

## AGENDA ITEM SUMMARY

**Department:** Administration  
**Submitted By:** Economic Development Office

## **I. EXECUTIVE BRIEF**

**Motion and Title: Staff recommends motion to approve: A)** Amendment No. 2 to the Loan Agreement (R2004-0844) with Thirteenth Street Industrial Park, Inc. (TSIP) to include Financial Statement and Tax Return language that are consistent with County policies and guidelines; **B)** Amendment No. 2 to the Promissory Note for the acquisition of the property loan, to include new Financial Statement and Tax Return language that are consistent with County policies and guidelines; and **C)** Amendment No. 2 to the Promissory Note for the purchase of Machinery and Equipment loan to include new Financial Statement and Tax Return language that are consistent with County policies and guidelines.

**Summary:** These Amendments provide for financial statements to be furnished upon County's request. The Amendments also provide that the annual federal tax returns of Borrower and Guarantors be furnished to the County within thirty (30) days of filing, but in no event later than October 15<sup>th</sup> following the close of any tax year. In addition, any state income tax returns of Borrower and Guarantors should be furnished to the County no later than thirty (30) days after the due date for filing same, including extensions. These Amendments will ensure that the Agreement and the Promissory Notes are consistent with current County policies and guidelines. **These are Federal funds that do not require a local match.** District 7 (DW).

**Background and Policy Issues:** The County entered into an Agreement (R2004-0844) with TSIP on May 4, 2004 to provide loans under its Section 108 funded Community Development Business Loan Program in the principal amounts of \$1,366,000 for acquisition of property and \$320,000 for the purchase of machinery and equipment. The first Amendment to the Loan Agreement extended the job creation date from January 2009 to January 2012 to create 70 full-time equivalent jobs. The first Amendment to the two Promissory Notes for the Acquisition loan and for the Machinery and Equipment purchase loan changed the effective date of the interest rate of the Note from “in effect July 1, 2004” to seven (7) days prior to the payment due date each month. The Promissory Notes required TSIP to provide annual certification of Project income and expenses, and be certified by an Independent Certified Public Accountant acceptable to the County. These Amendments will ensure that the new language is consistent with current County policies and guidelines.

**Attachments:**

1. Amendment No. 2 to the Agreement
2. Amendment No. 2 to the Promissory Note for Property Acquisition
3. Amendment No. 2 to the Promissory Note for Machinery and Equipment Purchase
4. Amendment No. 1 to the Agreements with Thirteenth Street Industrial Park, Inc., a Florida Corporation (R2009-2135) (R2009-2136) (R2009-2137)
5. Agreement (R2004-0844) with Thirteenth Street Industrial Park Inc. and Promissory Notes

Recommended By: James Howard 9-2-2010  
Economic Development Director Date

Approved By: Sharon R. By 9-9-10  
Assistant County Administrator Date

## **II. FISCAL IMPACT ANALYSIS**

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2010</u>	<u>2011</u>	2012	2013	<u>2014</u>
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grant Expenditure		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (PBC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match (PBC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u>See Below*</u>	<u></u>	<u></u>	<u></u>	<u></u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>				

Is Item Included In Current Budget? Yes X No       
Budget Account No: Fund 1104 Department 764 Unit 2005 Object Various

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

\* No additional fiscal impact is associated with this item.

### C. Departmental Fiscal Review:

## Economic Development


### III. REVIEW COMMENTS

**A. OFMB Fiscal and/or Contract Administration Comments:**

9/8/10 *[Signature]* OFMB 9/17/10  
mcb  
9/17/10 *[Signature]*

*Dr. J. Jacobs* 9/8/10  
Contract Administration  
*E. Jones* 9/8/10  
This item complies with current  
County policies.

### B. Legal Sufficiency:

 9/8/10  
Assistant County Attorney  
Contracts have not been executed.

At the time of our review the documents were not created.

**C. Other Department Review:**

**Department Director**

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

**AMENDMENT No. 2  
TO AGREEMENT R2004-0844  
Thirteenth Street Industrial Park, Inc. a Florida Corporation**

This Amendment is made as of \_\_\_\_\_, by and between Palm Beach County, a political subdivision of the State of Florida, by and through its Board of County Commissioners, hereinafter referred to as "Lender", and the **THIRTEENTH STREET INDUSTRIAL PARK, INC., A FLORIDA CORPORATION** (hereinafter referred to as "Borrower").

**WITNESSETH:**

**WHEREAS**, on May 4, 2004, the Lender and Borrower entered into an Agreement (defined as "Agreement") approved by Agreement #R2004-0844 to provide loans under its Section 108 funded Community Development Business Loan program in the principal amounts of \$1,366,000 for acquisition of premises and \$320,000 for purchase of Machinery and Equipment; and

**WHEREAS**, On December 15, 2009, the Lender and Borrower entered into Amendment 001 to the Agreement approved by Agreement #R2009-2135 providing for a three-year extension to create seventy (70) full time equivalent (FTE) jobs after issuance of the certificate of occupancy; and

**WHEREAS**, the Lender and Borrower desire to amend the Agreement as set forth below; and

**WHEREAS**, the Lender wishes to include Financial Statement and Tax Return language that are consistent with Lenders's policies and guidelines.

**NOW, THEREFORE**, in consideration of the promises and mutual covenants hereinafter contained, the parties hereby amend the Agreement as follows:

- I. Item 8 (b) entitled Financial Statements is hereby deleted and replaced with the following:

Upon Lender's request, furnish or cause to be furnished to the Lender Borrower's and Guarantors' financial statements, to be delivered within 90 days of the fiscal year end for which requested. Any such financial statements as are requested shall be certified as true and correct by Borrower and/or Guarantors, shall be in accordance with GAAP, fairly present their financial condition as of the date provided, and shall be in form satisfactory to Lender.

- II. Item 8 (n) entitled Tax Returns is hereby included as follows:

Furnish or cause to be furnished to the Lender annual federal tax returns of Borrower and Guarantors within 30 days of filing, but in no event later than October 15<sup>th</sup> following the close of any tax year. In addition, furnish or cause to be furnished to the Lender any state income tax returns of Borrower and Guarantors no later than thirty (30) days after the due date for filing same, including extensions.

- III. Item 13 (s). entitled Palm Beach County Office of the Inspector General is hereby included as follows:

Pursuant to Ordinance No. 2009-049, Palm Beach County has established the Office of the Inspector General, which is authorized and empowered to review past, present and proposed County contracts, transactions, accounts and records. All contractors and parties doing business with the County and receiving County funds shall fully cooperate with the Inspector General. The Inspector General has the power to subpoena witnesses, administer oaths, require the production of records, and to audit, investigate, monitor, and inspect the activities of the contractor, its officers, agents, employees, and lobbyists in order to ensure compliance with contract specifications and to detect waste, corruption and fraud.

All items in the Loan Agreement dated May 4, 2004, and the Amendment 001 to the Agreement dated December 15, 2009, and accompanying Loan Documents in conflict with this Amendment shall be and are hereby changed to conform to this Amendment.

All provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and seals on the day set forth above.

**ATTEST:**

**PALM BEACH COUNTY, FLORIDA, BY its  
BOARD OF COUNTY COMMISSIONERS**

**SHARON R. BOCK,  
CLERK & COMPTROLLER**

By: \_\_\_\_\_ By: \_\_\_\_\_  
Deputy Clerk Burt Aaronson, Chair

**Approved as to Form and  
Legal Sufficiency:**

**Approved as to Terms and Conditions:**

By: \_\_\_\_\_  
Assistant County Attorney

By: \_\_\_\_\_  
Sherry Howard, Director  
Economic Development Office

**ATTEST: THIRTEENTH STREET INDUSTRIAL PARK, INC., A  
FLORIDA CORPORATION**

By: \_\_\_\_\_  
Witness: \_\_\_\_\_

By: \_\_\_\_\_  
Title: President

\_\_\_\_\_  
Sandra D. Foland  
Typed Name

(Corporate Seal)

**AMENDMENT No. 2**  
**TO THE PROMISSORY NOTE – ACQUISITION LOAN AGREEMENT R2004-0844**  
**Thirteenth Street Industrial Park, Inc. a Florida Corporation**

This Amendment No. 2 is made as of \_\_\_\_\_, by and between Palm Beach County, a political subdivision of the State of Florida, by and through its Board of County Commissioners, hereinafter referred to as "Lender", and the **THIRTEENTH STREET INDUSTRIAL PARK, INC., A FLORIDA CORPORATION** (hereinafter referred to as "Borrower").

**WITNESSETH:**

**WHEREAS**, on May 4, 2004, the Lender and Borrower entered into an Agreement (defined as "Agreement") approved by Agreement #R2004-0844 to provide loans under its Section 108 funded Community Development Business Loan program in the principal amounts of \$1,366,000 for acquisition of premises and \$320,000 for purchase of machinery and equipment; and

**WHEREAS**, On December 15, 2009, the Promissory Note for the acquisition of premises in the amount of \$1,340,000 approved by Agreement #R2009-2136 was amended to substitute language to clarify the payment due date; and

**WHEREAS**, the Lender and Borrower desire to amend the Promissory Note for the acquisition of premises as set forth below; and

**WHEREAS**, the Lender wishes to include Financial Statement and Tax Return language that are consistent with policies and guidelines.

**NOW, THEREFORE**, in consideration of the promises and mutual covenants hereinafter contained, the parties hereby amend the Promissory Note for the acquisition of premises as follows:

- I. Paragraph 3) is hereby deleted and replaced with the following:

Upon Lender's request, furnish or cause to be furnished to the Lender Borrower's and Guarantors' financial statements, to be delivered within 90 days of the fiscal year end for which requested. Any such financial statements as are requested shall be certified as true and correct by Borrower and/or Guarantors, shall be in accordance with GAAP, fairly present their financial condition as of the date provided, and shall be in form satisfactory to Lender.

- II. Paragraph 6) is hereby included as follows:

Furnish or cause to be furnished to the Lender annual federal tax returns of Borrower and Guarantors within 30 days of filing, but in no event later than October 15<sup>th</sup> following the close of any tax year. In addition, furnish or cause to be furnished to the Lender any state income tax returns of Borrower and Guarantors no later than thirty (30) days after the due date for filing same, including extensions.

All items in the Loan Agreement dated May 4, 2004, and the Amendment 001 to the Agreement dated December 15, 2009, and accompanying Loan Documents in conflict with this Amendment shall be and are hereby changed to conform to this Amendment.

All provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day set forth above.

ATTEST:

PALM BEACH COUNTY, FLORIDA, BY its  
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK,  
CLERK & COMPTROLLER

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Burt Aaronson, Chair

Approved as to Form and  
Legal Sufficiency:

Approved as to Terms and Conditions:

By: \_\_\_\_\_  
Assistant County Attorney

By: \_\_\_\_\_  
Sherry Howard, Director  
Economic Development Office

ATTEST: THIRTEENTH STREET INDUSTRIAL PARK, INC., A  
FLORIDA CORPORATION

By: \_\_\_\_\_  
Witness:

By: \_\_\_\_\_  
Title: President

\_\_\_\_\_  
Sandra D. Foland  
Typed Name

(Corporate Seal)

**AMENDMENT No. 2**  
**TO THE PROMISSORY NOTE – EQUIPMENT PURCHASE AGREEMENT R2004-0844**  
**Thirteenth Street Industrial Park, Inc. a Florida Corporation**

This Amendment No. 2 is made as of \_\_\_\_\_, by and between Palm Beach County, a political subdivision of the State of Florida, by and through its Board of County Commissioners, hereinafter referred to as "Lender", and the **THIRTEENTH STREET INDUSTRIAL PARK, INC., A FLORIDA CORPORATION** (hereinafter referred to as "Borrower").

**WITNESSETH:**

**WHEREAS**, on May 4, 2004, the Lender and Borrower entered into an Agreement (defined as "Agreement") approved by Agreement #R2004-0844 to provide loans under its Section 108 funded Community Development Business Loan program in the principal amounts of \$1,366,000 for acquisition of premises and \$320,000 for purchase of Machinery and Equipment; and

**WHEREAS**, On December 15, 2009, the Promissory Note for the purchase of Machinery and Equipment in the amount of \$320,000 approved by Agreement #R2009-2137 was amended to substitute language to clarify the payment due date; and

**WHEREAS**, the Lender and Borrower desire to amend the Promissory Note for the purchase of Machinery and Equipment as set forth below; and

**WHEREAS**, the Lender wishes to include Financial Statement and Tax Return language that are consistent with policies and guidelines.

**NOW, THEREFORE**, in consideration of the promises and mutual covenants hereinafter contained, the parties hereby amend the Promissory Note for the purchase of Machinery and Equipment as follows:

- I. Paragraph 3) is hereby deleted and replaced with the following:

Upon Lender's request, furnish or cause to be furnished to the Lender Borrower's and Guarantors' financial statements, to be delivered within 90 days of the fiscal year end for which requested. Any such financial statements as are requested shall be certified as true and correct by Borrower and/or Guarantors, shall be in accordance with GAAP, fairly present their financial condition as of the date provided, and shall be in form satisfactory to Lender.

- II. Paragraph 6) is hereby included as follows:

Furnish or cause to be furnished to the Lender annual federal tax returns of Borrower and Guarantors within 30 days of filing, but in no event later than October 15<sup>th</sup> following the close of any tax year. In addition, furnish or cause to be furnished to the Lender any state income tax returns of Borrower and Guarantors no later than thirty (30) days after the due date for filing same, including extensions.

All items in the Loan Agreement dated May 4, 2004, and the Amendment 001 to the Agreement dated December 15, 2009, and accompanying Loan Documents in conflict with this Amendment shall be and are hereby changed to conform to this Amendment.

All provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day set forth above.

ATTEST:

PALM BEACH COUNTY, FLORIDA, BY its  
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK,  
CLERK & COMPTROLLER

By: \_\_\_\_\_ By: \_\_\_\_\_  
Deputy Clerk Burt Aaronson, Chair

Approved as to Form and  
Legal Sufficiency:

Approved as to Terms and Conditions:

By: \_\_\_\_\_  
Assistant County Attorney

By: \_\_\_\_\_  
Sherry Howard, Director  
Economic Development Office

ATTEST: THIRTEENTH STREET INDUSTRIAL PARK, INC., A  
FLORIDA CORPORATION

By: \_\_\_\_\_ By: \_\_\_\_\_  
Witness: \_\_\_\_\_ Title: President

\_\_\_\_\_  
Sandra D. Foland  
Typed Name

(Corporate Seal)





R2009-2135

CFN 20100008901  
OR BK 23633 PG 0624  
RECORDED 01/08/2010 11:31:49

AMENDMENT TO THE AGREEMENT  
WITH

Thirteenth Street Industrial Park, Inc, a Florida corporation.

Amendment 001 entered into this DEC 15 2009 day of 2009 by and between Palm Beach County and Thirteenth Street Industrial Park, Inc, a Florida corporation.

WITNESSETH:

WHEREAS, Palm Beach County entered into an Agreement with Thirteenth Street Industrial Park, Inc, on May 4, 2004, approved by Document R2004-0844, to provide loans under its Section 108 funded Community Development Business Loan program in the principal amounts of \$1,366,000 for acquisition of premises and \$320,000 for purchase of machinery and equipment; and

WHEREAS, Item 7 (SPECIAL PROVISIONS)(a) of the loan agreement requires Thirteenth Street Industrial Park, Inc to create a minimum of seventy (70) jobs on a full time equivalent basis over a three year period, commencing with the issuance of a certificate of occupancy for the building on the premises; and

WHEREAS, certificate of occupancy was issued by the City of Riviera Beach in January 2006, causing the creation of the 70 jobs full time equivalent jobs to be due in January 2009; and

WHEREAS, in letter dated April 9, 2008, Thirteenth Street Industrial Park, Inc, indicated that they would not be able to create the 70 full time equivalent jobs by the contractual deadline; and

WHEREAS, the parties wish to modify the Agreement, and extend the deadline for the jobs to be created to no later than six years after issuance of the certificate of occupancy; and

NOW THEREFORE, the parties mutually agree that the original Agreement entered into on May 4, 2004, is hereby amended as follows:

A. Item 7 SPECIAL PROVISIONS (a):

Substitute "no later than six years" for "no later than three years".  
Substitute "six (6) year period" for "three year period".

B. All items in the Loan Agreement dated May 4, 2004 and accompanying Loan Documents in conflict with this Amendment shall be and are hereby changed to conform to this Amendment.

All provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

AGENCY SEAL

THIRTEENTH STREET INDUSTRIAL PARK, INC.

BY: Sandra D. Foland  
Sandra D. Foland, President *President*

R2009-2135 DEC 15 2009  
PALM BEACH COUNTY, Florida, a  
Political Subdivision of the State of Florida

FOR ITS BOARD OF COUNTY COMMISSIONERS

ATTEST:  
SHARON R. BOCK, Clerk and Comptroller

BY: Sharon R. Bock  
Deputy Clerk

BY: Burt Aaronson  
Burt Aaronson, Chair

Approved as to Form and Legal Sufficiency

BY: Tammy K. Fields  
Senior Assistant County Attorney

Approved as to Terms and Conditions

BY: Edward W. Lowery  
Edward W. Lowery, Director  
Housing and Community Development

Palm Beach County, Florida  
Sharon R. Bock, CLERK & COMPTROLLER  
Pg 0624; (1pg)

R2009-2136

AMENDMENT TO THE AGREEMENT

CFN 20100008902

WITH

OR BK 23633 PG 0625

Thirteenth Street Industrial Park, Inc, a Florida corporation.

DEC 15 2009

This Amendment entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009 by and between Palm Beach County and Thirteenth Street Industrial Park, Inc, a Florida corporation.

WITNESSETH:

WHEREAS, Palm Beach County entered into an Agreement with Thirteenth Street Industrial Park, Inc, on May 4, 2004, approved by Document R2004-0844, to provide loans under its Section 108 funded Community Development Business Loan program in the principal amounts of \$1,366,000 for acquisition of real property and \$320,000 for purchase of machinery and equipment; and

WHEREAS, Paragraph 1 of the promissory note for the acquisition of premises in the amount of \$1,340,000.00 signed and dated May 29, 2004 states "This Note shall bear interest computed at the stated rate of London Interbank Offered Rate (LIBOR) for six months...in effect on July 1, 2004 plus One (1%) percent annum on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement."; and

WHEREAS, interest on the outstanding principal balance is computed by Palm Beach County based on the stated LIBOR rate for six months as published in the Wall Street Journal seven (7) days prior to the payment due date, plus one percent (1%);

NOW THEREFORE, the effective date for computing interest under the promissory note for the acquisition of property as signed and dated on May 29, 2004 is hereby amended as follows:

A. Item 1:

Substitute "seven (7) days prior to the payment due date each month" for "in effect on July 1, 2004"

B. All items in the Loan Agreement dated May 4, 2004 and accompanying Loan Documents in conflict with this Amendment shall be and are hereby changed to conform to this Amendment.

All provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

AGENCY SEAL

THIRTEENTH STREET INDUSTRIAL PARK, INC.

*Sandra D. Foland*  
BY: President

Sandra D. Foland, President

R2009-2136

DEC 15 2009

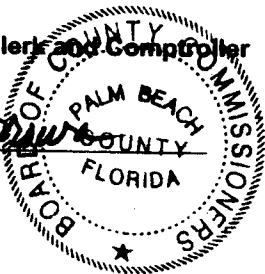
PALM BEACH COUNTY, Florida, a  
Political Subdivision of the State of Florida

FOR ITS BOARD OF COUNTY COMMISSIONERS

ATTEST:

SHARON R. BOCK, Clerk and Comptroller

BY: *Diane Bock*  
Deputy Clerk



BY: *Burt Aaronson*  
Burt Aaronson, Chair

Approved as to Form and Legal Sufficiency

BY: *Tammy K. Fields*  
Tammy K. Fields  
Senior Assistant County Attorney

Approved as to Terms and Conditions

BY: *Edward W. Lowery*  
Edward W. Lowery, Director  
Housing and Community Development

S:\2009\_10\Section 108\Baron Signs\Contract Amendment # 2 Baron Signs.docx



I hereby certify that the foregoing is a true copy of the record in my office.

RECORDED 01/08/2010 11:31:43  
Palm Beach County, Florida  
Sharon R. Bock, CLERK & COMPTROLLER  
Pg 0625; (1pg)

R20092137



## AMENDMENT TO THE AGREEMENT

WITH

Thirteenth Street Industrial Park, Inc, a Florida corporation.

CFN 20100008903

OR BK 23633 PG 0626

DEC 15 2009

This Amendment entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009 by and between Palm Beach County and Thirteenth Street Industrial Park, Inc, a Florida corporation.

## WITNESSETH:

WHEREAS, Palm Beach County entered into an Agreement with Thirteenth Street Industrial Park, Inc, on May 4, 2004, approved by Document R2004-0844, to provide loans under its Section 108 funded Community Development Business Loan program in the principal amounts of \$1,366,000 for acquisition of real property and \$320,000 for purchase of machinery and equipment; and

WHEREAS, Paragraph 1 of the promissory note for the purchase of equipment in the amount of \$320,000 signed and dated May 29, 2004 states "This Note shall bear interest computed at the stated rate of London Interbank Offered Rate (LIBOR) for six months...in effect on July 1, 2004 plus One (1%) percent annum on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement."; and

WHEREAS, interest on the outstanding principal balance is computed by Palm Beach County based on the stated LIBOR rate for six months as published in the Wall Street Journal seven (7) days prior to the payment due date, plus one percent (1%);

NOW THEREFORE, the effective date for computing interest under the promissory note for the purchase of equipment as signed and dated on May 29, 2004 is hereby amended as follows:

A. Item 1:

Substitute "seven (7) days prior to the payment due date each month" for "in effect on July 1, 2004"

B. All items in the Loan Agreement dated May 4, 2004 and accompanying Loan Documents in conflict with this Amendment shall be and are hereby changed to conform to this Amendment.

All provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

## AGENCY SEAL

## THIRTEENTH STREET INDUSTRIAL PARK, INC.

*Sandra D. Foland*

BY: *President*  
Sandra D. Foland, President

R20092137

DEC 15 2009

PALM BEACH COUNTY, Florida, a  
Political Subdivision of the State of Florida

FOR ITS BOARD OF COUNTY COMMISSIONERS

## ATTEST:

SHARON R. BOCK, Clerk and Comptroller

BY: *Diane Brown*  
Deputy Clerk

BY: *Burt Aaronson*  
Burt Aaronson, Chair

## Approved as to Form and Legal Sufficiency

BY: *Tammy K. Fields*  
Tammy K. Fields  
Senior Assistant County Attorney

## Approved as to Terms and Conditions

BY: *Edward W. Lowery*  
Edward W. Lowery, Director  
Housing and Community Development

S:\2009\_10\Section 108\Baron Signs\Contract Amendment # 3 Baron Signs.docx

STATE OF FLORIDA - PALM BEACH COUNTY

I hereby certify that the

RECORDED 01/09/2010 11:31:49  
Palm Beach County, Florida  
Sharon R. Bock, CLERK & COMPTROLLER  
Pg 0626; (1pg)

LOAN AGREEMENT

MAY 04 2004

THIS AGREEMENT, dated as of this \_\_\_\_ day of May, 2004, by and between Palm Beach County, a political subdivision of the State of Florida, (hereinafter referred to as the "County" and the "Lender") and THIRTEENTH STREET INDUSTRIAL PARK, INC., a Florida corporation, whose Federal I.D. number is #20-061-4262 (the "Borrower").

1. RECITALS.

(a) Borrower is purchasing approximately 4.39 acres of real property approximately 500 feet west of the corner of 13<sup>th</sup> Street and Old Dixie Highway in Riviera Beach, Palm Beach County, Florida, as more particularly described in Exhibit "A", attached hereto and made a part hereof, (the "Premises") in order to construct a 40,000 square foot manufacturing facility, ("the Improvements").

(b) Borrower has applied to the County for a loan in the principal amounts of \$1,340,000.00 and \$320,000.00 (the "Loan") to be used by Borrower. Borrower intends to acquire the premises and to purchase equipment and machinery for business operations.

(c) Borrower and the County have negotiated the terms and conditions of, and wish to enter into, this Agreement in order to set forth the terms and conditions for the disbursement of the Loan.

(d) Fidelity Federal Bank and Trust, has agreed to finance \$1,366,000.00 for the construction of the Improvements pursuant to a separate loan to Borrower, secured by a separate mortgage, encumbering the Premises (the "First Mortgage").

NOW, THEREFORE, in consideration of the premises, and of the mutual covenants and agreements set forth below the receipt and sufficiency of which is hereby acknowledged, Borrower and the County agree as follows:

2. THE LOAN. Subject to approval by the United States Department of Housing and Urban Development and availability of Funds and in accordance with the Agenda Item # 6D -1 (March 12, 2002) as amended, the County shall make a Loan to Borrower in amounts not to exceed \$1,340,000.00 for acquisition of the Premises and \$320,000.00 for machinery and equipment purchase upon the terms and conditions set forth herein, and at the rates and terms set forth in its Note and Mortgage attached hereto as Exhibit "B" and "C" respectively, and Borrower shall take the Loan and expressly agrees to comply with and to perform all of the terms and conditions of this Loan Agreement, the Note, the Mortgage and any other documents evidencing and securing this Loan (collectively hereinafter referred to as the "Loan Documents").

3. RIGHT TO AUDIT AND COMPLIANCE. The Borrower shall maintain adequate financial and personnel records to justify all charges, expenses and costs incurred for completion of the Improvements for at three (3) least years after completion and to verify compliance with

paragraph 7 (a) of this Agreement regarding compliance with the national objective of job creation. Further, Borrower agrees to comply with Palm Beach County and federal requirements of the Section 108 Program. The County shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the Borrower's place of business.

4. CONDITIONS PRECEDENT TO CLOSING. The conditions listed below are conditions precedent to the County's acceptance of the Loan Documents and disbursement of funds and shall be complied with in form and substance satisfactory to the County prior to closing:

(a) Title Insurance:

(i) At least twenty (20) days before closing, Borrower shall deliver to County a title commitment issued by a title insurance company qualified to do business in the State of Florida and acceptable to County, agreeing to issue to County upon recordation of the Mortgage a Lender's Title Insurance Policy in the amount of said Mortgage, subject only to the Permitted Exceptions listed on Exhibit "D" attached hereto and made a part hereof. Said commitment shall have attached to it copies of all exceptions referred to in the title commitment. The cost of said title commitment and policy and any premium therefore shall be borne by Borrower. Borrower shall provide title insurance for the Property and the existing Lake Park building.

(ii) County shall have fifteen (15) days after receipt of the title insurance commitment in which to review the same. In the event the title insurance commitment shall show as an exception any matter other than the Permitted Exceptions, County shall notify Borrower of its objections there to and Borrower shall act to remove such exceptions, which exception shall be deemed to constitute title defects. The Borrower shall be entitled to thirty (30) days from the day of notification (with the term of Closing Date if necessary) within which to cure such defects or make arrangements with the title insurer for the removal of any such objections from the commitment. If the defect shall not have been so cured or removed from the commitment by endorsement thereto with the termination of said thirty (30) day period, the County shall have the option of accepting title as it then exists or terminating this Loan Agreement, by giving written notice thereof to Borrower, in which event the parties shall be relieved of all further obligations hereunder.

(iii) The title insurance commitment shall be endorsed at closing to remove any and all requirements of pre-conditions to the issuance of a Lenders Title Insurance Policy, and to delete any exceptions for: (a) any rights or claims or parties in possession not shown by the public records; (b) encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the Premises; (c) unrecorded easements and claims of liens; (d) taxes for the year of closing and all prior years; (e) matters arising or attaching subsequent to the effective date of the commitment but before the Mortgage becomes recorded in the Public Records.

(b) Survey: Borrower shall deliver to the County a current certified survey prepared by a surveyor acceptable to the County of the Premises showing the following:

(i) the location of the perimeter of the Premises by courses and distances and perimeter footings in place, and by reference to Township, Range, Section:

(ii) the location of and the identification by reference to recording data of all easements, rights-of-way, conditions and restrictions on or appurtenant to the Premises:

(iii) the location of all building setback lines:

(iv) the lines of the streets abutting the Premises and the width thereof:

(v) all encroachments, and the extent thereof in feet and inches upon the Premises;

(vi) if the Premises are described as being on a filed map, a legend relating the plat of survey to such map;

(vii) flood zone certification; and

(viii) any other notations required for the deletion of the survey exception from the Title Insurance Policy to be issued in accordance with paragraph 4(a) above and any other requirements requested by the County.

(c) Two (2) Promissory Notes: The Notes, in a form acceptable to the County Attorney, shall be duly authorized, executed and delivered to the County;

(d) Mortgage: The Mortgage, in a form acceptable to the County Attorney, shall be duly authorized, executed, acknowledged, delivered to the County, and when recorded, shall be a valid second mortgage lien on the Premises and on all fixtures, machinery, equipment and personal property owned by Borrower to be used in connection with the Improvements.

(e) Mortgagor's Affidavit: An affidavit of Borrower shall be executed and delivered to the County as required by the Title Insurer as noted in paragraph 4 (a) above, certifying to all such facts as are required to delete the Standard Exceptions from the Lender's Title Insurance Policy and certifying that no liens exist on the Premises for taxes not yet due and payable and that no other parties are entitled to possession except as otherwise provided herein.

(f) Assignment of Rents: Assignment of Rents in form and content acceptable to County and County Attorney and duly authorized, executed and delivered to the County;

(g) Personal Guarantees: Unconditional, irrevocable and continuing Personal Guarantees of Sandra D. Foland and Gerald Foland in form and content acceptable to County and County Attorney;

(h) Corporate Guarantees: Unconditional, Irrevocable and Continuing Corporate guarantees of The Baron Group, Inc. and S & G Partnership;

(i) Security Agreement: Security Agreement and UCC-1 Financing Statements in form and content acceptable to County and County attorney which shall represent a first security interest in all machinery and equipment purchased by the Borrower with the loan proceeds;

(j) Corporate Resolutions: Corporate resolutions and Incumbency Certificates from Borrower and all Corporate guarantors authorizing this loan transaction in form and substance acceptable to County and County's attorney;

(k) Closing Statements: Closings statements in form and substance acceptable to County and County's attorney;

(l) Warranty Deed: Certified Copy of Warranty Deed transferring title to Borrower;

(m) Lease: Certified Copy of the Commercial Lease between Borrower and The Baron Group, Inc.

(n) Additional Requirements: Such other documents, instruments and information as shall be reasonably required by County, United States Department of Housing and Urban Development and County Attorney including without limitation, a properly perfected mortgage on the existing manufacturing facility in Lake Park, Environmental Indemnity Agreement, a Security interest in all automobiles and trucks owned by The Baron Group, Inc., S&G Partnership and the Borrower;

(o) Public Requirements: Borrower shall deliver to the County:

(i) letters from local utility companies or municipal authorities stating that electricity, telephone, sewer and water facilities will be available to the Premises upon the completion of the intended Improvements,

(ii) a letter from the appropriate Zoning Department certifying as to compliance with all zoning and land use regulations including but not limited to compliance with parking requirements, a copy of the applicable zoning ordinances certified by an appropriate official to be a complete and accurate statement thereof, and an up-to-date zoning map similarly certified,

(iii) evidence satisfactory to the County that all roads necessary for the full utilization of the intended Improvements for their intended purposes have either been acquired by the appropriate governmental authorities or have been dedicated to public use and accepted by such governmental authorities and that all necessary steps have been taken by Borrower and such governmental authorities to assure the complete construction and installation thereof,

(iv) copies of subdivision plats, restrictive covenants, plans of developments, and all other documents required by the local zoning and subdivision ordinances, and such other documents required by and satisfactory to the County; and evidence satisfactory to the County and its counsel that the Final Plans conform to all federal, state, and local laws, ordinances, rules and regulations, including, but not limited to, laws of the State of Florida regulating air and water pollution and land use,

(v) copies of all necessary approvals from appropriate environmental protection agencies, and

(vi) satisfactory soil test report;

(p) Corporate Documents: Borrower and Corporate Guarantors shall deliver to the County the following documents:

(i) The Articles of Incorporation of the Borrower and Guarantors and all amendments thereof, certified by the appropriate official of the State of Florida, together with certificates of such official to the effect that Borrower is in good standing therein;

(ii) certified resolutions of the Borrower and Corporate Guarantors authorizing the execution and delivery of this Agreement, the Mortgage, Note and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement;

(q) Flood Insurance: Borrower shall deliver to the County evidence satisfactory to the County either that the Premises are not within a hazardous flood area as designated by the Department of Housing and Urban Development and any other governmental authority, or if the Premises are within such a hazardous area, that the Premises are covered by flood insurance supplied by the federal Insurance Administration to the maximum amount available, all as provided in the Flood Disaster Protection Act of 1973, as amended, together with appropriate endorsements thereto providing for the County's interests in the same manner as the Builder's Risk Insurance, including without limitation that such insurance will not be canceled without 30 days notice to the County. Borrower agrees that the County shall have the right to take any action necessary to continue said insurance in full force and effect including, but not limited to, paying premiums. Any funds disbursed to continue said policies in full force and effect shall be considered as Disbursements hereunder and shall bear interest from the date of disbursement at the same rate as other Disbursements and payment of said funds and interest shall be secured by the Mortgage. Satisfactory evidence of flood area designation shall be a certification from the Surveyor appearing on the survey drawing;

(r) Opinion of Borrower's Counsel: Borrower shall deliver to the County an opinion of counsel for Borrower and addressed to the County, such counsel to be reasonably satisfactory to the County, to the effect that:



(i) This Loan Agreement and all Loan Documents and any other documents required to be delivered hereunder have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms.

(ii) that Borrower and each Corporate guarantor is a Florida corporation or partnership is in good standing under the laws of the State of Florida and has all the necessary power and authority to undertake its obligations hereunder,

(iii) that Borrower is in compliance with all laws, regulations, ordinances and orders of all governmental authorities, including, but not limited to, all applicable federal and state securities laws, and all laws of the State of Florida, applicable to the type of development contemplated hereunder,

(iv) that the proposed construction of the Improvements and proposed use of the Premises comply with all applicable zoning and building laws and regulations, and all other applicable federal, state and local laws, ordinance and regulations, and that all permits and approvals required by all governmental agencies regulating air and water pollution have been obtained, and Florida Statute Chapter 380 pertaining to Development of Regional Impact (including the Aggregation Rule) as it relates to the Premises is not applicable,

(v) that there is no charter or bylaw of Borrower or Guarantors and no provision of any existing mortgage, indenture, contract or agreement known to such counsel binding on Borrower or Guarantors or affecting its property which could conflict with or in any way prevent the execution, delivery and carrying out of the terms of this Agreement,

(vi) that to counsel's knowledge there are no proceedings pending or threatened before any court or administrative agency which will materially adversely affect the financial condition or operation of Borrower or the Premises, including but not limited to bankruptcy, reorganization or insolvency proceeding or any other debtor-creditor proceedings under the Bankruptcy Code or any similar statute, nor to counsel's knowledge are there any finance circumstances within counsel's knowledge which could lead to such proceedings,

(vii) that upon recording, the lien of the Mortgage is a valid lien on the Premises and, upon filing, the security interests described in the mortgage are good and valid security interests.

(viii) such other matters as the County may reasonable require.

(s) Expenses: Borrower shall have paid all those fees and charges due and payable or ordered paid by the County as provided herein under Paragraph 6 of this Loan Agreement entitled Expenses;

(t) Other Documents: Borrower shall deliver to the County such other documents and information as the County may reasonably require; and

(u) Representations and Warranties: The representations and warranties of Borrower as set forth in this Agreement and the Loan Documents are true and correct.

5. DISBURSEMENT OF LOAN FUNDS: Upon receipt of documentation evidencing Closing Costs associated with acquiring the Premises by Borrower, the County shall disburse the Loan funds to Borrower in an amount not to exceed \$1,340,000.00. Disbursements of funds for equipment and machinery purchase (\$320,000.00) shall be made upon receipt of Certificates of Title, Bills of Sale and/or invoices reflecting the cost, identification numbers, make, model and/or manufacturer of the equipment or machinery purchased or to be purchased by Borrower. The County shall not disburse funds for equipment or machinery purchases without adequate assurance that the Borrower holds legal title to the equipment and machinery upon which the County will file a security interest. All purchasing of equipment and machinery shall be made by purchase order or by a written contract and in conformity with the procedures prescribed by the Palm Beach County Purchasing Ordinance, as well as 48 CFR Part 31 and 24 CFR 84.40-48, which are incorporated herein by reference. The County reserves the right to make additional reasonable requirements with respecting to funding equipment and machinery purchases. Payment will not be made hereunder for any other purpose or purposes except with prior written approval of the Board of County Commissioners of Palm Beach County.

6. EXPENSES: Borrower shall pay fees and charges incurred in the procuring and making of this Loan, if applicable, and other expenses incurred by the County during the term of the Loan, including the Title Insurance Company's fees and premiums, charges for examination of title to the Premises, expenses of surveys, Florida Documentary Stamp Taxes, recording expenses, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon the Premises, and any other amounts necessary for the payment of the costs of Improvements.

7. SPECIAL PROVISIONS: Borrower expressly agrees to the following terms and conditions:

(a) Borrower acknowledges that the County loan funds and beneficial interest rate are made available under a national program administered by the United States Department of Housing and Urban Development. Under this program, one of the national objectives is to provide economic opportunities for low to moderate income persons. Borrower further acknowledges the acquisition funds will allow Borrower to expand its workforce and to consolidate its business operations. Therefore, Borrower covenants and agrees that, subsequent to the effective date of this Agreement and no later than three years after issuance of a certificate of occupancy for the building on the Premises, the Borrower shall create a minimum of seventy (70) jobs, on a full time equivalent basis, where at least fifty one (51%) percent of the jobs created over the three(3) year period will be made available to low and moderate income persons, and where a full time job shall mean employment for a minimum of 2,080 hours per year. Borrower covenants and agrees that these seventy (70) full time equivalent jobs shall correspond to the job descriptions and wages as set forth in Exhibit "E". Borrower covenants and agrees to comply with the rules, regulations and requirements imposed by

the County, and the United States Department of Housing and Urban Development with respect to this loan and transaction. Low and moderate income status shall be based on the person's income at the time of hire and is not affected by subsequent raises or promotions. Said jobs shall include, but are not limited to, the jobs listed in Exhibit "E". In the event of any sale or transfer of any portion of the Premises, the job requirements contained in this paragraph will remain unchanged.

The provisions of this clause shall survive termination of this Agreement.

(b) The Borrower shall not discriminate on the basis of race, creed, religion, color, sex, marital status, sexual orientation, national origin, age, familial status or disability in the use of the Premises and the creation of jobs.

(c) The Mortgage shall not be subject to any prepayment penalty.

(d) The Mortgage shall become immediately due and payable upon sale, transfer, or refinancing.

(e) The Mortgage shall be non-assumable.

(f) During the term of the Acquisition and Equipment Purchase Loan, the Borrower shall maintained a Debt Service Coverage Ratio of 1.2. Debt service coverage is defined as net operating income divided by principal and interest payments for all existing debt. Net Operating Income is defined as gross income minus operating expenses. Whenever the debt service coverage ratio falls below the required 1.2, it shall be the responsibility of Borrower to provide additional cash into the Premises and Improvements without placing additional liens or mortgages on the Premises or Improvements.

All conditions shall terminate twenty (20) years from the date of closing on the Loan. These conditions and covenants will be recorded in the land records of Palm Beach County, Florida by inclusion in the mortgage and/or by separate document satisfactory to the County's Attorney citing the granting of this loan and mortgage as consideration.

8. REPRESENTATIONS AND WARRANTIES OF BORROWER. Borrower represents and warrants (which representations and warranties shall be deemed continuing) as follows:

(a) Organization Status. Borrower is a Florida Corporation duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein. Borrower is duly authorized to borrow from County the principal sums of \$1,340,000.00 and \$320,000.00 and execute all Loan the documents pertaining thereto.

(b) Financial Statements. The Financial statements of Borrower heretofore reviewed with the County are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles, and fairly present the respective financial conditions of the subjects thereof as of the respective dates thereof, and no material adverse change has occurred in the financial conditions reflected therein since the respective dates thereof and no additional borrowings have been made by Borrower since the date thereof;

(c) Authority to Enter into Loan Documents. The Borrower has full power and authority to enter into the Loan Documents and consummate the transactions contemplated hereby, and the facts and matters expressed or implied in the opinions of its legal counsel are true and correct;

(d) Validity of Loan Documents. The Loan Documents have been approved by those persons having proper authority, and to the best of Borrower's knowledge are in all respects legal, valid and binding according to their terms;

(e) Conflicting Transactions of Borrower. The consummation of the transaction hereby contemplated and the performance of the obligations of Borrower under and by virtue of the Loan Documents will not result in any breach of, or constitute a default under, any other Agreement to which Borrower is a party or by which it may be bound or affected;

(f) Pending Litigation. There are no actions, suits or proceedings pending before any court or law equity, or any Administrative Board, or, to the knowledge of the Borrower, threaten against or affecting it or the Premises, or, involving the validity or enforceability of the Mortgage, or of any of the Loan Documents.

(g) Availability of Utilities. All utility services necessary for the construction of the Improvements and the operation thereof for their intended purpose are or will be available at the boundaries of the Premises, including water supply, storm and sanitary sewer facilities, and electric and telephone facilities, and Borrower has obtained all necessary permits and permissions required from governmental authorities for unrestricted access to and use of such services in connection with the construction and use of the intended Improvements;

(h) Condition of Premises. The Premises are not now damaged or injured as a result of any fire, explosion, accident, flood or other casualty, and to Borrower's knowledge there are no soil conditions which would materially interfere with the construction of the Improvements;

(i) Availability of Roads. All roads necessary for the full utilization of the intended Improvements for their intended purposes have either been completed or the necessary rights of way therefor have either been acquired by the appropriate local authorities or have been dedicated to public use and accepted by such local authorities and all necessary steps have been taken by Borrower and such local authorities to assure the complete construction and installation thereof;

(j) No Default. There is no default on the part of the Borrower under this Loan

Agreement, the Note or the Mortgage, and no event has occurred and is continuing which with notice, or the passage of time, or either, would constitute a default under any provision thereof; and

(k) Advertising. During the period of the construction of the Improvements, the County shall have the right to install and maintain on the Premises one or more signs identifying the County, or to be identified on such signs installed by others, as one of the institutions financing the Premises. Sign or signs will be provided by the County and erected at Borrower's expense.

(l) Hazardous Waste. Borrower is in compliance with all provisions of the federal Water Pollution Control Act, Comprehensive Environmental Response, Compensation and Liability ("Superfund") Act of 1980 and Solid Waste Disposal Act, Florida Statutes, Chapter 376, and other similar federal, state and local statutory schemes imposing liability on Borrower relating to the generation, storage, impoundment, disposal, discharge, treatment, release, seepage, emission, transportation or destruction of any sewage, garbage, effluent, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), toxic, hazardous or radioactive materials, petroleum products, pesticides, smoke, dust, or any other form of pollution as such laws are in effect as of the date of this Agreement and with any rules, regulations and order issued by any federal, state or local governmental body, agency or authority thereunder and with any orders or judgments of any courts of competent jurisdiction with respect thereto, and no assessment, notice of (primary or secondary) liability or notice of financial responsibility, or the amount thereof, or to impose civil penalties has been received by the Borrower. Borrower has paid any environmental excise taxes imposed pursuant to Sections 4611, 4661 or 4681 of the Internal Revenue Code of 1986, as from time to time amended.

(m) The Borrower has filed all Federal, State and local tax reports and returns required by any law or regulation to be filed by them, and have either duly paid all taxes, duties and charges indicated due on the basis of such returns and reports, or made adequate provisions for the payment thereof, and the assessment of any material amount of additional taxes in excess of those paid and reported is not reasonably expected.

9. ADDITIONAL COVENANTS OF BORROWER. Borrower covenants and agrees with the County as follows:

(a) Mechanics' Liens. Borrower (i) will allow no work or construction to be commenced on the Premises, or goods specially fabricated for incorporation therein, which has not been fully paid for prior to the recording of the Mortgage and Notice of Commencement or which could constitute a lien on the Premises (ii) will cause a certified copy of the Notice of Commencement to be posted as required by Chapter 713, Florida Statutes, as soon as possible after recording the Notice of Commencement, (iii) shall notify the County of any and all Notices to Borrower as Owner as that term is defined in Chapter 713, Florida Statutes, within five (5) days of receipt thereof, and (iv) will comply with all provisions of the Florida Mechanics' Lien Law, including but not limited to, payment and notice provisions contained therein. Borrower shall indemnify and hold the County harmless from the claims of any mechanics' lien or equitable lien and pay promptly upon demand any loss or losses which the County may incur as a result of the filing of any such lien, including the reasonable

practices showing the financial condition of Borrower at the close of each year and the results of operations of Borrower during each year;

(iii) with the statements submitted under (ii) above, a certificate signed by the principal financial officer of Borrower to the effect that no Event of Default specified herein, nor any event which upon notice or lapse of time or both, would constitute such an Event of Default, has occurred which has not been cured or otherwise waived in writing by the Lender; and

(iv) on a quarterly basis, the Borrower shall submit written reports detailing when the low and moderate income individuals are hired, how often and how much they are paid, job descriptions and such other reasonable information as required by the County; and

(v) promptly, from time to time, such other information regarding the operations, business, affairs and financial condition of Borrower as the County may reasonably request.

(f) Borrower to Maintain Bookkeeping System. Borrower shall, if required by the County, maintain a bookkeeping system to the construction project in form and content sufficient for the County and Inspector to conduct reviews, inspections, certifications and reports required by this Agreement. The County shall have full (but confidential) access, as allowed under the Public Records Law, at any reasonable time to the books, records and contracts pertaining to the Premises and Borrower.

(g) Insurance Proceeds. The Borrower shall keep the Premises continually insured in an amount not less than full insurable value of the Premises, which coverage shall insure the Premises against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the County, in its sole discretion, shall from time to time require, for the benefit of the County. All such insurance at all times will be in an insurance company or companies in such amounts and with terms acceptable to the County, with loss, if any, payable to the County, as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to the County; and forthwith upon the issuance of such policies they will deliver to the County copies of receipts for the premiums paid thereon and certificates of insurance and certified copies of such policies. Any policies furnished the County shall become its property in the event the County becomes the owner of the Premises by foreclosure or otherwise. Subject to the provisions of the First Mortgage, should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Premises, then in such event, County and Borrower may jointly elect to use the proceeds for the reconstruction and repair of the Premises or, in the alternative, to apply the net proceeds to the payment of the indebtedness hereby secured, whether then due or not.

(h) Indebtedness. With respect to the Premises encumbered by the Borrower of even date herewith, Borrower will not incur, create, assume or permit to exist any indebtedness constituting the deferred purchase price of any property or assets, or any indebtedness or liability evidenced by notes, bonds, debentures or similar obligations without the written approval of the County, except indebtedness owed the County and the aforementioned First Mortgage; provided however, that the

First Mortgage shall not exceed the amounts contained in the recitals incorporated in this Loan Agreement.

(i) Further Assurances and Preservation of Security. Borrower will do all acts and execute all documents for the better and more effective carrying out of the intent and purposes of this Loan Agreement, as the County shall reasonably require from time to time, and will do such other acts necessary or desirable to preserve and protect the collateral at any time securing or intending to secure the Note, as the County may reasonably require.

(j) No Assignment. Borrower shall not assign this Loan Agreement or any interest therein and any such assignment is void and of no effect.

10. INSPECTIONS. Borrower will permit County, or its representatives to enter upon the Premises, inspecting Improvements and all materials to be used in the construction thereof, and to observe and inspect the delivery and/or machinery and/or equipment funded by the County Loan, to examine the personal and other records to verify employment and to examine all details, plans and shop drawings which are kept at the construction site, and will cooperate, and cause Borrower's general contractor and subcontractors to cooperate with the County's representative.

11. DEFAULT. The following events shall be deemed Events of Default:

(a) Bankruptcy. If there is filed by or against Borrower a petition in bankruptcy or a petition for the appointment of a receiver or trustee of the property of Borrower and any such petition not filed by Borrower is not dismissed within sixty (60) days of the date of filing, or if Borrower files a petition for reorganization under any of the provisions of the Bankruptcy Code or of any assignment for the benefit of creditors or makes any insolvency assignment or is adjusted insolvent by any court of competent jurisdiction; or

(b) Breach of Covenants, Warranties and Representations. If any warranty or representation made by Borrower in this Loan Agreement or in any other Loan Document shall at any time be false or misleading in any material respect, or if Borrower shall fail to keep, observe or perform any of the terms, covenants, representations or warranties contained in this Loan Agreement, the Note, the Mortgage, the Loan Documents, and any other document given in connection with the Loan or development of the Improvement (provided, that with respect to nonmonetary defaults, the County shall give written notice to Borrower, who shall have thirty (30) days to cure), or is unwilling to meet its obligations thereunder; or

(c) Material Adverse Change of Borrower. If any material adverse change shall occur in the financial condition of Borrower at any time during the term of the Loan from the financial condition revealed in statements already presented to and accepted by the County; or

(d) Use of Funds. Borrower shall fail to use all funds under this loan agreement for costs associated with the Acquisition of the Premises by December 31, 2004. In the event the Borrower fails to use all funds by December 31, 2004, all remaining funds shall revert to the County and the County may reallocate for other projects or needs.

(e) Construction Completion. Borrower shall fail to complete construction of the Improvements and secure a Certificate of Occupancy for the Improvements by September 30, 2005.

(f) First Mortgage. Borrower shall default under the First Mortgage in favor of Fidelity Federal Bank and Trust which is not cured within applicable cure periods.

(g) Debt Service Coverage. Failure of Borrower to maintain the required Debt Service Coverage Ratio.

(h) Promissory Notes. Failure to pay any and all obligations owed under the Notes or any other Loan Documents.

12. REMEDIES OF LENDER. Upon the happening of an Event of Default, then the County may, at its option, upon written notice to Borrower:

(a) Cancel this Loan Agreement;

(b) Commence an appropriate legal or equitable action to enforce performance of this Loan Agreement;

(c) Accelerate the payment of the Note and any other sums secured by the Mortgage, and commence appropriate legal and equitable action to foreclose the Mortgage and collect all such amounts due the County;

(d) Exercise any other rights or remedies the County may have under the Mortgage or other Loan Documents executed in connection with the Loan or which may be available under applicable law.

13. GENERAL TERMS. The following shall be applicable throughout the period of this Agreement or thereafter as provided herein:

(a) Rights of Third Parties. All conditions of the County hereunder are imposed solely and exclusively for the benefit of the County and its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or be entitled to assume that the County will make Disbursements in the absence of strict compliance with any or all thereof, and no other person shall, under any circumstances, be deemed to be a beneficiary of this Loan Agreement or the Loan Documents, any provisions of which may be freely waived in whole or in part by the County at any time if, in its sole discretion, it deems it desirable to do so. In particular, the County makes



no representations and assumes no duties or obligations as to third parties concerning the quality of the construction by Borrower of the Improvements or the absence thereof of defects.

(b) Borrower is not the County's Agent. Nothing in this Agreement, the Note, the Mortgager or any other Loan Document shall be construed to make the Borrower the County's agent for any purpose whatsoever, or the Borrower and the County partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.

(c) The County Not Liable for Damage or Loss. All inspections and other services rendered by or on behalf of the County pursuant to this Loan Agreement shall be rendered solely for the protection and benefit of the County. Neither Borrower nor other third persons shall be entitled to claim any loss or damage against the County or against its agents or employees for failure to properly conduct inspections and other such services contemplated by this Loan Agreement.

(d) The County Not Obligated to Insure Proper Disbursement of Funds to Third Parties. Nothing contained in this Agreement, or any Loan documents, shall impose upon the County any obligation to oversee the proper use or application of any disbursements and disbursements of funds made hereunder.

(e) Indemnification from Third Party Claims. Borrower shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Loan proceeds to Borrower or from the condition of the Premises, whether related to the quality of construction or otherwise, and whether arising during or after the term of the Loan. This provision shall survive the repayment of the Loan and shall continue in a full force and effect so long as the possibility of such liability, claims, or losses exists.

(f) Rights of Subcontractors, Laborers and Materialmen. In no event shall this Agreement be construed to make the County, Title Company or agent of the County liable to Borrower's Contractor or any subcontractors, laborers, materialmen, craftsmen, or others for labor, materials, or services delivered to the Premises or goods specially fabricated for incorporation therein, or for debts or liens accruing or arising to such persons or parties against Borrower or Borrower's Contractor. It is distinctly understood and agreed that there is no relation of any type whatsoever, contractual or otherwise, whether express or implied, between the County and Borrower's Contractor, any materialman, subcontractor, craftsman, laborer or any other person or entity supplying any labor, materials or services to the Premises or specially fabricating goods to be incorporated therein. Except as otherwise specifically provided herein, no such person or entities are intended to be third party beneficiaries of this Agreement or any document or instrument related to the Loan or to have any claim or claims in or to any undisbursed or retained Loan proceeds.

(g) Evidence of Satisfaction of Conditions. The County shall, at all time, be free independently to establish to its good faith and satisfaction, and in its absolute discretion, the existence or nonexistence of a fact of facts which are disclosed in documents or other evidence required by the terms of this Agreement.

(h) Headings. The headings of the sections, paragraphs and subdivisions of this Agreement are for the convenience of reference only, and shall not limit or otherwise affect any of the terms hereof.

(i) Invalid Provisions to Affect No Others. If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

(j) Application of Interest to Reduce Principal Sums Due. In the event that any charge, interest or late charge is above the maximum rate provided by law, then any excess amount over the lawful rate shall be applied by the County to reduce the principal sum of the Loan or any other amounts due the County hereunder.

(k) Governing Law. The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement and the venue shall be in Palm Beach County.

(l) Number and Gender. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the others and shall apply jointly and severally.

(m) Agreement. This Loan Agreement, Notes, Mortgage and other Loan Documents constitutes the entire understanding and agreement between the parties with respect the subject matter hereof and may not be modified or amended, except in writing and signed by all parties hereto.

(n) Waiver. If the County shall waive any provisions of the Loan Documents, or shall fail to enforce any of the conditions or provisions of this Loan Agreement, such waiver shall not be deemed to be a continuing waiver and shall never be construed as such; and the County shall thereafter have the right to insist upon the enforcement of such conditions or provisions. Furthermore, no provision of this Agreement shall be amended, waived, modified, discharged or terminated, except by instrument in writing signed by the parties hereto.

(o) Notices. All notice from the Borrower to the County and the County to Borrower required or permitted by any provision of this agreement shall be in writing and sent by registered or certified mail and addressed as follows:

TO LENDER:

Board of County Commissioners  
c/o Palm Beach County Attorney's Office  
Suite 601  
301 N. Olive Avenue

West Palm Beach, FL 33401

TO BORROWER: Thirteenth Street Industrial Park, Inc.  
1099 Newman Road  
Lake Park, Florida 33408  
Attn: Sandra D. Foland

Such addresses may be changed by written notice to the other party.

(p) Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their heirs, legal representatives, successors and assigns; but nothing herein shall authorize the assignment hereof by the Borrower.

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

(r) Waiver of Jury Trial. BORROWER WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION, WHETHER ARISING IN CONTRACT OR TORT, BY STATUTE OR OTHERWISE, IN ANY WAY RELATED TO THIS LOAN. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE COUNTY'S EXTENDING CREDIT TO BORROWER AND NO WAIVER OF LIMITATION OF THE COUNTY'S RIGHTS UNDER THIS PARAGRAPH SHALL BE EFFECTIVE UNLESS IN WRITING AND MANUALLY SIGNED ON THE COUNTY'S BEHALF.

14. SUBORDINATION. Lender shall approve a First Mortgage provided that it does not exceed One Million Three Hundred Sixty-Six Thousand (\$1,366,000.00) and further agrees to subordinate to such First Mortgage in favor of Fidelity Federal Bank & Trust. The Chair of the Board of County Commissioners of Palm Beach County and the Clerk of the Court for Palm Beach County, are hereby authorized to execute subordination agreements required herein without further approval of the Board of County Commissioners of Palm Beach County, Florida, provided such documents are in a form acceptable to the County Attorney. Nothing contained herein shall, however, relieve the Borrower from its obligation to make payments under the Promissory Note in accordance with its terms.

15. EFFECTIVE DATE OF AGREEMENT. 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. The Effective Date shall be the date on which this Loan Agreement is executed by the Board of County Commissioners.

IN WITNESS WHEREOF, Borrower and the County have caused this Agreement to be executed on the date first above written.

Signed, sealed and delivered  
in the presence of:

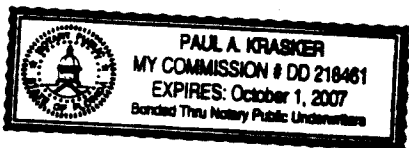
Thirteenth Street Industrial Park,  
Inc., a Florida Corporation

By: Sandra D. Foland,  
Sandra D. Foland, President

RL  
Laraine Charbonneau  
Laraine Charbonneau

STATE OF FLORIDA  
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of April, 2004 by Sandra D. Foland, President of Thirteenth Street Industrial Park, Inc., a Florida Corporation who is personally known to me or who has produced \_\_\_\_\_ as identification and who did/did not take an oath.



RL  
(Signature of Notary)

(Typed, Printed, or Stamped  
Name of Notary)

R2004 0844  
MAY 04 2004

My Commission Expires:

ATTEST:

DOROTHY H. WILSON, CLERK  
Board of County Commissioners

BY: Judith Cross  
Deputy Clerk

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

BY: [Signature]  
County Attorney

PALM BEACH COUNTY, FLORIDA, a  
political subdivision of the  
State of Florida

BY ITS BOARD OF COUNTY COMMISSIONERS

BY: [Signature]  
Karen T. Marcus, Chair

APPROVED AS TO TERMS  
AND CONDITIONS

By: [Signature]  
Department Head

**EXHIBIT "A"**

**Plat of Thirteenth Street Industrial, as recorded in Plat Book 102,  
Pages 23 and 24, of the Public Records of Palm Beach County,  
Florida.**

**PROMISSORY NOTE**  
(Acquisition Loan)

\$1,340,000.00

West Palm Beach, Florida  
May 21, 2004

FOR VALUE RECEIVED the undersigned, Thirteenth Street Industrial Park, Inc., a Florida corporation ("Borrower"), promises to pay to the order of PALM BEACH COUNTY, a political subdivision of the State of Florida, together with any other holder hereof ("Holder"), at 301 North Olive Avenue, West Palm Beach, Florida 33401, or such other place as Holder may from time to time designate in writing, the principal sum of One Million Three Hundred Forty Thousand Hundred and No/100 Dollars (1,340,000.00) plus accrued interest, to be paid in lawful money of the United States of America, as follows:

- 1) This Note shall bear interest computed at the stated rate of London Interbank Offered Rate (LIBOR) for six months, as published in the Money Rates Section of the Wall Street Journal, or some other comparable rate if LIBOR is no longer published, in effect on July 1, 2004 plus One (1%) percent per annum on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement. The annual interest rate for this Note is computed based on a 360 day year.
- 2) Repayment hereunder shall occur as follows:
  - (a) Commencing on July 1, 2004 and on the First day of each month thereafter, Borrower shall make principal and interest payments based on a twenty year amortization schedule until June 1, 2024, at which time all principal, accrued interest, late fees and advances shall be due and payable.
- 3) Borrower agrees to provide annually to Holder a certification of Project income and expenses, and certified by an independent Certified Public Accountant acceptable to the County. Said certification shall be provided prior to each annual due date commencing in the year 2005.

- 4) This Note may be prepaid in whole or in part at any time, without penalty or premium. Any prepayment hereunder shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to accrued, deferred and unpaid interest and the balance, if any, to the principal balance.
- 5) After maturity or acceleration, this Note shall bear interest at the Default Interest Rate until paid in full.

PALM BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA IS EXEMPT FROM PAYMENT OF EXCISE TAX ON DOCUMENTS. STAMPS HAVE BEEN AFFIXED TO THE MORTGAGE AND CANCELED AS REQUIRED BY LAW.

This Note is executed pursuant to the terms and conditions of that certain Loan Agreement dated May 4, 2004 between Maker, as Borrower, and Holder, as Lender, and is secured by a Mortgage and Security Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"), all of even date herewith. The foregoing and all other agreements, instruments and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents."

This Note has been executed and delivered in, and is to be governed by and construed under the laws of, the State of Florida, as amended, except as modified by the laws and regulations of the United States of America.

Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require the Borrower to pay interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to ethical law. Should any interest or other charges paid by the Borrower, or parties liable for the payment of this Note, in connection with the Loan Documents result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, any and all such excess shall be and the same is hereby waived by the Holder, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and a portion of said excess which exceeds the balance due under this indebtedness shall be paid by the Holder to the Borrower.

Holder shall have the right to declare the total unpaid balance hereof to be immediately due and payable in advance of the

Maturity Date upon the failure of Borrower to pay when due or within the applicable grace period any payment of principal or interest or other amount due hereunder; or failure to pay when due or within the applicable grace period any payment of principal or interest under that promissory note dated May 21, 2004 in the amount of \$320,000.00 in favor of Holder or upon the occurrence of an Event of Default pursuant to any other Loan Documents now or hereafter evidencing, securing or guarantying payment of this Note. Exercise of this right shall be without notice to Borrower or to any other person liable for payment hereof, notice of such exercise being hereby expressly waived.

Any payment hereunder not paid when due or within the applicable grace period (at maturity, upon acceleration or otherwise) shall bear interest at the highest rate allowed by applicable law from the due date until paid.

Provided Holder has not accelerated this Note as provided herein, Borrower shall pay holder a late charge of five percent (5%) of any required payment which is not received by Holder within Fifteen (15) days of when said payment is due. The parties agree that said charge is a fair and reasonable charge for the late payment and shall not be deemed a penalty.

Time is of the essence hereunder. In the event that this Note is collected by law or through attorneys at law, or under advice therefrom, Borrower agrees, to pay all costs of collection including reasonable attorneys' fees, whether or not suit is brought, and whether incurred in connection with collection, trial, appeal, bankruptcy or other creditors proceedings or otherwise.

Acceptance of partial payments or payments marked "payment in full" or "in satisfaction" or words to similar effect shall not affect the duty of Borrower to pay all obligations due hereunder, and shall not affect the right of Holder to pursue all remedies available to it under any Loan Documents.

The remedies of Holder shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of Holder, including specifically any failure to exercise or forbearance in the exercise of any remedy, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be



construed as continuing or as constituting a course of dealing, nor shall it be construed as a bar to, or as a waiver or release of, any subsequent remedy as to a subsequent event.

Any notice to be given or to be served upon any party hereto in connection with this Note, whether required or otherwise, may be given in any manner permitted under the Loan Documents.

The term "other person liable for payment hereof" shall include any endorser, guarantor, surety or other person now or hereafter primarily or secondarily liable for the payment of this Note, whether by signing this or another loan document.

Whenever the context so requires, the neuter gender includes the feminine and/or masculine, as the case may be, and the singular number includes the plural, and the plural number includes the singular.

Borrower and any other person liable for the payment hereof respectively, hereby (a) expressly waive any valuation and appraisal, presentment, demand for payment, notice of dishonor, protest, notice of nonpayment or protest, all other forms of notice whatsoever, and diligence in collection; (b) consent that Holder may, from time to time and without notice to any of them or demand, (i) extend, rearrange, renew or postpone any or all payments, (ii) release, exchange, add to or substitute all or any part of the collateral for this Note, and/or (iii) release Borrower (or any co-borrower) or any other person liable for payment hereof, without in any way modifying, altering, releasing, affecting or limiting their respective liability or the lien of any security instrument; and (c) agree that Holder, in order to enforce payment of this Note against any of them, shall not be required first to institute any suit or to exhaust any of its remedies against Borrower (or any co-borrower) or against any other person liable for payment hereof or to attempt to realize on any collateral for this Note.

BORROWER WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION, WHETHER ARISING IN CONTRACT OR TORT, BY STATUTE OR OTHERWISE, IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER'S EXTENDING CREDIT TO BORROWER AND NO WAIVER OR LIMITATION OF HOLDER'S RIGHTS UNDER THIS PARAGRAPH SHALL BE EFFECTIVE UNLESS IN WRITING AND MANUALLY SIGNED ON HOLDER'S BEHALF.

IN WITNESS WHEREOF, Borrower has executed this Note on the day and year first above written.

Thirteenth Street Industrial Park, Inc., a  
Florida Corporation

By: *Sandra D. Foland*  
Sandra D. Foland  
President

04/21/2004

L:\LYNN SOLOMON\pbc 108 loans\baron signs\final documents\Promissory note-Acq-04-29-04.wpd

**PROMISSORY NOTE**  
(Equipment Purchase)

\$320,000.00

West Palm Beach, Florida  
May 21, 2004

FOR VALUE RECEIVED the undersigned, Thirteenth Street Industrial Park, Inc., a Florida corporation ("Borrower"), promises to pay to the order of PALM BEACH COUNTY, a political subdivision of the State of Florida, together with any other holder hereof ("Holder"), at 301 North Olive Avenue, West Palm Beach, Florida 33401, or such other place as Holder may from time to time designate in writing, the principal sum of Three Hundred Twenty Thousand and No/100 Dollars (320,000.00) plus accrued interest, to be paid in lawful money of the United States of America, as follows:

- 1) This Note shall bear interest computed at the stated rate of London Interbank Offered Rate (LIBOR) for six months, as published in the Money Rates Section of the Wall Street Journal, or some other comparable rate if LIBOR is no longer published, in effect on July 1, 2004 plus One (1%) percent per annum on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement. The annual interest rate for this Note is computed based on a 360 day year.
- 2) Repayment hereunder shall occur as follows:
  - (a) Commencing on July 1, 2004 and on the First day of each month thereafter, Borrower shall make principal and interest payments based on a fifteen year amortization schedule until June 1, 2019, at which time all principal, accrued interest, late fees and advances shall be due and payable.
- 3) Borrower agrees to provide annually to Holder a certification of Project income and expenses, and certified by an independent Certified Public Accountant acceptable to the County. Said certification shall be provided prior to each annual due date commencing in the year 2005.
- 4) This Note may be prepaid in whole or in part at any time, without penalty or premium. Any prepayment hereunder

shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to accrued, deferred and unpaid interest and the balance, if any, to the principal balance.

- 5) After maturity or acceleration, this Note shall bear interest at the Default Interest Rate until paid in full.

PALM BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA IS EXEMPT FROM PAYMENT OF EXCISE TAX ON DOCUMENTS. STAMPS HAVE BEEN AFFIXED TO THE MORTGAGE AND CANCELED AS REQUIRED BY LAW.

This Note is executed pursuant to the terms and conditions of that certain Loan Agreement dated May 4, 2004 between Maker, as Borrower, and Holder, as Lender, and is secured by a Mortgage and Security Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"), all of even date herewith. The foregoing and all other agreements, instruments and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents."

This Note has been executed and delivered in, and is to be governed by and construed under the laws of, the State of Florida, as amended, except as modified by the laws and regulations of the United States of America.

Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require the Borrower to pay interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to ethical law. Should any interest or other charges paid by the Borrower, or parties liable for the payment of this Note, in connection with the Loan Documents result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, any and all such excess shall be and the same is hereby waived by the Holder, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and a portion of said excess which exceeds the balance due under this indebtedness shall be paid by the Holder to the Borrower.

Holder shall have the right to declare the total unpaid balance hereof to be immediately due and payable in advance of the Maturity Date upon the failure of Borrower to pay when due or within the

applicable grace period any payment of principal or interest or other amount due hereunder; or failure to pay when due or within the applicable grace period any payment of principal or interest under that promissory note in the amount of \$1,340,000.00 dated May 21, 2004 in favor of the Holder or upon the occurrence of an Event of Default pursuant to any other Loan Documents now or hereafter evidencing, securing or guarantying payment of this Note. Exercise of this right shall be without notice to Borrower or to any other person liable for payment hereof, notice of such exercise being hereby expressly waived.

Any payment hereunder not paid when due or within the applicable grace period (at maturity, upon acceleration or otherwise) shall bear interest at the highest rate allowed by applicable law from the due date until paid.

Provided Holder has not accelerated this Note as provided herein, Borrower shall pay holder a late charge of five percent (5%) of any required payment which is not received by Holder within Fifteen (15) days of when said payment is due. The parties agree that said charge is a fair and reasonable charge for the late payment and shall not be deemed a penalty.

Time is of the essence hereunder. In the event that this Note is collected by law or through attorneys at law, or under advice therefrom, Borrower agrees, to pay all costs of collection including reasonable attorneys' fees, whether or not suit is brought, and whether incurred in connection with collection, trial, appeal, bankruptcy or other creditors proceedings or otherwise.

Acceptance of partial payments or payments marked "payment in full" or "in satisfaction" or words to similar effect shall not affect the duty of Borrower to pay all obligations due hereunder, and shall not affect the right of Holder to pursue all remedies available to it under any Loan Documents.

The remedies of Holder shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of Holder, including specifically any failure to exercise or forbearance in the exercise of any remedy, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing or as constituting a course of dealing, nor shall it be

construed as a bar to, or as a waiver or release of, any subsequent remedy as to a subsequent event.

Any notice to be given or to be served upon any party hereto in connection with this Note, whether required or otherwise, may be given in any manner permitted under the Loan Documents.

The term "other person liable for payment hereof" shall include any endorser, guarantor, surety or other person now or hereafter primarily or secondarily liable for the payment of this Note, whether by signing this or another loan document.

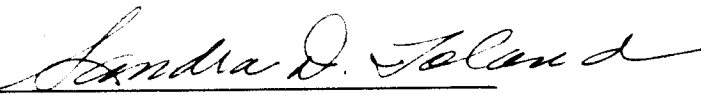
Whenever the context so requires, the neuter gender includes the feminine and/or masculine, as the case may be, and the singular number includes the plural, and the plural number includes the singular.

Borrower and any other person liable for the payment hereof respectively, hereby (a) expressly waive any valuation and appraisal, presentment, demand for payment, notice of dishonor, protest, notice of nonpayment or protest, all other forms of notice whatsoever, and diligence in collection; (b) consent that Holder may, from time to time and without notice to any of them or demand, (i) extend, rearrange, renew or postpone any or all payments, (ii) release, exchange, add to or substitute all or any part of the collateral for this Note, and/or (iii) release Borrower (or any co-borrower) or any other person liable for payment hereof, without in any way modifying, altering, releasing, affecting or limiting their respective liability or the lien of any security instrument; and (c) agree that Holder, in order to enforce payment of this Note against any of them, shall not be required first to institute any suit or to exhaust any of its remedies against Borrower (or any co-borrower) or against any other person liable for payment hereof or to attempt to realize on any collateral for this Note.

BORROWER WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION, WHETHER ARISING IN CONTRACT OR TORT, BY STATUTE OR OTHERWISE, IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER'S EXTENDING CREDIT TO BORROWER AND NO WAIVER OR LIMITATION OF HOLDER'S RIGHTS UNDER THIS PARAGRAPH SHALL BE EFFECTIVE UNLESS IN WRITING AND MANUALLY SIGNED ON HOLDER'S BEHALF.

IN WITNESS WHEREOF, Borrower has executed this Note on the day and year first above written.

Thirteenth Street Industrial Park, Inc., a  
Florida Corporation

By:   
Sandra D. Foland  
President

04/21/2004

L:\LYNN SOLOMON\pbc 108 loans\baron signs\final documents\promissory note equipment-04-29-04.wpd