Any funds specifically available to the Borrower for such payments or as a debt service reserve under an EDI or BEDI Grant Agreement pursuant to Section 108(q) of the Act which supports the eligible project(s) and activities financed by the Note may also be used therefor; any other use of Section 108(q) funds for such purposes shall require the prior written approval of the Secretary. Unless otherwise specifically provided herein or unless otherwise expressly authorized by the Secretary in writing, the Borrower shall substantially disburse funds available in the Loan Repayment or the Loan Repayment Investment Accounts before funds from grants under Section 106 of the Act are withdrawn from the U.S. Treasury for such purposes.
8. **Secretary's Right to Restrict Use of CDBG Funds to Repayment.** Upon a determination by the Secretary that payments required by paragraph 2 and/or paragraph 4 of this Contract are unlikely to be made as specified, the Secretary may give the Borrower notice that the availability to the Borrower of funds pledged under paragraph 5(a) of this Contract for purposes other than satisfaction of the pledge is being restricted. This restriction shall be in an amount estimated by the Secretary to be sufficient to ensure that the payments referred to in paragraph 2 and/or paragraph 4 hereof are made when due. This restriction may be given effect by conditioning the restricted amounts to prohibit disbursement for purposes other than satisfaction of the pledge at the time such restricted funds are approved as grants, by limiting the Borrower's ability to draw down or expend the restricted funds for other purposes, and by disapproving payment requests submitted with respect to such grants for purposes other than satisfaction of the pledge.

9. **Secretary's Right to Use Pledged Funds for Repayment.** The Secretary may use funds pledged under paragraph 5(a) of this Contract or funds restricted under grants pursuant to paragraph 8 of this Contract to make any payment required of the Borrower under paragraph 2 and/or paragraph 4, if such payment has not been timely made by the Borrower.
10. **Defeasance.** For purposes of this Contract, after the Conversion Date the Note shall be deemed to have been paid (defeased) if there shall have been deposited with the Trustee either moneys or Government Obligations (as defined below), which in the sole determination of the Secretary, mature and bear interest at times and in amounts sufficient, together with any other moneys on deposit with the Trustee for such purpose, to pay when due the principal and interest to become due on the Note. The Aggregate Principal Amount of the Note or any unpaid Principal Amount may be so defeased, in whole or in part, as of any Interest Due Date, or any other Business Day acceptable to both HUD and the Borrower. In accordance with the Note and the Trust Agreement, the Borrower shall give timely notice and written instructions to the Secretary and the Trustee concerning any principal amounts proposed to be defeased, including any Optional Redemptions proposed, which instructions shall be approved by the Secretary. If the unpaid Aggregate Principal Amount of the Note guaranteed pursuant to this Contract shall be defeased and deemed to have been paid in full, then the Borrower shall be released from all agreements, covenants, and further obligations under the Note.

"Government Obligation" means a direct obligation of, or any obligation for which the full and timely payment of principal and interest is guaranteed by, the United States of America, including but not limited to, United States Treasury Certificates of Indebtedness, Notes and Bonds - State and Local Government Series or certificates of ownership of the principal of or interest on direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System and has capital and surplus (exclusive of undivided profits) in excess of \$100,000,000.

11. **Default.** (a) A Default under the Note and this Contract shall occur upon failure by the Borrower to:
- (i) pay when due an installment of principal or interest on the Note; or (ii) punctually and properly perform, observe, and comply with any covenant, agreement, or condition contained in: (A) this Contract, (B) any security agreement, deed of trust, mortgage, assignment, guarantee, or other contract securing payment of indebtedness evidenced by the Note, or (C) any future

amendments, modifications, restatements, renewals, or extensions of any such documents.

(b) The Borrower waives notice of Default and opportunity for hearing with respect to a Default under paragraph 11(a).

(c) In addition to Defaults under paragraph 11(a), the Secretary may declare the Note in Default if the Secretary makes a final decision in accordance with the provisions of section 111 of the Act and 24 CFR 570.913 (or any successor provisions), including requirements for reasonable notice and opportunity for hearing, that the Borrower has failed to comply substantially with title I of the Act. Notwithstanding any other provision, following the giving of such reasonable notice, the Secretary may, in the Secretary's sole discretion pending the Secretary's final decision, withhold the guarantee of any or all obligations not yet guaranteed on behalf of the Borrower under outstanding commitments, suspend approval of any further Advances or Conversion Date Advances under the Note, and/or direct the Borrower's financial institution to: refuse to honor any instruments drawn upon, or withdrawals from, the Guaranteed Loan Funds Account or the Loan Repayment Account initiated by the Borrower, and/or refuse to release obligations and assignments by the Borrower from the Guaranteed Loan Funds Investment Account or the Loan Repayment Investment Account.

12. **Remedial Actions.** Upon a Default or declaration of Default under this Contract, the Secretary may, in the Secretary's sole discretion, take any or all of the following remedial actions:

(a) With any funds or security pledged under this Contract, the Secretary may: (i) continue to make payments due on the Note, (ii) make a prepayment under Section I.D. of the Note or make an acceleration payment with respect to the principal amount of the Note subject to Optional Redemption as provided in Section III of the Note, (iii) purchase Government Obligations in accordance with paragraph 10 of this Contract, (iv) pay any interest due for late payment as provided in the Note, this Contract, or the Fiscal Agency/Trust Agreements, (v) pay any other obligation of the Borrower under this Contract or the Fiscal Agency/Trust Agreements, and/or (vi) pay any reasonable expenses incurred by the Secretary or the Fiscal Agent/Trustee as result of the Borrower's Default.

(b) The Secretary may withhold the guarantee of any or all obligations not yet guaranteed or the disbursement of any or all grants not yet disbursed in full under outstanding guarantee commitments or grant approvals for the Borrower under Sections 108 and/or 106 of the Act.

(c) The Secretary may withhold approval of any or all further Advances or Conversion Date Advances under the Note (if

applicable); direct the Borrower's financial institution to refuse to: honor any instruments drawn upon, or withdrawals from, the Guaranteed Loan Funds Account or the Loan Repayment Account by the Borrower, and/or to release obligations and assignments by the Borrower from the Guaranteed Loan Funds Investment Account or the Loan Repayment Investment Account; and/or direct the Borrower and/or the Borrower's financial institution to transfer remaining balances from the Guaranteed Loan Funds Account to the Loan Repayment Account.

(d) Until the Conversion Date, or with respect to amounts subject to Optional Redemption, the Secretary may accelerate the Note.

(e) The Secretary may exercise any other appropriate remedies or sanctions available by law or regulation applicable to the assistance provided under this Contract, or may institute any other action available under law to recover Guaranteed Loan Funds or to reimburse the Secretary for any payment under the Secretary's Guarantee or any reasonable expenses incurred by the Secretary as a result of the Default.

(f) All notices and submissions provided for hereunder shall be in writing (including by telex, telecopier or any other form of facsimile communication) and mailed or sent or delivered, as to each party hereto, at its address set forth below or at such other address as shall be designated by such party in a written notice to the other party hereto. All such notices and other communications shall be effective when received as follows: (i) if sent by hand delivery, upon delivery; (ii) if sent by mail, upon the earlier of the date of receipt or five Business Days after deposit in the mail, postage prepaid; (iii) if sent by telex, upon receipt by the sender of an answer back; and (iv) if sent by telecopier, upon receipt.

The Secretary:

U.S. Dept. of Housing and Urban Development
Attention: Paul Webster, Director
Financial Management Division
451 7th Street SW, Room 7180
Washington, DC 20410

Borrower:

The County of Palm Beach, FL
Economic Development Office
Attn: Claudia Lopez, Econ. Development Specialist
301 North Olive Avenue, 10th Floor
West Palm Beach, FL 33401

13. **Limited Liability.** Notwithstanding any other provision of this Contract, the Fiscal Agency/Trust Agreements or the Note, any recovery against the Borrower for any liability for amounts due pursuant to the Note, the Fiscal Agency/Trust Agreements or this Contract shall be limited to the sources of security pledged in paragraph 5 or any Special Conditions of this Contract. Neither the general credit nor the taxing power of the Borrower, or of the State in which the Borrower is located, is pledged for any payment due under the Note, the Contract, or the Fiscal Agency/Trust Agreements.
14. **Incorporated Grant Agreement.** The Contract and the Note are hereby incorporated in and made a part of the Grant Agreement authorized by the Secretary on December 4, 2007, under the Funding Approval for grant number B-07-UC-12-0004 to the Borrower. In carrying out activities with the Guaranteed Loan Funds hereunder, the Borrower agrees to comply with the Act and 24 CFR Part 570, as provided in Subpart M thereof.
15. **Special Conditions and Modifications:**
- (a) Paragraph 5(c) of the Contract is amended by deleting the paragraph as written in its entirety and substituting therefor the following:
- "(c) Other security, including, but not limited to, all rights of the Borrower (but none of the obligations of the Borrower) in and to the 'Security Documents' (as defined in paragraph 15(d) hereof) and to the collateral described therein. If necessary to provide the Secretary with a valid security interest in such other security, the Borrower shall execute a security agreement (the 'Borrower Security Agreement'), which Borrower Security Agreement shall be in a form acceptable to the Secretary."
- (b) Guaranteed Loan Funds shall be used by the Borrower to finance loans (individually, a "Business Loan") to one or more for-profit businesses and non-profit businesses (individually, a "Business Borrower"), for one or more of the following activities in connection with the **Avenue A Revitalization Project - City of Belle Glade** (the "Project"):
- (i) site preparation for an economic development purpose [§570.703(f)(2)]
- (ii) business/economic development loans [§570.703(i)(1) and §570.203]

The Borrower shall not incur any obligations to be paid with guaranteed loan funds prior to the receipt of a

written determination from the HUD Miami Field Office that either (i) each individual activity to be undertaken or supported with loan guarantee funds meets the eligibility requirements of 24 CFR 570.703, the national objective requirements of §570.208 and, if applicable, the public benefit standards of §570.209(b), or (ii) the Borrower's procedures for assuring compliance with the requirements are acceptable.

- (c) Each Business Loan shall be evidenced by a promissory note (individually, the "Business Note" and, collectively, the "Business Notes") and a loan agreement (the "Business Loan Agreement"). The Business Note and Business Loan Agreement shall contain such provisions as the Secretary deems necessary. The amount of principal and/or interest payable under the Business Notes during the twelve-month period beginning July 1 of each year and ending on June 30 of the next succeeding year shall be equal to or greater than the amount of principal and/or interest payable under the Note for the corresponding period. No Business Note shall be subject to redemption or prepayment earlier than the earliest possible redemption date under the terms of the Note.

If the Business Borrower is a nonprofit entity, provisions of 24 CFR 570.503 and other provisions of §570.500 et seq. related to Subrecipients apply.

The Business Loan shall be fully secured by one or more of the following forms of collateral (collectively, the "Collateral").

- (i) A lien on real property (the "Real Property"), established through an appropriate and properly recorded mortgage (the "Business Mortgage"). The Business Mortgage shall contain such provisions as the Secretary deems necessary. The Business Mortgage may be subordinated to another lien on the property; provided, however, that the principal amount of the Business Loan secured by the Real Property shall not exceed an amount equal to 80 percent of the "as improved" appraised market value, less the outstanding balance on other indebtedness secured by a mortgage lien of senior or equal priority on the Real Property.
- (ii) A security interest (collectively referred to as the "Security Interests") in machinery and equipment ("M&E"), accounts receivable, inventory, and other items of personal property collectively, the "Personal Property"). The Security Interests

may be subordinated to another lien; provided, however, that the principal amount of the Business Loan secured by the Personal Property shall not exceed an amount determined as follows:

(A) in the case of used M&E, not more than 90 percent of the appraised net liquidation value, less the outstanding balance of other indebtedness secured by a senior security interest in such M&E; and

(B) in the case of new M&E, not more than 80 percent of the cost thereof (including installation), less the outstanding balance of other indebtedness secured by a senior security interest in such M&E; and

(C) in the case of accounts receivable, not more than 80 percent of the average of the ending balances of the last three (3) years of accounts receivable, less the outstanding balance of other indebtedness secured by a senior security interest in said accounts receivable; and

(D) in the case of inventory, not more than 50 percent of the average of the ending inventory balances of the last three (3) years, less the outstanding balance of other indebtedness secured by a senior security interest in said inventory.

The Security Interests shall be granted pursuant to an appropriate security agreement (the "Security Agreement"), which Security Agreement also shall be referenced in appropriate Uniform Commercial Code Financing Statements filed in accordance with the Uniform Commercial Code. The Security Agreement and such Uniform Commercial Code Financing Statements shall contain such provisions as the Secretary deems necessary.

(iii) Any and all rights, titles, and interests of the Business Borrower to any leases covering the Real Property. Such rights, titles, and interests shall be the subject of an appropriate and properly recorded collateral assignment of leases and rents (the "Collateral Assignment of Leases and Rents"). The Collateral Assignment of Leases and Rents shall be in a form acceptable to the Secretary.

(iv) Any and all rights, titles, and interests of the Business Borrower in any loan or debt service reserve accounts established for the purpose of securing the Business Loan. Such rights, titles,

and interests shall be the subject of a collateral assignment of interest in loan or debt service reserve accounts (the "Collateral Assignment of Interest in Loan or Debt Service Reserve Accounts"). The Collateral Assignment of Interest in Loan or Debt Service Reserve Accounts shall be in a form acceptable to the Secretary.

- (v) Such other alternative collateral or security arrangements as may be requested by the Borrower and approved by the Secretary in writing.
- (d) The Borrower shall select a financial institution acceptable to the Secretary (the "Custodian") to act as custodian for the documents specified in paragraph 15(e) below (the "Security Documents"). The Borrower and the Custodian shall enter into a written agreement containing such provisions as the Secretary deems necessary. A fully executed copy of such agreement, with original signatures, shall be forwarded to the Secretary contemporaneously with the delivery of documents pursuant to paragraph 15(e) below.
- (e) Not later than five (5) business days after disbursement by the Borrower of Guaranteed Loan Funds to a Business Borrower, the Borrower shall deliver to the Custodian the following (as applicable to that activity):
 - (i) The original Business Note endorsed in blank and without recourse.
 - (ii) The original Business Loan Agreement, and an assignment thereof to the Secretary, which assignment shall be in a form acceptable to the Secretary.
 - (iii) The original recorded Business Mortgage signed by the Business Borrower and an assignment thereof to the Secretary, in a recordable form but unrecorded, which assignment shall be in a form acceptable to the Secretary.
 - (iv) The original Collateral Assignment of Leases and Rents and an assignment thereof to the Secretary, in a recordable form but unrecorded, which assignment shall be in a form acceptable to the Secretary.
 - (v) The original Security Agreement and a collateral assignment thereof to the Secretary, which assignment shall be in a form acceptable to the Secretary.

- (vi) The original Collateral Assignment of Interest in Loan or Debt Service Reserve Accounts.
- (vii) If Guaranteed Loan Funds are used to acquire real property, an appraisal of the fee simple ownership interest in the property. The appraisal shall be completed by an appraiser who is certified by the state and has a professional designation (such as "SRA" or "MAI"), and shall conform to the standards of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA").
- (viii) If Guaranteed Loan Funds are used to acquire used M&E, an appraisal of its net liquidation value.
- (ix) A mortgagee title policy, issued by a company and in a form acceptable to the Secretary, naming the Borrower as the insured party. The policy must either include in the definition of the "insured" each successor in ownership of the indebtedness secured by the Mortgage or be accompanied by an endorsement of the policy to the Secretary.
- (x) A certified survey with a legal description conforming to the title policy and the Business Mortgage.
- (xi) An opinion of Borrower's counsel on its letterhead, addressed and satisfactory to the Secretary, that:
 - (A) the Business Borrower is duly organized and validly existing as a **[corporation, partnership, etc.]** under the laws of the State of _____ and is **[existing, qualified to do business, in good standing, as applicable]** in and under the laws of the State of Florida;
 - (B) the Business Note has been duly executed and delivered by an authorized party and is a valid and binding obligation of the Business Borrower, enforceable in accordance with its terms, except as limited by bankruptcy and similar laws affecting creditors generally; and
 - (C) the instruments specified in (ii) through (vi) above are valid and legally binding obligations, enforceable in accordance with their respective terms.

To the extent that the foregoing opinion deals with matters customarily within the due diligence of counsel to the Business Borrower, Borrower's counsel may attach and expressly rely on an opinion of Business Borrower's counsel satisfactory to the Secretary.

- (xii) Any instruments, documents, agreements, and legal opinions required pursuant to paragraph 15(c)(v).
- (f) The Borrower covenants that it shall:
 - (i) ensure the diligent performance of the usual and customary functions related to the servicing of the Business Notes; and
 - (ii) promptly perfect the Security Interests by filing a financing statement in accordance with the requirements of the Uniform Commercial Code and shall file such additional statements as are necessary to maintain the perfected Security Interests.
- (g) The Borrower shall promptly notify the Secretary in writing whenever an event which constitutes a default (an "Event of Default") under (and as defined in) any of the Security Documents pertaining to a Business Loan has occurred and has continued unremedied for a period of 90 days after such occurrence. Such Business Loan shall be hereinafter referred to as the "Nonperforming Business Loan." However, if a Debt Service Reserve Fund has been established by the Borrower in an amount sufficient to satisfy at least one year's debt service to HUD on the Nonperforming Business Loan(s) at the date that the loan(s) become nonperforming, the Borrower shall have an additional year prior to the required notification to remedy the default. Notification of a Nonperforming Business Loan shall be delivered to the Secretary as directed in paragraph 12(f) above.

The Borrower shall within 60 days of such notification take one of the following actions:

- (i) The Borrower may replace the Nonperforming Business Loan with another, performing loan (the "Replacement Loan") which meets the security requirements specified in paragraph 15(c). Such replacement shall be effected by delivery to the Custodian of the Security Documents that would be delivered if the Replacement Loan were made from Guaranteed Loan Funds. If the payments of principal and interest on the Replacement Loan are insufficient to satisfy the payments that are due

on the Nonperforming Business Loan, the Borrower shall purchase Government Obligations that mature and bear interest at times and in amounts sufficient, together with payments due on the Replacement Loan, to pay when due the principal and interest to become due on the Nonperforming Business Loan. Such Government Obligations shall be deposited in the Loan Repayment Investment Account.

- (ii) If the Borrower elects not to replace a Nonperforming Business Loan, the Borrower shall purchase Government Obligations that mature and bear interest at times and in amounts sufficient to pay when due the principal and interest to become due on the Nonperforming Business Loan. (This action shall be required only with respect to Nonperforming Business Loans that have not been replaced as provided under (i) above.) Such Government Obligations shall be deposited in the Loan Repayment Investment Account.
- (h) Paragraph 12 is amended by adding at the end thereof the following language:
 - "(g) The Secretary may complete the endorsement of the Business Notes and record the assignments referred to in paragraph 15(e), and thereby effectuate the transfer of the documents referenced and underlying indebtedness from the Borrower to the Secretary or the Secretary's assignee.
 - "(h) The Secretary may exercise or enforce any and all other rights or remedies (including any and all rights and remedies available to a secured party under the Uniform Commercial Code) available by law or agreement (including any of the Security Documents, as defined in paragraph 15(d)) against the Borrower, against the Business Borrower, or against any other person or property."
- (i) The Brownfields Economic Development Initiative Grant Agreement of even date herewith for the grant made to the Borrower pursuant to Section 108(q), under grant number B-07-BD-12-0012, is hereby incorporated in this Contract and made a part hereof.
- (j) Additional Grounds for Default. Notice of Default. Restriction of Pledged Grants. Availability of Other Remedial Actions.
 - (i) The Borrower acknowledges and agrees that the Secretary's guarantee of the Note is made in reliance upon the availability of grants pledged

pursuant to paragraph 5(a) (individually, a "Pledged Grant" and, collectively, the "Pledged Grants") in any Federal fiscal year subsequent to the Federal fiscal year ending September 30, 2008 to: (A) pay when due the payments to become due on the Note, or (B) defease (or, if permitted, prepay) the full amount outstanding on the Note. The Borrower further acknowledges and agrees that if the Secretary (in the Secretary's sole discretion) determines that Pledged Grants are unlikely to be available for either of such purposes, such determination shall be a permissible basis for any of the actions specified in paragraphs (ii) and (iii) below (without notice or hearing, which the Borrower expressly waives).

- (ii) Upon written notice from the Secretary to the Borrower at the address specified in paragraph 12(f) above that the Secretary (in the Secretary's sole discretion) has determined that Pledged Grants are unlikely to be available for either of the purposes specified in (A) and (B) of paragraph (i) above (such notice being hereinafter referred to as the "Notice of Impaired Security"), the Secretary may limit the availability of Pledged Grants by withholding amounts at the time a Pledged Grant is approved or by disapproving payment requests (drawdowns) submitted with respect to Pledged Grants.
- (iii) If after 60 days from the Notice of Impaired Security the Secretary (in the Secretary's sole discretion) determines that Pledged Grants are still unlikely to be available for either of the purposes specified in (A) and (B) of paragraph (i) above, the Secretary may declare the Note in Default and exercise any and all remedies available under paragraph 12. This paragraph (iii) shall not affect the right of the Secretary to declare the Note and/or this Contract in Default pursuant to paragraph 11 and to exercise in connection therewith any and all remedies available under paragraph 12.
- (iv) All notices and submissions provided for hereunder shall be submitted as directed in paragraph 12(f) above.

THE UNDERSIGNED, as authorized officials on behalf of the Borrower or the Secretary, have executed this Contract for Loan Guarantee Assistance, which shall be effective as of the date of execution hereof on behalf of the Secretary.

The County of Palm Beach, FL
BORROWER

BY: _____
(Signature)

(Name)

(Title)

(Date)

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

BY: _____
(Signature)

Nelson R. Bregón
(Name)

General Deputy Assistant
Secretary for Community
Planning and Development
(Title)

(Date)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LETTER AGREEMENT FOR
SECTION 108 LOAN GUARANTEE PROGRAM
DEPOSIT ACCOUNT

Name of Institution (and Branch)

Street

City, State, Zip Code

[] This account is established for funds received by the Borrower under Note(s) guaranteed by the United States Department of Housing and Urban Development (HUD) under the Section 108 Loan Guarantee Program **(Guaranteed Loan Funds Account)**.

[] This account is established for repayment of the Note(s) guaranteed by HUD under the Section 108 Loan Guarantee Program **(Loan Repayment Account)**.

[] This account is established as a debt service reserve under the Section 108 Loan Guarantee Program **(Debt Service Reserve Account)**.

You are hereby authorized and requested to establish a deposit account to be specifically designated:

"[Name of Borrower] _____, as Trustee of United States Department of Housing and Urban Development." All deposits made into such account shall be subject to withdrawal therefrom by the Borrower named below, unless and until HUD provides you with a notice that it is assuming control over the account. Thereafter withdrawals may not be made by the Borrower. Within a reasonable period of time, not to exceed two business days, after your receipt of such notice from HUD, you shall so prevent such Borrower withdrawals and, if requested by HUD in writing, shall thereafter forward monthly to HUD, to an account it specifies in its notice, the collected and available balance in such account.

You are further authorized, after receipt of the notice from HUD, to refuse to honor any instrument drawn upon or withdrawals from such account by parties other than HUD. In no instance shall the funds in the deposit account be used to offset funds which may have been advanced to, or on behalf of, the Borrower by

you. You are permitted, however, to debit from the account your customary fees and charges for maintaining the account and the amount of any deposits that are made to the account and returned unpaid for any reason.

Such account shall also be subject to your standard agreement and documents relating to the opening and maintenance of bank accounts with you. In the event of any conflict between this Letter Agreement and such agreements and documents, this Letter Agreement shall control.

This letter is submitted to you in duplicate. Please execute the duplicate copy of the certificate below, acknowledging the existence of such account, so that we may present the copy signed by you to HUD.

Name of Borrower: _____

By: _____ Date: _____
[Signature]

Name and Title: _____

The undersigned institution certifies to the United States Department of Housing and Urban Development (HUD) that the account identified is in existence in this institution under account number: _____, and agrees with the Borrower named above and HUD to promptly comply with HUD's notice in the manner provided in the above letter, , but in no event to exceed seven business days. The undersigned institution further agrees, after receipt of the HUD notice as set forth above, to refuse to honor any instruments drawn upon or withdrawals from such account by parties other than HUD. In no instance shall the funds in the deposit account be used to offset funds which may have been advanced to, or on behalf of, the Borrower by the institution, except as set forth above. Deposits in this institution are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration up to statutory limits.

Name of Institution: _____

By: _____ Date: _____
(Signature)

Name and Title: _____

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LETTER AGREEMENT FOR
SECTION 108 LOAN GUARANTEE PROGRAM
INVESTMENT ACCOUNT

Name of Institution (and Branch)

Street

City, State, Zip Code

[] This account is established to hold obligations and their assignments, such obligations having been purchased with funds from the Guaranteed Loan Funds Account **(Guaranteed Loan Funds Investment Account)**.

[] This account is established to hold obligations and their assignments, such obligations having been purchased with funds from the Loan Repayment Account **(Loan Repayment Investment Account)**.

[] This account is established to hold obligations and their assignments, such obligations having been purchased with funds from the Debt Service Reserve Account **(Debt Service Reserve Investment Account)**.

You are hereby authorized and requested to hold obligations and assignments of those obligations in trust for the United States Department of Housing and Urban Development (HUD) in an account specifically designated:

"[Name of Borrower] _____, as Trustee of United States Department of Housing and Urban Development." All obligations and assignments shall be subject to release to the Borrower named below, unless and until HUD provides you with a notice that it is assuming control over the account. Thereafter, releases may not be made by the Borrower. Within a reasonable period of time, not to exceed two business days, after your receipt of such notice from HUD, you shall so prevent such Borrower releases and, if requested by HUD in writing, shall thereafter forward monthly to HUD, to an account it specifies in its notice, the collected and available balance in such account.

You are further authorized, after receipt of the notice from

HUD, to refuse to honor any request for release of the obligations and assignments from such account by parties other than HUD. In no instance shall the obligations in this account be used to offset funds which may have been advanced to, or on behalf of, the Borrower by you. . You are permitted, however, to debit from the account your customary fees and charges for maintaining the account and the amount of any deposits that are made to the account and returned unpaid for any reason.

Such account shall also be subject to your standard agreement and documents relating to the opening and maintenance of bank accounts with you. In the event of any conflict between this Letter Agreement and such agreements and documents, this Letter Agreement shall control.

This letter is submitted to you in duplicate. Please execute the duplicate copy of the certificate below, acknowledging the existence of such account, so that we may present the copy signed by you to HUD.

Name of Borrower: _____

By: _____ Date: _____
 [Signature]

Name and Title: _____

The undersigned institution certifies to the United States Department of Housing and Urban Development (HUD) that the account identified is in existence in this institution under account number: _____, and agrees with the Borrower named above and HUD to promptly comply with HUD's notice in the manner provided in the above letter, but in no event to exceed seven business days. The undersigned institution further agrees, after receipt of the HUD notice as set forth above, to refuse to honor any request for release of the obligations and assignments from such account by parties other than HUD. In no instance shall the obligations in the account be used to offset funds which may have been advanced to, or on behalf of, the Borrower by the financial institution, except as set forth above. Deposits in this institution are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration up to the statutory limits.

Name of Institution: _____

By: _____ Date: _____
 (Signature)

Name and Title: _____

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 108 LOAN GUARANTEE PROGRAM**

VARIABLE/FIXED RATE NOTE

NOTE NUMBER: B-07-UC-12-0004

DATE OF NOTE: _____

BORROWER: The County of Palm Beach, FL

PRINCIPAL DUE DATES AND PRINCIPAL AMOUNT: Before the Conversion Date, the aggregate of Advances made for each applicable Principal Due Date specified in the Commitment Schedule to this Note; on or after the Conversion Date, the Principal Amount (if any) listed for each Principal Due Date in Schedule P & I hereto.

MAXIMUM COMMITMENT
AMOUNT: \$199,000

COMMITMENT AMOUNTS: See
Commitment Schedule attached hereto.

VARIABLE INTEREST RATE: As set forth below.

REGISTERED HOLDER: AFTERWATCH & CO
As Nominee for
Money Market Obligations Trust
on behalf of its Government Obligations Fund

I. Terms Applicable Before the Conversion Date

A. Advances

For value received, the undersigned, the County of Palm Beach (the "Borrower"), which term includes any successors and assigns), a public entity organized and existing under the laws of the State (or Commonwealth as applicable) of Florida, promises to pay to the Registered Holder (the

"Holder," which term includes any successors or assigns), at the time, in the manner, and with interest at the rate or rates hereinafter provided, such amounts as may be advanced under this Note from time to time by the Holder for disbursement to, or on behalf of, the Borrower (individually, an "Advance", and collectively, "Advances"). The Holder shall make Advances upon the written request of the Borrower and the approval of the Secretary of Housing and Urban Development or his designee (the "Secretary"), pursuant to the Contract for Loan Guarantee Assistance (as further defined in Section IV.A. of this Note, the "Contract"), and the Amended and Restated Master Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated as of May 17, 2000, between The Chase Manhattan Bank (now known as JPMorgan Chase Bank), as Fiscal Agent (the "Fiscal Agent"), and the Secretary. The total amount of Advances made for each Principal Due Date under this Note shall not exceed the applicable Commitment Amount for such Principal Due Date set forth on the Commitment Schedule attached hereto. The aggregate of all Advances under this Note for all Principal Due Dates shall not exceed the Maximum Commitment Amount specified on the attached Commitment Schedule. The Fiscal Agent shall record the date and amount of all payments and Advances on this Note and maintain the books and records of all such Advances and Commitment Amounts for each corresponding Principal Due Date, and all payments. No Advances shall be made on this Note after its Conversion Date.

As used herein, "Conversion Date" means the date (if any) upon which this Note is (i) delivered by the Holder to the Fiscal Agent against payment therefore by the purchasers selected by the Secretary to make such payment; and (ii) assigned to JPMorgan Chase Bank (or any successor thereto) acting in its capacity as Trustee (the "Trustee") pursuant to a Trust Agreement between the Secretary and the Trustee, dated as of January 1, 1995, as such agreement may be amended or supplemented (the "Trust Agreement"). Upon the occurrence of both (i) and (ii) in the previous sentence, Section III of this Note applies, thereby converting this Note to a fixed rate obligation.

B. Variable Rate of Interest

From and including the date of each Advance to but excluding the earlier of (i) the Conversion Date, and (ii) the date of redemption or prepayment of such Advance pursuant to Section I.D. below (each such date of redemption or prepayment, a "Prepayment Date") interest shall be paid quarterly at a variable interest rate (as set forth below) on the unpaid principal balance of each Advance on the first day of each February, May, August and November (each, an "Interim Payment Date"), commencing on the first Interim Payment Date after the initial Advance is made under this Note. Interest also shall be paid on each applicable Conversion Date, Prepayment Date or Principal Due Date. The amount of interest payable on each Interim Payment Date will represent interest accrued during the three-month period ending immediately prior to such Interim Payment Date, or in the case of the first Interim Payment Date following each Advance that is not made on an Interim Payment Date, the period from and including the date of such Advance to but excluding the first Interim Payment Date following such Advance. The amount of interest payable on this Note's Conversion Date, Prepayment Date, or on any Principal Due Date that precedes such Conversion Date will represent interest accrued during the

period from the last Interim Payment Date to such Conversion Date, Prepayment Date, or Principal Due Date, respectively.

The initial variable interest rate for each Advance will be set on the date of such Advance and will be equal to 20 basis points (0.2%) above the Applicable LIBO Rate (as hereinafter defined) and thereafter will be adjusted monthly on the first day of each month (each, a "Reset Date") to a variable interest rate equal to 20 basis points (0.2%) above the Applicable LIBO Rate (such interest rate, as reset from time to time, the "Standard Note Rate"). If the Conversion Date for this Note has not occurred by the March 1 following the initial Advance under this Note, then the terms of Appendix A shall be used to set the variable interest rate. If the Fiscal Agent does not receive notice of either a Negotiated Special Interest Rate or Holder Determined Special Interest Rate (as defined in Appendix A attached hereto) from the Secretary or Holder, respectively, by the times specified in Appendix A to this Note, then the Standard Note Rate shall apply for the period to which such Negotiated Special Interest Rate or Holder Determined Special Interest Rate would otherwise apply. The Fiscal Agent may conclusively rely on any such notice as to the correctness of any matters set forth therein. Appendix A shall be inapplicable to this Note on or after the Conversion Date.

"LIBO Rate" for any given Business Day means, except in the case of manifest error, the interest rate per annum published on that day in the Eastern Edition of The Wall Street Journal or any successor publication ("WSJ"), published by Dow Jones & Company, Inc., in the section titled "Money Rates" (or any successor section) and opposite the caption "London Interbank Offered Rates (LIBOR) -- three months" (or any successor caption). If such rate does not appear in WSJ on a given Business Day, for each interest period, the LIBO Rate shall be the interest rate, converted to a bond-equivalent yield basis, for deposits in U.S. dollars for three months which appears on Telerate Page 3750 or such other page as may replace Page 3750 on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying such rate (together, "Telerate Page 3750") as of 11:00 a.m., London time, on the day (the "Determination Date") that is two London Banking Days preceding the relevant Reset Date or Advance. If such rate does not appear on Telerate Page 3750 on such Determination Date, such rate shall be obtained from the Reuters Screen ISDA Page as of 11:00 a.m., London time, on such Determination Date. If, in turn, such rate does not appear on the Reuters Screen ISDA Page on such Determination Date, the offered quotation from each of four reference banks (expressed as a percentage per annum) as of approximately 11:00 a.m., London time, on such Determination Date for deposits in U.S. dollars to prime banks on the London interbank market for a 3-month period, commencing on the Reset Date or date of such Advance, shall be obtained. If at least two such quotations are provided, the LIBO Rate for such Reset Date or date of such Advance will be the arithmetic mean of the quotations, rounded to five decimal places. If fewer than two such quotations are provided as requested, the LIBO Rate for that Determination Date shall be the rate for the most recent day preceding such Determination Date for which the LIBO Rate shall have been displayed on Telerate Page 3750. The LIBO Rate for any interest period shall be converted to a bond-equivalent yield basis by multiplying such rate by the actual number of days in such interest period and dividing that number by 180.

"Applicable LIBO Rate" means: (1) with respect to the initial interest rate for the first Advance hereunder, the LIBO Rate two London Banking Days before the date of such first Advance; (2) with respect to the initial interest rate for any subsequent Advance made before the first Reset Date, the interest rate borne by the first Advance; (3) with respect to the initial interest rate for any subsequent Advance made after the first Reset Date, the LIBO Rate two London Banking Days before the immediately preceding Reset Date; and (4) with respect to the subsequent interest rate at any Reset Date for any Advance, the LIBO Rate two London Banking Days before such Reset Date.

"London Banking Day" means any day in which dealings in deposits in United States dollars are transacted in the London interbank market. Interest payable on or before the Conversion Date shall be calculated on the basis of a 360-day year and the actual number of days lapsed.

C. Principal Amount

Prior to the Conversion Date, the aggregate amount of Advances under this Note for each specified Principal Due Date shall be the Principal Amount paid by the Borrower on such Principal Due Date (as assigned to such Advances by the Secretary's instructions to the Fiscal Agent in accordance with the Contract and the Fiscal Agency Agreement), except to the extent such Principal Amount shall have been reduced by redemption before such Principal Due Date as provided below.

D. Redemption before Conversion Date

At any time on or before the Conversion Date, the Borrower, with the consent of the Secretary, may redeem this Note, in whole or in part, upon fourteen calendar days notice to the Fiscal Agent and the Secretary, at the purchase price of one hundred percent (100%) of the unpaid Principal Amount to be redeemed, plus accrued interest thereon to the date of redemption. Partial redemptions shall be credited against the applicable Principal Amount(s). The related Commitment Amounts and the Maximum Commitment Amount shall be adjusted concurrently with any such redemptions in accordance with the Secretary's instructions to the Fiscal Agent pursuant to the Contract and the Fiscal Agency Agreement.

II. Conversion

The following events shall occur on the Conversion Date:

A. Schedule P&I

On the Conversion Date all Advances owed by the Borrower under this Note with the same Principal Due Date shall be aggregated into a single Principal Amount which will accrue interest at the fixed rate applicable to such Principal Due Date. Such Principal Amount may be adjusted by the Fiscal Agent in accordance with the following paragraph or paragraph IV.H, as applicable. Whether or not adjusted, each Principal Amount, the fixed rate applicable to each Principal Amount, and the applicable Principal Due Date, shall be listed by the Secretary in Schedule P&I. Schedule P&I will be provided by the Secretary to the Fiscal Agent and attached to this Note by the Fiscal Agent upon the Fiscal Agent's receipt of this Note on the Conversion Date.

B. Conversion Date Advances

If, on or prior to the Conversion Date, the Borrower has not utilized the entire Commitment Amount indicated on the Commitment Schedule attached hereto for a given Principal Due Date, the Borrower may, in accordance with the Fiscal Agency Agreement and the Contract, and with the approval of the Secretary, utilize such Commitment Amount on the Conversion Date to obtain a Conversion Date Advance. A "Conversion Date Advance" shall mean any amount by which the Secretary instructs the Fiscal Agent to increase a Principal Amount on Schedule P&I for a given Principal Due Date, effective as of the Conversion Date of this Note. Conversion Date Advances shall be funded by the sale of this Note to the purchaser selected by the Secretary. The proceeds of a Conversion Date Advance (net of any applicable fees) shall be distributed to or on behalf of the Borrower on the Conversion Date. The total amount of Conversion Date Advances hereunder shall not exceed the sum of any unused Commitment Amounts for all Principal Due Dates.

III. Terms Applicable Upon Conversion

The following terms shall apply to this Note from the Conversion Date (if any) until this Note is canceled, or matured and paid in full:

Commencing on the Conversion Date, the Borrower promises to pay to the Holder on the applicable Principal Due Date each Principal Amount set forth on the attached Schedule P&I, together with interest on each such Principal Amount at the rate applicable thereto specified on the Schedule P&I. Interest shall be calculated and payments shall be made in the manner set forth below.

Interest on each scheduled Principal Amount of this Note due as of a given date specified on Schedule P&I hereto shall accrue at the related per annum rate specified on Schedule P&I from (and including) the Conversion Date to (but excluding) such Principal Due Date or, if applicable, to the applicable Interest Due Date on which an Optional Redemption (as defined below) occurs. Each interest amount accrued on each unpaid Principal Amount of this Note shall be due semiannually as of February 1 and August 1 of each year (each such February 1 and

August 1, an "Interest Due Date") commencing on the first such date after the Conversion Date, until each Principal Amount listed on Schedule P&I to this Note is paid in full. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Certain Principal Amounts that are indicated as being eligible for Optional Redemption on Schedule P&I may be paid, in whole or in part, at the option of the Borrower as of any Interest Due Date on or after the date specified in such schedule (an "Optional Redemption"). In order to elect an Optional Redemption of such a Principal Amount, the Borrower shall give notice of its intention to prepay a Principal Amount to the Trustee and the Secretary not less than 60 days and not more than 90 days prior to the Interest Due Date as of which the Borrower intends to prepay the Principal Amount. The Trustee shall apply any payments received in respect of Optional Redemptions in accordance with written instructions of the Borrower, as approved by the Secretary. Principal Amounts that are not indicated as being eligible for Optional Redemption on Schedule P&I may not be prepaid.

IV. General Terms

A. Additional Definitions

For purposes of this Note, the following terms shall be defined as follows:

"Business Day" shall mean a day on which banking institutions in New York City are not required or authorized to remain closed and on which the Federal Reserve Bank and the New York Stock Exchange are not closed. If any payment (including a payment by the Secretary) is required to be made on a day that is not a Business Day, then payment shall be made on the next Business Day.

"Contract" shall mean the Contract for Loan Guarantee Assistance, and any amendments thereto, among the Secretary and the Borrower, the designated public entity named therein (if applicable), and the State named therein (if applicable), that refers to and incorporates this Note by the number hereof.

"Principal Amount" shall mean: (i) before the Conversion Date for this Note, the aggregate amount of Advances made for each Principal Due Date specified in the Commitment Schedule attached to this Note, less the amount of any redemptions pursuant to Section I.D. hereof, and any principal repayment; and (ii) on or after the Conversion Date, the principal amount (if any) stated for each Principal Due Date in Schedule P&I attached hereto, less the amount of any principal repayment and any Optional Redemptions made pursuant to Section III hereof and the Trust Agreement.

B. Timely Payment to Fiscal Agent or Trustee

Notwithstanding anything contained in Section I, Section II, or Section III, the Borrower, in accordance with the Contract, shall be required to make all payments of interest and principal, including any Optional Redemption payment, directly to the Fiscal Agent or the Trustee (as applicable) on the seventh Business Day prior to the appropriate Interim Payment Date, Interest Due Date, Principal Due Date, Prepayment Date, or date of Optional Redemption, as applicable.

C. Interest on Late Payments

If a payment of principal or interest herein provided for shall not be made by either (i) 2:30 p.m. on an Interest Due Date or Principal Due Date; or (ii) 2:30 p.m. on the second Business Day (as herein defined) next succeeding an Interim Payment Date, then interest shall accrue on the amount of such payment at the then applicable interest rate or rates payable on this Note, from the relevant due date, as the case may be, until the date such payment is made. Nothing in the immediately preceding sentence shall be construed as permitting or implying that the Borrower may, without the written consent of the Holder and the Secretary, modify, extend, alter or affect in any manner whatsoever the right of the Holder timely to receive any and all payments of principal and interest specified in this Note.

D. Applicability of Fiscal Agency Agreement or Trust Agreement

Prior to the Conversion Date, this Note and Advances and payments made hereunder shall be administered pursuant to the terms of the Fiscal Agency Agreement and are subject to such agreement. On or after the Conversion Date, this Note and Advances and payments made hereunder shall be administered pursuant to the Trust Agreement and are subject to such agreement. The terms and provisions of the Fiscal Agency Agreement or the Trust Agreement, insofar as they affect the rights, duties and obligations of the Holder and/or the Borrower, are hereby incorporated herein and form a part of this Note. The Borrower hereby agrees to be bound by all obligations of the Borrower to the Fiscal Agent set forth in the Fiscal Agency Agreement. Capitalized terms not defined in this Note shall have the meanings ascribed to them in the Fiscal Agency Agreement or Trust Agreement, as applicable. The Fiscal Agency Agreement provides for the Fiscal Agent to perform certain duties, including the duties of (i) paying agent and calculation agent for this Note until its Conversion Date, and (ii) registrar for this Note until this Note is canceled or a new registrar appointed, each in accordance with the Fiscal Agency Agreement. The Trust Agreement provides for the Trustee to perform certain duties, including the duties of collection agent for this Note after its Conversion Date until a new Trustee is appointed in accordance with the Trust Agreement. This Note may be surrendered to the Fiscal Agent for registration of transfer or exchange, as provided in the Fiscal Agency Agreement. The Fiscal Agent and Trustee each shall permit reasonable inspection to be made of a copy of the Fiscal Agency Agreement or Trust Agreement kept on file at its respective corporate trust office. Neither the Fiscal Agency Agreement nor the Trust Agreement shall change the Borrower's payment obligations under this Note.

E. Applicability of Contract and Secretary's Guarantee

This Note evidences indebtedness incurred pursuant to and in accordance with the Contract and pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5308) (the "HCD Act"). This Note is subject to the terms and provisions of the Contract, to which Contract reference is hereby made for a statement of said terms and provisions and for a description of the collateral security for this Note. The payment of principal on the applicable Principal Due Dates and interest on the applicable Interim Payment Dates or Interest Due Dates under this Note is unconditionally guaranteed by the Secretary to the Holder through a guarantee (the "Guarantee"). Execution of the Secretary's Guarantee is required before this Note is effective, and such Guarantee shall be issued pursuant to and in accordance with the terms of the Contract and Section 108 of the HCD Act.

F. Default

A default under this Note shall occur upon failure by the Borrower to pay principal or interest on this Note when due hereunder. If a Borrower defaults on the payment of any interest or Principal Amounts when due, or if the Secretary gives notice of a final decision to declare the Borrower in default pursuant to the following paragraph of this Section IV.F, the Secretary may, but is not obligated to, make on any date on or prior to the Conversion Date with fourteen calendar days prior notice to the Fiscal Agent, or on the seventh Business Day preceding any Interest Due Date on or after the first permissible Optional Redemption date with seven Business Days prior notice to the Trustee, an acceleration payment to the Fiscal Agent or the Trustee, as applicable, equal to the Aggregate Principal Amount of the Note, together with accrued and unpaid interest thereon to such acceleration payment date or Interest Due Date, as applicable. In the event that any such acceleration payment is made from sources other than funds pledged by the Borrower as security under the Contract (or other Borrower funds), the amounts paid on behalf of the Borrower shall be deemed to be immediately due and payable to the Secretary. Nothing in this paragraph shall be construed as permitting or implying that the Borrower may, without the written consent of the Holder and the Secretary, modify, extend, alter or affect in any manner whatsoever the right of the Holder timely to receive any and all payments of principal and interest specified in this Note.

In addition, the Secretary may declare the Borrower in default under this Note if the Secretary makes a final decision in accordance with the provisions of 24 C.F.R. § 570.913 (or any successor regulation thereof), including requirements for reasonable notice and opportunity for hearing, that the Borrower has failed to comply substantially with Title I of the HCD Act. Following the giving of such reasonable notice, the Secretary may take the remedial actions specified as available in the relevant provisions of the Contract pending the Secretary's final decision.

G. Holder's Reliance on Guarantee

Following a default by the Borrower under the terms of this Note, the Holder agrees to rely wholly and exclusively for repayment of this Note upon the Guarantee. The enforcement of any instruments or agreements securing or otherwise related to this Note shall be the sole responsibility of the Secretary, and the Holder shall not be responsible for the preparation, contents or administration of such instruments and agreements, or for any actions taken in connection with such instruments and agreement. The Holder, to the extent it is legally able to do so, shall bind or cause to be bound its successors and assigns to all limitations imposed upon the Holder by this Note.

H. Amendment

This Note may only be amended with the prior written consent of the Secretary and the Borrower. No such amendment shall reduce, without the prior written consent of the Holder of this Note, in any manner the amount of, or delay the timing of, payments required to be received on this Note by the Holder, Fiscal Agent or Trustee, including Guarantee Payments; provided that prior to the Conversion Date, the Commitment Amounts on the Commitment Schedule attached hereto, and the Principal Amounts due on the corresponding Principal Due Dates may be rescheduled pursuant to written instructions given to the Fiscal Agent by the Secretary with the written agreement of the Borrower and the Secretary absent the consent of the Holder.

I. Waivers

The Borrower hereby waives any requirement for presentment, protest or other demand or notice with respect to this Note. The Borrower hereby waives notice of default and opportunity for hearing for any failure to make a payment when due.

J. Delivery and Effective Date

This Note is deemed issued, executed, and delivered on behalf of the Borrower by its authorized official as an obligation guaranteed by the Secretary pursuant to Section 108 of the HCD Act, effective as of the date of the Secretary's Guarantee.

V. **Borrower-Specific Provisions**

[This space intentionally left blank]

THE UNDERSIGNED, as an authorized official of the Borrower, has executed and delivered this Note.

The County of Palm Beach, Florida
BORROWER

By: _____
(Signature)

(Name)

(Title)

ASSIGNMENT AND TRANSFER

For value received, the undersigned assigns and transfers this Note to

(Name and Address of Assignee)

(Social Security or Other Identifying Number of Assignee)

and irrevocably appoints _____
attorney-in-fact to transfer it on the books kept for registration of the Note, with full power of
substitution.

Dated: _____

Note: The signature to this assignment
must correspond with the name as written on
the face of the Note without alteration or
enlargement or other change.

Signature Guaranteed:

Qualified Financial Institution

By: _____
Authorized Signature

[This page to be completed by the Fiscal Agent for transfer of the Note by the Holder as of the
Conversion Date pursuant to the last paragraph of Section I.A. of this Note.]

APPENDIX A

Special Pre-Conversion Interest Rates.

- (a) The Holder and the Secretary contemplate that the majority of the outstanding Variable/Fixed Rate Notes will be purchased by underwriters selected by the Secretary for sale in public offerings to occur each year. If a public offering including this Note has not occurred by each March 1 following the initial Advance under this Note, the Secretary shall, upon request, advise the Holder as to when a public offering including this Note is expected to occur, and the Holder and the Secretary agree to consult with each other as to what the interest rate on this Note will be after May 1 of that year if a public offering has not occurred by such May 1. The Holder shall notify the Secretary if such consultation has not occurred by April 1 of that year. If no public offering including this Note has occurred on or before such May 1, the applicable interest rate on this Note from such May 1 shall be the rate (if any) negotiated and agreed upon by the Secretary and the Holder. Such rate may be the Standard Note Rate or some other rate agreed upon by the Holder and the Secretary at least two Business Days before such May 1 (such other rate, the "Negotiated Special Interest Rate"). The Secretary shall notify the Fiscal Agent and the Holder in writing of any Negotiated Special Interest Rate within two Business Days of the determination thereof.
- (b) If the Secretary and the Holder do not, by the April 15th preceding such May 1, negotiate and agree under Section (a) of this Appendix on an interest rate applicable to this Note, then the Holder may, on or before the April 20th preceding such May 1, give written notice to the Secretary of its intent to change the interest rate on this Note and, if such notice was given during such period, the Holder may, on such May 1, unilaterally determine (subject to the terms of this paragraph) the interest rate that this Note will bear (such rate, the "Holder Determined Interest Rate") from and including such May 1 to but excluding the earliest of: (i) the Conversion Date; (ii) the date that this Note is purchased by a new Holder (as described in Section (c) below) or (iii) a Monthly Special Reset Date (as defined below). Interest from and including such May 1 to but excluding the Public Offering Date shall be paid on the unpaid principal balance of all outstanding Advances under this Note at the rate(s) to be determined by the Holder which, based upon then prevailing market conditions and taking into account all the circumstances, will enable the Holder to sell this Note at one hundred percent (100%) of the aggregate amount of all Advances hereunder prior to the date of such sale. Such interest rate shall be determined as of such May 1 and shall be determined again on the foregoing basis on the first of each month thereafter (the first of each month after such May 1, a "Monthly Special Reset Date"). The Holder shall notify the Fiscal Agent and the Secretary in writing within two

Business Days following such dates of the determination of the Holder Determined Interest Rate and each applicable interest rate determined on a Monthly Special Reset Date.

- (c) If the Secretary and the Holder have failed to agree upon an interest rate pursuant to Section (a) of this Appendix A, the Secretary, upon seven calendar days notice to the Holder, may arrange for the purchase of this Note in full by another entity on the following May 1 or any Business Day thereafter. If such a purchase occurs, the Holder shall sell and assign this Note to the purchaser thereof without recourse to the Holder and deliver this Note and its Guarantee to the Fiscal Agent for registration in the name of the purchaser thereof in accordance with the Secretary's written instructions. The purchase price for this Note shall be 100% of the aggregate amount of all Advances owing hereunder plus accrued interest to the date of purchase. Payment to the Holder of the purchase price for this Note shall be made by the purchaser thereof in Federal funds at the offices of the Holder, or at such other place as shall be agreed upon by the Holder and the Secretary, at 10:00 a.m., New York time, on the date of purchase. After such purchase date this Note shall bear a rate of interest negotiated between the Secretary and the new interim Holder (the "New Purchaser Special Interest Rate"). The Secretary shall notify the Fiscal Agent and the new purchaser in writing of any New Purchaser Special Interest Rate within two Business Days following the date of determination thereof.
- (d) Notwithstanding Sections (a) through (c) (inclusive) of this Appendix, no Borrower is obligated to pay interest at a variable rate exceeding the maximum rate permitted by generally applicable law of the Borrower's state (such rate, the "Maximum Rate"). If the Borrower receives notice of a variable interest payment that exceeds the Maximum Rate, then the Borrower shall timely pay such amount as does not exceed the Maximum Rate, and concurrently shall notify the Secretary and the Fiscal Agent of the reason for any interest non-payment.

COMMITMENT SCHEDULE

Note No. B-07-UC-12-0004

<u>Principal Due Date</u>	<u>Commitment Amount</u>
August 1, 2009	\$15,000
August 1, 2010	15,000
August 1, 2011	15,000
August 1, 2012	15,000
August 1, 2013	15,000
August 1, 2014	15,000
August 1, 2015	15,000
August 1, 2016	15,000
August 1, 2017	15,000
August 1, 2018	15,000
August 1, 2019	5,000
August 1, 2020	5,000
August 1, 2021	5,000
August 1, 2022	5,000
August 1, 2023	5,000
August 1, 2024	5,000
August 1, 2025	5,000
August 1, 2026	5,000
August 1, 2027	5,000
August 1, 2028	4,000
Maximum Commitment Amount =	\$199,000

SCHEDULE P&I*Note No. B-07-UC-12-0004

Principal Amount	Principal Due Date	Interest Rate	Optional Redemption Available	
			YES	NO
	August 1, 2009			X
	August 1, 2010			X
	August 1, 2011			X
	August 1, 2012			X
	August 1, 2013			X
	August 1, 2014			X
	August 1, 2015			X
	August 1, 2016			X
	August 1, 2017			X
	August 1, 2018			X
	August 1, 2019		X	
	August 1, 2020		X	
	August 1, 2021		X	
	August 1, 2022		X	
	August 1, 2023		X	
	August 1, 2024		X	
	August 1, 2025		X	
	August 1, 2026		X	
	August 1, 2027		X	
	August 1, 2028		X	

\$ _____ = Aggregate Principal Amount

Principal Amounts due on or after August 1, 2019, may be redeemed, subject to the terms contained herein and in the Trust Agreement, on any Interest Due Date on or after August 1, 2018.

*This schedule will not be completed when initially executed and delivered by the Borrower for Guarantee for interim, variable-rate financing. It will be completed when assigned by the Holder at the request of the Borrower for conversion to Fixed Rates on the Conversion Date. The first date shown above on which Optional Redemption is available is expected to be the same when this schedule is completed, if the Borrower participates in the initial Section 108 public offering after receiving an interim financing Advance hereunder. If the Borrower participates in a later public offering, the first date on which Optional Redemption is available is expected to be correspondingly later.