

U.S. Small Business Administration

## AUTHORIZATION FOR DEBENTURE GUARANTEE (SBA 504 LOAN)

SBA Loan #	30309891-01
SBA Loan Name	Oceana Coffee
Approval Date	January 12, 2022

CDC:

Florida First Capital Finance Corporation  
1351 N. Gadsden Street  
Tallahassee, FL 32303

U. S. Small Business Administration (SBA):

South Florida District Office  
51 SW 1st Avenue - Suite 201  
Miami, FL 33131

SBA will guarantee, under the following terms and conditions, a 25 year Debenture ("Debenture") in the amount of \$536,000.00 to be issued by CDC and used to fund a 504 Loan ("the Loan") to assist:

Borrower: (EPC)

1. Wombat Holdings LLC  
221 Old Dixie Highway, Suite #1  
Tequesta, FL 33469-2722

Operating Company:

1. Oceana Logistics International, Inc dba  
Oceana Coffee (Guarantor)  
19001 SE Barus Drive  
Tequesta, FL 33469-1603

### A. PROJECT TO BE FINANCED

#### 1. Project Property ("Project Property")

Debenture Proceeds will be used as part of the financing for:

- a. the purchase of real estate, located at 1301 10th Street, Unit 1, Lake Park, FL 33403-2034.
- b. the purchase and installation of equipment, located at 1301 10th Street, Unit 1, Lake Park, FL 33403-2034.

2. **Project Costs (“Project Costs”)** include:

a. Purchase Land .....	\$0.00
b. Purchase Land & Building .....	\$1,100,000.00
c. Construction/Remodeling.....	\$0.00
d. Purchase/Install Equipment.....	\$167,500.00
e. Purchase/Install Fixtures .....	\$0.00
f. Refinanced Debt—Loan from:	
Total Refinanced Debt.....	\$0.00
g. Professional Fees .....	\$28,000.00
h. Other Expenses .....	\$0.00
(construction contingencies, interim interest)	
i. TOTAL Project Cost .....	\$1,295,500.00

**B. PROJECT FINANCING**

1. **Debenture Proceeds:** Debenture Proceeds will be used to pay Administrative Costs and the final 40.00% of the total Project Cost. Prior to the Debenture sale, the CDC conducts a 504 Loan Closing ("504 Loan Closing"), and forwards copies of the closing documents to SBA. After review and approval, CDC forwards the closing documents for Debenture Sale. At or prior to the 504 Loan Closing, Borrower, Operating Company and CDC must sign a Servicing Agent Agreement certifying as to the actual use of the Debenture Proceeds and authorizing a Central Servicing Agent (“CSA”) to handle all disbursements and payments under the Debenture.

a. SBA/CDC Share: 40.00% of total Project Cost (“Net Debenture Proceeds”)		\$518,200.00
b. Administrative Costs (“Administrative Costs”)		
(1) SBA Guarantee Fee (a. x 0.005)		\$2,591.00
(2) Funding Fee (a. x 0.0025)		\$1,295.50
(3) CDC Processing Fee		
(i) CDC Processing Fee (a. x 0.015)	\$7,773.00	\$7,773.00
(4) Closing Costs		
(i) CDC Closing Fee (not to exceed \$2,500)	\$2,500.00	
(ii) Other Out of Pocket Closing Costs (excluding legal fees)	\$1,000.00	\$3,500.00
(5) Subtotal (b.1 through b.4)		\$15,159.50
(6) Underwriters Fee*		\$2,144.00
(7) Total (b.5 plus b.6)		\$17,303.50
c. Total Debenture Amount (“Gross Debenture Proceeds”) (a. Plus b.7, rounded up to next thousand)		\$536,000.00
d. Balance to Borrower (c. minus (a. plus b.7))		\$ 496.50

*\* Underwriters fee calculated as follows: For 20 year Debentures, the sum of a. and b.5 divided by 0.99600; round this number up to the next highest thousand; multiply this number by 0.00400. For 10 year Debentures, the sum of a. and b.5 divided by 0.99625; round this number up to the next highest thousand; multiply this number by 0.00375.*

- e. **Disbursement:** CDC must issue a Debenture. The Debenture proceeds must be disbursed no later than 48 months from the approval date of this Authorization, unless extended by proper SBA procedures. If no debenture is disbursed within 48 months, this loan authorization will be cancelled by SBA. Extensions beyond the 48 month period will not be available.
2. **Interim Financing (paid off by the Debenture):**
- a. **Interim Lender:** An interim loan in the total principal amount of \$518,200.00 will be provided by the following lender(s) ("Interim Lender"):
    - (1) Bank of Belle Glade in the principal amount of \$518,200.00.
  - b. **Application of Net Debenture Proceeds to Interim Loan:** Upon sale of the Debenture, the Net Debenture Proceeds (the portion of Debenture Proceeds that finance Project Cost) will be applied to pay off the balance of the interim loan. If the Interim Lender is also the Third Party Lender, this payment will reduce the total balance owed to Third Party Lender to the amount specified in Paragraph B.3.a. below.
  - c. **Required Certifications Before 504 Loan Closing:** Following completion of the Project, but no earlier than the 5th day of the month prior to the month in which the CDC submits this loan to SBA for debenture funding, CDC must cause Interim Lender to certify the amount of the interim loan disbursed, that the interim loan has been disbursed in reasonable compliance with this Authorization, and that it has no knowledge of any unremedied substantial adverse change in the condition of the Borrower and Operating Company since the date of the loan application to the Interim Lender.
3. **Permanent Third Party Lender Loan:**
- a. Bank of Belle Glade ("Third Party Lender") will provide permanent project financing in the amount of \$647,750.00 ("Third Party Lender Loan"). This amount is 50.00% of the total project cost.
  - b. The Third Party Lender's note and loan documents must not:
    - (1) allow future advances except advances made for the reasonable costs of collection, maintenance, and protection of the Third Party Lender's lien;
    - (2) be cross-collateralized with other financing provided by Third Party Lender;
    - (3) have an early call feature;
    - (4) be payable on demand unless the Third Party Lender's note is in default;
    - (5) have a term less than, or require a balloon payment prior to, ten years;
    - (6) have any cross-default, "deem-at-risk," or any other provisions which allow Third Party Lender to make demand prior to maturity unless the Loan is in default.
  - c. At or prior to 504 Loan Closing, Third Party Lender must execute a Third Party Lender Agreement that:
    - (1) Confirms that the Third Party Lender Loan has been fully advanced;
    - (2) Confirms that the Third Party Lender note and loan documents comply with paragraph b. above, or waives its right to enforce any provisions in the note and loan documents that do not comply with these SBA requirements;

- (3) Subordinates any prepayment penalties, late fees, and increased default interest to the CDC/SBA lien. Any advances made for the reasonable costs of collection, maintenance, and protection of the Third Party Lender's lien need not be subordinated;
    - (4) Waives as to the CDC/SBA lien any provisions in its lien instruments prohibiting further encumbrances;
    - (5) Third Party Lender will provide written notice to CDC and SBA of default within 30 days of any delinquency upon which Third Party Lender intends to take action, and 60 days notice prior to foreclosure; and
    - (6) Confirms no Third Party Lender shall establish a preference beyond its rights as a senior lender on the Third Party Loan without the prior written consent of CDC/SBA; and
    - (7) Confirms that the Third Party Lender Loan has a reasonable interest rate which does not and will not exceed the maximum interest rate for Third Party Loans from commercial financial institutions as published periodically by SBA in the Federal Register and in effect as of the date of this Agreement.
  - d. **Third Party Lender Fee.** SBA must collect a one-time Third Party Lender Participation fee equal to 50 basis points on the Third Party Lender's participation in a project when the Third Party Lender is in a senior credit position to SBA on the project. SBA may accept payment of this fee from the Third Party Lender, the 504 borrower, or the CDC. This payment may be made to SBA by (1) the Third Party Lender sending to the CDC a certified check or guaranteed funds check made payable to the CSA, and CDC forwarding it to the CSA with the 504 Loan Closing documentation, or (2) the CDC may collect the fee and the CSA will deduct the amount of the fee from the amount sent to the CDC after Debenture sale.
4. **Borrower's Contribution** ("Borrower's Contribution"):
  - a. At or prior to 504 Loan Closing, Borrower must contribute \$129,550.00 to the Project. This amount is 10.00% of the total project cost.
    - (1) Contribution may be in cash, land or other property acceptable to SBA;
    - (2) Contribution may come from Borrower's own resources, CDC, or another source;
    - (3) If any of the contribution is borrowed and secured by any of the Project Property, the resulting obligation must be expressly subordinate to the liens securing the Promissory Note ("Note") in favor of CDC and may not be repaid at a faster rate than the Note unless prior written approval is obtained from SBA. A copy of any debt instrument evidencing the obligation must be supplied to CDC at or prior to 504 Loan Closing.
  - b. **Costs in Excess of Project Cost:** Borrower must pay any costs in excess of the total Project Cost referred to in Paragraph A.2 which Borrower incurs in completing the Project.
  - c. **Closing Costs:** At or prior to 504 Loan Closing, Borrower must pay all closing costs, including but not limited to title insurance premiums, recording costs, and premiums for insurance required by this Authorization.
5. **Borrower's Fees** ("Borrower's Fees")—Borrower must pay:
  - a. An ongoing guarantee fee equal to 0.2475 of one percent per annum of the principal balance of the Note calculated at five-year intervals beginning with the first payment. This guarantee fee will be made until the loan is terminated. It will be included with the payment on the Note made each month to the CSA.

- b. A servicing fee, as stated on the Servicing Agent Agreement at the time of 504 Loan Closing, calculated on the outstanding principal balance at five-year intervals. The fee will be included in the monthly loan installment paid to the CSA.
- c. A late fee of 5 percent of the late payment or \$100.00, whichever is greater, for payments received by the CSA after the 15th day of the month.

6. **CDC Fee**

- a. **Ongoing Guarantee Fee**—CDC must pay an ongoing guarantee fee equal to one-eighth of one percent per annum of the principal balance of the Note calculated on the balance outstanding at five-year intervals. It will be deducted from the servicing fee collected monthly by the CSA for the CDC. The CDC will retain a minimum servicing fee as required by SBA regulations and policies.

C. **THE NOTE**

At or prior to 504 Loan Closing, the Borrower must execute a Note in favor of CDC. The CDC must assign the Note to SBA. Borrower must make payments by Automated Clearinghouse (ACH) or wire transfer.

The Note and Debenture will include the following terms:

- 1. **Amount:** \$536,000.00
- 2. **Term:** 25 years
- 3. **Repayment Terms:** At the date the Debenture is sold, the interest rate will be set and the amount of the monthly principal and interest installment for the term of the Note and the semi-annual principal and interest installment for the term of the Debenture will be established.
- 4. **Prepayment:** If Borrower prepays during the first ten (10) years of the stated term, there will be a prepayment premium, calculated by applying a declining percentage of the Debenture interest rate to the outstanding principal balance of the Note. A schedule of the dollar amount of the premium will be provided after the sale of the Debenture.

The Borrower may prepay the Note or Lease in full. Partial prepayment is not allowed. Borrower must pay the sum of:

- a. all principal and interest payments, servicing-agent fees, and SBA guarantee fees up to and including the date of the next semi-annual debenture payment date;
- b. all CDC servicing fees that accrue before Borrower prepays;
- c. all late fees incurred before Borrower prepays;
- d. all expenses incurred by CDC for which Borrower is responsible;
- e. the balance owing on the Note as of the next semi-annual debenture payment date; and
- f. any prepayment premium required under the Note and Debenture.

To prepay, Borrower must give prior written notice to the CDC according to the terms of the Note.

#### D. COLLATERAL CONDITIONS

The Note must be secured by the following collateral. All collateral must be assigned to SBA. CDC must obtain a lien on 100% of the interests in the following collateral and properly perfect all lien positions:

1. **Second Mortgage (including due on sale clause, water rights, if any and assignment of rents) on land and improvements** located at 1301 10th Street, Unit 1, Lake Park, FL 33403-2034. This property is commercial.
  - a. Subject only to prior lien(s) as follows:
    - (1) First: Bank of Belle Glade in the amount of \$647,750.00
  - b. Prior open ended lien(s) closed in writing according to applicable state law. Revolving line(s) of credit limited in writing to the amount stated.
  - c. Evidence of title and priority of lien must be based upon:
    - (1) ALTA Loan Policy, insuring CDC and assigns, in the amount of \$536,000.00, policy to be without standard exceptions ('extended ALTA').
  - d. CDC must obtain in recordable form written subordination agreements from any tenants occupying any of the Project real property required as collateral. Appropriate subordination language may be included in the Lease as an alternative.
  - e. At the time of Closing, either:
    - (1) there must be no contractor's, mechanic's or materialman's lien on the Property, including a lien which might possibly be filed after Closing, which would impair the stated priority of the CDC/SBA lien, and there must be no other circumstances adversely affecting the value of the property; or,
    - (2) no exception for these in the title insurance commitment/policy, or
    - (3) The title insurance company must provide affirmative coverage to CDC and SBA over any such exceptions, affording reasonably adequate protection against material loss arising from such exceptions. In addition, the title insurance company must provide such endorsements as CDC or SBA deems necessary to protect CDC and SBA reasonably against material loss arising from any other exceptions. In states where a survey is customarily provided for title insurance coverage, Borrower must also provide a survey certified to SBA/CDC, or a prior survey acceptable to SBA/CDC and the title insurer and a satisfactory survey affidavit of no change.
2. **Second Perfected Security Interest** in the following personal property (including any proceeds and products), acquired with loan or project proceeds, including all replacements and substitutions, wherever located:  
Equipment;
  - a. Subject only to the prior lien of Bank of Belle Glade in the amount of \$647,750.00 on the following collateral:  
Equipment;
  - b. CDC must obtain a list of all equipment and fixtures that are collateral for the Loan. For items with a unit value of \$5,000.00 or more, the list must include a description and serial number, if applicable.

- c. CDC must obtain an appropriate Uniform Commercial Code lien search evidencing all required lien positions. If UCC search is not available, another type of lien search may be substituted.
  - d. At the time of Closing, there must be no circumstances adversely affecting the value of the property. There must be no lien on the Property, including a lien which might possibly be filed after Closing, which impairs the stated priority of the CDC/SBA lien.
- 3. **Assignment of Rents from Eligible Passive Company.** CDC must obtain a perfected assignment of all rents paid under the lease on the project property between the Eligible Passive Company and the Operating Company. The term of lease, with options to renew exercisable solely by the Operating Company, must be for at least the term of the Loan. The lease must be subordinate to CDC's Security Interest, Deed of Trust or Mortgage. Lease payments must be no more than is necessary to amortize debt plus pay expenses related to holding the property.
  - 4. **Guarantee on SBA Form 148**, by Oceana Logistics International, Inc, a Florida corporation.
  - 5. **Guarantee on SBA Form 148**, by Boomerang Beverage Services LLC, a Florida limited liability company.
  - 6. **Guarantee on SBA Form 148**, by Amy M. Angelo, resident in Florida.
  - 7. **Guarantee on SBA Form 148**, by Scott Angelo, resident in Florida.

**Assignment to SBA.** CDC must execute a satisfactory written assignment to SBA of its interest in the Note, lease and all collateral documents executed by the Borrower and guarantors.

The following language must appear in all lien instruments including Mortgages, Deeds of Trust, and Security Agreements:

*"The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:*

- a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.*
- b) CDC or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.*

*Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument."*

## E. ADDITIONAL CONDITIONS

### 1. Insurance Requirements

Prior to 504 Loan Closing, CDC must require Borrower to obtain the following insurance coverage and maintain this coverage for the life of Loan:

- a. **Flood Insurance.** Based on the Standard Flood Hazard Determination (FEMA Form 81-93):
  - (1) If any portion of a building that is collateral for the Loan is located in a special flood hazard area, CDC must require Borrower to obtain flood insurance for the building under the NFIP.
  - (2) If any equipment, fixtures, or inventory that is collateral for the Loan ("Personal Property Collateral") is in a building any portion of which is located in a special flood hazard area and that building is collateral for the Loan, CDC must require Borrower to also obtain flood insurance for the Personal Property Collateral under the NFIP.
  - (3) If any equipment, fixtures, or inventory that is collateral for the Loan ("Personal Property Collateral") is in a building any portion of which is located in a special flood hazard area and that building is not collateral for the Loan, CDC must require Borrower to obtain available flood insurance for the Personal Property Collateral. CDC may request a waiver of this requirement from the Sacramento Loan Processing Center. The CDC must submit with its request a written justification that fully explains why flood insurance is not economically feasible or, if flood insurance is not available, the steps taken to determine that it is not available.

Insurance coverage must be in amounts equal to the lesser of the insurable value of the property or the maximum limit of coverage available. Insurance coverage must contain a MORTGAGEE CLAUSE/LENDER'S LOSS PAYABLE CLAUSE (or substantial equivalent) in favor of CDC. This clause must provide that any action or failure to act by the debtor or owner of the insured property will not invalidate the interest of CDC and SBA. (Borrower will be ineligible for any future SBA disaster assistance or business loan assistance if Borrower does not maintain any required flood insurance for the entire term of the Loan.)

- b. **Real Estate Hazard Insurance** coverage on all business real estate that is collateral for the Loan in the amount of the full replacement cost. If full replacement cost insurance is not available, coverage must be for maximum insurable value. Insurance coverage must contain a MORTGAGEE CLAUSE (or substantial equivalent) in favor of CDC and SBA. This clause must provide that any action or failure to act by the mortgagor or owner of the insured property will not invalidate the interest of CDC and SBA. The policy or endorsements must provide for at least 10 days prior written notice to CDC of policy cancellation.
- c. **Personal Property Hazard Insurance** coverage on all equipment, fixtures or inventory that is collateral for the Loan, in the amount of full replacement costs. If full replacement cost insurance is not available, coverage must be for maximum insurable value. Insurance coverage must contain a LENDER'S LOSS PAYABLE CLAUSE in favor of CDC and SBA. This clause must provide that any action or failure to act by the debtor or owner of the insured property will not invalidate the interest of CDC and SBA. The policy or endorsements must provide for at least 10 days prior written notice to CDC of policy cancellation.
- d. **Liability Insurance** in an amount and with an insurance company satisfactory to CDC.



- e. **Workers' Compensation Insurance** in an amount meeting state law requirements and with an insurance company satisfactory to CDC.
- f. **Wind Hazard Insurance coverage on all business real estate that is collateral for the loan in the amount of full replacement cost. If full replacement cost insurance is not available, coverage must be for maximum insurable value. Insurance coverage must contain a MORTGAGEE CLAUSE (or substantial equivalent) in favor of CDC and SBA. This clause must provide that any action or failure to act by the mortgagor or owner of the insured property will not invalidate the interest of CDC and SBA. The policy or endorsements must provide for at least 10 days prior written notice to CDC of policy cancellation.**

## 2. **Environmental Requirements**

- a. CDC must not close the Loan until it has:
  - (1) completed the review for potential environmental contamination required in SOP 50-10(5) ("Environmental Investigation") on each business real property site taken as collateral; and
  - (2) sufficiently minimized the risk from any adverse environmental findings discovered in the Environmental Investigation, or otherwise, as required by SOP 50-10(5), Subpart C, Chapter 3 (Environmental Policies and Procedures) and applicable appendices.
- b. Immediately after CDC review, the CDC must submit the results of the Environmental Investigation to SBA's Sacramento Loan Processing Center for SBA approval prior to 504 Loan Closing. If CDC or SBA determines from the Environmental Investigation that there is potential environmental contamination, CDC may not forward the Debenture until SBA is satisfied that the risk has been sufficiently minimized. Adverse environmental findings may lead to cancellation of this Authorization.
- c. CDC should consult with the local SBA office where the real property collateral is located to ascertain any state or local environmental requirements.

## 3. **Borrower, Guarantor and Operating Company Documents**

- a. Prior to 504 Loan Closing, CDC must obtain from Borrower, Guarantor and Operating Company a current copy of each of the following as appropriate:
  - (1) **Corporate Documents**—Articles or Certificate of Incorporation (with amendments), any By-laws, Certificate of Good Standing (or equivalent), Corporate Borrowing Resolution, and, if a foreign corporation, current authority to do business within this state.
  - (2) **Limited Liability Company (LLC) Documents**—Articles of Organization (with amendments), Fact Statement or Certificate of Existence, Operating Agreement, Borrowing Resolution, and evidence of registration with the appropriate authority.
  - (3) **General Partnership Documents**—Partnership Agreement, Certificate as to Partners, and Certificate of Partnership or Good Standing (or equivalent), as applicable.
  - (4) **Limited Partnership Documents**—Partnership Agreement, Certificate as to Partners, and Certificate of Partnership or Good Standing (or equivalent), as applicable, Certificate of Limited Partnership, and evidence of registration with the appropriate authority.
  - (5) **Limited Liability Partnership (LLP) Documents**—Partnership Agreement, Certificate as to Partners, Certificate of Partnership or Good Standing (or equivalent) as applicable, and evidence of registration with the appropriate authority.

- (6) **Trustee Certification**—A Certificate from the trustee warranting that:
  - (a) The trust will not be revoked or substantially amended for the term of the Loan without the consent of SBA;
  - (b) The trustee has authority to act;
  - (c) The trust has the authority to borrow funds, guarantee loans, and pledge trust assets;
  - (d) If the trust is an Eligible Passive Company, the trustee has authority to lease the property to the Operating Company;
  - (e) There is nothing in the trust agreement that would prevent CDC from realizing on any security interest in trust assets;
  - (f) The trust agreement has specific language confirming the above; and
  - (g) The trustee has provided and will continue to provide SBA with a true and complete list of all trustors and donors.
- (7) **Trade Name**—Documentation that Borrower has complied with state requirements for registration of Borrower's or Operating Company's trade name (or fictitious name), if one is used.
- b. Prior to 504 Loan Closing, CDC must obtain from Borrower and Operating Company:
  - (1) **Ownership**—Evidence that ownership and management have not changed without CDC's approval since the application was submitted.

#### 4. Operating Information

Prior to 504 Loan Closing, CDC must obtain:

- a. **Verification of Financial Information**—CDC must submit IRS Form 4506-T (SBA version) to the Internal Revenue Service to obtain federal income tax information on Borrower, or the Operating Company if Borrower is an EPC, for either the last 2 or 3 years (unless Borrower or Operating Company is a start-up business) depending upon the number of years and number of annual financial statements used to substantiate size eligibility. If the business has been operating for less than 3 years, CDC must obtain the information for all years in operation.

This requirement does not include tax information for the most recent fiscal year if the fiscal year-end is within 6 months of the date SBA received the application. CDC must compare the tax data received from the IRS with the financial data or tax returns submitted with the Loan application, and relied upon in approving the Loan. Borrower must resolve any significant differences to the satisfaction of CDC and SBA. Failure to resolve differences may result in cancellation of the Loan.

If the Loan involves a change of ownership, CDC must verify financial information provided by the seller of the business in the same manner as above.

If CDC does not receive a response from the IRS or copy of the tax transcript within 10 business days of submitting IRS Form 4506-T, then CDC may close the Loan prior to completing this verification, provided that CDC has submitted IRS Form 4506-T to the IRS no later than 10 business days from the date of this Authorization. However, CDC must send a second request following precisely the procedures detailed in SOP 50-10(5) and must perform the verification and resolve any significant differences discovered, even if the loan is fully disbursed.

- b. **Authority to Conduct Business**—Evidence that the Borrower and Operating Company have an Employer Identification Number and any authorization necessary to legally operate the business.

- c. **Flood Hazard Determination**—A completed Standard Flood Hazard Determination (FEMA Form 81-93).

## 5. Appraisal

Prior to 504 Loan Closing, and in accordance with SOP 50-10(5), CDC must obtain and submit to SBA:

- a. **Real Estate Appraisal** on the Project real property located at 1301 10th Street, Unit 1, Lake Park, FL 33403-2034. If the appraised fair market value is less than \$1,100,000.00, Borrower must provide additional investment, additional collateral, or reduce the size of the Project as appropriate.

## 6. Certifications and Agreements

- a. At or prior to 504 Loan Closing, CDC must require Borrower and Operating Company to certify that:
  - (1) **No Adverse Change**—Since the date of application there has been no unremedied substantial adverse change in the financial condition of Borrower and Operating Company or their ability to repay the Project financing, including the Note. Borrower and Operating Company must also supply to CDC accurate financial statements, current within 120 days of 504 Loan Closing.
  - (2) **Child Support**—No principal who owns at least 50% of the ownership or voting interest of the company is delinquent more than 60 days under the terms of any (a) administrative order, (b) court order, or (c) repayment agreement requiring payment of child support.
  - (3) **Current Taxes**—Borrower and Operating Company are current on all federal, state, and local taxes, including but not limited to income taxes, payroll taxes, real estate taxes, and sales taxes.
  - (4) **Environmental**—For any real estate pledged as collateral for the Loan or where the Borrower or Operating Company are conducting business operations (collectively "the Property"):
    - (a) At the time Borrower and Operating Company submitted the Loan application, Borrower and Operating Company were in compliance with all local, state, and federal environmental laws and regulations pertaining to reporting or clean-up of any hazardous substance, hazardous waste, petroleum product, or any other pollutant regulated by state or federal law as hazardous to the environment ("Contaminant"), and regarding any permits needed for the creation, storage, transportation or disposal of any Contaminant;
    - (b) Borrower and Operating Company will continue to comply with these laws and regulations;
    - (c) Borrower and Operating Company, and all of its principals, have no knowledge of the actual or potential existence of any Contaminant that exists on, at, or under the Property, including groundwater, other than what was disclosed in connection with the Environmental Investigation of the Property;
    - (d) Until full repayment of the Loan, Borrower and Operating Company will promptly notify Lender and SBA if it knows or suspects that there has been, or may have been, a release of a Contaminant in, at, or under the Property, including groundwater, or if Borrower or Operating Company or such Property is subject to any investigation or enforcement action by any federal, state, or local

- environmental agency ("Agency") pertaining to any Contaminant on, at, or under such Property, including groundwater;
- (e) As to any Property owned by Borrower and Operating Company, Borrower and Operating Company indemnifies, and agrees to defend and hold harmless, Lender and SBA, and any assigns or successors in interest which take title to the Property, from and against all liabilities, damages, fees, penalties or losses arising out of any demand, claim or suit by any Agency or any other party relating to any Contaminant found on, at, or under the Property, including groundwater, regardless of whether such Contaminant resulted from Borrower's or Operating Company's operations. (Lender or SBA may require Borrower or Operating Company to execute a separate indemnification agreement).
- b. At or prior to 504 Loan Closing, CDC must require Borrower and Operating Company to certify that they will:
- (1) **Reimbursable Expenses**—Reimburse CDC for expenses incurred in the making and administration of the Loan.
  - (2) **Books, Records, and Reports**—
    - (a) Keep proper books of account in a manner satisfactory to CDC;
    - (b) Furnish year-end statements to CDC within 120 days of fiscal year end;
    - (c) Furnish additional financial statements or reports whenever CDC requests them;
    - (d) Allow CDC or SBA, at Borrower's or Operating Company's expense, to:
      - [1] Inspect and audit books, records and papers relating to Borrower's and Operating Company's financial or business condition; and
      - [2] Inspect and appraise any of Borrower's and Operating Company's assets; and
      - [3] Allow all government authorities to furnish reports of examinations, or any records pertaining to Borrower and Operating Company, upon request by CDC or SBA.
  - (3) **Equal Opportunity**—Post SBA Form 722, Equal Opportunity Poster, where it is clearly visible to employees, applicants for employment and the general public.
  - (4) **American-made Products**—To the extent practicable, purchase only American-made equipment and products with the proceeds of the Loan.
  - (5) **Taxes**—Pay all federal, state, and local taxes, including income, payroll, real estate and sales taxes of the business when they come due.
  - (6) **Occupancy**—Comply with the following provisions: (a) Borrower must lease 100% of the Rentable Property to Operating Company; (b) Operating Company may sublease up to 49% of the Rentable Property; (c) Borrower will not use Loan proceeds to improve or renovate any of the property to be sub-leased.
- c. Prior to 504 Loan Closing, CDC must require Borrower and Operating Company to certify that they will not, without prior written consent of CDC and SBA:
- (1) **Distributions**—Make any distribution of company assets that will adversely affect the financial condition of Borrower and/or Operating Company.
  - (2) **Ownership Changes**—Change the ownership structure or interests in the business during the term of the Note, provided that, commencing six months after the Debenture sale, Borrower or Operating Company may have one or more changes in

ownership without approval of SBA so long as the cumulative change over the term of the Note is less than five percent (5%).

- (3) **Transfer of Assets**—Sell, lease, pledge, encumber (except by purchase money liens on property acquired after the date of the Note), or otherwise dispose of any of Borrower's property or assets, except in the ordinary course of business.
- (4) **Conflict**—Or any of its affiliates acquire, directly or indirectly, in excess of a 10% ownership or interest in CDC during the term of the Debenture. If this type of acquisition occurs the Debenture will immediately become due and payable in full.

#### F. DEBENTURE SALE CONDITIONS

- 1. SBA will not authorize the sale of the Debenture until SBA is satisfied that:
  - a. there has been no unremedied adverse change in the financial condition, organization, management, operations, or assets of Borrower and Operating Company;
  - b. all the terms and conditions of this Authorization have been met, and;
  - c. Borrower, Operating Company and the CDC have complied with their responsibilities as listed below.
- 2. IT IS BORROWER'S RESPONSIBILITY TO:
  - a. Comply with other conditions, outside the Authorization, that are reasonably imposed by CDC.
  - b. Cooperate fully with CDC and SBA in closing the Loan and obtaining necessary certifications and documents.
  - c. Comply with the closing instructions provided by CDC and SBA.
  - d. Execute all documents required by CDC and SBA. All documents required to be produced by the Borrower must be satisfactory to SBA in form and substance.
  - e. Submit all required documents to CDC counsel sufficiently in advance of 504 Loan Closing (as directed by CDC counsel).
  - f. Certify that all elements of Project Costs have been paid in full and how they were paid.
  - g. Certify that any bankruptcy or insolvency proceeding involving, or pending lawsuit against, Borrower, Operating Company or any of their principals has been disclosed in writing to CDC.
- 3. IT IS CDC'S RESPONSIBILITY TO:
  - a. Close the Loan in accordance with the terms and conditions of this Authorization.
  - b. Obtain valid and enforceable Loan documents and all required lien positions. This includes obtaining the signatures or written consent of any obligor's spouse if such consent or signature is necessary to bind the marital community or create a valid lien on marital property.
  - c. Obtain all necessary certifications.

- d. Obtain a legal opinion from CDC counsel or Borrower's counsel if there is one, acceptable to CDC and SBA, verifying:
  - (1) that all Borrower or guarantor entities (other than natural persons) are properly organized, in good standing, validly existing, and have the authority to borrow or guarantee;
  - (2) that the documents executed by the Borrower and guarantors have been authorized, executed, and delivered by an authorized person, and are valid and binding obligations, enforceable in accordance with their respective terms; and
  - (3) opinions as to such other matters as CDC and SBA may require.
- e. Certify to SBA that there has been no substantial unremedied adverse change in the Borrower's or Operating Company's financial condition, organization, operation, or assets, as set forth on the CDC Certification (SBA Form 2101).
- f. Certify that all elements of Project Costs have been paid in full and that the Interim Lender, Third Party Lender, Borrower, and CDC have each contributed to the Project in the amount and manner authorized by SBA.
- g. Properly complete all closing documents using SBA Required Forms. CDC may use its own forms except as otherwise instructed in this Authorization. CDC must use the following forms for the Loan:

Opinion of CDC Counsel (Appendix D to the National 504 Authorization Boilerplate)

SBA Form 2101, CDC Certification

SBA Form 1505, SBA Note

SBA Form 1504, Debenture

SBA Form 159 (504), Compensation Agreement, for each representative

SBA Form 1528, CDC Board Resolution

SBA Form 1506, Servicing Agent Agreement

SBA Form 722, Equal Opportunity Poster

SBA Form 2286, 504 Debenture Closing Checklist

SBA Form 2287, Third Party Lender Agreement

SBA Form 2288, Interim Lender Certification

SBA Form 2289, Borrower and Operating Company Certification

IRS Form W-9

CDC may use computer-generated versions of mandatory SBA Forms, as long as these versions are exact reproductions.

- h. Submit Form 2286, the 504 Debenture Closing Checklist, and copies of required documents from the checklist for SBA review and approval by the deadlines established by SBA for each Debenture sale.
4. **Compensation Agreement.** At Closing, CDC and Borrower must provide an SBA Form 159 (504) from each agent, as described in the form, that assisted the Borrower to obtain the Loan, indicating the amount of each fee.
  5. **Completion of Debenture and Note Terms.** Borrower, Operating Company and CDC authorize CDC, SBA and/or CSA to date and otherwise complete any terms of the Debenture, Note, or Loan Documents which were incomplete at the time of their execution as soon as such terms become known to them.

ADMINISTRATOR  
SMALL BUSINESS ADMINISTRATION

1/12/2022



Signed by: MICHAEL STOKES

January 12, 2022

By: Authorized SBA Representative

Date

**ACCEPTANCE BY BORROWER, OPERATING COMPANY AND CDC:**

In consideration for the provision by SBA of financial assistance to CDC for the benefit of Borrower, and intending to be bound, Borrower, Operating Company and CDC accept and agree to comply fully with the terms and conditions of this Authorization for Debenture Guarantee. Each person signing below represents and warrants that he or she is fully authorized to execute this Authorization in the capacity indicated.

This Authorization should be executed by all parties within 10 days of Loan approval.

The terms and conditions of this Authorization survive 504 Loan Closing and Debenture sale.

FLORIDA FIRST CAPITAL FINANCE CORPORATION

(Corporate Seal if Required)

By (name, title):

Darcie Brown, Asst. Secretary

Date

1/13/22

Attest or Witness, as required (name, title):

Christine Melloh Christine Melloh  
Asst. Secretary

Date

1/13/2022

WOMBAT HOLDINGS LLC

(Corporate Seal if Required)

By (name, title):

Date

Attest or Witness, as required (name, title):

Date

OCEANA LOGISTICS INTERNATIONAL, INC

(Corporate Seal if Required)

By (name, title):

Date

Attest or Witness, as required (name, title):

Date







Jonathan B. Brown  
Director  
County of Palm Beach  
Department of Housing and Economic Development  
100 Australian Avenue Suite 500  
West Palm Beach, Florida 33406

Re: Section 108 Loan/Florida Canning Company, LLC/Lake Park, Florida

Dear Mr. Brown:

I am the Director of Operations for Florida Canning Company LLC. Our company was formed during the process of developing a commercial kitchen center in Lake Park, Florida. The commercial kitchen will house a coffee company, Oceana Coffee, and a food preparation facility that will include small food preparers, renting kitchen space of approximately 40 sq. ft. as well as those renting shared kitchen space. In carrying out the rent up of these facilities, it was discovered that there was a major need for a canning facility in Palm Beach County, not only for new tenants of the facility, but existing businesses. A list of the potential customers is part of the loan package, but they include coffee companies, beer and wine companies and water companies. Oceana Coffee would use the facility for its coffee and tea line.

Our plans now call for Florida Canning Company LLC to be a condominium owner in a much larger food complex containing 24,000 sq. ft. in Lake Park, Florida. The building will be newly constructed, and Florida Canning will occupy 6,000 sq. ft. The Principals of the company have substantial incomes and high net worth and operate several existing companies.

We reached out to your economic development staff and have agreed to the following sources and uses for financing the project.

Uses: Total Project:

Item	Amount
Acquisition	\$ 1,740,050.00

m/e	\$ 215,000.00
w/c	\$ 150,000.00
county fee	\$ 7,650.00
soft costs	\$ 25,000.00
Total	\$ 2,137,700.00

#### Sources-SBA/Bank

Lien	Amount	Source	Rate	Term	Yrly. Pmt.	Mos. Pmt.
1st	\$ 998,700.00	Bank of Belle Glade	4.5%	20 years	(\$76,776.21)	(\$6,398.02)
2nd	\$ 698,919.00	SBA 504	2.75%	25 years	(\$39,027.62)	(\$3,252.30)
N/a	\$ 257,431.00	cash	N/a	N/a	N/a	N/a
Total	\$ 1,955,050.00				(\$115,803.82)	(\$9,650.32)

#### Sources 108

Lien	Amount	Source	Rate	Term	Yrly. Pmt.	Mos. Pmt.
1st	\$ 182,650.00	108	1.80%	7 years	(\$28,005.05)	(\$2,333.75)

#### Uses 108

Item	Amount
w/c	\$ 150,000.00
county fee	\$ 7,650.00
soft costs	\$ 25,000.00
Total	\$ 182,650.00

We understand that the rates quoted above are the current rates and may not be the rate at the time of closing.

As a result of the Project, we expect that our tenants will create 10 new jobs within the next five years. We arrived at this number after speaking to prospective customers.

These jobs are broken down as follows:

NUMBER	JOB TITLE
4	Canning Line Technician
2	Warehouse Person
2	Logistics
2	Delivery Crew

We deeply appreciate your consideration of our request.

Yours truly,

Scott Angelo  
Director of Operations



U.S. Small Business  
Administration

U.S. Small Business Administration

## AUTHORIZATION FOR DEBENTURE GUARANTEE (SBA 504 LOAN)

SBA Loan #	34958491-05
SBA Loan Name	Florida Canning Company, LLC
Approval Date	March 4, 2022

CDC:

Florida First Capital Finance Corporation  
1351 N. Gadsden Street  
Tallahassee, FL 32303

U. S. Small Business Administration (SBA):

South Florida District Office  
51 SW 1st Avenue - Suite 201  
Miami, FL 33131

SBA will guarantee, under the following terms and conditions, a 25 year Debenture ("Debenture") in the amount of \$722,000.00 to be issued by CDC and used to fund a 504 Loan ("the Loan") to assist:

Borrower:

1. Florida Canning Company, LLC  
11259 Edgewater Circle  
Wellington, FL 33414-8831

### A. PROJECT TO BE FINANCED

#### 1. Project Property ("Project Property")

Debenture Proceeds will be used as part of the financing for:

- a. the purchase of real estate, located at 1301 10th Street, Lake Park , FL 33403-2034.
- b. the purchase and installation of equipment, located at 1301 10th Street, Lake Park , FL 33403-2034.

2. **Project Costs ("Project Costs") include:**

a. Purchase Land .....	\$0.00
b. Purchase Land & Building .....	\$1,740,050.00
c. Construction/Remodeling .....	\$0.00
d. Purchase/Install Equipment .....	\$216,464.00
e. Purchase/Install Fixtures .....	\$0.00
f. Refinanced Debt—Loan from:	
Total Refinanced Debt.....	\$0.00
g. Professional Fees .....	\$40,686.00
h. Other Expenses .....	\$0.00
(construction contingencies, interim interest)	
i. TOTAL Project Cost .....	\$1,997,200.00

**B. PROJECT FINANCING**

1. **Debenture Proceeds:** Debenture Proceeds will be used to pay Administrative Costs and the final 34.99% of the total Project Cost. Prior to the Debenture sale, the CDC conducts a 504 Loan Closing ("504 Loan Closing"), and forwards copies of the closing documents to SBA. After review and approval, CDC forwards the closing documents for Debenture Sale. At or prior to the 504 Loan Closing, Borrower and CDC must sign a Servicing Agent Agreement certifying as to the actual use of the Debenture Proceeds and authorizing a Central Servicing Agent ("CSA") to handle all disbursements and payments under the Debenture.

a. SBA/CDC Share: 34.99% of total Project Cost ("Net Debenture Proceeds")		\$698,919.00
b. Administrative Costs ("Administrative Costs")		
(1) SBA Guarantee Fee (a. x 0.005)		\$3,494.60
(2) Funding Fee (a. x 0.0025)		\$1,747.30
(3) CDC Processing Fee		
(i) CDC Processing Fee (a. x 0.015)	\$10,483.79	\$10,483.79
(4) Closing Costs		
(i) CDC Closing Fee (not to exceed \$2,500)	\$2,500.00	
(ii) Other Out of Pocket Closing Costs (excluding legal fees)	\$1,000.00	\$3,500.00
(5) Subtotal (b.1 through b.4)		\$19,225.69
(6) Underwriters Fee*		\$2,888.00
(7) Total (b.5 plus b.6)		\$22,113.69
c. Total Debenture Amount ("Gross Debenture Proceeds") (a. Plus b.7, rounded up to next thousand)		\$722,000.00
d. Balance to Borrower (c. minus (a. plus b.7))		\$ 967.31

*\* Underwriters fee calculated as follows: For 20 year Debentures, the sum of a. and b.5 divided by 0.99600; round this number up to the next highest thousand; multiply this number by 0.00400.  
For 10 year Debentures, the sum of a. and b.5 divided by 0.99625; round this number up to the next highest thousand; multiply this number by 0.00375.*

- e. **Disbursement:** CDC must issue a Debenture. The Debenture proceeds must be disbursed no later than 48 months from the approval date of this Authorization, unless extended by proper SBA procedures. If no debenture is disbursed within 48 months, this loan authorization will be cancelled by SBA. Extensions beyond the 48 month period will not be available.

2. **Interim Financing (paid off by the Debenture):**

- a. **Interim Lender:** An interim loan in the total principal amount of \$698,919.00 will be provided by the following lender(s) ("Interim Lender"):
  - (1) Bank of Belle Glade in the principal amount of \$698,919.00.
- b. **Application of Net Debenture Proceeds to Interim Loan:** Upon sale of the Debenture, the Net Debenture Proceeds (the portion of Debenture Proceeds that finance Project Cost) will be applied to pay off the balance of the interim loan. If the Interim Lender is also the Third Party Lender, this payment will reduce the total balance owed to Third Party Lender to the amount specified in Paragraph B.3.a. below.
- c. **Required Certifications Before 504 Loan Closing:** Following completion of the Project, but no earlier than the 5th day of the month prior to the month in which the CDC submits this loan to SBA for debenture funding, CDC must cause Interim Lender to certify the amount of the interim loan disbursed, that the interim loan has been disbursed in reasonable compliance with this Authorization, and that it has no knowledge of any unremedied substantial adverse change in the condition of the Borrower since the date of the loan application to the Interim Lender.

3. **Permanent Third Party Lender Loan:**

- a. Bank of Belle Glade ("Third Party Lender") will provide permanent project financing in the amount of \$998,700.00 ("Third Party Lender Loan"). This amount is 50.01% of the total project cost.
- b. The Third Party Lender's note and loan documents must not:
  - (1) allow future advances except advances made for the reasonable costs of collection, maintenance, and protection of the Third Party Lender's lien;
  - (2) be cross-collateralized with other financing provided by Third Party Lender;
  - (3) have an early call feature;
  - (4) be payable on demand unless the Third Party Lender's note is in default;
  - (5) have a term less than, or require a balloon payment prior to, ten years;
  - (6) have any cross-default, "deem-at-risk," or any other provisions which allow Third Party Lender to make demand prior to maturity unless the Loan is in default.
- c. At or prior to 504 Loan Closing, Third Party Lender must execute a Third Party Lender Agreement that:
  - (1) Confirms that the Third Party Lender Loan has been fully advanced;
  - (2) Confirms that the Third Party Lender note and loan documents comply with paragraph b. above, or waives its right to enforce any provisions in the note and loan documents that do not comply with these SBA requirements;
  - (3) Subordinates any prepayment penalties, late fees, and increased default interest to the CDC/SBA lien. Any advances made for the reasonable costs of collection, maintenance, and protection of the Third Party Lender's lien need not be subordinated;

- (4) Waives as to the CDC/SBA lien any provisions in its lien instruments prohibiting further encumbrances;
  - (5) Third Party Lender will provide written notice to CDC and SBA of default within 30 days of any delinquency upon which Third Party Lender intends to take action, and 60 days notice prior to foreclosure; and
  - (6) Confirms no Third Party Lender shall establish a preference beyond its rights as a senior lender on the Third Party Loan without the prior written consent of CDC/SBA; and
  - (7) Confirms that the Third Party Lender Loan has a reasonable interest rate which does not and will not exceed the maximum interest rate for Third Party Loans from commercial financial institutions as published periodically by SBA in the Federal Register and in effect as of the date of this Agreement.
- d. **Third Party Lender Fee.** SBA must collect a one-time Third Party Lender Participation fee equal to 50 basis points on the Third Party Lender's participation in a project when the Third Party Lender is in a senior credit position to SBA on the project. SBA may accept payment of this fee from the Third Party Lender, the 504 borrower, or the CDC. This payment may be made to SBA by (1) the Third Party Lender sending to the CDC a certified check or guaranteed funds check made payable to the CSA, and CDC forwarding it to the CSA with the 504 Loan Closing documentation, or (2) the CDC may collect the fee and the CSA will deduct the amount of the fee from the amount sent to the CDC after Debenture sale.
4. **Borrower's Contribution** ("Borrower's Contribution"):
- a. At or prior to 504 Loan Closing, Borrower must contribute \$299,581.00 to the Project. This amount is 15.00% of the total project cost.
    - (1) Contribution may be in cash, land or other property acceptable to SBA;
    - (2) Contribution may come from Borrower's own resources, CDC, or another source;
    - (3) If any of the contribution is borrowed and secured by any of the Project Property, the resulting obligation must be expressly subordinate to the liens securing the Promissory Note ("Note") in favor of CDC and may not be repaid at a faster rate than the Note unless prior written approval is obtained from SBA. A copy of any debt instrument evidencing the obligation must be supplied to CDC at or prior to 504 Loan Closing.
  - b. **Costs in Excess of Project Cost:** Borrower must pay any costs in excess of the total Project Cost referred to in Paragraph A.2 which Borrower incurs in completing the Project.
  - c. **Closing Costs:** At or prior to 504 Loan Closing, Borrower must pay all closing costs, including but not limited to title insurance premiums, recording costs, and premiums for insurance required by this Authorization.
5. **Borrower's Fees** ("Borrower's Fees")—Borrower must pay:
- a. An ongoing guarantee fee equal to 0.2475 of one percent per annum of the principal balance of the Note calculated at five-year intervals beginning with the first payment. This guarantee fee will be made until the loan is terminated. It will be included with the payment on the Note made each month to the CSA.
  - b. A servicing fee, as stated on the Servicing Agent Agreement at the time of 504 Loan Closing, calculated on the outstanding principal balance at five-year intervals. The fee will be included in the monthly loan installment paid to the CSA.



- c. A late fee of 5 percent of the late payment or \$100.00, whichever is greater, for payments received by the CSA after the 15th day of the month.

6. **CDC Fee**

- a. **Ongoing Guarantee Fee**—CDC must pay an ongoing guarantee fee equal to one-eighth of one percent per annum of the principal balance of the Note calculated on the balance outstanding at five-year intervals. It will be deducted from the servicing fee collected monthly by the CSA for the CDC. The CDC will retain a minimum servicing fee as required by SBA regulations and policies.

C. **THE NOTE**

At or prior to 504 Loan Closing, the Borrower must execute a Note in favor of CDC. The CDC must assign the Note to SBA. Borrower must make payments by Automated Clearinghouse (ACH) or wire transfer.

The Note and Debenture will include the following terms:

1. **Amount:** \$722,000.00
2. **Term:** 25 years
3. **Repayment Terms:** At the date the Debenture is sold, the interest rate will be set and the amount of the monthly principal and interest installment for the term of the Note and the semi-annual principal and interest installment for the term of the Debenture will be established.
4. **Prepayment:** If Borrower prepays during the first ten (10) years of the stated term, there will be a prepayment premium, calculated by applying a declining percentage of the Debenture interest rate to the outstanding principal balance of the Note. A schedule of the dollar amount of the premium will be provided after the sale of the Debenture.

The Borrower may prepay the Note or Lease in full. Partial prepayment is not allowed. Borrower must pay the sum of:

- a. all principal and interest payments, servicing-agent fees, and SBA guarantee fees up to and including the date of the next semi-annual debenture payment date;
- b. all CDC servicing fees that accrue before Borrower prepays;
- c. all late fees incurred before Borrower prepays;
- d. all expenses incurred by CDC for which Borrower is responsible;
- e. the balance owing on the Note as of the next semi-annual debenture payment date; and
- f. any prepayment premium required under the Note and Debenture.

To prepay, Borrower must give prior written notice to the CDC according to the terms of the Note.

#### D. COLLATERAL CONDITIONS

The Note must be secured by the following collateral. All collateral must be assigned to SBA. CDC must obtain a lien on 100% of the interests in the following collateral and properly perfect all lien positions:

1. **Second Mortgage (including due on sale clause, water rights, if any and assignment of rents) on land and improvements** located at 1301 10th Street, Lake Park, FL 33403-2034. This property is commercial.
  - a. Subject only to prior lien(s) as follows:
    - (1) First: Bank of Belle Glade in the amount of \$998,700.00
  - b. Prior open ended lien(s) closed in writing according to applicable state law. Revolving line(s) of credit limited in writing to the amount stated.
  - c. Evidence of title and priority of lien must be based upon:
    - (1) ALTA Loan Policy, insuring CDC and assigns, in the amount of \$722,000.00.
  - d. CDC must obtain in recordable form written subordination agreements from any tenants occupying any of the Project real property required as collateral. Appropriate subordination language may be included in the Lease as an alternative.
  - e. At the time of Closing, either:
    - (1) there must be no contractor's, mechanic's or materialman's lien on the Property, including a lien which might possibly be filed after Closing, which would impair the stated priority of the CDC/SBA lien, and there must be no other circumstances adversely affecting the value of the property; or,
    - (2) no exception for these in the title insurance commitment/policy, or
    - (3) The title insurance company must provide affirmative coverage to CDC and SBA over any such exceptions, affording reasonably adequate protection against material loss arising from such exceptions. In addition, the title insurance company must provide such endorsements as CDC or SBA deems necessary to protect CDC and SBA reasonably against material loss arising from any other exceptions. In states where a survey is customarily provided for title insurance coverage, Borrower must also provide a survey certified to SBA/CDC, or a prior survey acceptable to SBA/CDC and the title insurer and a satisfactory survey affidavit of no change.
2. **Second Perfected Security Interest** in the following personal property (including any proceeds and products), acquired with loan or project proceeds, including all replacements and substitutions, wherever located:  
Equipment; Fixtures; Furniture
  - a. Subject only to the prior lien of Bank of Belle Glade in the amount of \$998,700.00 on the following collateral:  
Equipment; Fixtures; Furniture
  - b. CDC must obtain a written agreement from all Lessors (including sublessors) agreeing to:
    - (1) Subordinate to CDC Lessor's interest, if any, in this property; (2) Provide CDC written notice of default and reasonable opportunity to cure the default; and (3) Allow CDC the right to take possession and dispose of or remove the collateral.

- c. CDC must obtain a list of all equipment and fixtures that are collateral for the Loan. For items with a unit value of \$5,000.00 or more, the list must include a description and serial number, if applicable.
- d. CDC must obtain an appropriate Uniform Commercial Code lien search evidencing all required lien positions. If UCC search is not available, another type of lien search may be substituted.
- e. At the time of Closing, there must be no circumstances adversely affecting the value of the property. There must be no lien on the Property, including a lien which might possibly be filed after Closing, which impairs the stated priority of the CDC/SBA lien.

3. **Guarantee on SBA Form 148**, by Charles Schorr Lesnick, resident in Florida.

**Assignment to SBA.** CDC must execute a satisfactory written assignment to SBA of its interest in the Note, lease and all collateral documents executed by the Borrower and guarantors.

The following language must appear in all lien instruments including Mortgages, Deeds of Trust, and Security Agreements:

*"The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:*

- a) *When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.*
- b) *CDC or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.*

*Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument."*

## E. **ADDITIONAL CONDITIONS**

### 1. **Insurance Requirements**

Prior to 504 Loan Closing, CDC must require Borrower to obtain the following insurance coverage and maintain this coverage for the life of Loan:

- a. **Flood Insurance.** Based on the Standard Flood Hazard Determination (FEMA Form 81-93):
  - (1) If any portion of a building that is collateral for the Loan is located in a special flood hazard area, CDC must require Borrower to obtain flood insurance for the building under the NFIP.
  - (2) If any equipment, fixtures, or inventory that is collateral for the Loan ("Personal Property Collateral") is in a building any portion of which is located in a special flood hazard area and that building is collateral for the Loan, CDC must require Borrower to also obtain flood insurance for the Personal Property Collateral under the NFIP.

- (3) If any equipment, fixtures, or inventory that is collateral for the Loan (“Personal Property Collateral”) is in a building any portion of which is located in a special flood hazard area and that building is not collateral for the Loan, CDC must require Borrower to obtain available flood insurance for the Personal Property Collateral. CDC may request a waiver of this requirement from the Sacramento Loan Processing Center. The CDC must submit with its request a written justification that fully explains why flood insurance is not economically feasible or, if flood insurance is not available, the steps taken to determine that it is not available.

Insurance coverage must be in amounts equal to the lesser of the insurable value of the property or the maximum limit of coverage available. Insurance coverage must contain a MORTGAGEE CLAUSE/LENDER'S LOSS PAYABLE CLAUSE (or substantial equivalent) in favor of CDC. This clause must provide that any action or failure to act by the debtor or owner of the insured property will not invalidate the interest of CDC and SBA. (Borrower will be ineligible for any future SBA disaster assistance or business loan assistance if Borrower does not maintain any required flood insurance for the entire term of the Loan.)

- b. **Real Estate Hazard Insurance** coverage on all business real estate that is collateral for the Loan in the amount of the full replacement cost. If full replacement cost insurance is not available, coverage must be for maximum insurable value. Insurance coverage must contain a MORTGAGEE CLAUSE (or substantial equivalent) in favor of CDC and SBA. This clause must provide that any action or failure to act by the mortgagor or owner of the insured property will not invalidate the interest of CDC and SBA. The policy or endorsements must provide for at least 10 days prior written notice to CDC of policy cancellation.
- c. **Personal Property Hazard Insurance** coverage on all equipment, fixtures or inventory that is collateral for the Loan, in the amount of full replacement costs. If full replacement cost insurance is not available, coverage must be for maximum insurable value. Insurance coverage must contain a LENDER'S LOSS PAYABLE CLAUSE in favor of CDC and SBA. This clause must provide that any action or failure to act by the debtor or owner of the insured property will not invalidate the interest of CDC and SBA. The policy or endorsements must provide for at least 10 days prior written notice to CDC of policy cancellation.
- d. **Liability Insurance** in an amount and with an insurance company satisfactory to CDC.
- e. **Workers' Compensation Insurance** in an amount meeting state law requirements and with an insurance company satisfactory to CDC.
- f. **Wind Hazard Insurance** coverage on all business real estate that is collateral for the Loan in the amount of the full replacement cost. If full replacement cost insurance is not available, coverage must be for maximum insurable value. Insurance coverage must contain a MORTGAGEE CLAUSE (or substantial equivalent) in favor of CDC and SBA. This clause must provide that any action or failure to act by the mortgagor or owner of the insured property will not invalidate the interest of CDC and SBA. The policy or endorsements must provide for at least 10 days prior written notice to CDC of policy cancellation.

## 2. Environmental Requirements

- a. CDC must not close the Loan until it has:
  - (1) completed the review for potential environmental contamination required in SOP 50-10(5) ("Environmental Investigation") on each business real property site taken as collateral; and
  - (2) sufficiently minimized the risk from any adverse environmental findings discovered in the Environmental Investigation, or otherwise, as required by SOP 50-10(5), Subpart C, Chapter 3 (Environmental Policies and Procedures) and applicable appendices.
- b. Immediately after CDC review, the CDC must submit the results of the Environmental Investigation to SBA's Sacramento Loan Processing Center for SBA approval prior to 504 Loan Closing. If CDC or SBA determines from the Environmental Investigation that there is potential environmental contamination, CDC may not forward the Debenture until SBA is satisfied that the risk has been sufficiently minimized. Adverse environmental findings may lead to cancellation of this Authorization.
- c. CDC should consult with the local SBA office where the real property collateral is located to ascertain any state or local environmental requirements.

## 3. Borrower, Guarantor and Operating Company Documents

- a. Prior to 504 Loan Closing, CDC must obtain from Borrower, Guarantor and Operating Company a current copy of each of the following as appropriate:
  - (1) **Corporate Documents**—Articles or Certificate of Incorporation (with amendments), any By-laws, Certificate of Good Standing (or equivalent), Corporate Borrowing Resolution, and, if a foreign corporation, current authority to do business within this state.
  - (2) **Limited Liability Company (LLC) Documents**—Articles of Organization (with amendments), Fact Statement or Certificate of Existence, Operating Agreement, Borrowing Resolution, and evidence of registration with the appropriate authority.
  - (3) **General Partnership Documents**—Partnership Agreement, Certificate as to Partners, and Certificate of Partnership or Good Standing (or equivalent), as applicable.
  - (4) **Limited Partnership Documents**—Partnership Agreement, Certificate as to Partners, and Certificate of Partnership or Good Standing (or equivalent), as applicable, Certificate of Limited Partnership, and evidence of registration with the appropriate authority.
  - (5) **Limited Liability Partnership (LLP) Documents**—Partnership Agreement, Certificate as to Partners, Certificate of Partnership or Good Standing (or equivalent) as applicable, and evidence of registration with the appropriate authority.
  - (6) **Trustee Certification**—A Certificate from the trustee warranting that:
    - (a) The trust will not be revoked or substantially amended for the term of the Loan without the consent of SBA;
    - (b) The trustee has authority to act;
    - (c) The trust has the authority to borrow funds, guarantee loans, and pledge trust assets;
    - (d) If the trust is an Eligible Passive Company, the trustee has authority to lease the property to the Operating Company;
    - (e) There is nothing in the trust agreement that would prevent CDC from realizing on any security interest in trust assets;
    - (f) The trust agreement has specific language confirming the above; and

- (g) The trustee has provided and will continue to provide SBA with a true and complete list of all trustors and donors.
- (7) **Trade Name**—Documentation that Borrower has complied with state requirements for registration of Borrower's trade name (or fictitious name), if one is used.
- b. Prior to 504 Loan Closing, CDC must obtain from Borrower and Operating Company:
  - (1) **Ownership**—Evidence that ownership and management have not changed without CDC's approval since the application was submitted.

#### 4. **Operating Information**

Prior to 504 Loan Closing, CDC must obtain:

- a. **Verification of Financial Information**—CDC must submit IRS Form 4506-T (SBA version) to the Internal Revenue Service to obtain federal income tax information on Borrower, or the Operating Company if Borrower is an EPC, for either the last 2 or 3 years (unless Borrower or Operating Company is a start-up business) depending upon the number of years and number of annual financial statements used to substantiate size eligibility. If the business has been operating for less than 3 years, CDC must obtain the information for all years in operation.

This requirement does not include tax information for the most recent fiscal year if the fiscal year-end is within 6 months of the date SBA received the application. CDC must compare the tax data received from the IRS with the financial data or tax returns submitted with the Loan application, and relied upon in approving the Loan. Borrower must resolve any significant differences to the satisfaction of CDC and SBA. Failure to resolve differences may result in cancellation of the Loan.

If the Loan involves a change of ownership, CDC must verify financial information provided by the seller of the business in the same manner as above.

If CDC does not receive a response from the IRS or copy of the tax transcript within 10 business days of submitting IRS Form 4506-T, then CDC may close the Loan prior to completing this verification, provided that CDC has submitted IRS Form 4506-T to the IRS no later than 10 business days from the date of this Authorization. However, CDC must send a second request following precisely the procedures detailed in SOP 50-10(5) and must perform the verification and resolve any significant differences discovered, even if the loan is fully disbursed.

- b. **Authority to Conduct Business**—Evidence that the Borrower has an Employer Identification Number and any authorization necessary to legally operate the business.
- c. **Flood Hazard Determination**—A completed Standard Flood Hazard Determination (FEMA Form 81-93).

#### 5. **Appraisal**

Prior to 504 Loan Closing, and in accordance with SOP 50-10(5), CDC must obtain and submit to SBA:

- a. **Real Estate Appraisal** on the Project real property located at 1301 10th Street, Lake Park, FL 33403-2034. If the appraised fair market value is less than \$1,780,736.00, Borrower must provide additional investment, additional collateral, or reduce the size of the Project as appropriate.

## 6. **Certifications and Agreements**

- a. At or prior to 504 Loan Closing, CDC must require Borrower to certify that:
- (1) **No Adverse Change**—Since the date of application there has been no unremedied substantial adverse change in the financial condition of Borrower and Operating Company or their ability to repay the Project financing, including the Note. Borrower must also supply to CDC accurate financial statements, current within 120 days of 504 Loan Closing.
  - (2) **Child Support**—No principal who owns at least 50% of the ownership or voting interest of the company is delinquent more than 60 days under the terms of any (a) administrative order, (b) court order, or (c) repayment agreement requiring payment of child support.
  - (3) **Current Taxes**—Borrower is current on all federal, state, and local taxes, including but not limited to income taxes, payroll taxes, real estate taxes, and sales taxes.
  - (4) **Environmental**—For any real estate pledged as collateral for the Loan or where the Borrower is conducting business operations (collectively "the Property"):
    - (a) At the time Borrower submitted the Loan application, Borrower was in compliance with all local, state, and federal environmental laws and regulations pertaining to reporting or clean-up of any hazardous substance, hazardous waste, petroleum product, or any other pollutant regulated by state or federal law as hazardous to the environment ("Contaminant"), and regarding any permits needed for the creation, storage, transportation or disposal of any Contaminant;
    - (b) Borrower will continue to comply with these laws and regulations;
    - (c) Borrower, and all of its principals, has no knowledge of the actual or potential existence of any Contaminant that exists on, at, or under the Property, including groundwater, other than what was disclosed in connection with the Environmental Investigation of the Property;
    - (d) Until full repayment of the Loan, Borrower will promptly notify Lender and SBA if it knows or suspects that there has been, or may have been, a release of a Contaminant in, at, or under the Property, including groundwater, or if Borrower or such Property is subject to any investigation or enforcement action by any federal, state, or local environmental agency ("Agency") pertaining to any Contaminant on, at, or under such Property, including groundwater;
    - (e) As to any Property owned by Borrower, Borrower indemnifies, and agrees to defend and hold harmless, Lender and SBA, and any assigns or successors in interest which take title to the Property, from and against all liabilities, damages, fees, penalties or losses arising out of any demand, claim or suit by any Agency or any other party relating to any Contaminant found on, at, or under the Property, including groundwater, regardless of whether such Contaminant resulted from Borrower's operations. (Lender or SBA may require Borrower to execute a separate indemnification agreement).
- b. At or prior to 504 Loan Closing, CDC must require Borrower to certify that it will:
- (1) **Reimbursable Expenses**—Reimburse CDC for expenses incurred in the making and administration of the Loan.
  - (2) **Books, Records, and Reports**-
    - (a) Keep proper books of account in a manner satisfactory to CDC;
    - (b) Furnish year-end statements to CDC within 120 days of fiscal year end;
    - (c) Furnish additional financial statements or reports whenever CDC requests them;

- (d) Allow CDC or SBA, at Borrower's expense, to:
    - [1] Inspect and audit books, records and papers relating to Borrower's financial or business condition; and
    - [2] Inspect and appraise any of Borrower's assets; and
    - [3] Allow all government authorities to furnish reports of examinations, or any records pertaining to Borrower, upon request by CDC or SBA.
  - (3) **Equal Opportunity**—Post SBA Form 722, Equal Opportunity Poster, where it is clearly visible to employees, applicants for employment and the general public.
  - (4) **American-made Products**—To the extent practicable, purchase only American-made equipment and products with the proceeds of the Loan.
  - (5) **Taxes**—Pay all federal, state, and local taxes, including income, payroll, real estate and sales taxes of the business when they come due.
  - (6) **Occupancy**—Occupy, at all times during the term of the Loan, at least 51% of the total Rentable Property and 100% of the renovated Rentable Property. Borrower will not use Loan proceeds to improve or renovate any of the property leased to third parties.
- c. Prior to 504 Loan Closing, CDC must require Borrower to certify that it will not, without prior written consent of CDC and SBA:
  - (1) **Distributions**—Make any distribution of company assets that will adversely affect the financial condition of Borrower.
  - (2) **Ownership Changes**—Change the ownership structure or interests in the business during the term of the Note, provided that, commencing six months after the Debenture sale, Borrower may have one or more changes in ownership without approval of SBA so long as the cumulative change over the term of the Note is less than five percent (5%).
  - (3) **Transfer of Assets**—Sell, lease, pledge, encumber (except by purchase money liens on property acquired after the date of the Note), or otherwise dispose of any of Borrower's property or assets, except in the ordinary course of business.
  - (4) **Conflict**—Or any of its affiliates acquire, directly or indirectly, in excess of a 10% ownership or interest in CDC during the term of the Debenture. If this type of acquisition occurs the Debenture will immediately become due and payable in full.

## F. DEBENTURE SALE CONDITIONS

- 1. SBA will not authorize the sale of the Debenture until SBA is satisfied that:
  - a. there has been no unremedied adverse change in the financial condition, organization, management, operations, or assets of Borrower ;
  - b. all the terms and conditions of this Authorization have been met, and;
  - c. Borrower and the CDC have complied with their responsibilities as listed below.
- 2. IT IS BORROWER'S RESPONSIBILITY TO:
  - a. Comply with other conditions, outside the Authorization, that are reasonably imposed by CDC.
  - b. Cooperate fully with CDC and SBA in closing the Loan and obtaining necessary certifications and documents.
  - c. Comply with the closing instructions provided by CDC and SBA.



- d. Execute all documents required by CDC and SBA. All documents required to be produced by the Borrower must be satisfactory to SBA in form and substance.
- e. Submit all required documents to CDC counsel sufficiently in advance of 504 Loan Closing (as directed by CDC counsel).
- f. Certify that all elements of Project Costs have been paid in full and how they were paid.
- g. Certify that any bankruptcy or insolvency proceeding involving, or pending lawsuit against, Borrower, Operating Company or any of their principals has been disclosed in writing to CDC.

3. IT IS CDC'S RESPONSIBILITY TO:

- a. Close the Loan in accordance with the terms and conditions of this Authorization.
- b. Obtain valid and enforceable Loan documents and all required lien positions. This includes obtaining the signatures or written consent of any obligor's spouse if such consent or signature is necessary to bind the marital community or create a valid lien on marital property.
- c. Obtain all necessary certifications.
- d. Obtain a legal opinion from CDC counsel or Borrower's counsel if there is one, acceptable to CDC and SBA, verifying:
  - (1) that all Borrower or guarantor entities (other than natural persons) are properly organized, in good standing, validly existing, and have the authority to borrow or guarantee;
  - (2) that the documents executed by the Borrower and guarantors have been authorized, executed, and delivered by an authorized person, and are valid and binding obligations, enforceable in accordance with their respective terms; and
  - (3) opinions as to such other matters as CDC and SBA may require.
- e. Certify to SBA that there has been no substantial unremedied adverse change in the Borrower's financial condition, organization, operation, or assets, as set forth on the CDC Certification (SBA Form 2101).
- f. Certify that all elements of Project Costs have been paid in full and that the Interim Lender, Third Party Lender, Borrower, and CDC have each contributed to the Project in the amount and manner authorized by SBA.
- g. Properly complete all closing documents using SBA Required Forms. CDC may use its own forms except as otherwise instructed in this Authorization. CDC must use the following forms for the Loan:

Opinion of CDC Counsel (Appendix D to the National 504 Authorization Boilerplate)

SBA Form 2101, CDC Certification

SBA Form 1505, SBA Note

SBA Form 1504, Debenture

SBA Form 159 (504), Compensation Agreement, for each representative

SBA Form 1528, CDC Board Resolution

SBA Form 1506, Servicing Agent Agreement

SBA Form 722, Equal Opportunity Poster

SBA Form 2286, 504 Debenture Closing Checklist

SBA Form 2287, Third Party Lender Agreement  
SBA Form 2288, Interim Lender Certification  
SBA Form 2289, Borrower and Operating Company Certification  
IRS Form W-9

CDC may use computer-generated versions of mandatory SBA Forms, as long as these versions are exact reproductions.

- h. Submit Form 2286, the 504 Debenture Closing Checklist, and copies of required documents from the checklist for SBA review and approval by the deadlines established by SBA for each Debenture sale.
4. **Compensation Agreement.** At Closing, CDC and Borrower must provide an SBA Form 159 (504) from each agent, as described in the form, that assisted the Borrower to obtain the Loan, indicating the amount of each fee.
5. **Completion of Debenture and Note Terms.** Borrower and CDC authorize CDC, SBA and/or CSA to date and otherwise complete any terms of the Debenture, Note, or Loan Documents which were incomplete at the time of their execution as soon as such terms become known to them.

ADMINISTRATOR  
SMALL BUSINESS ADMINISTRATION

3/4/2022

X  Sacramento  
Loan Processing Center  
DIGITAL SIGNATURE

Signed by: MICHAEL STOKES

March 4, 2022

By: Authorized SBA Representative

Date

**ACCEPTANCE BY BORROWER AND CDC:**

In consideration for the provision by SBA of financial assistance to CDC for the benefit of Borrower, and intending to be bound, Borrower and CDC accept and agree to comply fully with the terms and conditions of this Authorization for Debenture Guarantee. Each person signing below represents and warrants that he or she is fully authorized to execute this Authorization in the capacity indicated.


This Authorization should be executed by all parties within 10 days of Loan approval.

The terms and conditions of this Authorization survive 504 Loan Closing and Debenture sale.

FLORIDA FIRST CAPITAL FINANCE CORPORATION

(Corporate Seal if Required)

  
By (name, title): Darrell Brown, Asst. Secretary 3/8/2022  
Date

  
Attest or Witness, as required (name, title): Christine Mellon, Asst. Secretary 3/08/2022  
Date

FLORIDA CANNING COMPANY, LLC

(Corporate Seal if Required)

\_\_\_\_\_  
By (name, title): \_\_\_\_\_ Date

\_\_\_\_\_  
Attest or Witness, as required (name, title): \_\_\_\_\_ Date

