

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures					
Expenditure	\$1,000,000				
Operating Cost					
External Revenue	(4,000,000)				
Program Income (PBC)					
In-Kind Match (PBC)					
NET FISCAL IMPACT	\$0				
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current budget? Yes X No _____

Budget Account Number:

Fund 1540 Department 764 Unit 2002 Object 8201

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

The sources of funds will be available upon receipt of a new HUD Section 108 loan pool.

C. Departmental Fiscal Review: [Signature] 2/5/09

III. REVIEW COMMENTS

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

[Signature] 2-23-09
 OFMB [Signature] CN 2/17/09

[Signature] 2/23/09
 Contract Dev. and Control [Signature] 2/23/09

This item complies with current County policies.

B. Legal Sufficiency:

[Signature] 2/23/09
 Assistant County Attorney

At the time of docs review, the various documents were not executed.

C. Other Department Review:

 Department Director

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

(Continued from Page 1)

Background and Policy Issues: The loan securities include a lien on a 2.04 acre parcel next to the building (Parcel #2), which is owned by The Baron Group and its real estate affiliate, TSIP. County staff evaluated the current value of the building and found that there is enough collateral available to secure both the current Section 108 Loan and this Section 108 loan request. County staff recommends releasing Parcel #2 from the TSIP's Section 108 lien to allow The Baron Group and its real estate affiliate to sell the land, after receiving evidence that First National City Bank or its successor has also agreed. Palm Beach County will also require that The Baron Group, its stockholders and its real estate affiliate agree that any proceeds from the sale of Parcel #2 shall be injected as working capital into the business and that an addition be constructed at the present facility. The proceeds from the sale will be part of the total project cost for the project. After the sale of the land, the collateral coverage ratio will be 3.6, which is above the industry coverage.

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. 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).

Attachments:

1. Letter of Commitment from Palm Beach County.
2. Conceptual Loan Documents: Collateral and Security Agreement, Loan and Security Agreement, Non-Disturbance and Attornment Agreement, Section 108 Promissory Note for \$212,600, Section 108 Promissory Note for \$787,400, Guaranty, Environmental Indemnity Agreement, Tenant Estoppel Certificate, 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.
3. HUD Contract Documents: Pending receipt.
4. Section 108 Loan Program Agreement between Palm Beach County and The Baron Group, Inc.



Economic Development Office

P.O. Box 1989

West Palm Beach, FL 33402-1989

(561) 355-3624

FAX: (561) 355-6017

www.pbcgov.com/edo

**Palm Beach County
Board of County
Commissioners**

Jeff Koons, Chairman

Burt Aaronson, Vice Chairman

Karen T. Marcus

Shelley Vana

District 4

Jess R. Santamaria

Addie L. Greene

County Administrator

Robert Weisman, P.E.

*"An Equal Opportunity
Affirmative Action Employer"*

February 23, 2009

Sandra Foland
Gerald Foland
The Baron Group, Inc.
900 Thirteenth Street West
Riviera Beach, FL 33404

Dear Mr. and Mrs. Foland:

We are pleased to inform you that the Economic Development Office of the County of Palm Beach, Florida ("the County") has approved and is prepared to recommend to the Board of County Commissioners that The Baron Group, Inc. ("the Borrower") be granted financing subject to the following terms and conditions outlined below:

- Borrower:** The Baron Group, Inc.
- Address:** 900 Thirteenth St. W., Riviera Beach, FL 33404
- Purpose:**
1. A machinery and equipment loan in the amount of \$212,600.
 2. A working capital loan in the amount of \$787,400.
- Interest Rate:** Initially the three month Libor rate +100 basis points. Once a year, at a date selected by the U.S. Department of Housing and Urban Development ("HUD") the borrower will be given the option of fixing the rate at a rate as determined by HUD (generally Treasury Strip coupon bonds) plus 100 basis points.
- Term:**
1. The term for the machinery and equipment loan shall be 10 years.
 2. The term for the working capital loan shall be 10 years.
- Payments:** Principal and interest payments shall be due on the first (1st) of each month.
- Guarantor(s):** Unlimited, joint and several guaranties of Sandra and Gerald Foland (the "Individual Guarantors"), and a corporate guaranty from the Borrower's real estate affiliate, Thirteenth Street Industrial Park, Inc. (the "Corporate Guarantor").



- Security:**
1. Pari Passu with the previous Section 108 loan on the land and structure located at 900 Thirteenth St. W., Riviera Beach, FL, owned by Thirteenth Street Industrial Park, Inc.
 2. A blanket lien on all receivables and inventory, subordinate only to a lien of \$500,000 from the First National City Bank or its successor.
 3. First position purchase money security interest on all machinery and equipment purchased with the proceeds of the 108 loan, together with a first position security interest against all other unencumbered machinery and equipment owned by Borrower.
 4. Second position security interest against all encumbered machinery and equipment owned by Borrower.

Late Fee and A late charge of five percent (5%) of any payment that is not paid within 10 days of the due date will be assessed.

Default Rate: Following an event of default (as defined in the loan documents) the interest rate shall be four percent (4%) in excess of the rate herein provided, but in no event in excess of the maximum rate of interest permitted by law.

Prepayment: As long as the loan floats, there shall be no prepayment penalty. Should the borrower choose to fix the rate, there shall be a defeasance payment as established by HUD.

General Conditions:

Events of Default: Standard for facilities of this type and as County counsel may require, including without limitation, (i) payment and covenant default, (ii) material misrepresentations, (iii) bankruptcy, insolvency, assignment for benefit of creditors, (iv) default under any other debt of Borrower (IE, the loan hereunder will be cross defaulted with any such other debt of Borrower), (v) death of an Individual Guarantor, (vi) dissolution or other cessation of business of a Corporate Guarantor, (vi) Borrower's reorganization, change of control or sale of all or substantially all (IE, more than 50%) its assets or equity interests, (vii) the County's good faith



determination that a material adverse change has occurred in the financial or business condition of the Borrower, a Corporate Guarantor or an Individual Guarantor, (viii) Borrower's default under or breach of the Section 108 Loan Program Agreement between Borrower and County, and (ix) any other event of default as set forth in the loan documents.

Lien Rights:

The Borrower shall provide that a clear and uncontestable second lien, co-equal with the previous Section 108 lien, is attainable for the land and building located at 900 Thirteenth St. W., Riviera Beach, FL. In addition the Borrower shall provide that a clear and uncontestable first lien is attainable on the machinery and equipment that is unliened and that a clear and uncontestable second lien is available on all liened machinery and equipment. The Borrower shall deliver such certified lien searches, subordination agreements, lien terminations, title documents, title reports, and other assurances to the satisfaction of the County and its counsel to ensure that the County has obtained the security position in the collateral as required herein.

Representations and Warranties:

Borrower represents and warrants to the County that it is a duly organized corporation, validly existing and in good standing under the laws of the State of Florida, and has full power and authority to execute this Letter of Commitment and all related documents and consummate the loan transaction contemplated hereby.

Affirmative and Negative Covenants:

Borrower covenants and agrees with the County that while this Commitment is in effect, the Borrower shall comply with all covenants standard in a transaction of this nature.

Financial Covenants:

Borrower covenants that all financial statements furnished to the County by the Borrower, the Corporate Guarantor and the Individual Guarantors are complete and correct, as to Borrower and Corporate Guarantors have been prepared in



accordance with generally accepted accounting principles consistently followed throughout the period indicated, and fairly present their financial condition as of the respective dates thereof, and as to Borrower and Corporate Guarantors fairly present the results of their operations for the respective period covered.

Reporting Requirements: The Borrower, Corporate Guarantor and Individual Guarantors shall furnish the County with a copy of their federal income tax returns each year within thirty (30) days of their due date (including extensions) and such other financial statements and information at such frequencies and in such detail as the County may request.

Other Conditions:

Assignment of Commitment: This commitment may not be assigned without the prior written consent of the County.

Benefit of Commitment: This commitment is for the benefit of the Borrower only and no third party shall have any interest in this commitment.

Modification: The terms of this commitment letter may not be modified or waived in any way except as agreed in writing and signed by a duly authorized official of the County.

Brokerage: The Borrower has not engaged any broker for the issuance of this commitment letter. It is understood and agreed that the County shall be under no obligations for payment of any kind with respect to this commitment letter, and that by the Borrower's acceptance of this commitment the Borrower shall defend, indemnify and hold the County harmless from any claims by any other person or entity for any commissions, compensations or fee with respect to this commitment letter and the loan, based upon the Borrower's alleged acts.

U.S. Department of Housing and Urban Development: This commitment is subject to any other conditions that the



U.S. Department of Housing and Urban Development may require.

Job Goals: The Borrower shall make a good faith effort to create thirty-three (33) new full-time-equivalent (FTE) job positions within four (4) years after the date of closing, where full-time job shall mean employment of a minimum of 2,080 hours per year. These new job positions must be separate from other Section 108 loan commitments made to Palm Beach County.

Subordination Agreement: The shareholders of Borrower shall enter into a Subordination Agreement in form acceptable to the County whereby such shareholders subordinate their loan made to Borrower as to both lien and payment to the loan being providing by the County hereby108 payments. The prior written approval from the County shall be required with regard to the making of any additional loans from such shareholders to Borrower.

County Action: The County at the closing agrees to release its lien on a 2.04 acre parcel of land designated as Parcel #2 from its previous Section 108 lien after receiving evidence that First National City Bank or its successor has also so agreed. In addition the Borrower, its stockholders and the Corporate Guarantor agree that any proceeds from the sale of Parcel #2 shall be applied solely as working capital and to defray the costs of construction of an addition be constructed at the Borrower's present facility.

Legal Matters: All legal matters relating hereto shall be satisfactory to the County's counsel.

Conditions Precedent

To Closing:

Documents:

At the County's option, upon request, the Borrower shall deliver to the County a current copy of the following:

Corporate Documents: Filing Receipt, Articles or Certificate of Incorporation (with amendments), any By-laws, Certificate of Good Standing (or equivalent) and Corporate Resolution to Borrow.



Appraisal: The Borrower shall supply to the County an appraisal satisfactory to the County.

Title Insurance: Upon the collateral at 900 Thirteenth St. W., Riviera Beach, FL, the County will require a Title Insurance Policy from a company approved by the County, written on the current form of ALTA Lender's Policy of Title Insurance, insuring the County as of the date of initial closing, subject only to such matters as permitted by the County, together with any survey the title insurer shall require in order to provide a survey endorsement. The cost and expense of same shall be borne by the Borrower.

Closing Date:

Closing of the credit facility described herein shall occur no later than May 1, 2009. If, for any reason, the closing fails to occur on or prior to such date, the commitment shall terminate, unless extended in writing by the County.

The County has made this commitment based upon information supplied to the County by the Borrower, the Corporate Guarantor and the Individual Guarantors, and this Commitment is subject to the accuracy of all information, representations, exhibits or other materials so submitted by the parties in connection with its request for financing hereunder. Any change prior to the consummation of the transaction described herein will, at the option of the County, void the obligation of the County under this commitment. The Borrower must immediately notify the County of any such change. The County reserves the right to continue its credit investigation and to rescind this commitment in the event of a substantial and/or significant change in the Borrower's, Corporate Guarantor's or Individual Guarantors' financial condition, in which case, the County shall have no obligations under this commitment.

The terms and conditions set forth herein are not exclusive and may be supplemented based upon any HUD requirement, the County's investigation, or as disclosure of the Borrowers' circumstances so dictate. The terms of this commitment shall survive the closing of the loan.



The Borrower shall also deliver or cause to be delivered such other documents, instruments, certifications and legal opinions as the County and its counsel may reasonably require, including, without limitation, opinions of legal counsel regarding the authority of the Borrower, Corporate Guarantor and Individual Guarantors to enter into this transaction and the legality, validity, and binding effect of all documents executed and delivered with respect thereto.

Fees:

The Borrower shall be responsible for all soft costs, legal fees, and inspection fees associated with the closing. In addition the Borrower shall pay the County a closing fee of 1.5% of the total loan amount.

The Borrower shall remit a \$100 non-refundable commitment fee with this letter, made out to Palm Beach County.

Closing Requirements:

This Commitment supersedes all prior dealings whether written or oral.

If you find this letter to be in accordance with your understanding of this transaction, kindly indicate such acceptance by signing and returning the attached copy of this letter to my attention no later than March 30, 2009 or the County, at its option, may cancel this commitment.

Borrower Signature

Date

Borrower Signature

Date

Economic Development
Office

Approved As to Form and
Legal Sufficiency
Assistant County Attorney

COLLATERAL SECURITY AGREEMENT

THIS AGREEMENT, made as of _____, 2009, is made by **Thirteenth Street Industrial Park Inc.**, a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 (the "Debtor"), in favor of **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, 10th Floor, West Palm Beach, Florida 33401 (the "Secured Party").

RECITALS:

A. Debtor is the owner in fee simple of certain real property located at 900 13th Street West, Riviera Beach, Florida 33404 (the "Premises"), as more particularly described on Schedule "A" attached hereto, as improved on the date hereof;

B. The Baron Group, Inc. ("Baron Group"), an affiliate of Debtor through common ownership, concurrently with the execution and delivery of this Agreement, is becoming indebted to Secured Party in the aggregate amount of \$1,000,000.00, further evidenced by that certain Section 108 Promissory Note in the amount of \$212,600.00 ("Note A") and that certain Section 108 Promissory Note in the amount of \$787,400.00 ("Note B", together with Note A, the "Note") given by Baron Group to Secured Party of even date herewith in said amount, payable in accordance with the terms of said Note (the "Obligation"), which is incorporated herein by reference; and

C. Debtor desires to provide security to Secured Party to jointly secure payment and performance of the Obligation.

NOW, THEREFORE, it is agreed as follows:

1. Grant of Security Interest. Debtor hereby grants to Secured Party a second and subordinate security interest in all of the Debtor's right, title and interest in and to all of the Debtor's right, title and interest in and to the Premises, as more particularly described in annexed Schedule "A", together with the buildings and improvements now or hereafter erected thereon (herein referred to collectively as the "Collateral").

2. Covenants of Debtor. Debtor covenants, represents and warrants to Secured Party that:

(a) The collateral is free and clear of all liens and encumbrances, except for _____ (the "Permitted Liens"), and Debtor will keep the Collateral free and clear of liens and encumbrances, except for the Permitted Liens;

(b) Debtor will defend its title to the Collateral against all persons and against all claims and demands whatsoever, except for the Permitted Liens;

(c) Debtor will retain possession of the Collateral while any sum remains owing under the Note and will not sell, exchange, assign or otherwise dispose of the Collateral, except in the ordinary course of business;

(d) Debtor will keep the Collateral in good condition and repair and will keep the Collateral insured against loss by fire and other casualties; and

(e) Debtor will execute and deliver upon Secured Party's request any financing statement (Forms UCC-1), instrument, document or other papers and/or to perform any act as requested by Secured Party which may be necessary and appropriate in order to create, perfect, preserve, validate or otherwise protect any security interest granted pursuant hereto.

3. Financing Statements. Secured Party is authorized, at its option, to file Financing Statement(s) (Form UCC-1) or amendments or extensions thereto without the signature of the Debtor with respect to any of the Collateral.

4. Sale Upon a Default Under the Note.

(a) If Secured Party is entitled to accelerate the any one or more of the Notes set forth above pursuant to their terms, Secured Party shall thereupon be entitled to sell the Collateral in satisfaction of the Notes, subject to the rights of the lienholders under the Permitted Liens. Without precluding any other methods of sale, and again subject to the rights of the lienholder under the Permitted Liens, the sale of the Collateral shall be deemed made in a commercially reasonable manner if conducted in conformity with and pursuant to the provisions of the Uniform Commercial Code then in effect.

(b) In the event of sale or other disposition of the Collateral, Secured Party may apply the proceeds of any such sale or disposition to the satisfaction of its reasonable attorneys' fees, legal expenses and other costs and expenses incurred in connection with their taking, retaking, holding, preparing for sale and selling of the Collateral, subject to the rights of the lienholders under the Permitted Liens.

5. Substitution, Renewals, etc.. Notwithstanding Secured Party's release or substitution of any Collateral at any time, or of any rights or interests therein, or any delay, extension of time, renewal, compromise or other indulgence granted by Secured Party, all of the rights of Secured Party with respect to the security interest hereunder shall continue unimpaired and Debtor shall be and remain obligated in accordance with the terms hereof. Debtor hereby waives all notice of any such delay, extension, release, substitution, renewal, compromise or other indulgence granted by Secured Party.

6. Miscellaneous Provisions.

(a) This Agreement is binding upon and inures to the parties, and their respective successors and assigns.

(b) If any provision of this Agreement shall be held invalid or unenforceable, the validity and enforceability of all other provisions hereof shall not be affected thereby.

(c) No delay or waiver on Secured Party's part in exercising any power of sale or any other right or option hereunder shall constitute a waiver thereof or of such right or option on any future occasion.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties have executed this Collateral Security Agreement as of the date first above written.

THIRTEENTH STREET INDUSTRIAL PARK, INC.

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss:

On this ___ day of _____, 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: _____
Robert Weisman, County Administrator

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
Assistant County Attorney

By: _____
Economic Development Director

SCHEDULE "A"

LEGAL DESCRIPTION

LOAN AND SECURITY AGREEMENT

THIS AGREEMENT, made the ___ day of _____, 2009, by and between **Palm Beach County, Florida**, a political subdivision of the State of Florida, with an address of 301 N. Olive Avenue, 10th Floor, West Palm Beach, Florida 33401 (hereinafter called the "Creditor"), and **The Baron Group, Inc.**, a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 (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 \$1,000,000.00, further evidenced by that certain Section 108 Promissory Note in the amount of \$212,600.00 ("Note A") and that certain Section 108 Promissory Note in the amount of \$787,400.00 ("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 900 13th Street West, Riviera Beach, Florida 33404 (the "Premises") 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.

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 PNC Bank in the original principal amount of \$500,000.00 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 ____ (the "Prior Loan"). This Agreement shall be subject to the terms of the Prior Loan.

This Agreement is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners, and the United States Department of Housing and Urban Development ("HUD"), and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners and HUD.

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.

THE BARON GROUP, INC., a
Florida Corporation

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss:

On this ___ day of _____, 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: _____
Robert Weisman, County Administrator

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 900 13th Street West, Riviera Beach, Florida 33404 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").

PALM BEACH COUNTY, FLORIDA
("Lender")

and

THE BARON GROUP, INC.
("Tenant")

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

_____, 2009

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

900 13th Street West, Riviera Beach, Florida 33404

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 _____, 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, 10th Floor, West Palm Beach, Florida 33401 ("Lender"), and The Baron Group, Inc., a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 ("Tenant").

RECITALS:

A. Thirteenth Street Industrial Park, Inc., a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 ("Landlord") owns the fee title interest in real property located at 900 13th Street West, Riviera Beach, Florida 33404 (the real property, including all buildings, improvements, structures and fixtures located thereon, "Landlord Premises"), as more particularly described in Schedule A.

B. Lender has made a loan to Tenant in the original principal amount of \$1,000,000.00 (the "Loan").

C. To secure the Loan, Landlord has encumbered Landlord's Premises by entering into that certain Collateral Security Agreement dated _____, 2009, in favor of Lender (as amended, restated, or otherwise changed from time to time, the "Security Agreement").

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 900 13th Street West, Riviera Beach, Florida 33404.

E. Tenant and Lender 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 Lender 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 Security Agreement; (b) any other exercise by Lender of rights and remedies (whether under the Security Agreement or under applicable law, including bankruptcy law) as holder of the Loan and/or the Security Agreement, as a result of which Successor Landlord becomes owner of Landlord's Premises; or (c) delivery by Landlord to Lender (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 Security Agreement, the lien imposed by the Security Agreement, and all advances made under the Loan.

3. Non-disturbance, Recognition and Attornment.

(a) No Exercise of Security Agreement 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"), Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default under the Security Agreement 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, Lender 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 Security Agreement, 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 Lender. 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 Lender'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, if 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. Lender's Right to Cure.

(a) Notice of Lender. 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 Lender 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) Lender's Cure Period. After Lender receives a Default Notice, Lender 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. Lender 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 Lender 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 Lender 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, Lender's cure period shall continue for such additional time (the "Extended Cure Period") as Lender 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 Lender assigns the Security Agreement, 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 Lender and Tenant regarding the subordination of the Lease to the Security Agreement and the rights and obligations of Tenant and Lender as to the subject matter of this Agreement.

(d) Interaction with Lease and with Security Agreement. 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 Security Agreement. Lender confirms that Lender has consented to Landlord's entering into the Lease.

(e) Lender's Rights and Obligations. Except as expressly provided for in this Agreement, Lender 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 Lender 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 Lender and Tenant as of the Effective Date.

LENDER:

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: _____
Robert Weisman, County Administrator

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Economic Development Director

TENANT:

THIRTEENTH STREET INDUSTRIAL PARK, INC., a Florida Corporation

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

PALM BEACH COUNTY, FLORIDA

SECTION 108 PROMISSORY NOTE

Principal: \$212,600.00

Date: _____, 2009

RE: The Baron Group, Inc.

FOR VALUE RECEIVED, the undersigned, **The Baron Group, Inc.**, a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 (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, 10th Floor, West Palm Beach, Florida 33401 ("**Lender**") or its successors, or assigns, the sum of TWO HUNDRED TWELVE THOUSAND SIX HUNDRED AND 00/100 DOLLARS (**\$212,600.00**) 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 _____, 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 shall 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 the date set forth above.

THE BARON GROUP, INC.

By: _____
Name: _____
Title: _____

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

On this ___ day of _____, 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: \$787,400.00

Date: _____, 2009

RE: The Baron Group, Inc.

FOR VALUE RECEIVED, the undersigned, **The Baron Group, Inc.**, a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 (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, 10th Floor, West Palm Beach, Florida 33401 ("**Lender**") or its successors, or assigns, the sum of SEVEN HUNDRED EIGHTY SEVEN THOUSAND FOUR HUNDRED AND 00/100 DOLLARS (**\$787,400.00**) 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 _____, 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 shall 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 the date set forth above.

THE BARON GROUP, INC.

By: _____
Name: _____
Title: _____

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

On this ___ day of _____, 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

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, 10th Floor, West Palm Beach, Florida 33401 ("Lender") to make a loan in the total principal amount of ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00) to **Baron Group, Inc.**, a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 (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 _____, 2009.

Thirteenth Street Industrial Park, Inc.

By: _____
Name: _____
Title: _____

Sandra Foland, Individually

Gerald Foland, Individually

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT is made as of the ___ day of _____, 2009 by and among **The Baron Group, Inc.**, a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 (hereinafter called the "Borrower"); **Thirteenth Street Industrial Park, Inc.**, a Florida corporation with an address of 900 13th Street West, Riviera Beach, Florida 33404 ("Corporate Guarantor"); **Sandra Foland and Gerald Foland**, individuals with an address of 5631 Whirlaway Road, Palm Beach Gardens, Florida 33418 ("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, 10th Floor, West Palm Beach, Florida 33401 (hereinafter called "Lender").

RECITALS:

A. Corporate Guarantor owns a certain parcel of real property situated at 900 13th Street West, Riviera Beach, Florida 33404 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, an affiliate of Corporate Guarantor through common ownership, owns a leasehold interest in the Properties;

B. Borrower has applied to Lender for a loan in the maximum amount of One Million and 00/100 Dollars (\$1,000,000.00) (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 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 security agreements securing the Loan to the Properties as set forth in any of the Loan Documents (as defined in the Loan and Security 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,

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").

(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 Indemnitee or the Properties pursuant to any Environmental Law or Wetlands Law; (iii) all claims made or threatened by any third party against Indemnitee 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 Indemnitee 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 Indemnitee 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, Indemnitee 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 Indemnitee or a predecessor in title or any Tenants, employees, agents, contractors or subcontractors of Indemnitee 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 Indemnitee 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 Indemnitee is responsible or for which Indemnitee 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 Collateral Security Agreement 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 Collateral Security Agreement 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 Collateral Security Agreement 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 Collateral Security Agreements 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 Collateral Security Agreements 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

The Baron Group, Inc.

By: _____
Name: _____
Title: _____

Thirteenth Street Industrial Park, Inc.

By: _____
Name: _____
Title: _____

Sandra Foland, Individually

Gerald Foland, Individually

SCHEDULE A

LEGAL 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 Thirteenth Street Industrial Park, Inc., a Florida corporation (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 900 13th Street West, Riviera Beach, Florida 33404 (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__

THE BARON GROUP, INC.

By: _____

Name: _____

Title: _____

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

Notary Public

FURTHER ASSURANCES

On this ___ day of _____, 2009, and in consideration of the closing of a certain loan in the amount of One Million and 00/100 Dollars (\$1,000,000.00) from Palm Beach County, Florida, a political subdivision of the State of Florida, to The Baron Group Inc., 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 \$1,000,000.00 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.

The Baron Group, Inc.

By: _____
Name: _____
Title: _____

Thirteenth Street Industrial Park, Inc.

By: _____
Name: _____
Title: _____

Sandra Foland, Individually

Gerald Foland, Individually

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: \$1,000,000.00 HUD 108 Loan to The Baron Group, Inc. (the "Borrower") by Palm Beach County, Florida ("Lender"), as guaranteed by Thirteenth Street Industrial Park, Inc., Sandra Foland and Gerald Foland (jointly and severally, the "Guarantor") with respect to machinery and equipment located at 900 13th Street West, Riviera Beach, Florida 33404

Ladies and Gentlemen:

We have acted as counsel to The Baron Group, Inc., a Florida corporation ("Borrower"), Thirteenth Street Industrial Park, Inc. a Florida corporation ("Corporate Guarantor") and Sandra Foland and Gerald Foland ("Individual Guarantors"; collectively with Corporate Guarantor and Individual Guarantors the "Guarantor"), in connection with that certain \$1,000,000.00 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 machinery and equipment located at the premises known as and located at 900 13th Street West, Riviera Beach, Florida 33404 (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 filed _____, 20__;
- (ii) Certificate of Incorporation of Corporate Guarantor dated _____, 20__;
- (iii) By-laws of Borrower; and
- (iv) By-laws of 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 is a corporation duly formed, validly existing and in good standing under the laws of the State of Florida (the "State").

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

(c) Borrower 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 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,

EXHIBIT A

Loan Documents

1. Loan and Security Agreement
2. Promissory Note in the principal sum of \$212,600.00
3. Promissory Note in the principal sum of \$787,400.00
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

DRAFT

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: \$1,000,000.00 HUD 108 Loan to The Baron Group, Inc. (the "Borrower") by Palm Beach County, Florida ("Lender"), as guaranteed by Thirteenth Street Industrial Park, Inc., Sandra Foland and Gerald Foland (jointly and severally, the "Guarantor") with respect to machinery and equipment located at 900 13th Street West, Riviera Beach, Florida 33404

Ladies and Gentlemen:

We have acted as counsel to the Lender in connection with a certain \$1,000,000.00 loan (the "Loan") to Borrower by Lender. In such capacity, we have reviewed the following documents each dated _____, 2009 in connection with the Loan:

1. Promissory Note from Borrower to Lender in the principal amount of \$212,600.00 ("Note A");
2. Promissory Note from Borrower to Lender in the principal amount of \$787,400.00 ("Note B", together with Note A, the "Note");
2. Loan and Security Agreement;
3. Collateral Security Agreement from Borrower to Lender (the "Security Agreement") as security for the Note and covering the premises at the above-referenced location as more particularly described in the Security Agreement (the "Premises");
4. Guaranty Agreement of Guarantor to Lender;
5. Environmental Indemnity Agreement between the Borrower and Lender;
6. Subordination, Non-Disturbance and Attornment Agreement;
7. Tenant Estoppel Certificate;

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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 Moyle, Flanigan, Katz, Breton, White & Krasker, 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 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 accordance with their terms, except as may be limited by (i) bankruptcy,

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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. _____ in the Maximum Commitment Amount of \$1,000,000.00 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. _____ in the Maximum Commitment Amount of \$1,000,000.00 (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

**COUNTY OF PALM BEACH, FLORIDA
HUD SECTION 108 LOAN
CLOSING CHECKLIST**

Borrower: The Baron Group, Inc. d/b/a Baron Sign Manufacturing
Corporate Guarantor: Thirteenth Street Industrial Park, Inc.
Individual Guarantors: Sandra Foland and Gerald Foland
Borrower Counsel: Paul A. Krasker, Esq., Moyle, Flanigan, Katz, Breton, White & Krasker, P.A.
Property: 900 13th Street West, Riviera Beach, Florida 33404
Date: January 12, 2009

CLOSING CHECKLIST	
1. Signed Approval	
2. Signed Commitment Letter dated _____	
3. \$ _____ Commitment fee to County	
BORROWER AND GUARANTOR ORGANIZATIONAL DOCUMENTS	
4. Filed organizational documents of Borrower and all amendments thereto, certified as filed by Secretary of State where organized	
5. Bylaws of Borrower and all amendments thereto	
6. Certificate of Subsistence/Good Standing of Borrower issued by Secretary of State where organized dated within thirty (30) days of the Closing Date	
7. Unanimous Written Consent of Shareholders of Borrower authorizing Loan Transaction	
8. Certificate of Shareholders-Board of Borrower	

9. Filed organizational documents of Corporate Guarantor and all amendments thereto	
10. By Laws of Corporate Guarantor and all amendments thereto	
11. Certificate of Subsistence/Good Standing of Corporate Guarantor issued by Secretary of State where organized dated within thirty (30) days of the Closing Date	
12. Unanimous Written Consent of Shareholders of Corporate Guarantor authorizing Corporate Guarantee	
13. Certificate of Shareholders-Board of Corporate Guarantor	
SPACE LEASES	
14. Certified copies of leases	
15. Certified Rent Roll	
MANAGEMENT AGREEMENTS	
16. Management Agreement (if applicable)	
17. Subordination/Assignment of Management Agreement	
CASUALTY INSURANCE POLICIES*	
18. Permanent fire and casualty	
19. General Liability	
20. Flood Insurance Policy or evidence that premises are not located in flood zone	
21. Rent Loss/Business Interruption Coverage	
TITLE INSURANCE/SURVEYS	
22. Title Insurance Commitment (together with all back-up) or Pro-Forma Title Insurance Policy	

23. Updated Survey or Affidavit	
24. UCC-1 Financing Search, tax lien search, bankruptcy and judgment search	
EXISTING MORTGAGE	
25. Copy of Loan Documents for PNC Bank Loan	
26. Copy of Loan Documents for existing County Section 108 Loan	
27. Copy of Appraisal satisfactory to PNC Bank	
28. Copy of all environmental reports satisfactory to PNC Bank	
108 LOAN DOCUMENTS	
29. Promissory Note A - \$212,600.00 for Machinery and Equipment	
30. Promissory Note B - \$787,400.00 for Working Capital	
31. Loan and Security Agreement	
32. Collateral Security Agreement (Corporate Guarantor)	
33. Guaranty of Payment for Corporate Guarantor, Sandra Foland and Gerald Foland	
34. Environmental Indemnity Agreement	
35. Subordination, Attornment and Non-Disclosure Agreement	
36. Tenant Estoppel Certificates	
37. UCC-1 Financing Statements (State and County)	
38. Intercreditor Agreement	
39. Further Assurances	

OPINION LETTERS	
40. Counsel for Borrower and Guarantors with respect to the due execution and enforceability of the loan documents (Moyle, Flanigan, Katz, Breton, White & Krasker, P.A.)	
41. Counsel for municipality issued to municipality (Harris Beach PLLC)	
42. Counsel for municipality issued to Secretary of HUD (Harris Beach PLLC)	

*All Insurance Certificates should be on **Accord Form 28** and shall name the following party at the following address as **loss payee/mortgagee/additional insured** with **30 day** notice of cancellation:

County of Palm Beach, Florida
And or Its Successors and Assigns
 301 North Olive Avenue, 10th Floor
 West Palm Beach, Florida 33401

**SECTION 108 LOAN PROGRAM AGREEMENT
BETWEEN PALM BEACH COUNTY AND
THE BARON GROUP, INC.**

THIS AGREEMENT is made as of the _____ day of _____, 2009 by and between Palm Beach County, a political subdivision of the State of Florida, by and through its Board of County Commissioners, herein referred to as COUNTY, and The Baron Group, Inc. [] an individual, [] a partnership, [X] a corporation authorized to do business in the State of Florida, hereinafter referred to as COMPANY, whose physical address is 900 13th Street West, Riviera Beach, FL 33404 and whose Federal I.D. number is 592402986.

WITNESSETH:

WHEREAS, the COUNTY is administering various Section 108 Loan Programs under the Rules and Regulations of the U.S. Department of Housing and Urban Development (hereinafter referred to as "HUD"); and

WHEREAS, the COUNTY and the COMPANY are required to follow such Rules and Regulations of HUD and the national purpose of the program which is to eliminate slums or blight or provide job opportunities to persons of low and moderate income or provide for an urgent need as defined by HUD; and

WHEREAS, the COUNTY has determined that the Section 108 loan is an eligible loan to the COMPANY under CFR 570.201, 570.203(b) and 570.703 (i)(1); and

WHEREAS, COUNTY intends to grant financing to COMPANY subject to the terms and conditions outlined in the loan commitment dated February 5, 2009 as well as The Loan Documents which include, but are not limited to the Loan and Security Agreement, Collateral and Security Agreement, Section 108 Promissory Notes and the Inter-Creditor Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants hereinafter contained, the parties agree as follows:

Anti-Piracy Provisions

The COMPANY hereby certifies that it is in compliance with Section 105H of U.S.C. 5305 and 24 CFR 570.210 and 570.482 and 507.506 in that the Section 108 Loan will not cause the COMPANY to locate a facility, plant or operation, including the expansion of a business that will result in the loss of jobs from one Labor Market Area to another.

Benefit to Persons of Low and Moderate Income

The COMPANY has met this test by meeting the presumption rule in compliance with 24 CFR 570.208B v (a) & (b) and (c) (1) & (2) in which case no further action need be taken.

Job Creation

In compliance with 24 CFR 570.209(b)(1) the COMPANY agrees to make a good faith effort to create one new full time equivalent (FTE) job per \$30,303 of HUD assistance within four (4) years, totaling 33 new FTE jobs. Year 1 shall begin as follows:

1. For working capital loans – The date of closing of the Section 108 Loan.
2. For machinery and equipment loans - The date of filing of all UCC-1.

A new FTE job shall be a position that requires employment for a minimum of 40 hours per week or 2,080 hours annually. A FTE job may include permanent, salaried part-time employees whose hours total 2,080 hours annually.

Job Audit

The COMPANY shall report its compliance with the job creation requirement by submitting an Annual Report certified by the Payroll Officer or Lead Accountant as shown in Exhibit A of the Agreement attached hereto and made a part hereof. The Annual Report shall be submitted to the COUNTY (attn: Palm Beach County Economic Development Office). COMPANY will be informed by the COUNTY when the COUNTY has made the determination that there are deficiencies with the audit and/or invoice documentation. Under these circumstances, the audit and invoice documentation cannot be processed pending COMPANY resolving the identified deficiencies. Upon receipt by the COUNTY from COMPANY of the appropriate audited and/or invoiced documentation, processing of the audit and invoices may proceed. Further the COMPANY shall permit the COUNTY to investigate its books and records and interview employees to insure compliance with this provision. When the COMPANY has achieved its job goals, it shall have satisfied this requirement.

Inspection

Upon ten (10) business days notice and at any time during normal business hours and as often as the COUNTY deems necessary, there shall be made available by COMPANY to the COUNTY for examination, all its records with respect to all matters covered by this Agreement. The COUNTY reserves the right to require copies of such records and/or to conduct an inspection of COMPANY'S records regarding performance measures at any time for any period covered by this Agreement.

GENERAL CONDITIONS

Employee: Bona Fide

COMPANY warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for COMPANY to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for COMPANY, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Agreement.

Non-discrimination

COMPANY agrees that no person shall on the grounds of race, color, disability, national origin, religion, age, familial status, sex or sexual orientation, gender identity or expression, be excluded from the benefits of, or be subjected to discrimination under, any activity carried out by the performance of this Agreement.

Worker's Compensation & Employer's Liability

COMPANY shall agree to maintain Worker's Compensation Insurance & Employers Liability in accordance with Florida Statute Chapter 440.

Convicted Vendor List

As provided in F.S. 287.132-133, by entering into this Agreement or performing any work in furtherance hereof, COMPANY certifies that it, and its affiliates who will perform hereunder, have not been placed on the Convicted Vendor List maintained by the State of Florida Department of Management Services within thirty-six (36) months immediately preceding the date of execution of this Agreement by the COUNTY. This notice is required by F.S. 287.133(3)(a).

Florida Department of Management Services, Division of Purchasing

4050 Esplanade Way, Tallahassee, FL 32399-0950

(850) 488-8440

http://dms.myflorida.com/dms/purchasing/convicted_suspended_discriminatory_vendor_lists/convicted_vendor_list

Successors & Assigns

The COUNTY and COMPANY each binds itself and its partners, successors, executors, administrators and assigns to the other party and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement. Except as above, neither the COUNTY nor COMPANY shall assign, sublet, convey or transfer its interest in this Agreement without the prior written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the COUNTY, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the COUNTY and COMPANY.

Material Change of Circumstances

COMPANY shall immediately notify the COUNTY of any material change of circumstances of COMPANY'S business operations in Palm Beach County. For the purposes hereof, material change of circumstance shall include, but not be limited to, the failure of COMPANY to diligently and actively pursue fulfillment of the terms hereof, the sale or transfer of COMPANY'S assets for the benefit of creditors, the suspension, closing or cessation of operation of COMPANY, voluntary or involuntary bankruptcy or an assignment for the benefit of COMPANY'S creditors. In the event of a material change of circumstances, the COUNTY shall have the right to terminate this Agreement, whereupon the COUNTY shall have no further obligation to COMPANY under this Agreement.

Entire Agreement Between Parties

The COUNTY and COMPANY agree that this Agreement and all attachments hereto including but not limited to The Loan Documents, sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto.

Invalid or Unenforceable Terms

If any term or provision of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Agreement shall be deemed valid and enforceable to the extent permitted by law.

Remedies

In the event of a Default by the COMPANY, the COUNTY shall consult with HUD as to the appropriate remedy, including acceleration of the principal balance due under the Section 108 loan, including defeasance provisions if applicable. The COMPANY recognizes the authority of HUD in this matter.

Law and Remedy

This Agreement shall be governed by the laws of the State of Florida and the laws of the United States and the Rules and Regulations of HUD. Any and all legal action necessary to enforce the Agreement shall be held in Palm Beach County or such jurisdiction as is established by HUD. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

Indemnification and Hold Harmless

The COMPANY agrees to protect, defend, reimburse, indemnify and hold the COUNTY and HUD, its agents, its employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages, including attorney's fees, and causes of action of every kind and character against and from the COUNTY and HUD, which arise out of this Agreement.

COMPANY recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of good and valuable consideration provided by the COUNTY in support of this clause in accordance with the laws of the State of Florida. This Paragraph shall survive the termination of the Agreement.

Assignability

It is recognized by the COUNTY and the COMPANY that this Agreement is part of the closing documents of a Section 108 Loan and the loan documents and this Agreement are held in trust for the benefit of HUD, and HUD has the final discretion as to its enforcement.

Notice

All notices required in this Agreement shall be sent by certified mail, return receipt requested, and if sent to the COUNTY shall be mailed to:

Kevin Johns, Director
Palm Beach County Economic Development Office
P.O. Box 1989
West Palm Beach, Florida 33402-1989

With a copy to:

Dawn Wynn, Assistant County Attorney
Palm Beach County Attorney's Office
301 N. Olive Ave, 6th Floor
West Palm Beach, FL 33401

And if sent to the COMPANY shall be mailed to:

Sandra Foland, CEO
900 13th Street West
Riviera Beach, FL 33404

(REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

IN WITNESS WHEREOF, the Board of County Commissioners of Palm Beach County, Florida has made and executed this Agreement on behalf of COUNTY, and COMPANY has hereunto set its hand the day and year above written.

ATTEST:
SHARON R. BOCK,
CLERK & COMPTROLLER

By: _____
Deputy Clerk

**APPROVED AS TO TERMS
AND CONDITIONS:**

By _____
Director, Economic Development

WITNESS FOR COMPANY:

Signature

Name (type or print)

Title

**PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS:**

By: _____
Robert Weisman, County Administrator

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:**

By _____
Assistant County Attorney

COMPANY:

Company Name

Signature

Name (type or print)

Title

COMPANY SEAL
(Seal must be identical to
COMPANY name. If seal is
unavailable, COMPANY must draw
seal. If not applicable, write N/A.)

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID R5
BARON-5

DATE (MM/DD/YYYY)
01/07/09

PRODUCER
Brown & Brown of Florida, Inc.
5900 N. Andrews Ave. #300
F Box 5727
Lauderdale FL 33310-5727
Phone: 954-776-2222 Fax: 954-776-4446

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURER
The Baron Group, Inc.
d/b/a Baron Sign Manufacturing
Attn: Sandie Poland
900 West 13th Street
Riviera Beach FL 33404

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Amerisure Mutual Ins. Co.	23396
INSURER B:	North River Insurance Company	21105
INSURER C:	Insurance Co of the West	27847
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSR#	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	GL2057033	09/23/08	09/23/09	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 Emp Ben. 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS	CA2057034	09/23/08	09/23/09	COMBINED SINGLE LIMIT (Per accident) \$1,000,000 BODILY INJURY (Per person) \$
A	<input checked="" type="checkbox"/> HIRED AUTOS		09/23/08	09/23/09	BODILY INJURY (Per accident) \$
A	<input checked="" type="checkbox"/> NON-OWNED AUTOS		09/23/08	09/23/09	PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY AGG \$
B	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$0	5530915917	09/23/08	09/23/09	EACH OCCURRENCE \$5,000,000 AGGREGATE \$10,000,000 \$ \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/HIGH EXECUTIVE OFFICER/EMPLOYEE EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WFL500112300	01/01/09	01/01/10	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER PER EACH ACCIDENT \$1,000,000 PER EMPLOYEE \$1,000,000 PER DISEASE - POLICY LIMIT \$1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

PALMBEA

Palm Beach County
Housing & Community
Development
160 Australian Avenue, #500
West Palm Beach FL 33406

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

