

REQUESTED COMMISSION ACTION:

X Consent                      Ordinance                      X Resolution                      Consideration/  
 \_\_\_\_\_                      \_\_\_\_\_                      \_\_\_\_\_                      Discussion                      \_\_\_\_\_  
 Presentation

SHORT TITLE      A Resolution of the City Commission of the City of Pompano Beach, Florida,  
approving and authorizing the proper City officials to execute a Stipulation For  
Settlement to resolve enforcement of a Promissory Note between the City of  
Pompano Beach and The British Four Wheel Drive Company; Providing an  
effective date.

**Summary of Purpose and Why:**

The City has filed an action to enforce a Promissory Note held for British Four Wheel Drive Company ("the Company"). The Company was loaned funds under the City's Community Development Block Grant (CDBG) Revolving Loan Fund Program, administered by the Office of Housing and Urban Improvement (OHUI) and are currently in default. In order to avoid expense and uncertainties of litigation both the City and British Four Wheel Drive have agreed to establish a payment plan, by which British Four Wheel Drive Company can pay off the amount owed on the Promissory Note over a period of time. Full settlement to the City would be \$31,106.96 in principal, \$180.80 in late charges, \$78.88 in loan servicing fees, \$3,925.50 in attorney fees, \$504.00 in filing and service of process fees, and interest from April 1, 2014 at a rate of 3.25% per annum.

- (1) Origin of request for this action: Finance Department
- (2) Primary staff contact: Suzette Sibble, Finance Director                      Ext. 4680
- (3) Expiration of contract, if applicable: September 1, 2022
- (4) Fiscal impact and source of funding: NA

| DEPARTMENTAL COORDINATION | DATE          | DEPARTMENTAL RECOMMENDATION | DEPARTMENTAL HEAD SIGNATURE |
|---------------------------|---------------|-----------------------------|-----------------------------|
| Finance                   | <u>9-1-15</u> | <u>approval</u>             | <u>Suzette Sibble</u>       |
| Budget                    | <u>9-2-15</u> | <u>approval</u>             | <u>[Signature]</u>          |
| <u>City Attorney</u>      | <u>9-2-15</u> |                             |                             |

[Signature]  
 X City Manager

[Signature]

**ACTION TAKEN BY COMMISSION:**

| Ordinance   | Resolution  | Consideration  |
|-------------|-------------|----------------|
| Workshop    |             |                |
| 1st Reading | 1st Reading | Results: _____ |
| 2nd Reading |             | Results: _____ |

## BRITISH FOUR WHEEL DRIVE – SETTLEMENT MEMO

TO: Suzette Sibble, Finance Director

From: Mark Korman, Program Compliance Manager (OHUI)

This Resolution approves the attached Stipulation For Settlement between the City of Pompano Beach and The British Four Wheel Drive Company, a CDBG Revolving Loan Fund ("RLF") borrower that defaulted on its repayment obligation.

CDBG Economic Development funds are granted to local governments that, in turn, may use the monies to provide loans to new and expanding businesses. Businesses, in return for use of the public funds, provide private investment towards the assisted activity and create job opportunities, principally for the benefit of low- and moderate-income persons.

Repaid CDBG loans are used to capitalize a local revolving loan fund (RLF) program. With the RLF, additional loans are made to businesses that are expanding or locating in the community and willing to create jobs. The RLF provides a viable source of financing that fills the "gap" between the monies that are available through the private sector. In making a RLF loan to a business, communities act like a "bank" and accept responsibilities comparable to a commercial lender. The RLF is administered by the Office of Housing and Urban Improvement.

British Four Wheel Drive received a \$50,000 loan on April 2, 2012 after approval of its loan application by the RLF Loan Committee, which was at that time comprised of Assistant City Manager, Willie Hopkins, together with members of the Economic Development Council and banking professionals. Although the company and its sole owner, Fred Mathews, were in a strong financial position when the loan was made, the firm's position deteriorated after Mr. Mathew's untimely death. His cousin, who inherited the business, has been struggling to keep it afloat.

Although the City has the option of seizing the company's assets for liquidation, this would result in the loss of two jobs and, therefore, run counter to the CDBG Economic Development fund's National Objective of job creation/retention. This fact explains the extended repayment schedule provided for in the Stipulation.

Please present this Resolution to the City Commission for approval at its September 8, 2015 meeting.

Thank you.

Attachments

RESOLUTION NO. 2015- \_\_\_\_\_

**CITY OF POMPANO BEACH**  
**Broward County, Florida**

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE A STIPULATION FOR SETTLEMENT TO RESOLVE ENFORCEMENT OF A PROMISSORY NOTE BETWEEN THE CITY OF POMPANO BEACH AND THE BRITISH FOUR WHEEL DRIVE COMPANY; PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA:**

**SECTION 1:** That a Stipulation For Settlement to resolve enforcement of a Promissory Note between the City of Pompano Beach and the British Four Wheel Drive Company, a copy of which Settlement Agreement is attached hereto and incorporated by reference as if set forth in full, is hereby approved.

**SECTION 2:** That the proper City officials are hereby authorized to execute the aforesaid Stipulation for Settlement between the City of Pompano Beach and the British Four Wheel Drive Company.

**SECTION 3:** This Resolution shall become effective upon passage.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
**LAMAR FISHER, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**ASCELETA HAMMOND, CITY CLERK**

FP/ds  
8/18/15  
L:/reso/2015-451f

**IN THE CIRCUIT COURT OF THE  
17th JUDICIAL CIRCUIT, IN AND  
FOR BROWARD COUNTY, FLORIDA**

Case No: CACE-15-002415

Division: 25

The CITY OF POMPANO BEACH,

Plaintiff,

v.

BRITISH FOUR WHEEL DRIVE  
COMPANY,

Defendant.

STIPULATION FOR SETTLEMENT

COME NOW the Plaintiffs, CITY OF POMPANO BEACH ("POMPANO"), and Defendant, BRITISH FOUR WHEEL DRIVE COMPANY ("COMPANY") (collectively, the COMPANY and POMPANO shall be referred to as the "Parties"), to this action, having agreed to resolve their differences hereby stipulate as follows:

Recitals

1. POMPANO filed this action (the "Action") to enforce a promissory note (the "Note").
2. The parties wish to avoid the expense and uncertainties of litigation and establish a payment plan by which COMPANY can pay off the amount owed on the loan represented by the Note over time.

Initials:



COMPANY

POMPANO

Agreement

3. In full settlement of any claims of POMPANO, COMPANY shall pay to POMPANO, \$31,106.96 in principal, late charges of \$180.80, loan servicing fees of \$78.88, attorney's fees of \$3,925.50, filing and service of process fees of \$504.00, and interest from April 1, 2014 at the rate of 3.25% per annum.

4. The monies to be paid by COMPANY hereunder shall first be applied to late charges, loan service fees, attorney's fees and costs, collectively amounting to \$4,689.18, and to accrued interest. As of January 1, 2017, when accrued interest (which continues to accrue) will be fully paid under the payment plan set forth herein, accrued interest, from the date of default, April 1, 2014, will equal \$2,740.80. Thus, the total of late charges, loan servicing fees, attorney's fees, filing and service of process fees, and accrued interest as of January 1, 2017, equals \$7,429.98. COMPANY shall pay these sums by paying \$429.98 on October 1, 2015 and \$500.00 on the first of each month thereafter through and including December 1, 2016. Thereafter, notwithstanding the terms of the Note, the \$31,106.96 in principal due from COMPANY under the Note shall be amortized at 3.25% interest per annum with COMPANY paying \$494.87 on the first of each month beginning on January 1, 2017 through and including September 1, 2022.

5. There shall be no penalty for prepayment of any amount due by COMPANY.

6. All payments due hereunder shall be made by mailing or delivering a check made payable to the City of Pompano Beach, and mailed or delivered to the attention of Miriam Carrillo, City of Pompano Beach, 100 West Atlantic Blvd, Room 220, Pompano Beach, Florida 33060 (or to such other person's attention and/or address as POMPANO shall designate).

Initials:



COMPANY

\_\_\_\_\_ POMPANO

7. All notices in anyway related to this Agreement, if sent to COMPANY, shall be sent by electronic mail to jimatbrit4wd@gmail.com. All notices in anyway related to this Agreement, if sent to POMPANO, shall be sent by electronic mail to OHUI@copbfl.com with a copy to balmuthlaw@alumni.emory.edu. The parties shall be responsible for notifying each other of any change of email address.

8. All envelopes containing payments mailed by COMPANY shall be postmarked by the fifth (5<sup>th</sup>) day after the payment was due or, if the fifth (5<sup>th</sup>) day is a Saturday, Sunday or holiday, the next business day. It is specifically understood and acknowledged by COMPANY, that in the event any of the envelopes containing payments required under this Settlement Stipulation should not be postmarked by the fifth (5<sup>th</sup>) day after the payment was due or, if the fifth (5<sup>th</sup>) day is a Saturday, Sunday or holiday, on the next business day, or if a payment is not received by POMPANO within ten (10) days (including Saturdays, Sundays and holidays) after its due date or, if the tenth day is a weekend or holiday, the next business day, or if any check constituting payment is stopped or returned due to insufficient funds or for any other reason, the COMPANY shall be in default under this Stipulation for Settlement.

9. If any payment is not received by POMPANO within ten (10) days (including Saturdays, Sundays and holidays) after its due date or, if the ten (10<sup>th</sup>) day is a weekend or holiday, the next business day, or if any check constituting payment is stopped or returned due to insufficient funds or for any other reason, POMPANO, shall, thereafter, send a notice by electronic mail to the COMPANY at the email and mailing address(s) indicated in paragraph 7, above, or any updated address(es) provided by the COMPANY, notifying the COMPANY that it has not received payment or that a check constituting payment has been stopped or returned. COMPANY

Initials:  COMPANY \_\_\_\_\_ POMPANO

shall then be entitled to cure any default by hand-delivering a cashier's check replacing the payment that was not previously made or replacing any check that was stopped or returned within five (5) days (including Saturdays, Sundays, and holidays) of the date that the email notice of non-payment etc. was sent or, if the fifth (5<sup>th</sup>) day is a Saturday, Sunday, or holiday, the next business day. If COMPANY fails to timely provide such cashier's check to the POMPANO within this five (5) day cure period, POMPANO shall thereafter be entitled, in its sole discretion, to the entry of a Final Judgment against COMPANY for the amount of late charges, loan services fees, attorney's fees and costs, principal, and interest due after crediting any payments received hereunder.

10. Such judgment shall be entered upon the filing of a declaration under penalty of perjury stating that there has been a default and failure to timely cure said default by the COMPANY. Such declaration shall be made by an employee of POMPANO who has knowledge of the amounts due, the default hereunder and failure to timely cure same. POMPANO shall be entitled to submit its proposed judgment along with the Declaration to the Court without the need for a hearing. COMPANY specifically waives all defenses to the claim for attorney's fees which they have raised or could have raised in this cause with the exception that they may claim that they did not default under this Stipulation for Settlement or have timely cured such default. POMPANO, in its sole discretion, may reject any payment made after this five (5) day cure period has run. However, in the event POMPANO does accept a payment after the cure period shall run, it does not constitute a waiver or estop POMPANO from thereafter enforcing the deadlines hereunder. Interest shall accrue on any judgment pursuant to Section 55.03 of the Florida Statutes,

Initials:  \_\_\_\_\_ COMPANY \_\_\_\_\_ POMPANO

11. Within twenty (20) days of all of the payments referred to in paragraph 4 having been timely made and having resulted in cleared funds, POMPANO shall dismiss the Action with prejudice and the parties shall exchange mutual general releases of each other and of each other's attorneys.

12. The Parties agree to apply to the Court for the entry of an order approving this Stipulation for Settlement, holding the Action in abeyance, and retaining jurisdiction to enforce the terms of same. The Parties further agree that this Agreement has been fully read and understood by them, and that each of them has received independent legal advice from their respective attorneys as to the effect and import of its provisions. The Parties further agree that this Agreement is being entered into for the express purpose and intention of making and entering into a full and final compromise of POMPANO's claim for monies due under the Note. This Agreement constitutes the sole and entire agreement between POMPANO and COMPANY, and supersedes all prior agreements, negotiations, and Parties, with respect to the subject matter covered in it. POMPANO and COMPANY each acknowledge that, in entering into this Agreement, they are not relying upon any representations or warranties made by anyone other than those terms and provisions expressly set forth in this Agreement. It is expressly understood and agreed that this Agreement may not be altered, amended, waived, modified or otherwise changed in any respect or particular whatsoever except by writing duly executed by authorized representatives of POMPANO and COMPANY, respectively. The Parties further acknowledge and agree that they will make no claims at any time or place that this Agreement has been orally supplemented, modified, or altered in any respect whatsoever.

Initials:  \_\_\_\_\_ COMPANY \_\_\_\_\_ POMPANO

13. This Agreement is being made in and shall be deemed to be performed in the State of Florida and shall be governed by, construed, and enforced in accordance with the laws of the State of Florida without giving effect to the provisions, policies, or principles thereof relating to choice of law or conflict of laws. Each of the Parties hereby consents to requesting the Court presiding over the Lawsuit to retain jurisdiction to enforce this claim. In the event the Court presiding over this Lawsuit refuses to retain jurisdiction, the Parties agree that any party to this agreement may bring an action relating to or arising under this Agreement or to enforce same in the Circuit or County Court of the State of Florida, as appropriate. The parties agree that venue for all such actions shall be proper in Palm Beach County, Florida.

14. In any litigation or any action to enforce the terms of this Agreement, including any action to recover damages for any violations of it, the prevailing party shall be entitled to recover its reasonable attorneys' fees and disbursements in addition to costs of suit.

15. Should any provision of this Agreement be held invalid or illegal, such invalidity or illegality shall not invalidate the whole of this Agreement, but, rather the Agreement shall be construed as if it did not contain the invalid or illegal part, and the rights and obligations of the Parties shall be construed and enforced accordingly.

16. This Agreement shall be binding on the Parties' successors and assigns.

17. Each Party has the requisite authority to enter into this Agreement on their own behalf.

18. This Agreement may be executed in counterparts signed on varying dates.

IN WITNESS WHEREOF, this Agreement is executed as of the last date and year indicated below.

Initials:  COMPANY \_\_\_\_\_ POMPANO

"COMPANY"

BRITISH FOUR WHEEL DRIVE COMPANY

By: [Signature]

Print name: JAMES J. MATTHEWS

As its: OWNER

STATE OF FLORIDA

) ss: 214-66-9955

COUNTY OF BROWARD )

Sworn to and subscribed before me on 8/31, 2015 by [Signature]  
Notary of British Four Wheel Drive.



JILL M. GINSBERG  
MY COMMISSION # FF 130101  
EXPIRES: June 5, 2018

Notary Public, State of Florida  
[Signature]

Personally known  OR Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

Initials: [Signature] COMPANY \_\_\_\_\_ POMPANO \_\_\_\_\_

**"CITY":**

Witnesses:

CITY OF POMPANO BEACH

\_\_\_\_\_

By: \_\_\_\_\_  
LAMAR FISHER, MAYOR

\_\_\_\_\_

By: \_\_\_\_\_  
Dennis Beach  
CITY MANAGER

Attest:

(SEAL)

\_\_\_\_\_  
ASCELETA HAMMOND  
CITY CLERK

Approved As to Form:

\_\_\_\_\_  
MARK E. BERMAN  
CITY ATTORNEY

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015 by LAMAR FISHER, as Mayor, DENNIS BEACH, as City Manager and ASCELETA HAMMOND, as City Clerk of the City of Pompano Beach, a municipal Florida corporation, on behalf of the municipal corporation, who are personally known to me.

NOTARY'S SEAL:

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

\_\_\_\_\_  
(Name of Acknowledger Typed, Printed or Stamped)

\_\_\_\_\_  
Commission Number

Initials:  \_\_\_\_\_ COMPANY \_\_\_\_\_ POMPANO

## Loan Closing Statement

LENDER: City of Pompano Beach  
Office of Housing & Urban Improvement  
100 West Atlantic Boulevard, Suite 220  
Pompano Beach, FL 33060

DEBTOR: The British Four Wheel Drive Company  
a Florida Corporation  
470 South Dixie Highway West  
Pompano Beach, FL 33060

LOAN AMOUNT: \$50,000.00

CLOSING DATE: April 2, 2012

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|   |          |
|---|----------|
| 1. Florida State Documentary Stamps                                       | \$175.00 |
| 2. Servicing Fees: 1 <sup>st</sup> Year (Florida Shores Bank – Southeast) | \$500.00 |
| 3. Recording Costs: UCC-1 – Secretary of State                            | \$38.00  |
| Total Closing Costs (paid out of pocket)                                  | \$713.00 |

### DISBURSEMENTS MADE AS FOLLOWS:

|                           |             |
|---------------------------|-------------|
| Loan Proceeds to Borrower | \$50,000.00 |
| Total Disbursed           | \$50,000.00 |

### Closing Notes

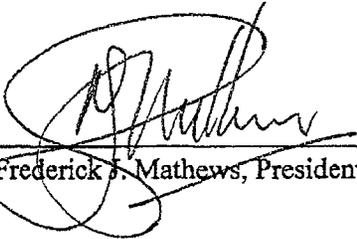
1. The undersigned acknowledges the receipt of a copy of the Note, this Loan Closing Statement, and other related documents (collectively, the "Loan Documents") and agrees to the correctness hereof and authorized and ratifies the disbursements of the amounts shown above; however, completion of this Loan and disbursement is contingent upon the

final approval by the Lender and subject to the undersigned's performance of the terms and conditions of all Loan Documents executed simultaneously herewith by Borrower.

2. The Borrower is responsible for all costs and expenses of the above described Loan transaction, including, without limitation, other insurances, recording charges, Lender's Servicing fees, and other items required by Lender.

Borrower hereby accepts and approves the foregoing Loan Closing Statement and all costs and disbursements referred to herein, this 2<sup>nd</sup> day of April, 2012.

BORROWER: The British Four Wheel Drive Company, a Florida Corporation

By:   
Frederick J. Mathews, President

LENDER: City of Pompano Beach, Office of Housing & Urban Improvement

By:   
for SMC

**City of Pompano Beach**  
**Office of Housing & Urban Improvement**

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**NOTE**

| LOAN NUMBER   | LOAN NAME                            | NOTE AMOUNT |
|---|--------------------------------------|-------------|
| 600005649   | The British Four Wheel Drive Company | \$50,000.00 |
| NOTE DATE   | CITY                                 | STATE       |
| April 2, 2012   | Pompano Beach                        | FL          |
| <b>PROPERTY ADDRESS</b>                                 |                                      |             |
| 470 South Dixie Highway West<br>Pompano Beach, FL 33060 |                                      |             |

**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$50,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **CITY OF POMPANO BEACH**. I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **3.25%**.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS**

**(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1<sup>st</sup> day of each month beginning on May 1, 2012. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on April 1, 2017, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at Florida Shores Bank – Southeast, P.O. Box 31701; Tampa, FL 33631-3701 or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**

My monthly payment will be in the amount of U.S. \$904.00.

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

**5. LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

**6. BORROWER'S FAILURE TO PAY AS REQUIRED**

**(A) Late Charge for Overdue Payments**

If the Note Holder has not received the full amount of any monthly payment by the end of 10 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.00% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

**(B) Default**

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

**(C) Notice of Default**

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

**(D) No Waiver By Note Holder**

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

**(E) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

**7. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

**8. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note

against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

**9. WAIVERS**

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

**10. UNIFORM SECURED NOTE**

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Agreement (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

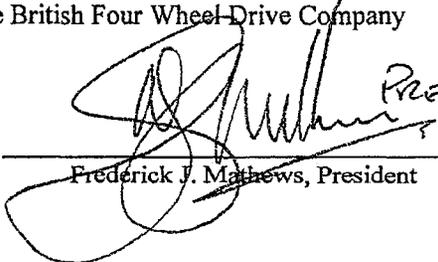
If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument, If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**11. DOCUMENTARY TAX**

The state documentary tax due on this Note has been paid on the mortgage, if a mortgage was given, securing this indebtedness.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

The British Four Wheel Drive Company

By:  PRESIDENT. (Seal)  
Frederick J. Mathews, President

# City of Pompano Beach Office of Housing & Urban Improvement

## AUTHORIZATION

By Corporation

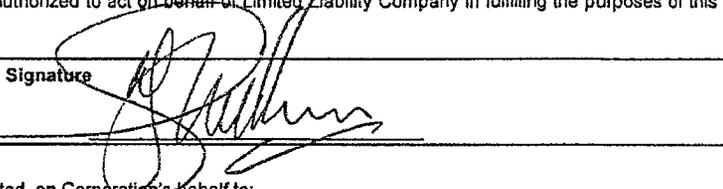
### 1. ENTITY CERTIFICATIONS, I, certify that:

- A. I am designated to act on behalf of The British Four Wheel Drive Company (Corporation).
- B. I am authorized and directed to execute an original or a copy of this Authorization to the City of Pompano Beach ("City"), and anyone else requiring a copy.
- C. Company is properly formed and validly existing under the laws of Florida and that Corporation has the power and authority to conduct business and other activities as now being conducted.
- D. Corporation has the power and authority to adopt and provide this Authorization and to confer the powers granted in this Authorization; the designated Agents have the power and authority to exercise the actions specified in this Authorization; and Corporation properly adopted these authorizations and appointed the Agents and me to act on its behalf.
- E. Corporation will not use any trade name or fictitious name without City's prior written consent and will preserve Corporation existing name, trade names, fictitious names and franchises.
- F. Corporation will notify Financial Institution before reorganizing, merging, consolidating, recapitalizing, dissolving or otherwise materially changing ownership, management or organizational form. Corporation will be fully liable for failing to notify City of these material changes.

### 2. GENERAL AUTHORIZATIONS. I certify Corporation authorizes and agrees that:

- B. Any Agent, while acting on behalf of Corporation, is authorized, subject to any expressed restrictions, to make all other arrangements with City which are necessary for the effective exercise of the powers indicated within this Authorization.
- C. The signatures of the Agent(s) is/are conclusive evidence of their authority to act on behalf of Corporation.
- D. Unless otherwise agreed to in writing, this Authorization replaces any earlier related Authorization and will remain effective until City receives and records an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of this Authorization must be accompanied by documentation, satisfactory to City, establishing the authority for the change.
- E. Corporation agrees not to combine proceeds from collateral securing any debts owed to City with unrelated funds.
- F. City may verify credit history of Corporation by obtaining a credit report from a credit reporting agency or any other necessary means.

### 3. SPECIFIC AUTHORIZATIONS. The following persons (Agents) are authorized to act on behalf of Limited Liability Company in fulfilling the purposes of this Authorization:

| Name and Title and, If Applicable, Representative Entity's Name and Relationship to Authorizing Entity | Signature   |
|--|---|
| Frederick J. Mathews, President  |  |

Corporation authorizes and directs the designated Agents to act, as indicated, on Corporation's behalf to:

Borrow money or obtain other credit or financial accommodation from City on behalf of and in the name of Corporation on the terms agreed to with Financial Institution. The designated agents may execute and endorse promissory notes, acceptances or other evidences of indebtedness. This power may only be exercised by Frederick J. Mathews and requires one authorized signature.

Grant a security interest, lien or other encumbrance to Financial Institution in any or all real or personal property that Corporation now owns or may acquire in the future for the payment or performance of all debts, liabilities and obligations of every type and description owed now or in the future by Limited Liability Company to Financial Institution.

This power may only be exercised by Frederick J. Mathews and requires one authorized signature.

- I. Receive and acknowledge receipt for funds, whether payable to the order of Corporation or an Agent, without additional certification as to the use of the proceeds.

This power may only be exercised by Frederick J. Mathews and requires one authorized signature.

- J. Periodically amend, restructure, renew, extend, modify, substitute or terminate any agreements or arrangements with Financial Institution that relate to this Authorization.

This power may only be exercised by Frederick J. Mathews and requires one authorized signature.

- K. Execute other agreements that Financial Institution may require, and perform or cause to be performed any further actio necessary to carry out the purposes of this Authorization.

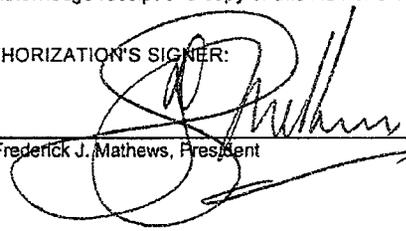
This power may only be exercised by Frederick J. Mathews and requires one authorized signature.

### 4. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Authorization.

SIGNATURES. By signing, I certify and agree to the terms contained in this Authorization on behalf of Company on April 2, 2012.

I also acknowledge receipt of a copy of this Authorization.

AUTHORIZATION'S SIGNER:

By:  PRESIDENT.  
Frederick J. Mathews, President

**UNLIMITED CONTINUING AND  
UNCONDITIONAL GUARANTY OF PAYMENT**

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For value received, and to induce City of Pompano Beach of 100 W. Atlantic Blvd., Pompano Beach, Florida 33060, (referred to here as "Lender") to make loans or advances or to extend credit or other financial accommodations or benefits, with or without security, to or for the account of THE BRITISH FOUR WHEEL DRIVE COMPANY, a Florida corporation, (referred to here as Borrower"), the undersigned agrees as follows.

1. The undersigned absolutely and unconditionally guarantees to Lender and any transferee of this Guaranty or any Liability guaranteed by this Guaranty, the prompt and full payment of the Liabilities. The undersigned agrees that if Borrower fails to fully and timely perform any Liability, the undersigned will fully and timely perform the Liability without resort by Lender to any other person. Any obligation of the undersigned under this Guaranty is in addition to any and shall not prejudice or be prejudiced by any other agreement (including any other agreement signed by the undersigned) which Lender may now or subsequently hold relative to any of the Liabilities. Any payment of the undersigned under this Guaranty may be applied to any of the Liabilities as Lender may choose. Any obligation of the undersigned to Lender under this Guaranty is primary, absolute and unconditional. The terms "Liability" or "Liabilities" as used in this Guaranty shall include, without limitation, all liabilities and obligations of Borrower to Lender including, but not limited to, all liabilities and obligations of Borrower arising out of the FIFTY THOUSAND and NO/100 Dollars (\$50,000.00) aggregate loan transaction of even date with this Guaranty, however and whenever incurred or evidenced, whether primary, secondary, direct, indirect, absolute, contingent, sole, joint or several, due or to become due, or which may be contracted or acquired simultaneously with or subsequent to the

loan transaction, or incurred directly or indirectly in respect of it, and all extensions or renewals of it and all sums payable under or by virtue of it including, without limitation, all amounts of principal and interest and all expenses (including attorneys' fees and costs of collection as specified therein) incurred in the collection thereof or the enforcement of rights thereunder, whether arising in the ordinary course of business or otherwise, and whether held or to be held by Lender for its own account or as agent for another or others.

2. The undersigned waives notice of acceptance of this Guaranty and notice of any Liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or nonpayment of any Liabilities and any suit or the taking of other action by Lender against, and any other notice to, any party liable on it (including the undersigned).

3. At any time and from time to time, without notice to the undersigned (except as required by law), without incurring responsibility to the undersigned, without impairing, releasing or otherwise affecting the obligations of the undersigned in whole or in part and without the endorsement or execution by the undersigned of any additional consent, waiver or guaranty, the Lender may:

(a) change the manner, place or terms of payment, and change or extend the time of or renew or alter, any Liability or installment of the Liability, or any security for it, and may loan additional monies or extend additional credit to Borrower, with or without security, thereby creating new Liabilities, the payment of which shall be guaranteed under this Guaranty, and the guaranty made here shall apply to the Liabilities as so changed, extended, renewed, increased or otherwise altered;

(b) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property at any time pledged, mortgaged or otherwise encumbered to secure the Liabilities and any offset against them;

(c) exercise or refrain from exercising any rights against Borrower or others (including the undersigned) or act or refrain from acting in any other manner;

(d) settle or compromise any Liability or any security for any Liability, and may subordinate the payment of all or any part of it to the payment of any Liability (whether or not due) of Borrower to creditors of Borrower other than Lender and the undersigned; and

(e) apply any sums from any sources to any Liability without regard to any Liabilities remaining unpaid.

4. No invalidity, irregularity or unenforceability of all or any part of the Liabilities or of any security for all or any part of the Liabilities shall affect, impair or be a defense to this Guaranty, and this Guaranty is a primary and absolute obligation of the undersigned.

5. This Guaranty is an unconditional and continuing one, and all Liabilities to which it applies or may apply shall be conclusively presumed to have been created in reliance on this Guaranty. This Guaranty shall continue in full force and effect notwithstanding the death of anyone liable in any manner for the Liabilities and notwithstanding the sale, transfer, relinquishment or abandonment of any beneficial interest therein or thereunder, or the dissolution, death, incapacity or other disability of any beneficiary thereof.

6. All notices provided to be given to Lender in this Guaranty shall be sent by registered or certified mail or express delivery service, return receipt requested, to the address shown in the preamble to this agreement.

7. As security for the Liabilities and the obligation of the undersigned under this Guaranty, Lender is given a lien on, security title to and a security interest in all property of the undersigned now or at any time subsequently in possession of Lender in any capacity whatsoever, and whether individual, joint or by the entirety, including but not limited to any balance or share in any deposits, funds, accounts, trusts, agency or special accounts, items, securities, other property or monies of the undersigned now or subsequently in the possession or control of or otherwise with Lender, to include all dividends and distributions thereon or other rights in connection therewith, and Lender shall have the right to that property as authorized by law. Without limiting the generality of the foregoing, Lender shall have a prior perfected security interest to secure the Liabilities and may, at any time or from time to time at its option and without notice: (a) set off against the deposit balances, funds, items, certificates of deposit, securities, other property and monies and apply the same towards the payment of any of the Liabilities; and (b) transfer into its own name or that of its nominee any such property in the possession or custody of Lender.

8. The undersigned shall be in default under this Guaranty upon:

- (a) nonpayment of any Liability when due or before the expiration of applicable grace periods;
- (b) failure of Borrower or the undersigned to perform any agreement creating or otherwise affecting any Liability or any provision of this Guaranty, or to pay in full, when due, any other obligation of Borrower or the undersigned, all within and before the expiration of any applicable grace period;
- (c) the appointment of a receiver of any part of the property of Borrower or of any material part of the property of the undersigned, assignment for the benefit of creditors or the

commencement of any proceedings in bankruptcy or insolvency by Borrower or the undersigned or the failure to timely contest, or to secure dismissal within 30 days of filing, any involuntary proceeding seeking the adjudication of Borrower or the undersigned as bankrupt or insolvent;

(d) the entry of a final, unappealable judgment having a material adverse affect against Borrower or the undersigned;

(e) the taking of possession of any substantial part of the property of Borrower or the undersigned at the instance of any governmental authority;

(f) the insolvency of the undersigned; or

(g) falsity in any material respect of, or any material omission in, any representation or statement made to Lender by or on behalf of Borrower or the undersigned in connection with any Liability or other obligation of the parties.

9. On the occurrence of any default under this Guaranty, Lender shall have all of the remedies of a creditor and to the extent applicable, of a secured party, under all applicable law, and, without limiting the generality of the foregoing, Lender may, at its option and without notice or demand: (a) declare any Liability accelerated and due and payable at once; and (b) take possession of any collateral security wherever located, and sell, resell, assign, transfer and deliver all or any part of the property of Borrower or the undersigned, for cash or on credit or for future delivery, and, upon any such sale, Lender, unless prohibited by law the provisions of which cannot be waived, may purchase all or any part of the property to be sold, free from and discharged of all trusts, claims, right of redemption and equities of the undersigned whatsoever; and (c) set off against any or all Liabilities or other obligations of the undersigned all money owed by Lender in any capacity to the undersigned whether or not due, and also set off against all other Liabilities of Borrower or obligations of the undersigned to Lender all money owed by

Lender in any capacity to Borrower or the undersigned, and Lender shall be deemed to have exercised the right of setoff and to have made a charge against any such money immediately on the occurrence of the default, although made or entered on the books subsequently. Until all of the obligations of Borrower to Lender have been paid and performed in full, the undersigned shall have no right of subrogation to the rights and remedies of Lender against Borrower, and the undersigned waives any rights to enforce any remedy which Lender may have against Borrower and any rights to participate in any security for any indebtedness guaranteed by this Guaranty.

10. The undersigned shall pay all costs of collection and reasonable attorneys' fees, including reasonable attorneys' fees before, after or during suit and out of court, in trial, on appeal, in bankruptcy proceedings or otherwise, incurred or paid by Lender in enforcing the payment of any Liability or enforcing or preserving any right or interest of Lender, with respect to the Liabilities or this Guaranty, including the collection, sale or delivery of any collateral security from time to time pledged, and after deducting the fees, costs and expenses from the proceeds of sale or collection, Lender may apply any residue to pay any of the Liabilities and the undersigned shall continue to be liable for any deficiency with interest, which shall remain a Liability.

11. If a claim is ever made on Lender for repayment or recovery of any amount or amounts received by Lender in payment or on account of any of the Liabilities and Lender repays all or part of said amount by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Lender or any of its property or any settlement or compromise of any such claim effected by Lender with any such claimant (including Borrower), then the undersigned agrees that any such judgment, decree, order, settlement or compromise shall be binding on the undersigned, notwithstanding any revocation or cancellation of any note

or other instrument evidencing any Liability, and the undersigned shall be and remain liable to Lender under this Guaranty for the amount so repaid or recovered to the same extent as if that amount had never originally been received by Lender.

12. Lender shall not be bound to take any steps necessary to preserve any rights in any of the property of the undersigned against prior parties who may be liable in connection therewith, and the undersigned agrees to take any such steps. At any time after and during the continuance of a default, Lender may nevertheless:

(a) take any action it may deem appropriate for the care or preservation of the property or of any rights of the undersigned or Lender in the property;

(b) demand, sue for, collect or receive any money or property at any time due, payable or receivable on account of or in exchange for any property of the undersigned;

(c) compromise and settle with any person liable on the property; or

(d) extend the time of payment or otherwise change the terms of payment as to any party liable on the property, all without notice to, without incurring responsibility to, and without affecting any of the obligations of the undersigned.

13. No delay on the part of Lender in exercising any of its options, powers or rights, or partial or single exercise of them, shall constitute a waiver of any of its options, powers or rights. No waiver of any of its rights under this Guaranty, and no modification or amendment of this Guaranty, shall be deemed to be made by Lender unless the same shall be in writing, duly signed on behalf of Lender by a duly authorized officer of Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Lender or the obligations of the undersigned to Lender in any other respect at any other time.

14. Lender shall not be required to proceed first against Borrower, or any other person, firm, partnership or corporation, whether primarily or secondarily liable, or against any collateral security held by it, before resorting to the undersigned for payment, and the undersigned shall not be entitled to assert as a defense to the enforceability of the guaranty set forth in this Guaranty any defense of Borrower with respect to any Liability.

15. Any and all rights and claims of the undersigned against Borrower or any of Borrower's property shall be subordinate and subject in right of payment to the prior payment in full of all Liabilities. By signing this Guaranty, the undersigned subordinates any and all indebtedness of Borrower now or subsequently owed to the undersigned to all indebtedness of Borrower to Lender, and agrees with Lender that the undersigned shall not demand or accept any payment of principal or interest from Borrower, shall not claim any offset or other reduction of any of the undersigned's obligations under this Guaranty because of any such indebtedness and shall not take any action to obtain any of the security described in and encumbered by the security instruments securing any of the Liabilities; provided, however, that, if Lender so requests, such indebtedness shall be collected, enforced and received by the undersigned as trustee for Lender and be paid over to Lender on account of the indebtedness of Borrower to Lender, but without reducing or affecting in any manner the liability of the undersigned under the other provisions of this Guaranty.

16. The undersigned warrants and represents to Lender that all financial statements previously delivered by the undersigned to Lender are true and correct in all respects as of the date of this Guaranty.

17. At the request of Lender, the undersigned shall, from time to time, prepare and deliver to Lender a complete and current financial statement setting forth all the assets and liabilities of the undersigned, signed by the undersigned under oath as being true and correct.

18. This Guaranty may not be changed orally or by implication. No obligation of the undersigned can be released or waived by Lender or any officer or agent of Lender, except by a writing, signed by a duly authorized officer of Lender. This Guaranty shall be irrevocable by the undersigned until all indebtedness guaranteed by it has been completely repaid and all the Liabilities, including but not limited to the obligations and undertakings of Borrower under, by reason of, or pursuant to the note and loan documents executed contemporaneously with this Guaranty, have been completely paid, performed and discharged.

19. If, from any circumstances whatsoever, fulfillment of any provisions of this Guaranty, at the time performance of that provision shall be due, shall involve transcending the limit of validity prescribed by any applicable usury statute or any other applicable law as of the date of this Guaranty, with regard to obligations of like character and amount, then ipso facto the obligation to be fulfilled shall be reduced to the limit of that validity, so that in no event shall any exaction be possible under this Guaranty that is in excess of the limit of that validity as of the date of this Guaranty, but that obligation shall be fulfilled to the limit of that validity. The provisions of this paragraph shall control over every other provision of this Guaranty.

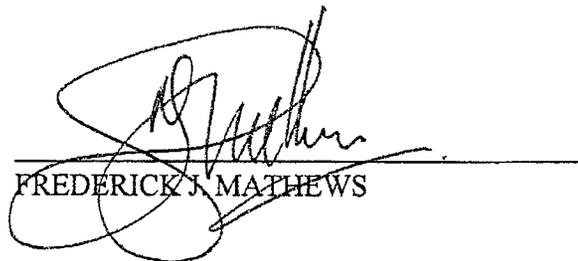
20. This Guaranty is binding on the undersigned, and assigns, and shall inure to the benefit of Lender, its successors, endorsees and assigns.

21. This Guaranty has been delivered in the State of Florida and shall be construed in accordance with the laws of Florida. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any

provision of this Guaranty shall be prohibited by or invalid under applicable law, that provision shall be ineffective to the extent of the prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this Guaranty. To the extent permitted by applicable law, the undersigned waives any provision of law that renders any provision of this Guaranty prohibited or unenforceable in any respect.

22. THE UNDERSIGNED CONSENTS AND AGREES THAT, IN ANY ACTIONS PREDICATED ON THIS GUARANTY, VENUE IS PROPERLY LAID IN BROWARD COUNTY, FLORIDA, AND THAT THE CIRCUIT COURT IN AND FOR BROWARD COUNTY, FLORIDA, SHALL HAVE FULL JURISDICTION TO DETERMINE ALL ISSUES ARISING OUT OF OR IN CONNECTION WITH THE EXECUTION AND ENFORCEMENT OF THIS GUARANTY OR THE COLLECTION OF ANY OF THE LIABILITIES. THE UNDERSIGNED WAIVES TO THE FULLEST EXTENT PERMITTED UNDER THE LAWS OF THE STATE OF FLORIDA, ANY RIGHT, POWER OR PRIVILEGE TO DEMAND A JURY TRIAL WITH RESPECT TO ANY AND ALL ISSUES ARISING OUT OF OR IN CONNECTION WITH THE EXECUTION OR ENFORCEMENT OF THIS GUARANTY OR THE COLLECTION OF ANY OF THE LIABILITIES.

Dated as of April 2, 2012.

  
FREDERICK J. MATHEWS

GBL/jrm  
3/19/12  
l:agr/comdev/guaranty of payment

**City of Pompano Beach**  
**Office of Housing & Urban Improvement**

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**SECURITY AGREEMENT**

**DATE AND PARTIES.** The date of this Security Agreement (Agreement) is April 2, 2012. The parties and their addresses are:

**SECURED PARTY:**

City of Pompano Beach  
Office of Housing & Urban Improvement  
100 West Atlantic Boulevard, Suite 220  
Pompano Beach, FL 33060

**DEBTOR:**

The British Four Wheel Drive Company  
a Florida corporation  
470 South Dixie Highway West  
Pompano Beach, FL 33060

The pronouns "you" and "your" refer to the Secured Party. The pronouns "I," "me" and "my" refer to each person or entity signing this Agreement as Debtor and agreeing to give the Property described in this Agreement as security for the Secured Debts.

**1. SECURED DEBTS.** The term "Secured Debts" includes and this Agreement will secure each of the following:

- A. **Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note or other agreement, dated April 2, 2012, from me to you, in the amount of \$50,000.00.
- B. **Sums Advanced.** All sums advanced and expenses incurred by you under the terms of this Agreement. Loan Documents refer to all the documents executed in connection with the Secured Debts.

**2. SECURITY INTEREST.** To secure the payment and performance of the Secured Debts, I give you a security interest in all of the Property described in this Agreement that I own or have sufficient rights in which to transfer an interest, now or in the future, wherever the Property is or will be located, and all proceeds and products from the Property (including, but not limited to, all parts, accessories, repairs, replacements, improvements, and accessions to the Property). Property is all the collateral given as security for the Secured Debts and described in this Agreement, and includes all obligations that support the payment or performance of the Property. "Proceeds" includes cash proceeds, non-cash proceeds and anything acquired upon the sale, lease, license, exchange, or other disposition of the Property; any rights and claims arising from the Property; and any collections and distributions on account of the Property.

This Agreement remains in effect until terminated in writing, even if the Secured Debts are paid and you are no longer obligated to advance funds to me under any loan or credit agreement.

**3. PROPERTY DESCRIPTION.** The Property is described as follows:

- A. **All Assets.** All present and future right, title and interest in and to any and all personal property of the Debtor, whether such property is now existing or hereafter created, acquired or arising and wherever located from time to time, including without limitation, the following categories of property as defined in the Revised Article 9 of the Uniform Commercial Code (the "UCC"): goods (including inventory, equipment, fixtures, farm products and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter-of-credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), all supporting obligations and all proceeds, products, additions, accessions, substitutions and replacements of the foregoing property.

Any term used herein which is defined in the UCC shall have the meaning set forth in the UCC, and if the meaning is modified by an amendment, modification or revision to the UCC, such modified definition will apply automatically as of the date of such amendment, modification or revision to the UCC.

- B. **Inventory.** All inventory which I hold for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in my business.

**4. WARRANTIES AND REPRESENTATIONS.** I make to you the following warranties and representations which will continue as long as this Agreement is in effect:

- A. **Power.** I am duly organized, and validly existing and in good standing in all jurisdictions in which I operate. I have the power and authority to enter into this transaction and to carry on my business or activity as it is now being conducted and, as applicable, am qualified to do so in each jurisdiction in which I operate.
- B. **Authority.** The execution, delivery and performance of this Agreement and the obligation evidenced by this Agreement are within my powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental agency, and will not violate any agreement to which I am a party or to which I am or any of my property is subject.
- C. **Name and Location.** My name indicated in the DATE AND PARTIES section is my exact legal name. I am an entity organized and registered under the laws of Florida. I will provide verification of registration and location upon your request. I will provide you with at least 30 days notice prior to any change in my name, address, or state of organization or registration.

- D. **Business Name.** Other than previously disclosed in writing to you I have not changed my name or principal place of business within the last 10 years and have not used any other trade or fictitious name. Without your prior written consent, I do not and will not use any other name and will preserve my existing name, trade names and franchises.
- E. **Ownership of Property.** I represent that I own all of the Property. Your claim to the Property is ahead of the claims of any other creator, except as disclosed in writing to you prior to any advance on the Secured Debts. I represent that I am the original owner of the Property and, if I am not, that I have provided you with a list of prior owners of the Property.

#### 5. DUTIES TOWARD PROPERTY.

- A. **Protection of Secured Party's Interest.** I will defend the Property against any other claim. I agree to do whatever you require to protect your security interest and to keep your claim in the Property ahead of the claims of other creditors. I will not do anything to harm your position.

I will keep books, records and accounts about the Property and my business in general. I will let you examine these and make copies at any reasonable time. I will prepare any report or accounting you request which deals with the Property.

- B. **Use, Location, and Protection of the Property.** I will keep the Property in my possession and in good repair. I will use it only for commercial purposes. I will not change this specified use without your prior written consent. You have the right of reasonable access to inspect the Property and I will immediately inform you of any loss or damage to the Property. I will not cause or permit waste to the Property.

I will keep the Property at my address listed in the DATE AND PARTIES section unless we agree I may keep it at another location. If the Property is to be used in other states, I will give you a list of those states. The location of the Property is given to aid in the identification of the Property. It does not in any way limit the scope of the security interest granted to you. I will notify you in writing and obtain your prior written consent to any change in location of any of the Property. I will not use the Property in violation of any law. I will notify you in writing prior to any change in my address, name or, if an organization, any change in my identity or structure.

Until the Secured Debts are fully paid and this Agreement is terminated, I will not grant a security interest in any of the Property without your prior written consent. I will pay all taxes and assessments levied or assessed against me or the Property and provide timely proof of payment of these taxes and assessments upon request.

- C. **Selling, Leasing or Encumbering the Property.** I will not sell, offer to sell, lease, or otherwise transfer or encumber the Property without your prior written permission, except for inventory sold in the ordinary course of business at fair market value, or at a minimum price established between you and me, if I am in default under this Agreement, I may not sell the inventory portion of the Property even in the ordinary course of business. Any disposition of the Property contrary to this Agreement will violate your rights. Your permission to sell the Property may be reasonably withheld without regard to the creditworthiness of any buyer or transferee. I will not permit the Property to be the subject of any court order affecting my rights to the Property in any action by anyone other than you. If the Property includes chattel paper or instruments, either as original collateral or as proceeds of the Property, I will note your security interest on the face of the chattel paper or instruments.

- 6. **INSURANCE.** I agree to keep the Property insured against the risks reasonably associated with the Property. I will maintain this insurance in the amounts you require. This insurance will last until the Property is released from this Agreement. I may choose the insurance company, subject to your approval, which will not be unreasonably withheld.

I will have the insurance company name you as loss payee on any insurance policy. I will give you and the insurance company immediate notice of any loss. You may apply the insurance proceeds toward what is owed on the Secured Debts. You may require added security as a condition of permitting any insurance proceeds to be used to repair or replace the Property.

If you acquire the Property in damaged condition, my right to any insurance policies and proceeds will pass to you to the extent of the Secured Debts.

I will immediately notify you of cancellation or termination of insurance. If I fail to keep the Property insured, you may obtain insurance to protect your interest in the Property and I will pay for the insurance on your demand. You may demand that I pay for the insurance all at once, or you may add the insurance premiums to the balance of the Secured Debts and charge interest on it at the rate that applies to the Secured Debts. This insurance may include coverages not originally required of me, may be written by a company other than one I would choose, and may be written at a higher rate than I could obtain if I purchased the insurance. I acknowledge and agree that you or one of your affiliates may receive commissions on the purchase of this insurance.

- 7. **COLLECTION RIGHTS OF THE SECURED PARTY.** Account Debtor means the person who is obligated on an account, chattel paper, or general intangible. I authorize you to notify my Account Debtors of your security interest and to deal with the Account Debtors' obligations at your discretion. You may enforce the obligations of an Account Debtor, exercising any of my rights with respect to the Account Debtors' obligations to make payment or otherwise render performance to me, including the enforcement of any security interest that secures such obligations. You may apply proceeds received from the Account Debtors to the Secured Debts or you may release such proceeds to me.

I specifically and irrevocably authorize you to exercise any of the following powers at my expense, without limitation, until the Secured Debts are paid in full:

- A. demand payment and enforce collection from any Account Debtor or Obligor by suit or otherwise.
- B. enforce any security interest, lien or encumbrance given to secure the payment or performance of any Account Debtor or any obligation constituting Property.
- C. file proofs of claim or similar documents in the event of bankruptcy, insolvency or death of any person obligated as an Account Debtor.
- D. compromise, release, extend, or exchange any indebtedness of an Account Debtor.
- E. take control of any proceeds of the Account Debtors' obligations and any returned or repossessed goods.
- F. endorse all payments by any Account Debtor which may come into your possession as payable to me.
- G. deal in all respects as the holder and owner of the Account Debtors' obligations.

- 8. **AUTHORITY TO PERFORM.** I authorize you to do anything you deem reasonably necessary to protect the Property, and perfect and continue your security interest in the Property. If I fail to perform any of my duties under this Agreement or any other Loan Document, you are authorized, without notice to me, to perform the duties or cause them to be performed.

These authorizations include, but are not limited to, permission to:

- A. pay and discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Property.
- B. pay any rents or other charges under any lease affecting the Property.
- C. order and pay for the repair, maintenance and preservation of the Property.
- D. file any financing statements on my behalf and pay for filing and recording fees pertaining to the Property.
- E. place a note on any chattel paper indicating your interest in the Property.

- f. take any action you feel necessary to realize on the Property, including performing any part of a contract or endorsing it in my name.
- g. handle any suits or other proceedings involving the Property in my name.
- h. prepare, file, and sign my name to any necessary reports or accountings.
- i. make an entry on my books and records showing the existence of this Agreement.
- j. notify any Account Debtor of your interest in the Property and tell the Account Debtor to make payments to you or someone else you name.

If you perform for me, you will use reasonable care. If you exercise the care and follow the procedures that you generally apply to the collection of obligations owed to you, you will be deemed to be using reasonable care. Reasonable care will not include: any steps necessary to preserve rights against prior parties; the duty to send notices, perform services or take any other action in connection with the management of the Property; or the duty to protect, preserve or maintain any security interest given to others by me or other parties. Your authorization to perform for me will not create an obligation to perform and your failure to perform will not preclude you from exercising any other rights under the law or this Agreement. All cash and non-cash proceeds of the Property may be applied by you only upon your actual receipt of cash proceeds against such of the Secured Debts, matured or unmatured, as you determine in your sole discretion.

If you come into actual or constructive possession of the Property, you will preserve and protect the Property. For purposes of this paragraph, you will be in actual possession of the Property only when you have physical, immediate and exclusive control over the Property and you have affirmatively accepted that control. You will be in constructive possession of the Property only when you have both the power and the intent to exercise control over the Property.

**9. DEFAULT.** I will be in default if any of the following events (known separately and collectively as an Event of Default) occur:

- A. **Payments.** I fail to make a payment in full when due.
- B. **Insolvency or Bankruptcy.** The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, Of the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against me, Obligor, or any co-signer, endorser, surety or guarantor of this Agreement or any other obligations Obligor has with you.
- C. **Business Termination.** I merge, dissolve, reorganize, and my business or existence, or a partner or majority owner dies or is declared legally incompetent.
- D. **Failure to Perform.** I fail to perform any condition or to keep any promise or covenant of this Agreement.
- E. **Other Documents.** A default occurs under the terms of any Other Loan Document,
- F. **Other Agreements.** I am in default on any other debt or agreement I have with you.
- G. **Misrepresentation.** I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
- H. **Judgment.** I fail to satisfy or appeal any judgment against me,
- I. **Forfeiture.** The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.
- J. **Name Change.** I change my name or assume an additional name without notifying you before making such a change.
- K. **Property Transfer.** I transfer all or a substantial part of my money or property.
- L. **Property Value.** You determine in good faith that the value of the Property has declined or is impaired.
- M. **Material Change.** Without first notifying you, there is a material change in my business, including ownership, management, and financial conditions.

**10. DUE ON SALE OR ENCUMBRANCE.** You may, at your option, declare the entire balance of this Agreement to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. However, if I am in default under this Agreement, I may not sell the inventory portion of the Property even in the ordinary course of business.

**11. REMEDIES.** After I default, you may at your option do any one or more of the following.

- A. **Acceleration.** You may make all of any part of the amount owing by the terms of the Secured Debts immediately due.
- B. **Sources.** You may use any and all remedies you have under state or federal law or in any Loan Document.
- C. **Insurance Benefits.** You may make a claim for any and all insurance benefits or refunds that may be available on my default.
- D. **Payments Made On My Behalf.** Amounts advanced on my behalf will be immediately due and may be added to the Secured Debts.
- E. **Assembly of Property** you may require me to gather the Property and make it available to you in a reasonable fashion.
- F. **Repossession.** You may repossess the Property so long as the repossession does not involve a breach of the peace. You may sell, lease or otherwise dispose of the Property as provided by law. You may apply what you receive from the disposition of the Property to your expenses, your attorneys' fees and legal expenses (where not prohibited by law), and any debt I owe you. If what you receive from the disposition of the Property does not satisfy the debt, I will be liable for the deficiency (where permitted by law). In some cases, you may keep the Property to satisfy the debt.

Where a notice is required, I agree that ten days prior written notice sent by first class mail to my address listed in this Agreement will be reasonable notice to me under the Florida Uniform Commercial Code. If the Property is perishable or threatens to decline speedily in value, you may, without notice to me, dispose of any or all of the Property in a commercially reasonable manner at my expense following any commercially reasonable preparation or processing.

If any items not otherwise subject to this Agreement are contained in the Property when you take possession, you may hold these items for me at my risk and you will not be liable for taking possession of them.

- G. **Use and Operation.** You may enter upon my premises and take possession of all or any part of my property for the purpose of preserving the Property or its value, so long as you do not breach the peace. You may use and operate my property for the length of time you feel is necessary to protect your interest, all without payment or compensation to me,
- H. **Waiver.** By choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again,

**12. WAIVER OF CLAIMS.** I waive all claims for loss or damage caused by your acts or omissions where you acted reasonably and in good faith.

**13. PERFECTION OF SECURITY INTEREST AND COSTS.** I authorize you to file a financing statement and/or security agreement, as appropriate, covering all of my personal Property. I will comply with, facilitate, and otherwise assist you in connection with obtaining

perfection or control over the Property for purposes of perfecting your security interest under the Uniform Commercial Code, I agree to pay all taxes, fees and costs you pay or incur in connection with preparing, filing or recording any financing statements or other security interest filings on the Property. I agree to pay all actual costs of terminating your security interest.

- 14. **APPLICABLE LAW.** This Agreement is governed by the laws of Florida, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Florida, unless otherwise required by law.
- 15. **JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** Each Debtor's obligations under this Agreement are independent of the obligations of any other Debtor. You may sue each Debtor individually or together with any other Debtor. You may release any part of the Property and I will still be obligated under this Agreement for the remaining Property. Debtor agrees that you and any party to this Agreement may extend, modify or make any change in the terms of this Agreement or any evidence of debt without Debtor's consent. Such a change will not release Debtor from the terms of this Agreement. If you assign any of the Secured Debts, you may assign all or any part of this Agreement without notice to me or my consent, and this Agreement will inure to the benefit of your assignee to the extent of such assignment. You will continue to have the unimpaired right to enforce this Agreement as to any of the Secured Debts that are not assigned. This Agreement shall inure to the benefit of and be enforceable by you and your successors and assigns and any other person to whom you may grant an interest in the Secured Debts and shall be binding upon and enforceable against me and my personal representatives, successors, heirs and assigns.
- 16. **AMENDMENT, INTEGRATION AND SEVERABILITY.** This Agreement may not be amended or modified by oral agreement. No amendment or modification of this Agreement is effective unless made in writing and executed by you and me. This Agreement and the other Loan Documents are the complete and final expression of the understanding between you and me. If any provision of this Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.
- 17. **INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Agreement.
- 18. **NOTICE AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Debtor will be deemed to be notice to all Debtors. I will inform you in writing of any change in my name, address or other application information. I will provide you any other, correct and complete information you request to effectively grant a security interest on the Property. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Agreement and to confirm your lien status on any Property. Time is of the essence.

SIGNATURES: By signing, I agree to the terms contained in this Agreement. I also acknowledge receipt of a copy of this Agreement.

DEBTOR:

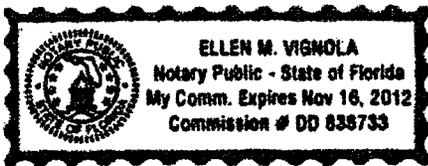
The British Four Wheel Drive Company

By  Date April 2<sup>nd</sup> 2012  
 Frederick J. Mathews, President

STATE OF FLORIDA  
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 2 day of April, 2012 by Frederick J. Mathews, who is personally known to me or who has produced Florida Driver Lic. as identification.

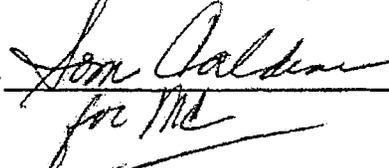
NOTARY'S SEAL:



  
 NOTARY PUBLIC, STATE OF FLORIDA  
Ellen M. Vignola  
 (Name of Acknowledger Typed, Printed or Stamped)  
DD 838733  
 Commission Number

SECURED PARTY:

City of Pompano Beach - Office of Housing & Urban Improvement

By  Date 4/2/12  
 for the

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE  
FINANCING STATEMENT FORM**

|  |
|--|
| A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON<br>Ellen Vignola (954) 876-2300   |
| B. SEND ACKNOWLEDGEMENT TO:<br>Name Florida Shores Bank - SE<br><br>Address P.O. Box 31710<br><br>Address<br><br>City/State/Zip Tampa, FL 33631-3701 |

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (1a OR 1b) - Do Not Abbreviate or Combine Names**

|   |  |   |   |  |
|---|--|---|---|--|
| 1.a ORGANIZATION'S NAME<br>The British Four Wheel Drive Company |  |   |   |  |
| 1.b INDIVIDUAL'S LAST NAME                                      | FIRST NAME                                     | MIDDLE NAME                             | SUFFIX                                      |  |
| 1.c MAILING ADDRESS Line One<br>470 South Dixie Highway West    |  | This space not available.               |   |  |
| MAILING ADDRESS Line Two  |  | CITY<br>Pompano Beach                   | STATE<br>FL                                 | POSTAL CODE<br>33060                   |
| 1.d TAX ID#<br>27-2002550                                       | REQUIRED ADD'L INFO<br>RE: ORGANIZATION DEBTOR | 1.e TYPE OF ORGANIZATION<br>Corporation | 1.f JURISDICTION OF ORGANIZATION<br>Florida | 1.g ORGANIZATIONAL ID#<br>P10000016709 |

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b) - Do Not Abbreviate or Combine Names**

|                              |  |                           |                                  |   |
|------------------------------|--|---------------------------|----------------------------------|---|
| 2.a ORGANIZATION'S NAME      |  |                           |                                  |   |
| 2.b INDIVIDUAL'S LAST NAME   | FIRST NAME                                     | MIDDLE NAME               | SUFFIX                           |   |
| 2.c MAILING ADDRESS Line One |  | This space not available. |                                  |   |
| MAILING ADDRESS Line Two     |  | CITY                      | STATE                            | POSTAL CODE   |
| 2.d TAX ID#                  | REQUIRED ADD'L INFO<br>RE: ORGANIZATION DEBTOR | 2.e TYPE OF ORGANIZATION  | 2.f JURISDICTION OF ORGANIZATION | 2.g ORGANIZATIONAL ID#<br><input type="checkbox"/> NONE |

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY (3a OR 3b)**

|   |            |                           |             |                           |
|---|------------|---------------------------|-------------|---------------------------|
| 3.a ORGANIZATION'S NAME<br>City of Pompano Beach                    |            |                           |             |                           |
| 3.b INDIVIDUAL'S LAST NAME  | FIRST NAME | MIDDLE NAME               | SUFFIX      |                           |
| 3.c MAILING ADDRESS Line One<br>c/o Florida Shores Bank - Southeast |            | This space not available. |             |                           |
| MAILING ADDRESS Line Two<br>P.O. Box 31701                          |            | CITY<br>Tampa             | STATE<br>FL | POSTAL CODE<br>33631-3701 |

**4. This FINANCING STATEMENT covers the following collateral:**

All of the following which Debtor owns now or in the future, together with all parts, accessories, repairs, replacements, improvements, and accessions, and wherever located: **INVENTORY:** All inventory held for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in Debtor's business. **EQUIPMENT:** All equipment including, but not limited to, machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and record keeping equipment, parts and tools. The property includes any equipment described in a list or schedule Debtor gives to Secured Party, but such a list is not necessary to create or perfect a valid security interest in all of... (Continued on attachment)

5. ALTERNATE DESIGNATION (if applicable)  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  
 AG. LIEN  NON-UCC FILING  SELLER/BUYER

**6. Florida DOCUMENTARY STAMP TAX - YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX**

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.  
 Florida Documentary Stamp Tax is not required.

**7. OPTIONAL FILER REFERENCE DATA**

Initials 

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE  
FINANCING STATEMENT FORM – ADDENDUM**

**8. NAME OF FIRST DEBTOR (1a OR 1b) ON RELATED FINANCING STATEMENT**

|   |            |             |        |
|---|------------|-------------|--------|
| 8a. ORGANIZATION'S NAME<br>The British Four Wheel Drive Company |            |             |        |
| 8b. INDIVIDUAL'S LAST NAME                                      | FIRST NAME | MIDDLE NAME | SUFFIX |
|   |            |             |        |

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

9. MISCELLANEOUS:

**10. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – INSERT ONLY ONE DEBTOR NAME (10a OR 10b) – Do Not Abbreviate or Combine Names**

|                               |   |                           |                                   |  |
|-------------------------------|---|---------------------------|-----------------------------------|--|
| 10.a ORGANIZATION'S NAME      |   |                           |                                   |  |
| 10.b INDIVIDUAL'S LAST NAME   | FIRST NAME  | MIDDLE NAME               | SUFFIX                            |  |
| 10.c MAILING ADDRESS Line One | This space not available                          |                           |                                   |  |
| MAILING ADDRESS Line Two      | CITY  | STATE                     | POSTAL CODE                       | COUNTRY  |
| 10.d TAX ID#                  | REQUIRED ADD'L INFO<br>RE: ORGANIZATION<br>DEBTOR | 10.e TYPE OF ORGANIZATION | 10.f JURISDICTION OF ORGANIZATION | 10.g ORGANIZATIONAL ID#<br><input type="checkbox"/> NONE |

**11. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – INSERT ONLY ONE SECURED PARTY (11a OR 11b)**

|                               |                          |             |             |         |
|-------------------------------|--------------------------|-------------|-------------|---------|
| 11.a ORGANIZATION'S NAME      |                          |             |             |         |
| 11.b INDIVIDUAL'S LAST NAME   | FIRST NAME               | MIDDLE NAME | SUFFIX      |         |
| 11.c MAILING ADDRESS Line One | This space not available |             |             |         |
| MAILING ADDRESS Line Two      | CITY                     | STATE       | POSTAL CODE | COUNTRY |

12. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

13. Description of real estate:

14. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

15. Additional collateral description:

Debtor's equipment. GENERAL INTANGIBLES: All general intangibles including but not limited to, tax refunds, patents and applications for patents, copyrights, trademarks, trade secrets, good will, trade names, customer lists, permits and franchises, payment intangibles, computer programs and all supporting information provided in connection with a transaction relating to computer programs and the right to use Debtor's name. UCC-1 lien to cover all assets of the servicing and repair company located at 470 South Dixie Highway West, Pompano Beach, FL 33060.

16. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

17. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction – effective 30 years



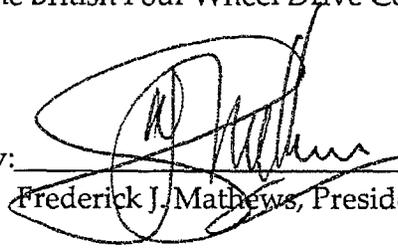
400 North Federal Highway  
Pompano Beach, FL 33062  
954.876.2300  
www.floridashoresbank.com

Loan Servicing Fee

On behalf of the City of Pompano Beach, Florida Shores Bank will service your loan. All payments should be made payable to Florida Shores Bank and mailed to: P.O. Box 31701; Tampa, FL 33631-3701.

There will be a 1% servicing fee due at closing and payable to Florida Shores Bank. After the first year there will be a .0417% servicing fee assessed each month based on the outstanding principal balance for the remaining term of the loan. This servicing fee will be paid to Florida Shores Bank.

The British Four Wheel Drive Company

By:   
Frederick J. Mathews, President

APRIL 2<sup>ND</sup> 2012  
Dated