



**Lake Park Town Commission, Florida**  
**Special Call Community Redevelopment Agency**  
**Meeting Agenda**

Wednesday, May 03, 2023

Immediately Following the Regular Commission Meeting

Commission Chamber, Town Hall, 535 Park Avenue, Lake Park, FL 33403

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<b>Roger Michaud</b>	—	<b>Chair</b>
<b>Kimberly Glas-Castro</b>	—	<b>Vice-Chair</b>
<b>John Linden</b>	—	<b>Agency Member</b>
<b>Mary Beth Taylor</b>	—	<b>Agency Member</b>
<b>Judith Thomas</b>	—	<b>Agency Member</b>
<b>Henry K. Stark</b>	—	<b>Agency Member</b>
<b>John O. D'Agostino</b>	—	<b>Executive Director</b>
<b>Thomas J. Baird, Esq.</b>	—	<b>Agency Attorney</b>
<b>Vivian Mendez, MMC</b>	—	<b>Agency Clerk</b>

*PLEASE TAKE NOTICE AND BE ADVISED, that if any interested person desires to appeal any decision of the Town Commission, with respect to any matter considered at this meeting, such interested person will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Persons with disabilities requiring accommodations in order to participate in the meeting should contact the Town Clerk's office by calling 881-3311 at least 48 hours in advance to request accommodations.*

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**CALL TO ORDER/ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**SPECIAL PRESENTATION/REPORT:**

**PUBLIC COMMENT:**

*This time is provided for addressing items that do not appear on the Agenda. Please complete a comment card and provide it to the Agency Clerk so speakers may be announced. Please remember comments are limited to a TOTAL of three minutes.*

**CONSENT AGENDA:**

**NEW BUSINESS:**

- 1. RESOLUTION 36-04-23 OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE TOWN OF LAKE PARK, FLORIDA, AUTHORIZING AND DIRECTING THE CHAIRMAN TO SIGN A FIRST AMENDMENT TO THE GRANT AGREEMENT**



**WITH OCEANA LOGISTICS INTERNATIONAL, INC., KISS KITCHENS LLC, AND FLORIDA CANNING COMPANY LLC; AND PROVIDING FOR AN EFFECTIVE DATE.**

- 2.** REQUEST TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ENCUMBER AND EXPEND FUNDING AND TO APPROVE TWO PROPOSALS FROM ENGENUITY GROUP FOR PROFESSIONAL SURVEYING SERVICES AND PROFESSIONAL ENGINEERING SERVICES FOR THE SURVEYING, DESIGN AND DEVELOPMENT OF 100% CONSTRUCTION-READY ENGINEERING DESIGN PLANS ASSOCIATED WITH THE PROPOSED SEPTIC TO SEWER TRANSITION IN THE INDUSTRIAL AREA.

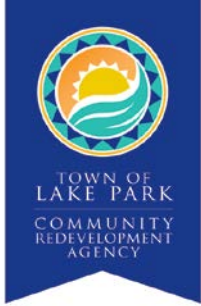
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**AGENCY MEMBER REQUESTS:**

**ADJOURNMENT:**

**FUTURE MEETING DATE:** The next scheduled Community Redevelopment Agency Meeting will be conducted on June 7, 2023.





## CRA – Special Call Agenda Request Form

Meeting Date: May 3, 2023

Agenda Item No.

**Agenda Title:** A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE TOWN OF LAKE PARK, FLORIDA, AUTHORIZING AND DIRECTING THE CHAIRMAN TO SIGN A FIRST AMENDMENT TO THE GRANT AGREEMENT WITH OCEANA LOGISTICS INTERNATIONAL, INC., KISS KITCHENS LLC, AND FLORIDA CANNING COMPANY LLC; AND PROVIDING FOR AN EFFECTIVE DATE.  
(continued from April 19, 2023)

[ ] SPECIAL PRESENTATION/REPORT [ ] CONSENT AGENDA  
[ ] OLD BUSINESS [X] **NEW BUSINESS: Resolution**  
[ ] DISCUSSION FOR FUTURE ACTION [ ] OTHER: General Business

Approved by Executive Director: \_\_\_\_\_ Date: \_\_\_\_\_

*Nadia Di Tommaso, Community Development Director*

<b>Originating Department:</b>  <b>Town Manager/Community Development</b>	<b>Costs:</b> \$ 200K per fiscal year for 5 years (total \$1M – <i>the first \$200K has already been paid</i> ) & Legal Review <b>Funding Source:</b> <b>CRA-Grants-Business Development / Legal #108</b> <b>Acct. # 110-55-552-520-82111</b> [ ] Finance <small>Jeffrey P. Duvall</small> <small>Digitally signed by Jeffrey P. Duvall DN: cn=Jeffrey P. Duvall, o=City of Lake Park, ou=City of Lake Park, email=jduvall@cityoflakepark.org, c=US Date: 2023.04.27 11:25:00 -0400</small>	<b>Attachments:</b> <ul style="list-style-type: none"><li>→ Resolution 36-04-23</li><li>→ First Amendment to Redevelopment Grant Agreement</li><li>→ Executed Guaranty</li><li>→ Applicant Presentation</li><li>→ Applicant Executive Summary</li><li>→ Construction Contract</li><li>→ Business Plans: Oceana; Kiss Kitchens; Florida Canning</li><li>→ SBA and HUD Loan Documents</li><li>→ Additional Kiss Kitchens and Florida Canning Business Information</li><li>→ Letter Received from CRA Board Member Taylor</li></ul>
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## **APRIL 19, 2023 CRA BOARD MEETING**

This item could not be considered at the April 19 meeting since the site plan amendment item was not acted upon by the Town Commission. Consequently, Board Member Linden made a Motion to move the grant application to the same meeting as the site plan, or one that is closely after the site plan meeting. Motion passed. In light of this motion, full presentations and discussions were not had at this April 19 meeting.

Given the construction cost and timing impacts associated with delaying this item, it is being presented this evening (May 3) in follow-up to the site plan amendment on the separate Town Commission agenda. Since one-on-one meetings were conducted with Commission Members on the site plan, this grant agreement was also discussed in those meetings and in the capacity of being a CRA Board Member. This was done to enable the discussion on May 3 and prepare the Applicant for the items that may need to be specifically discussed. After meeting one-on-one with all CRA Board Members, some feedback as it relates to the need for the Applicant to explain the following is required at this meeting (note, the Applicant's presentation prepared for April 19 will be used as it includes information that will serve to respond to the following items):

- ➔ Confirmation by Oceana and partners on whether the initial \$200K was spent for design plan preparation purposes and if so, how does this correlate with the applicant's initial request for the full \$1M to pay down the construction loan. Does this mean the \$200K already spent, that was not applied towards actual construction, will render the construction loan \$200K short as it relates to the repayment of this loan?
- ➔ Clarifications by Oceana and partners on their current partners in the market (such as Whole Foods and others) and explanation on the areas and companies they are currently partnered with for their products and services
- ➔ Explanations on what makes Oceana coffee distinct from other coffees and explanations on where your coffee beans are sourced (etc.)
- ➔ An exact breakdown of the approved loan amounts that are outlined in the executive summary and who is providing these approved loan amounts and under what general terms
- ➔ Further explanations on how the \$145.6M in economic impact explained in the executive summary is derived and will be achieved

Finally, the potential for including a condition on the CRA Grant Agreement that provides for the remaining annual payments of \$200K to be paid directly to the Bank of Belle Glade (to pay down the construction loan) may also be considered. This may allow a further assurance that the funds are being used to pay down the construction loan, which in turn lessens the debt on the property itself that the CRA is relying upon as collateral in the event there is a breach of contract.



## **ADDITIONAL INFORMATION PROVIDED BY OCEANA COFFEE**

*In terms of the numbers that coffee contributes to the economy the National Coffee Association (NCA) is the authority for sure. I would agree with these numbers, the specialty sector of the industry which is what we are a part of comprised about \$55 billion per year and this was back in 2011.*

*I see they reference milks and whiteners.... we have been consulting with a company called Hood in the Northeast for the past 6 years helping them bring a barista series oat milk to market.*

*We also have been consulting with Newell Brands since 2019 on different home based espresso machines. Newell is a very large corporation, they own Mr. Coffee, Calphalon, and many other international brands and products.*

*We have aligned ourselves with some very large players in the coffee world and they rely on us for our expertise if anyone was wondering about how secure our future is.*

*We just returned from Coffee Fest New York with Hood and the SCAA event happened in April this year, we are normally there with one of the equipment manufacturers that we work with or doing education for Hood at these type of events.*

*Coffee is very powerful when it comes to building a community and enhancing a neighborhood as well.*

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*In a groundbreaking study, the National Coffee Association commissioned original research from the experts at Technomic to measure all the ways that coffee contributes to the U.S economy. The final report, which was produced in collaboration with the Specialty Coffee Association of America, has resulted in the first comprehensive study of the impact of coffee on the U.S. economy.*

*And the results speak for themselves.*

*We already know that coffee is the most commonly consumed beverage in the U.S. (even more than tap water). And the SCAA 2014 Economics of the Coffee Supply Chain report gave us a glimpse into the complexity of the coffee supply chain.*

*But it turns out that coffee touches communities across the country in amazing ways, from generating tax dollars to creating jobs, from the supermarket to the dairy farm.*

*Highlights include:*

*§ The total economic impact of the coffee industry in the United States in 2015 was **\$225.2 billion***

*§ The coffee-related economic activity comprises approximately **1.6% of the total U.S. gross domestic product***

*§ Consumers **spent \$74.2 billion** on coffee in 2015*

*§ The coffee industry is responsible for **1,694,710 jobs** in the US economy*

*§ The coffee industry generates nearly **\$28 billion in taxes** (including ancillary goods)*



## **About These Numbers**

*These numbers reflect all economic activity in the U.S. coffee economy, the majority of which is created in the foodservice sector, where coffee is prepared for consumers – a reflection of the investment in equipment, labor, and materials needed for service.*

*Elements of the coffee economy include:*

- § Importers*
- § Transportation, including shipping and trucking*
- § Roasters and packaging*
- § Whiteners, including milk and creamers*
- § Sweeteners*
- § Flavorings*
- § Disposable products*
- § Maintenance*
- § Equipment sold, both to consumers and for commercial coffee service*
- § Indirect services such as accounting, marketing, and promotion*
- § Wages and taxes*
- § Induced spending by those working in the coffee economy*

*This report was commissioned by NCA with support from the SCAA, and was produced by Technomic, Inc., a leading food and beverage industry consulting organization. Technomic's experts drew upon a wide variety of primary and secondary sources including interviews with industry experts, U.S. government statistics, published corporate reports, their own internal databases on the beverage industry and related sectors, and IMPLAN modeling software.*

*The report reflects data for the economic impact of the coffee sector in the calendar year 2015, a year for which 76% of adult Americans reported drinking coffee based on the NCA National Coffee Drinking Trends study.*

## **NCA Coffee Market Research**

*The Power of Coffee is part of the NCA Market Research Series, which includes the annual National Coffee Drinking Trends (NCDT) report.*



## **Background and Summary**

On November 2, 2022, the CRA Board considered a grant application request from the Lake Park Group, consisting of Oceana Logistics International, Inc., Kiss Kitchens LLC, and Florida Canning Company LLC. The request was for \$1M, spread over a 5-year term at \$200K per fiscal year with the first payment having already been made in December 2022. At the November 2 meeting, there was lengthy discussion by the Board regarding the grant request. The Board requested additional information on the business plans associated with the three entities; further explanations on their loan(s) breakdown and evidence of their financial stability. There was additional discussion on the loan guarantees and review of the economic impacts associated with the business investment growth and additional economic growth factors to substantiate the request. The item was brought back for discussion before the CRA Board on November 16, 2022 and the Board was satisfied with the information received and approved the Grant Agreement and associated Guaranty at a vote of 5-1, with Board Member Taylor dissenting (letter from Board Member Taylor included in the packet).

Oceana Logistics International (i.e. Oceana Coffee) is an established business in Palm Beach County who received site plan approval by the Town to build their corporate roasting house facility, retail center, canning and commercial food (ghost) kitchens at 1301 10<sup>th</sup> Street. They have partnered with two additional entities, Kiss Kitchens LLC and Florida Canning Company LLC to carry out their vision and Oceana Coffee is a partner in all of the companies. The vision for the property remains unchanged and the intended operation remains an overall Small-Scale Food and Beverage use, even though internally certain components will be operated by distinct entities (of which Oceana is a partner in all the entities). Collectively, they are referred to as the Lake Park Group. The property ownership is CIDC Lake Park LLC and they are a party to the development order and to the agreement and guaranty presented this evening.

**In light of the supply chain issues and significant and record breaking increases in material and labor costs, affecting projects nationwide, the project's originally anticipated construction cost of approximately \$7-8M could not be realized following grant approval in November 2022.** Staff was advised of the need to pursue a site plan amendment for the redesign of the project in February 2023, with a site plan amendment submitted to the Town in mid-March 2023 (for which Staff expedited in order to properly align the items for this evening's agendas and ensure construction can move forward without any additional delays, since this would result in additional increases in construction costs and possibly halt the intended vision of the project).

The project as redesigned, has secured a not-to-exceed construction cost of \$7,524,930 (with some additional values associated with furnishings, bike racks, window treatments and other items as indicated in the enclosed contract, that are not included, but that will be added later). Still, having an executed, not-to-exceed dollar amount contract, ensures the project can remain in the \$8M range as originally anticipated.

While the proposed redesign was presented as part of a separate site plan amendment item before the Town Commission, this grant request refers and relies on the amended site plan approval pursuant to Resolution 29-04-23 (approved in the prior Commission meeting this evening). The following illustrates the amended design for the project:



## AMENDED DESIGN RENDERINGS

### Nighttime View (with lit coffee beans)



### Daytime View





The ORIGINAL design was presented as follows:



**From an economic development and redevelopment perspective, which is essentially the focus of the CRA and of the dollars spent in the CRA, the project retains a comparable value and will result in a redevelopment that will generate a similar tax value and a significant number of jobs, even if reduced.** To recap, some of the proposed changes are, in part:

- ➔ a reduction in square footages and elimination of a standalone office on the north side by consolidating the office into the ground floor (i.e. reduction in impacts);
- ➔ a reconfiguration of the internal components on the floor plans;  
relocation of the outdoor/patio from the 3<sup>rd</sup> level to the 2<sup>nd</sup> level thereby reducing the overall building height as well from 40 feet to 36 feet;
- ➔ Following construction, the intent is to condo the building into its various components with distinct owners/operators for each of the components of the *Small Scale Food and Beverage Production* use, for which Oceana Coffee (i.e. Oceana Logistics International) is a partner in all of the components (Kiss Kitchens for the leasable commercial kitchens; Florida Canning for the canning; and Oceana for the retail/office/shipping).

Overall, Staff is pleased with the redesign since it appears the overall functionality of the project has been significantly improved, along with the street connectivity from the 2<sup>nd</sup> level outdoor area and ground floor plaza area.

Enclosed is a presentation from the Lake Park Group that includes additional details on their anticipated operation and partnership (along with the revised economic profile details that are important to this request). A detailed presentation to the CRA Board will be provided by the Lake Park Group as part of this revised request.

The First Amendment to the CRA Redevelopment Grant is proposing to retain the grant to the Lake Park Group at \$200,000 per year, for a period of five years (total of \$1M, with the first \$200K



already paid in December 2022) to assist with construction costs and ensure the project is able to adhere to their amended development order.

One of the CRA Master Plan's Redevelopment Goals and Initiatives is to support small businesses so as to promote their growth and have them establish Lake Park as a hub for entrepreneurship. The Plan encourages the provision of economic incentives to further the CRA's redevelopment goals. This project will serve as a catalyst redevelopment project and as such, is consistent with the CRA Master Plan.

**Recommended Motion: I move to APPROVE Resolution 36-04-23.**

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**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE TOWN OF LAKE PARK, FLORIDA, AUTHORIZING AND DIRECTING THE CHAIRMAN TO SIGN A FIRST AMENDMENT TO THE GRANT AGREEMENT WITH OCEANA LOGISTICS INTERNATIONAL, INC., KISS KITCHENS LLC, AND FLORIDA CANNING COMPANY LLC, COLLECTIVELY REFERRED TO AS THE LAKE PARK GROUP; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the CRA has such powers and authority as have been conferred upon it by Chapter 163, Part III, of the Florida Statutes; and

**WHEREAS**, the CRA has the authority pursuant to Chapter 163, Part III, Fla. Stat., to provide financial incentives in the form of grants to property owners within the CRA provided the property owner is redeveloping its property and increasing its valuation; and  
1301

**WHEREAS**, the property having an address of ~~4304~~1 10<sup>th</sup> Street, Lake Park, Florida (the Property) is currently owned by CIDC; and

**WHEREAS**, CIDC and the corporate representatives and individuals who are associated with the Lake Park Group has represented to the CRA that they intend to create a condominium for the Property and convey certain right, title and interests in the Property to Oceana, Kiss Kitchens, and Florida Canning Company (hereinafter collectively as the "Lake Park Group"); and

**WHEREAS**, based upon the representations of the corporate representatives and individuals of the Lake Park Group, the CRA agreed to provide a redevelopment grant in the amount of One Million Dollars \$1,000,000.00 (the Grant) to be used for a redevelopment project ("the Project") which had previously been approved pursuant to Resolution 82-12-21 (the Development Order) for the Property; and

**WHEREAS**, the Grant required and was contingent upon the Lake Park Group's compliance with the terms of the Development Order regarding, among other things, obtaining a building permit from the Town and initiating construction of the Project on the Property within a specific timeframe; and

**WHEREAS**, the Lake Park Group did not comply with the terms of the Development Order, and thus the Grant; and

**WHEREAS**, the Lake Park Group has requested that the CRA amend the Development Order and Grant which would allow the Lake Park Group to modify certain design and development standards associated with the Project ; and



**WHEREAS**, CIDC Lake Park LLC submitted an application to amend the site plan previously approved by the Town Commission pursuant to the Development Order; and

**WHEREAS**, the Town Commission approved Resolution 29-04-23 amending Resolution 82-12-21 (the Amended Development Order); and

**WHEREAS**, a copy of the Amended Development Order is attached hereto and incorporated herein as Exhibit "A"; and

**WHEREAS**, the receipt of the Grant is expressly conditioned upon CIDC complying with its representations to the CRA to create a condominium and to comply with the terms of the Amended Development Order; and the corporate entities of the Lake Park Group, complying with the terms of the Amended Development Order; and

**WHEREAS**, the CIDC and the corporate entities of the Lake Park Group agree, jointly and severally to comply with all of the obligations of the Grant, this Agreement, and the terms of Amended Development Order; and

**WHEREAS**, the CRA's Executive Director has recommended that the CRA's Board of Commissioners ("the Commission") continue to provide the Grant in the amount of \$1,000,000 to the CIDC and the Lake Park Group in furtherance of the redevelopment of the Property in accordance with the Amended Development Order; and

**WHEREAS**, the CRA finds that the Grant of \$1,000,000 is necessary for the Project to be developed in accordance with the Amended Development Order; and

**WHEREAS**, the CRA finds that the award of a Grant in the amount of \$1,000,000 is necessary and appropriate to facilitate the development of the Project and increase the valuation of the Property; and

**WHEREAS**, the CRA finds that the development of the Project would serve as the revitalization anchor of the 10<sup>th</sup> Street area of the CRA; and

**WHEREAS**, the CRA is willing to make the Grant of \$1,000,000 to the Lake Park Group in reliance upon the representations made to it by CIDC and the corporate and individual representatives of the Lake Park Group and based upon the terms set forth in the Amended Development Order, and this Agreement; and

**WHEREAS**, the Grant is contingent on the terms of this Agreement and the Lake Park Group's redevelopment of the Project of the Property in accordance with the Amended Development Order.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF LAKE PARK COMMUNITY REDEVELOPMENT AGENCY:**

**Section 1.** The foregoing recitals are incorporated herein.

**Section 2.** The Commission hereby directs and authorizes the Chairman of the Commission to execute the Redevelopment Grant Agreement with the Lake Park Group, a copy of which is attached hereto and made a part hereof.



## FIRST AMENDMENT TO THE REDEVELOPMENT GRANT AGREEMENT

**THIS FIRST AMENDMENT TO THE REDEVELOPMENT GRANT AGREEMENT** (hereinafter ("the Agreement")) is made this \_\_\_ day of April, 2023, by and between the Town of Lake Park Community Redevelopment Agency ("CRA"), having an address at 535 Park Avenue, Lake Park, Florida 33403, and CIDC Lake Park LLC (CIDC), having an address of 15375 Blue Fish Circle, Lakewood Ranch, FL 34202, Oceana Logistics International, Inc. ("Oceana") having an address at 221 Old Dixie Hwy, Suite 1, Tequesta, FL 33469, Kiss Kitchens LLC, having an address at 15375 Blue Fish Circle, Lakewood Ranch, FL 34202 ("Kiss Kitchens"), and, Florida Canning Company, LLC, having an address at 15375 Blue Fish Circle, Lakewood Ranch, FL 34202 ("Florida Canning Company")

### RECITALS

**WHEREAS**, the CRA has such powers and authority as have been conferred upon it by Chapter 163, Part III, of the Florida Statutes; and

**WHEREAS**, the CRA has the authority pursuant to Chapter 163, Part III, Fla. Stat., to provide financial incentives in the form of grants to property owners within the CRA provided the property owner is redeveloping its property and increasing its valuation; and

1301

**WHEREAS**, the property having an address of ~~43011~~ 10<sup>th</sup> Street, Lake Park, Florida (the Property) is currently owned by CIDC; and

**WHEREAS**, CIDC and the corporate representatives and individuals who are associated with the Lake Park Group has represented to the CRA that they intend to create a condominium for the Property and convey certain right, title and interests in the Property to Oceana, Kiss Kitchens, and Florida Canning Company (hereinafter collectively as the "Lake Park Group"); and

**WHEREAS**, based upon the representations of the corporate representatives and individuals of the Lake Park Group, the CRA agreed to provide a redevelopment grant in the amount of One Million Dollars \$1,000,000.00 (the Grant) to be used for a redevelopment project ("the Project") which had previously been approved pursuant to Resolution 82-12-21 (the Development Order) for the Property; and

**WHEREAS**, the Grant required and was contingent upon the Lake Park Group's compliance with the terms of the Development Order regarding, among other things, obtaining a building permit from the Town and initiating construction of the Project on the Property within a specific timeframe; and

**WHEREAS**, the Lake Park Group did not comply with the terms of the Development Order, and thus the Grant; and

**WHEREAS**, the Lake Park Group has requested that the CRA amend the Development Order and Grant which would allow the Lake Park Group to modify certain design and development standards associated with the Project ; and



**WHEREAS**, CIDC Lake Park LLC submitted an application to amend the site plan previously approved by the Town Commission pursuant to the Development Order; and

**WHEREAS**, the Town Commission approved Resolution 29-04-23 amending Resolution 82-12-21 (the Amended Development Order); and

**WHEREAS**, a copy of the Amended Development Order is attached hereto and incorporated herein as Exhibit "A"; and

**WHEREAS**, the receipt of the Grant is expressly conditioned upon CIDC complying with its representations to the CRA to create a condominium and to comply with the terms of the Amended Development Order; and the corporate entities of the Lake Park Group, complying with the terms of the Amended Development Order; and

**WHEREAS**, the CIDC and the corporate entities of the Lake Park Group agree, jointly and severally to comply with all of the obligations of the Grant, this Agreement, and the terms of Amended Development Order; and

**WHEREAS**, the CRA's Executive Director has recommended that the CRA's Board of Commissioners ("the Commission") continue to provide the Grant in the amount of \$1,000,000 to the CIDC and the Lake Park Group in furtherance of the redevelopment of the Property in accordance with the Amended Development Order; and

**WHEREAS**, the CRA finds that the Grant of \$1,000,000 is necessary for the Project to be developed in accordance with the Amended Development Order; and

**WHEREAS**, the CRA finds that the award of a Grant in the amount of \$1,000,000 is necessary and appropriate to facilitate the development of the Project and increase the valuation of the Property; and

**WHEREAS**, the CRA finds that the development of the Project would serve as the revitalization anchor of the 10<sup>th</sup> Street area of the CRA; and

**WHEREAS**, the CRA is willing to make the Grant of \$1,000,000 to the Lake Park Group in reliance upon the representations made to it by CIDC and the corporate and individual representatives of the Lake Park Group and based upon the terms set forth in the Amended Development Order, and this Agreement; and

**WHEREAS**, the Grant is contingent on the terms of this Agreement and the Lake Park Group's redevelopment of the Project of the Property in accordance with the Amended Development Order.

**NOW THEREFORE**, in consideration of the above recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

**1. Recitals.** The recitals above are incorporated herein.



**2. Grant.** The Town of Lake Park Community Redevelopment Agency (the "CRA") agrees to provide the Lake Park Group with a Grant in the amount of One Million Dollars (\$1,000,000.00) payable in equal increments of Two Hundred Thousand Dollars (\$200,000.00) on or before December 31 of each of the next five (5) consecutive years following the execution of this Agreement, with the parties acknowledging and confirming that the initial payment which has already been paid shall be the first installment paid retroactively as of December 31, 2022, and the final increment to be paid on or before December 31, 2026. The Grant is contingent upon the individuals and corporate representatives of the CIDC and the Lake Park Group and their compliance with all of the terms of this Agreement and the development of the Project on the Property in accordance with the Amended Development Order.

**3. Construction Cost and Condition Precedent.** Enclosed as Exhibit "B" is a copy of the executed construction contract for the Project that demonstrating that construction of the Project is projected to cost in excess of \$6,000,000.00, assuming it is constructed in accordance with the Amended Development Order.

**4. Initiation of Construction and Completion.** The completion of the Project shall be in compliance with the amendment to the Amended Development Order. Construction must commence by the receipt of a building permit and the initiation and continuous actual construction on the Property within 18 months of the execution of Resolution 82-12-21, or no later than June 15, 2023. A final certificate of completion or occupancy for the Project must be achieved within 18 months of when construction is initiated, or no later than December 15, 2024. Notwithstanding the foregoing, the Lake Park Group shall not be held liable or responsible for a delay in the completion of the Project if it is demonstrated to the reasonable satisfaction of the CRA that such delay is the result of a force majeure as defined in paragraph 20.

**5. Use of Funds.** The funds from the Grant shall be used by the CIDC and the Lake Park Group, or their successors and assigns, provided any successor or assign has been approved in accordance with paragraph 13 and the approved successor developer of the Project remains in compliance with this Agreement and the Amended Development Order for the Property.

**6. Entitlement To Grant Funds Contingent Upon Initiation and Completion of Construction.** In order to be entitled to retain the initial Two Hundred Thousand Dollar (\$200,000.00) installment of the Grant that has already been paid, and any installment thereafter, the Lake Park Group shall initiate construction and shall complete construction in accordance with paragraph 4 (except for events of force majeure as defined in paragraph 20 below). The failure to initiate, continue, or complete construction of the Project on or before the dates set forth in paragraph 4 shall constitute a breach of the Agreement and shall immediately render the CRA's obligations to provide any further installments null and void. Furthermore, the CIDC and the corporate entities which comprise Lake Park Group agrees to return to the CRA any funds provided to it that have not already been deployed into the Project in the event it does not comply with these dates.

**7. Subordination.** The CRA acknowledges that after the execution of this Grant, the Lake Park Group may obtain loans pertaining to the construction of the Project and that the Grant shall be subordinate to the said loans.



**8. Term of Operation.** The terms of this Agreement shall be for 10 years. In order to be excused from the repayment of the funds from the Grant the businesses known as Oceana Coffee, Kiss Kitchens and Florida Canning Company, and any affiliated companies, or approved successors and assigns shall continuously operate their respective businesses from the date of the execution of this Agreement for 10 consecutive years, or until April 1, 2033. It shall be a breach of this Agreement, if, at any time during the 10 years, the entities comprising the Lake Park Group cease operating one or more of the three business(es) on the Property. In such case, the funds provided to the Lake Park Group pursuant to the Grant shall be returned to the CRA upon the CRA's written notice.

**9. Sale or Transfer of the Lake Park Group Businesses/Properties.** Should any or all of the entities comprising the Lake Park Group, elect to sell or transfer its or their condominium or business ownership interests in the Property to any third party during the Term, it or they shall obtain the written consent of the CRA for the sale or transfer. The CRA's consent shall not be unreasonably withheld, provided the businesses continue to be operated consistent with the Amended Development Order and this Agreement. The Lake Park Group shall provide the CRA with any written request of its intention to sell or transfer any property interest in the Property and/or any of the three businesses at least 90 days in advance of the proposed sale or transfer of its or their ownership interest in the Property, or the businesses. If the CRA approves of the sale or transfer of an interest in the Property and/or any of the businesses located on the Property during the term, the successors or assigns to the property interest in the Property, or a business shall become responsible for compliance with the terms of this Agreement. Notwithstanding the foregoing and supplementing such terms, it shall be unreasonable for the CRA to not grant its permission provided such sale or transfer is to a third party who uses its interest in the Property for the same use and purpose and can demonstrate that it is employing the same number of employees from within the corporate limits of the Town of Lake Park as the companies which comprise the Lake Park Group.

**10. Lien.** This Agreement shall be recorded in the property records of Palm Beach County and shall replace the original Agreement and shall constitute a lien against the Property, enforceable by foreclosure or for an action for a money judgement.

**11. Guarantees.** As part of the execution of the original Grant Agreement, the President and the AMBRs of the CDIC and corporate entities comprising the Lake Park Group provided the CRA with personal and corporate guarantees as collateral for the performance of the obligations under the original Grant Agreement. These originally executed Guarantees are attached hereto and incorporated herein as Exhibit "D" and shall serve as the personal and corporate guarantees for this Agreement. In the event the Lake Park Group is in breach of any of the terms of the Amended Development Order or this Agreement the CRA shall be entitled to recover any of the incremental grant proceeds already paid from the individuals who have executed guarantees personal on behalf of themselves personally and as the President and AMBRs for the corporate entities on whose behalf they have executed the attached Guarantees. The CRA shall also be entitled to pursue any and all remedies, including damages against any of the corporate entities and their President, or AMBRs, jointly and severely.

**12. Recovery of Grant funds.** In addition to the remedies and guarantees in paragraph 11, the CRA may also be entitled to recover the funds from the Grant paid during



the Term in the event the Lake Park Group is not developing or has not completed the Project in accordance with the Amended Development Order.

**13. Assignment Subject To CRA's Advanced Written Approval.** This Agreement may only be assigned with the written approval of the CRA. Any other purported assignment shall be null and void.

**14. Amendment.** This Agreement shall not be revised, changed or amended except by a written amendment executed by both parties.

**15. Governing Law/Venue.** This Agreement shall be construed in accordance with and governed by the laws of the State of Florida, without giving effect to choice of law rules. Venue shall be in the federal or state courts located in Palm Beach County, Florida.

**16. Counterparts.** This Agreement may be executed in duplicate counterparts or electronically by DocuSign or other recognized software program which when compiled and taken together shall constitute a single original instrument.

**17. Severability.** Any provision of this Agreement which is deemed by a court of competent jurisdiction shall, as to such jurisdiction, be ineffective shall be reworked and revised only to the extent of such prohibition or unenforceability and without invalidating the remainder of such provision or the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**18. Indemnification.** Each party hereto hereby agrees to indemnify and hold the other harmless and their elected or appointed officers, employees, agents, and consultants from and against any and all liability, expense, or damage of any kind or nature and from any suits or claims, including reasonable legal fees and expenses, on account of any matter, whether in suit or not, arising out of this Agreement. This provision is not intended to, nor does it waive the CRA's rights of sovereign immunity pursuant to Fla. Stat. § 768.28.

**19. Attorney Fees.** In the event either party is required to enforce the terms of this Agreement, the prevailing party, following a full adjudication on the merits and the waiving or exhaustion of all appeals, shall be entitled to the reimbursement of its attorney fees.

**20. Force Majeure.** Neither party shall be liable for delays in performing its obligations under this Agreement to the extent that the Lake Park Group provides written documentation that the delay is caused by force majeure, defined as Acts of God, a pandemic, supply chain for construction materials, labor strikes, riots, or wars.

**21. Successors and Assigns.** This Agreement and the terms herein shall inure to the benefit of and be legally binding upon the parties and their respective successors and assigns.

**22. Notices.** All notices between the parties shall be in writing and be made by certified mail, return receipt requested or by hand delivery at the following addresses:



Community Redevelopment Agency:

Attn: Executive Director  
535 Park Avenue  
Lake Park, FL 33403

CIDC Lake Park, LLC

Attn: Frances M. Brandt  
15375 Blue Fish Circle  
Lakewood Ranch, FL 34202

Oceana Logistics International, Inc.

Attn: Amy Angelo  
221 Old Dixie Hwy, Suite 1  
Tequesta, FL 33469

Kiss Kitchens LLC

c/o Richard Kooris  
15375 Blue Fish Circle  
Lakewood Ranch, FL 34202

Florida Canning Company LLC

c/o Charles Schorr Lesnick  
15375 Blue Fish Circle  
Lakewood Ranch, FL 34202

The parties hereto have duly executed this First Amendment to the Agreement on the day and year first above written.


**[BALANCE OF PAGE LEFT INTENTIONALLY BLANK - SIGNATURES TO FOLLOW]**



**TOWN OF LAKE PARK CRA**

By: \_\_\_\_\_  
Roger Michaud, Chairman

**OCEANA LOGISTICS INTERNATIONAL, INC.**

By:   
Amy Angelo, President

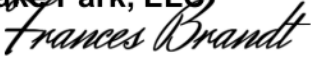
**KISS KITCHENS LLC**

By:   
Richard Kooris, AMBR

**FLORIDA CANNING COMPANY, LLC**

By:   
Charles Schorr Lesnick, AMBR

**CIDC Lake Park, LLC**

By:   
Frances M. Brandt, AMBR

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Title	Amended Grant Agreement.pdf
File name	Amended%20Grant%20Agreement.pdf
Document ID	5c97e55262dd2177fa45765f7450b9352d8f468e
Audit trail date format	MM / DD / YYYY
Status	● Signed

This document was requested from app.clio.com

## Document History



04 / 04 / 2023  
21:19:16 UTC

Sent for signature to Richard Kooris (rkooris@501studios.com), Chuck Lesnick (chuck.schorr.lesnick@gmail.com), Amy Angelo (amy.angelo@oceanacoffee.com) and Frances M. Brandt (cidc\_mal@live.com) from nkilcoyne@mdw.law  
IP: 94.8.45.173



04 / 04 / 2023  
21:50:23 UTC

Viewed by Frances M. Brandt (cidc\_mal@live.com)  
IP: 47.205.38.207



04 / 04 / 2023  
22:09:43 UTC

Viewed by Amy Angelo (amy.angelo@oceanacoffee.com)  
IP: 98.249.177.207



04 / 04 / 2023  
22:10:01 UTC

Signed by Amy Angelo (amy.angelo@oceanacoffee.com)  
IP: 98.249.177.207



Title	Amended Grant Agreement.pdf
File name	Amended%20Grant%20Agreement.pdf
Document ID	5c97e55262dd2177fa45765f7450b9352d8f468e
Audit trail date format	MM / DD / YYYY
Status	● Signed

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## Document History



04 / 04 / 2023  
22:17:18 UTC

Signed by Frances M. Brandt (cidc\_mal@live.com)  
IP: 47.205.38.207



04 / 04 / 2023  
22:19:51 UTC

Viewed by Richard Kooris (rkooris@501studios.com)  
IP: 166.196.68.119



04 / 04 / 2023  
22:20:14 UTC

Signed by Richard Kooris (rkooris@501studios.com)  
IP: 166.196.68.119



04 / 11 / 2023  
15:57:29 UTC

Viewed by Chuck Lesnick (chuck.schorr.lesnick@gmail.com)  
IP: 69.118.109.74



04 / 11 / 2023  
15:57:50 UTC

Signed by Chuck Lesnick (chuck.schorr.lesnick@gmail.com)  
IP: 69.118.109.74



04 / 11 / 2023  
15:57:50 UTC

The document has been completed.



## UNCONDITIONAL GUARANTY OF REPAYMENT AND PERFORMANCE

THIS GUARANTY is made as of the \_\_\_\_ day of April, 2023, by CIDC LAKE PARK LLC, a Florida limited liability company ("**CIDC**") having an address at 15375 Blue Fish Circle, Lakewood Ranch, FL 34202, FLORIDA CANNING COMPANY, LLC, a Florida limited liability company ("**Florida Canning Company**"), having an address at 11259 Edgewater Circle, Wellington, FL 33414, CHARLES SCHORR LESNICK, having an address at 11259 Edgewater Circle, Wellington, FL 33414, KISS KITCHENS LLC, a Florida limited liability company ("**Kiss Kitchens**"), having an address at 15375 Blue Fish Circle, Lakewood Ranch, FL 34202, RICHARD KOORIS, having an address at 15375 Blue Fish Circle, Lakewood Ranch, FL 34202, LEONARD SCHWARTZ, having an address at 944 Warren Parkway, Teaneck, NJ 07666, OCEANA LOGISTICS INTERNATIONAL INC., a Florida corporation ("**Oceana**"), having an address at 221 Old Dixie Hwy., Suite 1, Tequesta, FL 33469, and AMY ANGELO, having an address at 221 Old Dixie Hwy., Suite 1, Tequesta, FL 33469 (collectively, "**Guarantors**").

### WITNESSETH:

A. Oceana, Kiss Kitchens, and Florida Canning Company (collectively, "**Grantees**") sought a redevelopment grant ("**Grant**") from the Town of Lake Park Community Redevelopment Agency ("**Grantor**") in the amount of \$1,000,000.00 to be used for a redevelopment project ("**Project**") for the property located at 1301 10<sup>th</sup> Street, Lake Park, Florida.

B. Grantor and Grantees entered into that certain First Amendment to the Redevelopment Grant Agreement dated April \_\_, 2023 (the "**Grant Agreement**") in which Grantor agrees to provide the Grant to Grantees subject to the terms and conditions of the Grant Agreement. The receipt of the Grant is expressly conditioned upon Grantees jointly and severally remaining in compliance with all of the obligations that are required for the Project pursuant to the Grant Agreement and the Development Order (the Grant Agreement and the Development Order are collectively referred to herein as the "**Grant Documents**").

C. Grantor has agreed to make the Grant available to Grantees in consideration, among other things, of the covenants and obligations made and assumed by Guarantors as herein set forth.

D. Guarantors will benefit directly from the making of the Grant to Grantees.

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound hereby, Guarantors irrevocably and unconditionally agree as follows:

1. The recitals set forth above are true and correct and are incorporated herein. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Grant Agreement.

2. Guarantors hereby guarantee the prompt and full payment and performance by Grantees of each item, covenant, condition, provision and obligation to be paid, kept, observed and performed by Grantees under the Grant Documents, and any subsequent amendments, extensions or restatements thereof (the "**Repayment Guaranty**").

3. Grantor hereby agrees to provide Guarantors with Sixty (60) days' written notice (the "**Written Notice**") of any default made by the Grantees under the provisions of the Grant



Documents. Provided Guarantors are provided Written Notice, Guarantors waive any rights by reason of any forbearance, modification, waiver, or renewal or extension which Grantor may grant, or to which Grantor and Grantees may agree, with respect to the Grant Documents, waive notice of acceptance of this Guaranty..

4. The obligations of Guarantors under this Agreement are primary, absolute, independent, irrevocable and unconditional. This shall be an agreement of suretyship as well as of guaranty and provided Guarantors are provided Written Notice of a default and the opportunity to Cure, shall be operational by Grantees without being required to proceed first against Grantees or any other person or entity, or against any other security for Grantees' obligations to Grantor, Grantor may proceed directly against Guarantors.

5. The obligations of Guarantors under this Agreement shall be unconditional and irrevocable, irrespective of either (a) the genuineness, validity or enforceability, of the Grant Documents, (b) any limitation of liability of the Grantees contained in the Grant Documents, (c) the existence of any security given to secure the Grant, (d) any defense that may arise by reason of the incapacity or lack of authority of Grantees or any Guarantors or the failure of Grantor to file or enforce a claim against the estate of Grantees or any Guarantors in any bankruptcy or other proceeding, or (e) any other circumstances, occurrence or condition whether similar or dissimilar to any of the foregoing, which might otherwise constitute a legal or equitable defense, discharge or release of a Guarantor or surety.

6. If Guarantors shall advance any sums to Grantees or their successors or assigns, or if the Grantees or their successors or assigns shall now be or hereafter become indebted to Guarantors, such sums or indebtedness shall be subordinate in payment and in all other respects to the amounts then or thereafter due and owing to Grantor under the Grant Documents. If Guarantors collect any of such sums or indebtedness from Grantees at any time when either Grantees are in default under the Grant Documents, such collected funds shall be deemed collected and received by Guarantors in trust for Grantor, and shall be paid over to Grantor, upon demand by Grantor, for application, when received, on account of Grantees' obligations under the Grant Documents. Nothing herein contained shall be construed to give Guarantors any right of subrogation in and to the Grant Documents or all or any part of the Grantor's interest in the Grant Documents, until all amounts owing to Grantor have been paid in full.

7. Guarantors represent and warrant that (a) Guarantors have either examined the Grant Documents or have had an opportunity to examine the Grant Documents and have waived the right to examine them; (b) that Guarantors have the full power, authority and legal right to enter into, execute and deliver this Agreement; (c) that this Agreement is a valid and a binding legal obligation of Guarantors, and is fully enforceable against Guarantors in accordance with its terms; (d) that the execution, delivery and performance by Guarantors of this Agreement will not violate or constitute a default under any indenture, note, loan or credit agreement or any other agreement or instrument to which Guarantors are a party or are bound; (e) Guarantors will derive direct, substantial benefit from the Grant to Grantees; and (f) if Guarantors or Grantees have delivered to Grantor financial statements of Guarantors, there has been no material adverse change in the financial condition of Guarantors from the financial condition of Guarantors shown on such financial statement delivered to Grantor.

8. All notices between the parties shall be in writing and be made by certified mail, return receipt requested or by hand delivery at the following addresses:

Town of Lake Park  
Community Redevelopment Agency



Attn: Executive Director  
535 Park Avenue  
Lake Park, FL 33403

CIDC Lake Park LLC  
Attn: Frances M. Brandt  
15375 Blue Fish Circle  
Lakewood Ranch, FL 34202

Oceana Logistics International, Inc.  
Attn: Amy Angelo  
221 Old Dixie Hwy, Suite 1  
Tequesta, FL 33469

Florida Canning Company, LLC  
c/o Charles Schorr Lesnick  
11259 Edgewater Circle  
Wellington, FL 33414

Kiss Kitchens LLC  
c/o Richard Kooris  
15375 Blue Fish Circle  
Lakewood Ranch, FL 34202

Amy Angelo  
221 Old Dixie Hwy., Suite 1  
Tequesta, FL 33469

Charles Schorr Lesnick  
11259 Edgewater Circle  
Wellington, FL 33414

Richard Kooris  
15375 Blue Fish Circle  
Lakewood Ranch, FL 34202

Leonard Schwartz  
944 Warren Parkway  
Teaneck, NJ 07666

Cabot J. Marks, Esq.  
MarksDiPalermo PLLC  
New York, NY 10022

9. All rights and remedies of Grantor under this Agreement, the Grant Documents, or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. The enumeration in this Agreement of any waivers or consents by Guarantors shall not be deemed exclusive of any additional waivers or consents by Guarantors which may be deemed to exist, in law or equity. No delay or omission by Grantor in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any rights and remedies hereunder, and no modification or amendment of this Agreement shall be deemed made by Grantor unless in writing and duly signed by Grantor. Any such written waiver shall apply



only to the instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of Grantor, and no single or partial exercise of any right or remedy under this Agreement shall preclude any other or further exercise thereof or any other right or remedy.

10. If Grantor employs counsel to enforce this Agreement by suit or otherwise, Guarantors will reimburse Grantor, upon demand, for all expenses incurred in connection therewith (including, without limitation, reasonable attorneys, fees incurred at trial, on appeal or in connection with any bankruptcy proceedings) whether suit is actually instituted.

11. This Agreement shall be binding upon Guarantors, and Guarantors' heirs, administrators, executors, successors and assigns, and shall inure to the benefit of Grantor (and its affiliates as appropriate) and its successors and assigns.

12. The obligations and liabilities of Guarantors hereunder are and shall be joint and several and are and shall be joint and several with the obligations and liabilities of Grantees and any other guarantors of obligations arising under the Grant Agreement. For purposes of this instrument the singular shall be deemed to include the plural, and the neuter shall be deemed to include the masculine and feminine, as the context may require.

13. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect and shall be liberally construed in favor of Grantor in order to affect the provisions of this Guaranty.

14. This Agreement may be signed in several counterparts all of which counterparts when taken together will constitute this Agreement. Each such counterpart shall be valid and enforceable against the party and/or parties by whom it is signed.

15. Guarantors agree that this Agreement shall be governed by and construed according to the laws of the State of Florida regardless of where the residence or domicile of Guarantors are now or may hereafter be located.

16. Guarantors and Grantor hereby waive any and all rights to a trial by jury in any action, proceeding, counterclaim or subsequent proceeding, brought by either Grantor, Grantees or any Guarantors of any obligation created under the Grant, the Grant Documents or any of the other documents executed and delivered in connection therewith against any or all of the others on any matters whatsoever arising out of, or in any way related to the Grant, the Grant Documents, any of the other documents executed and delivered in connection therewith.

IN WITNESS WHEREOF, Guarantors have executed and sealed this Agreement the day and year first above written.

[SIGNATURES ON FOLLOWING PAGES]

Signed, Sealed and Delivered  
in the Presence of:

CIDC LAKE PARK LLC,  
a Florida limited liability company



Signed, Sealed and Delivered  
in the Presence of:

Daniel Rady  
Print Name: DANIEL RADY

CIDC LAKE PARK LLC,  
a Florida limited liability company

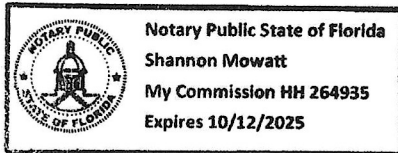
Frances M. Brandt  
By: Frances M. Brandt  
Its: Authorized Member

Shannon Mowatt  
Print Name: SHANNON MOWATT

STATE OF  
COUNTY OF

The foregoing instrument was acknowledged before me this 4<sup>TH</sup> day of APRIL, 2023,  
by Frances M. Brandt, Authorized Member of CIDC Lake Park LLC, a Florida limited liability  
company, who is ☐ personally known to me or who ☒ produced  
FLORIDA DL as identification.

(NOTARY SEAL)



Shannon Mowatt  
Notary Public  
Print Name: SHANNON MOWATT

My commission expires: 10.12.2025



Signed, Sealed and Delivered  
in the Presence of:

ANDUELA KOROVESHI  
Print Name: \_\_\_\_\_

LEONARD SCHWARTZ

\_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF New Jersey  
COUNTY OF Bergen

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of April, 2023,  
by LEONARD SCHWARTZ, who is ☐ personally known to me or who ☒ produced  
NJ Driver's License as identification.

(NOTARY SEAL)

Anduela Koroveshi  
Notary Public  
Print Name: Anduela Koroveshi

My commission expires: 2/16/27

ANDUELA KOROVESHI  
NOTARY PUBLIC  
STATE OF NEW JERSEY  
MY COMMISSION EXPIRES 02/16/2027



Signed, Sealed and Delivered  
in the Presence of:

[Signature]

Print Name: CHMS SILMAN

[Signature]

Print Name: Alex B. Hentze

KISS KITCHENS LLC,  
a Florida Limited Liability company

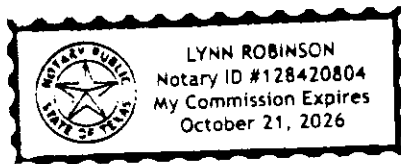
[Signature]

By: Richard Kooris  
Its: Authorized Member

STATE OF  
COUNTY OF

The foregoing instrument was acknowledged before me this 10TH day of APRIL, 2023,  
by Richard Kooris, Authorized Member of Kiss Kitchens, LLC, a Florida limited liability company,  
who is ☒ personally known to me or who ☐ produced  
as identification.

(NOTARY SEAL)



[Signature]


Notary Public

Print Name: LYNN ROBINSON


My commission expires: 10.21.2026



Signed, Sealed and Delivered  
in the Presence of:

  
\_\_\_\_\_

Print Name: CHRIS SILMAN

  
\_\_\_\_\_

Print Name: Alex Bellentini

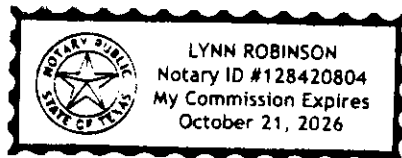
  
\_\_\_\_\_


RICHARD KOORIS

STATE OF  
COUNTY OF

The foregoing instrument was acknowledged before me this 10TH day of APRIL, 2023,  
by RICHARD KOORIS, who is ☒ personally known to me or who ☐ produced  
\_\_\_\_\_ as identification.

(NOTARY SEAL)



  
\_\_\_\_\_  
Notary Public

Print Name: LYNN ROBINSON

My commission expires: 10.21.2026



Signed, Sealed and Delivered  
in the Presence of:

Mary E. Schmidt  
Print Name: Mary Schmidt

M. Gillespie  
Print Name: M. Gillespie  
(Michelle)

Charles Schorr Lesnick  
CHARLES SCHORR LESNICK

STATE OF New York  
COUNTY OF Westchester

The foregoing instrument was acknowledged before me this 3 day of April, 2023,  
by CHARLES SCHORR LESNICK, who is ☒ personally known to me or who ☐ produced  
as identification.

(NOTARY SEAL)

Christine A. Peters  
Notary Public  
Print Name: Christine A. Peters

My commission expires:

Christine A Peters  
Notary Public, State of New York  
Reg. No. 01PE6376772  
Qualified in Westchester County  
Commission Expires 07/25/2026



Signed, Sealed and Delivered  
in the Presence of:

Mary E. Schmidt  
Print Name: Mary Schmidt

M. Gillespie  
Print Name: M. Gillespie  
(Michelle)

STATE OF New York  
COUNTY OF Westchester

The foregoing instrument was acknowledged before me this 3 day of April, 2023,  
by Charles Schorr Lesnick, Authorized Member of Florida Canning Company, LLC, a Florida  
limited liability company, who is ☒ personally known to me or who ☐ produced  
as identification.

(NOTARY SEAL)

Christine A. Peters  
Notary Public  
Print Name: Christine A. Peters

My commission expires:

Christine A Peters  
Notary Public, State of New York  
Reg. No. 01PE6376772  
Qualified in Westchester County  
Commission Expires 07/25/2026



Signed, Sealed and Delivered  
in the Presence of:

Chantal Samlaj  
Print Name: Chantal Samlaj

Brigitte Roker  
Print Name: Brigitte Roker

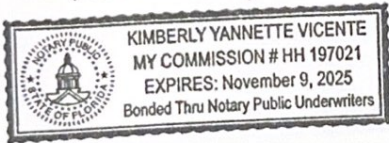
OCEANA LOGISTICS INTERNATIONAL,  
INC., a Florida corporation

Amy Angelo  
By: Amy Angelo  
Its: President

STATE OF Florida  
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 4 day of April, 2023,  
by Amy Angelo, President of Oceana Logistics International, Inc., a Florida corporation, who is  
☐ personally known to me or who ☒ produced  
FI 02 as identification.

(NOTARY SEAL)



Kimberly Vicente  
Notary Public  
Print Name: Kimberly Vicente

My commission expires:



Signed, Sealed and Delivered  
in the Presence of:

Charlita Samboi  
Print Name: Charlita Samboi

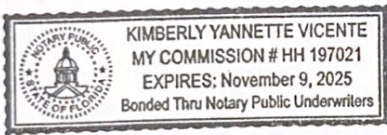
Engitte Roker  
Print Name: Engitte Roker

AMY ANGELO  
AMY ANGELO

STATE OF Florida  
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 4 day of April, 2023,  
by AMY ANGELO, who is ☒ personally known to me or who ☒ produced  
FI DL as identification.

(NOTARY SEAL)



/Users/nkilcoyne-md/Desktop/2761657.DOC

Kimberly Vicente  
Notary Public  
Print Name: Kimberly Vicente

My commission expires:





Good evening, thank you for inviting us back to discuss our new and improved project at 1301 10th st.



# NEW DEVELOPMENTS

- Overview, What's happening at 1301 10th street?
- Challenges
- Solution
- Results:
  - Property value increase-site improvement
  - Positive impact to local tax base- Sales & Property
  - Jobs | Careers | Businesses scaled for long term
- Positive impact to the community of Lake Park



We will go over in detail what has happened over the last few months and beyond and discuss some of the challenges we have faced to get to the beautiful solution that we have today that was recently approved by the planning and zoning committee. Please feel free to ask questions throughout the presentation as needed.



# HOW DID WE GET HERE

## Challenges

Multiple events in the last 3 years have led to a volatile market and costly time for new construction. In the 16 months since our site plan was initially approved, the budget has been a moving target because of global challenges.

### Lengthy Process

Time is the worst enemy of a construction budget in today's market.

### Supply Chain

Global pandemic, War in Ukraine, and changes in workforce, long lead time

### Interest rates

Increased rates have resulted in increased prices across the board, resulting in increased costs to us.

There have been many events over the last 3 years that have resulted in this volatile economic climate that we now find ourselves in. The results of a global pandemic, depleted workforce, the war in Ukraine, multiple stimulus bills and rising inflation have all had a negative effect on the cost of construction material worldwide. Steel, lumber, copper, PVC piping, glass and specific components such as electrical panels and air handler units for Air conditioning systems have specifically impacted this project. Pricing overall has been the most significant factor.



○○○○

# ***SOLUTION***

- A reduction of square footage, design changes, and selection of building materials have brought the project back into scope.



Reduction of square footage and value engineering on decorative finishes and choice of building material have been key to bringing the budget back into scope.



○ ○ ○ ○

# RESULTS

- This size reduction has not resulted in any change of use and will minimally affect the operations at the site.
- The outdoor event space has been relocated to a second floor deck which we believe will have a greater impact for the town.
- Outdoor space for green markets now available.

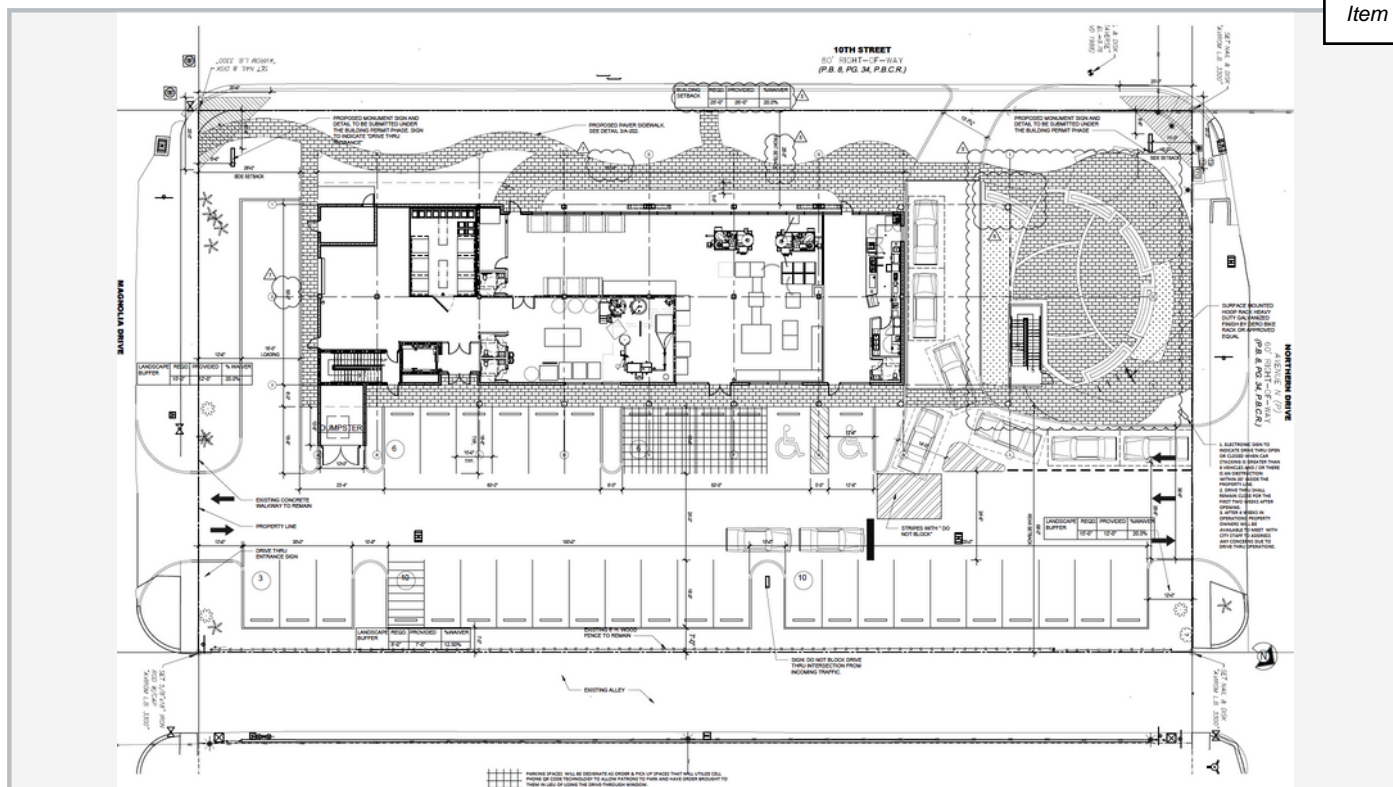


Better outdoor area and a greater community impact as the anchor building/project to anchor the revitalization of 10th Street in Lake Park. This beautiful building will serve as a beautiful reminder that small business is welcome in Lake Park, and this is where business can come to thrive and scale.

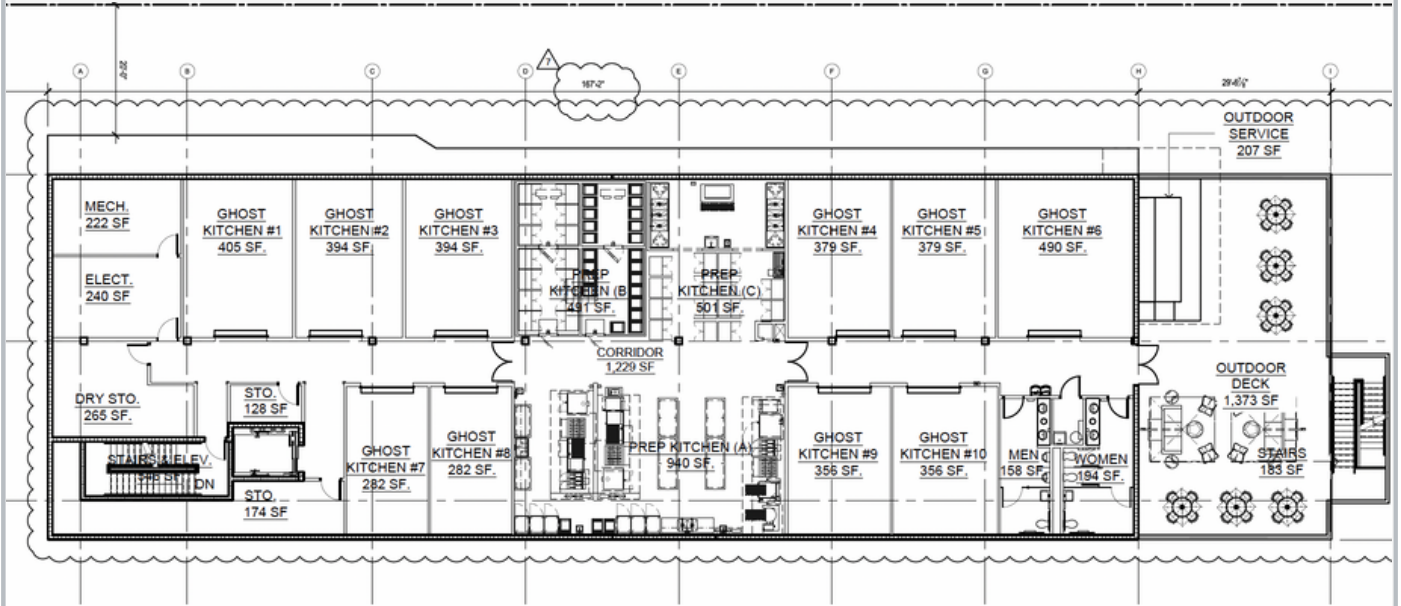














# USE OF FUNDS

- Site development costs including:
- Architecture fees
- Engineering fees
- Preparation of site plan and construction documents

**OWNER INVESTMENT IS OVER \$1.1 MILLION AT THIS POINT**

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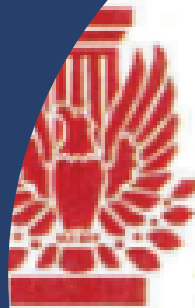
Funds that have been dispersed to the Lake Park group this January have been utilized for site development costs....



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# ***UPDATED COSTS***

- Our fully executed contract has been updated for a Guranteed Maximum price of \$7,524,930
- as of 3/29/2023



# AIA





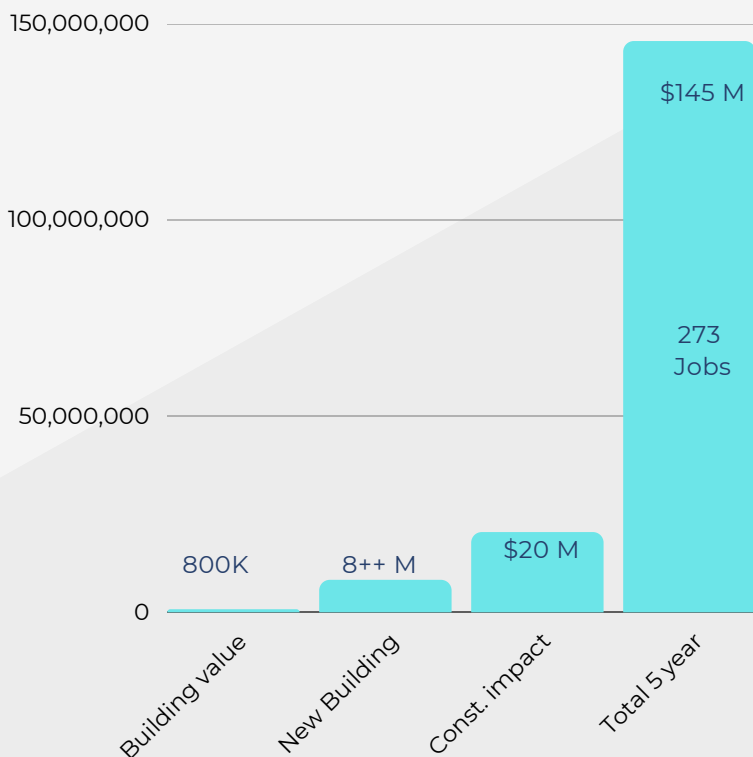
The jobs from construction have been slightly revised to reflect the elimination of 4 kitchens.



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# 5 YEAR ECONOMIC IMPACT

The values are supplied by using REMI (Regional Economic Modeling, Inc.) REMI is an advanced model generator that simulates the effects of economic policy changes on the economy that is utilized by Palm Beach County. REMI uses state-specific and national data to deliver a nuanced *prediction* of the varied, branching, and sometimes unexpected effects of economic policies.



163 jobs down to 151 in construction  
Total economic impact \$206 M down to \$145 mil





Through the support and partnership with the county, we have been given the opportunity to use REMI to calculate the economic impact of this project.



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## REMI.COM

- Palm Beach County has supplied the economic data information using software called REMI
- REMI uses state-specific and national data to deliver a nuanced prediction of the varied, branching, and sometimes unexpected effects of economic policies.

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remi analyzes the numbers given for number of jobs created as well as construction costs.

Long term, the money spent to keep these new businesses growing and scaling is spent in the community and supports local vendors and service providers, some including local farmers and distributors.



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## KEY FACTORS THAT SUPPORT THIS ECONOMIC GROWTH

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Increase in local businesses=increase in jobs



o o o o

## **JOB CREATION**

### **FULL TIME JOB STABILITY**

- Local Jobs= Money paid locally, stays local and flows throughout the community.

o o o o



INcrease in Jobs =increase in money spent locally



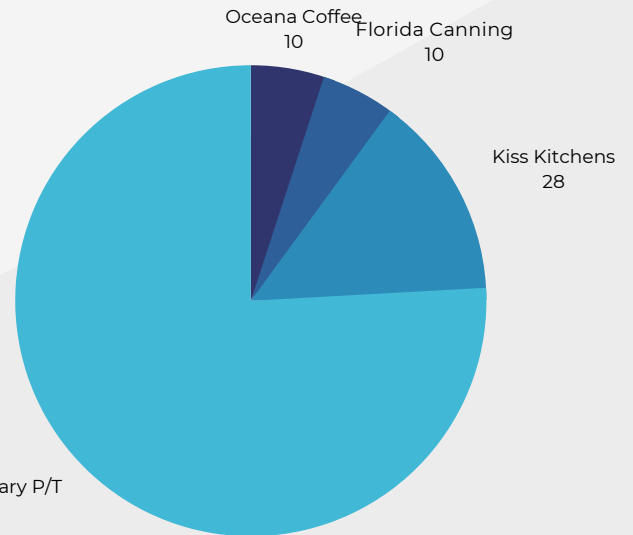
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## JOB CREATION

- Full time new employees as a result of this project
- In total more than 200 jobs over 5 years
- New small businesses will be created bringing growth and prosperity to our local economy.

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Construction Temporary P/T  
151



The money paid to these employees goes back into the local economy



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## ***INCREASED REVENUE***

- Revenue generated by local businesses- Sales Tax

**LOCAL BUSINESS  
REVENUE**

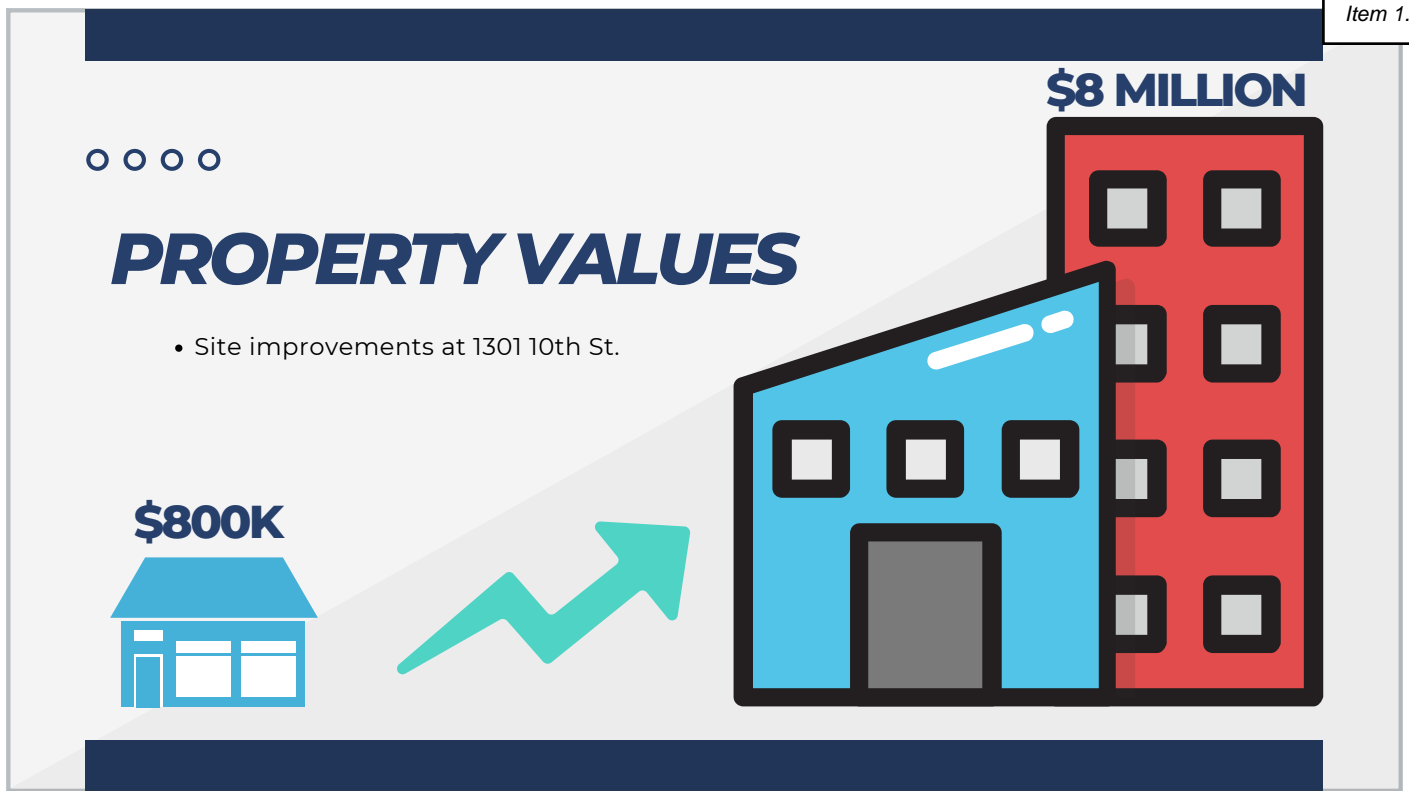
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**=**

**SALES TAX  
REVENUE**

Increase in revenue generated =increase in sales tax dollars contributing to state and local prosperity





With the increased cost of new construction we feel the initial appraisal of \$8 million will be very conservative, even with the reduced square footage.



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# PROPERTY VALUE

- Current building valued at approx \$765,000 by the Palm Beach County Property Appraiser.
- Appraised value of completed project is \$8Mil.
- Approx 2% of this property's estimated value will be added to the current tax base annually.
- As people continue to want to live, work, and play in Lake Park, the residential property market will flourish, additionally supporting the tax base in Lake Park.



The value to the local community for having a thriving community hub like this proposed project, is immeasurable. This building has been vacant for some time, offering no economic or community value to Lake Park.



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## **POSITIVE IMPACT TO COMMUNITY**

- Increased jobs in the community will presumably result in increased demand for residential property in Lake Park.

**LOCAL  
POPULATION**



**DAILY VISITORS &  
NEW RESIDENTS**





## PUSHING FORWARD WE WILL ALL WIN!



We are grateful for the partnership with the Town of Lake Park and the support that we have received from the team of professionals at the town of Lake Park. They have worked very hard to push through some barriers and have expedited processes where they have been able to. Their dedication and commitment to the success of this project is clear and we are humbly grateful for that.



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# JOIN US TO LIVE, WORK, & PLAY IN LAKE PARK



1301 10th Street, Lake Park



561.339.2913

*We look forward to continuing the vision of the Lake Park CRA and facilitating bringing the culinary arts to your thriving performing arts district!*

○ ○ ○ ○



## EXECUTIVE SUMMARY



# Lake Park Group- Site Plan Amendment

Prepared for: The CRA Board for Lake Park, and the staff at the Town of Lake Park

Prepared by: Amy Angelo, Oceana Logistics Int. Inc

March 28, 2023



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## LAKE PARK GROUP

# EXECUTIVE SUMMARY

### Objective

The Lake Park group consisting of Oceana Logistics Int. Inc (DBA Oceana Coffee), Kiss Kitchens LLC, and Florida Canning Co. LLC, is requesting the support of the CRA of Lake Park and the commissioners of the Town of Lake Park in facilitating the approval of our recent site plan amendment submittal without recourse on the grant that has been awarded to our group in consideration of this community driven project. We are also seeking a seamless and expedited grant agreement amendment to ensure that we do not lose any more time.

### Challenge

We have continued to face challenges of increased project/constructions costs (as well as interest rates) and supply chain issues related to certain items that are necessary to complete our building, for example electrical circuit boards. The effects of rising interest rates and inflation have hit all aspects of our economy and unfortunately this has resulted in a very unstable and volatile market in which to execute new construction.

### Solution

We have no other choice but to reduce the square footage and change some of the design, features, and building materials originally proposed in order to bring the budget back into reality.

### Results

We have reduced the size of the building from 24,889 sq feet of air conditioned space down to 17,215 sq ft. This reduction has been made in a way that could potentially allow for the further development of this property in a phase 2 situation. This reduction has resulted in the loss of 4 small kitchens and one office space. The outdoor event space has been relocated to a second floor deck which we believe will have a greater impact for visibility for the town as well as a more efficient layout with direct access to a bar service area and a prep kitchen directly adjacent for use by patrons who rent the space. The increased outdoor area, also allows for more outdoor seating, greater opportunity for public area, gardens, and the potential for hosting outdoor culinary, art and craft markets. This size reduction has not resulted in any change of use and will minimally affect the operations at the site.



## Timeline of Events-How did we get here?

The multiple events in the past 3 years including the closing of the Suez Canal, COVID-19, a depleted work force, multiple stimulus bills, and rising inflation have led to unprecedented increases in the costs of construction materials and equipment worldwide. Steel, lumber, copper and PVC piping, glass and other materials have seen notable spikes in cost in recent months, and costs are expected to continue to increase as construction maintains a strong pace throughout 2023.

**DECEMBER OF 2021- Site plan approved. Estimate for construction at this time \$5.2 Mil.**

**JANUARY-APRIL 2022, As drawings were beginning to take shape the estimates were tracking closer to \$7,040,000, construction contract was drafted to reflect this. (Guaranteed maximum price contracts are not and cannot be honored for an unlimited amount of time)**

**MAY 2022- Amy Angelo reached out to the town manager and the CRA Director to discuss changes to the project in an effort to bring the budget back in line.**

**LATE MAY 2022- John D'Agostino and Nadia Di'Tomasso proposed a \$1MIL grant to support the completion of the project without making any changes to the approved site plan. This grant money was approved and allocated in the budget for the Lake Park CRA at this time as well.**

### **JUNE-JULY- AUGUST-SEPTEMBER-OCTOBER-**

**JUNE 8- This was the deadline for the draft agreement**

**JUNE 21ST- Draft agreement was received from the town attorney.**

Over the course of the next several months the process for completing the redevelopment grant agreement and personal guarantees proved a lengthy and costly process due to poor communication on behalf of the attorney's and simple errors that took weeks to correct because of this lack of communication and errors that should have been caught and dealt with immediately instead taking weeks to respond.

**AUGUST 3RD CRA MEETING–Grant agreements were not ready so we could not present.**

**SEPTEMBER 21-Amy Angelo met in the mirrored ballroom with John and Nadia as well as Bill Lowenstein and Thomas Baird on zoom, in an attempt to clarify and streamline the process and make sure everyone understood the entities involved in the project.**

**SEPTEMBER 28TH HURRICANE IAN**

**OCTOBER 13- It becomes apparent that the attorneys are working on two separate documents.**

**OCTOBER- Construction documents are completed to reflect the original site plan that was approved in December of 2021 (11 months later, costs increasing all the time) The Lake Park Group had continued in good faith and under the understanding that receiving this grant was a very high probability we proceeded with construction documents which are very costly.**

**-Construction documents were presented for subcontractors to bid on.**

**NOVEMBER 2, CRA BOARD MEETING AND PRESENTATION - GRANT NOT PASSED AND POSTPONED FOR MORE DISCUSSION TO THE 16TH OF NOVEMBER.**

**NOVEMBER 10TH HURRICANE NICOLE**



**NOVEMBER 16TH- SECOND PRESENTATION WITH MORE INFORMATION AS REQUESTED BY THE COMMISSIONERS (SPECIAL CALL CRA MEETING)**

**NOVEMBER 16TH-GRANT APPROVED- Drawdown schedule should have commenced on Nov. 30 in accordance with the grant agreement. However the first checks were not received until January 3, 2023**

**JANUARY 2023-Contractor (Morganti) alerts us that quotes are coming in high, we begin value engineering discussions.**

**JANUARY 27TH- SIGN PERMIT, DEMO PERMIT, AND FENCE PERMIT APPLIED FOR**

**FEBRUARY 1- CONSTRUCTION SIGN WENT IN THE GROUND**

**FEBRUARY 22- Final budgetary numbers were presented to us by the contractor at \$9.8 MIL**

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## **LAKE PARK GROUP**

### **Use of Funds**

The first disbursement of grant money was used towards site development costs which paid a portion of the architects and engineers fees for preparing site plan and construction documents.

### **Use of Future Grant Disbursements**

The construction of this building will be complete 3 years before the grant funds are paid out in their entirety. The funds will be used to reflect additional equity that will come in to the project and will be used to repay loans that will ultimately fund the construction costs up front.

### **Updated project costs**

The updated construction budget is \$7.5 MIL.

### **Signed GMAX Contract**

The Guaranteed maximum price contract has been approved and executed with the understanding that the grant money will still be available from the town, however if the process continues past the contract expiration date we stand the chance of having our costs increased again. Time is most certainly money in this case. As you can see the last 16 months have cost us \$2.8 mil.



## LAKE PARK GROUP

### CONSTRUCTION BUDGET

The total construction cost for the Lake Park Project is projected at \$7.5 Mil. With the inclusion of architecture, engineering, cost of land, soft costs and fees the total construction cost totals \$9,424,903. This is proportionally divided among the three entities occupying the building. The total represents an increase of over \$1,500,000 above the original underwriting by the SBA, Palm Beach County and the Bank of Belle Glade.

This shortfall is being made up by an increased equity contribution from the partners and the grant of \$1,000,000 paid over five years from the Town of Lake Park. The partners are contributing a minimum of \$1,263,740 in the first year, including \$334,900 for construction costs plus an additional \$839,032 for machinery, equipment and operating capital. Any additional cost overruns are the responsibility of said partners.

The grant provided by the town is not allocated to any particular line item, but rather provides the “gap “ funding that completes the financial underwriting. It enables the loans provided by SBA, the County and The Bank to stay within underwriting guidelines. Even with the grant the partner's equity contribution has risen to over \$1.2Mil.

Condo Owners	Oceana Logistics Int.	Florida Canning Co.	Kiss Kitchens	Total:
<b>Uses</b>				
Construction Costs	\$1,388,350	\$1,553,898	\$4,582,682	\$7,524,930
Land Cost	\$147,000.00	\$161,000	\$392,000	\$700,000
Architecture and engineering	\$66,420.00	\$74,340	\$219,240	\$360,000
Machinery, Equipment, Operating Capital	\$154,980.00	\$173,460	\$511,560	\$840,000
<b>Total</b>	<b>\$1,756,750.00</b>	<b>\$1,962,698</b>	<b>\$5,705,482</b>	<b>\$9,424,930</b>
<b>Sources</b>				
Grant	\$300,000.00	\$96,881	\$603,119	\$1,000,000
Approved Loan Amounts	\$1,183,750.00	\$1,730,900	\$4,246,540	\$7,161,190
Partner <b>Equity</b>				\$1,263,740
				<b>\$9,424,930</b>



## LAKE PARK GROUP

### Benefits to Lake Park- THESE REMAIN THE SAME

The project proposed by the Lake Park Group will increase the tax base, create jobs and stimulate the local economy by encouraging new business activities and expansion of existing business activities within the Town of Lake Park. This project will promote viable development and redevelopment initiatives in the Town. The happy result for the Town of Lake Park and the countless small businesses that this project will impact, is this; profound growth and opportunities for generations of Lake Park residents as well as the Lake Park Business community.

The proposed project is designed to create multiple synergies among the three resident companies and the other users of the facility drawn from the wider community. The facility will provide small kitchens designed to foster the growth of food entrepreneurs, ghost kitchen operations, food trucks and commissary operations for existing and future restaurants. The facility will contain canning, labeling, cold storage, packaging and shipping facilities to enable local small food businesses to prepare their products for market, a group of services that are currently not available in the Lake Park community. These services will also be used by Oceana Coffee and other local beverage companies to package and ship their products for wider distribution.

As we indicated in the first presentation to the Lake Park CRA Board on November 2nd, the project alone will generate \$281 million dollars in economic activity and 278 jobs over 10 years. The projections were developed with the economic modeling software employed by Palm Beach County, REMI. This project was also highlighted by Palm Beach County at a conference for the statewide FRA Conference as a model project for CRA's that serves to generate positive economic impact on both redevelopment and area wide business growth.

Here is a summary of that report:

#### **Updated REMI Numbers for smaller square footage:**

##### **Direct Permanent FTEs**

Oceana Coffee: 10 FTEs

Canning Company: 10 FTEs

Commercial Kitchen: 33 FTEs

**Estimates assume full employment for both 5 and 10 year periods**

## 5 Year Economic Impact Estimate

### **Construction Impact**

Temporary Construction FTEs (direct and indirect): **151**

Total Output: **\$20.38 Million**

### **New Permanent FTEs:**

New FTEs (direct and indirect): **123**

Total Output: **\$125.22 Million**

**Total FTEs (includes temporary construction FTEs): 273**

**Total 5 year Economic Impact: \$145.60 Million**



Breakdown of the jobs:

**Oceana Coffee: 10 FTEs.**

All jobs will be created in **2024**

Types of jobs:

- 2 - Chefs
- 2 - Baristas
- 2 - Packaging and production assistant
- 1 - Sales Personnel
- 1 - Delivery Driver
- 2 - Assistant Coffee Roaster

**Canning Company: 10 FTEs**

All jobs will be created in **2024**

Type of jobs:

- 4 – Canning Line Technicians
- 2 – Warehouse person
- 2 – Logistics
- 2 – Delivery Driver

**Commercial Kitchen: 33 FTEs**

Jobs will be created as follow:

Year 2024 - 3

Year 2025 - 10

Year 2026 – 10

Year 2027 – 10

Type of jobs:

- 10 – Food Prep
- 10 – Delivery Driver
- 10 – Cleaning services (e.x. Dishwashers)
- 3 – Marketing, sales



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## LAKE PARK GROUP

### Benefits continued...

This project will pave the way for more businesses to come to Lake Park over the years because it will demonstrate the business friendly nature of the town and the growth oriented thinking of the business community and the CRA.

Some of the benefits of the project to the Town of Lake Park include:

- Potential to generate significantly increased sales tax revenue
- Projected property value increase from \$700,000 to the appraised value of \$8,000,000
- Visible evidence of substantial capital investment in the Town
- Creation of new employment opportunities for residents
- Above-average wages for residents
- Diversification of businesses that enhance the quality of life for Lake Park residents
- Desirable and varied retail establishments attracting consumer activity to the Town
- Vital industry with a long term commitment to the Town
- Unique project which will be beneficial as a culinary arts hub and business incubator in the heart of the CRA, these kitchens have the potential to create 20 new jobs from the 10 micro kitchens that can house a minimum of 10 new businesses. The larger shared kitchens have the potential to support 40-75 businesses on an hourly, scheduled, rotational basis (potential of 80-150 jobs) using this site as a hub.
- Potential to induce other desirable businesses to locate in the Town
- Architectural Quality of the proposed improvement

Oceana Coffee is the anchor business of the Lake Park Group. In addition to operating its own highly successful coffee roasting, sales and distribution business, Ocean Coffee and its owners, Amy and Scott Angelo, will serve as partners and managers of Florida Canning and KISS Kitchens.

Since 2009, Oceana Coffee has grown from its humble beginnings on a popcorn machine to the successful business that we are today. This is one step on the path for us to continue growing our company. Currently we have 2 retail locations in our town, and over 100 wholesale customers including all of the Whole Foods stores in the state of Florida that we support from our tiny 900 sq ft manufacturing facility in Tequesta.

Over the years we have acquired other warehouses and storage spaces to facilitate our growth and operations. This new facility will allow our company to increase its capacity by at least 10 times our current production capability, increasing efficiency and expanding the opportunities for higher paying jobs for our employees who have chosen careers with Oceana Coffee. Our expansion will also create new business opportunities for those who choose to license Oceana Coffee Cafes around the state and the country.

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# AIA Document A133® – 2019 Exhibit A

## Guaranteed Maximum Price Amendment

This Amendment dated the 29<sup>th</sup> day of March in the year 2023, is incorporated into the accompanying AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price dated the 17<sup>th</sup> day of August in the year 2022 (the "Agreement")  
(In words, indicate day, month, and year.)

for the following **PROJECT:**  
(Name and address or location)

Lake Park Kitchen AKA Oceana Coffee  
1301 10<sup>th</sup> Street  
Lake Park, FL 33403

**THE OWNER:**  
(Name, legal status, and address)

CIDC Lake Park, LLC  
15375 Blue Fish Circle  
Lakewood Ranch, FL 34202

Kiss Kitchen, LLC  
1301 10<sup>th</sup> Street  
Lake Park, FL 33403

**THE CONSTRUCTION MANAGER:**  
(Name, legal status, and address)

The Morganti Group, Inc.  
1662 North U.S. Highway 1  
Suite C  
Jupiter, FL 33469

### ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

### TABLE OF ARTICLES

- A.1 GUARANTEED MAXIMUM PRICE
- A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
- A.3 INFORMATION UPON WHICH AMENDMENT IS BASED
- A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS

Init.

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User Notes:

(724924016)



**ARTICLE A.1 GUARANTEED MAXIMUM PRICE****§ A.1.1 Guaranteed Maximum Price**

Pursuant to Section 3.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price. As agreed by the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as that term is defined in Article 6 of the Agreement.

**§ A.1.1.1** The Contract Sum is guaranteed by the Construction Manager not to exceed Seven Million, Five Hundred and Twenty-Four Thousand, Nine Hundred and Thirty (\$ 7,524,930.00 ), subject to additions and deductions by Change Order as provided in the Contract Documents.

**§ A.1.1.2 Itemized Statement of the Guaranteed Maximum Price.** Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, including allowances; the Construction Manager's contingency; alternates; the Construction Manager's Fee; and other items that comprise the Guaranteed Maximum Price as defined in Section 3.2.1 of the Agreement.

*(Provide itemized statement below or reference an attachment.)*

Refer to Attachment A

**§ A.1.1.3** The Construction Manager's Fee is set forth in Section 6.1.2 of the Agreement.

**§ A.1.1.4** The method of adjustment of the Construction Manager's Fee for changes in the Work is set forth in Section 6.1.3 of the Agreement.

**§ A.1.1.5 Alternates**

**§ A.1.1.5.1** Alternates, if any, included in the Guaranteed Maximum Price:

Item	Price
N/A	N/A

**§ A.1.1.5.2** Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Exhibit A. Upon acceptance, the Owner shall issue a Modification to the Agreement.

*(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)*

Item	Price	Conditions for Acceptance
N/A	N/A	N/A

**§ A.1.1.6** Unit prices, if any:

*(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)*

Item	Units and Limitations	Price per Unit (\$0.00)
N/A		

**ARTICLE A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**

**§ A.2.1** The date of commencement of the Work shall be:

*(Check one of the following boxes.)*

**[3/29/23 ]** The date of execution of this Amendment.

**[TBD ]** Established as follows:

*(Insert a date or a means to determine the date of commencement of the Work.)*

Based Upon Receipt of Permit Approval

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of execution of this Amendment.

Init.



§ A.2.2 Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work. The Contract Time shall be measured from the date of commencement of the Work.

§ A.2.3 Substantial Completion

§ A.2.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Construction Manager shall achieve Substantial Completion of the entire Work:  
(Check one of the following boxes and complete the necessary information.)

[ TBD ] Not later than TBD ( 360 subject to material and equipment availability ) calendar days from the date of commencement of the Work.

[TBD ] By the following date: TBD

§ A.2.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Construction Manager shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date
N/A	N/A

§ A.2.3.3 If the Construction Manager fails to achieve Substantial Completion as provided in this Section A.2.3, liquidated damages, if any, shall be assessed as set forth in Section 6.1.6 of the Agreement.

ARTICLE A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

§ A.3.1 The Guaranteed Maximum Price and Contract Time set forth in this Amendment are based on the Contract Documents and the following:

§ A.3.1.1 The following Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
TBD			

§ A.3.1.2 The following Specifications:  
(Either list the Specifications here, or refer to an exhibit attached to this Amendment.)

Refer to Attachment A

Section	Title	Date	Pages
Refer to Attachment A			

§ A.3.1.3 The following Drawings:  
(Either list the Drawings here, or refer to an exhibit attached to this Amendment.)

Refer to Attachment A

Number	Title	Date
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§ A.3.1.4 The Sustainability Plan, if any:  
(If the Owner identified a Sustainable Objective in the Owner's Criteria, identify the document or documents that comprise the Sustainability Plan by title, date and number of pages, and include other identifying information. The Sustainability Plan identifies and describes the Sustainable Objective; the targeted Sustainable Measures; implementation strategies selected to achieve the Sustainable Measures; the Owner's and Construction Manager's roles and responsibilities associated with achieving the Sustainable Measures; the specific details about design reviews, testing



or metrics to verify achievement of each Sustainable Measure; and the Sustainability Documentation required for the Project, as those terms are defined in Exhibit C to the Agreement.)

Title	Date	Pages
N/A		

Other identifying information:

§ A.3.1.5 Allowances, if any, included in the Guaranteed Maximum Price:  
(Identify each allowance.)

Item	Price
Refer to Attachment A	

§ A.3.1.6 Assumptions and clarifications, if any, upon which the Guaranteed Maximum Price is based:  
(Identify each assumption and clarification.)

Refer to Attachment A

§ A.3.1.7 The Guaranteed Maximum Price is based upon the following other documents and information:  
(List any other documents or information here, or refer to an exhibit attached to this Amendment.)

Attachment A

ARTICLE A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS

§ A.4.1 The Construction Manager shall retain the consultants, contractors, design professionals, and suppliers, identified below:  
(List name, discipline, address, and other information.)

TBD

This Amendment to the Agreement entered into as of the day and year first written above.

DocuSigned by:  
Frances Brandt  
OWNER CIDC 86421DB4E1FD475...  
Frances Brandt  
Director of Operations  
(Printed name and title)

DocuSigned by:  
Stephen Sines  
CONSTRUCTION C68C977860B042E...  
Stephen Sines  
Vice President of Operations  
(Printed name and title)



**New Construction**  
**Oceana Coffee**

GMP: VE- Column Line H, No Roof-top  
3/9/2023  
FINAL



**MORGANTI**  
A SOLID FOUNDATION

*New Construction*  
Oceana Coffee  
3/9/2023



Oceana Coffee  
New Construction  
Project No. 20051

Date: March 9, 2023  
Owner: Oceana Coffee  
CM: The Morganti Group, Inc.  
Architect: One A Architect  
Bldg SF: 17,235



Column H
17,235

FINAL

GMP: VE- Column Line H, No Roof-top

Division	Description	Estimated Quantity	Unit	VE Column Line H	\$/SF
010000	General Requirements	1.00	Is	\$ 18,150	\$ 1.05
020000	Existing Conditions	1.00	Is	\$ 64,416	\$ 3.74
030000	Concrete	1.00	Is	\$ 952,623	\$ 55.27
040000	Masonry	1.00	Is	\$ -	\$ -
050000	Metals	1.00	Is	\$ 698,594	\$ 40.53
060000	Wood, Plastics & Composites	1.00	Is	\$ 5,000	\$ 0.29
070000	Thermal & Moisture Protection	1.00	Is	\$ 151,607	\$ 8.80
080000	Openings	1.00	Is	\$ 332,497	\$ 19.29
090000	Finishes	1.00	Is	\$ 491,807	\$ 28.54
100000	Specialties	1.00	Is	\$ 86,029	\$ 4.99
110000	Equipment	1.00	Is	\$ -	\$ -
120000	Furnishings	1.00	Is	\$ -	\$ -
130000	Special Construction	1.00	Is	\$ -	\$ -
140000	Conveying Equipment	1.00	Is	\$ 102,000	\$ 5.92
210000	Fire Suppression	1.00	Is	\$ 80,620	\$ 4.68
220000	Plumbing	1.00	Is	\$ 593,512	\$ 34.44
230000	HVAC Systems	1.00	Is	\$ 550,226	\$ 31.92
260000	Electrical Systems	1.00	Is	\$ 1,056,640	\$ 61.31
310000	Earthwork/Paving/Utilities	1.00	Is	\$ 720,227	\$ 41.79
320000	Exterior Improvements	1.00	Is	\$ 117,179	\$ 6.80
330000	Fueling	1.00	Is	\$ -	\$ -
Subtotal: Division 1-33				\$ 6,021,127	\$ 349.35
EXTERIOR DECK & STAIRS					
A1	Stairs: Exterior of building (either from bldg or deck)	1.00	Is	\$ 45,000	\$ 2.61
A2	Stairs: Cage	1.00	Is	\$ 45,000	\$ 2.61
A3	Exterior Deck: Hollow Core Precast Concrete (1,600 SF) ~ 30'x53'	1.00	Is	\$ 73,125	\$ 4.24
A4	Exterior Deck: Railing. Qnty- 115'	1.00	Is	\$ 34,500	\$ 2.00
A5	Landscape screen wall	1.00	Is	\$ 20,000	\$ 1.16
Subtotal w/Allowances:				\$ 6,238,752	\$ 361.98
VE	Value EGINEERING: Approved by Owner	1.00	Is	Included in Div 1-33	\$ -
Subtotal w/Allowances & VEs:				\$ 6,238,752	\$ 361.98
	General Conditions	1.00	Is	\$ 90,970	\$ 5.28
	Construction Phase Fee (Staff Fee)	1.00	Is	\$ 386,276	\$ 22.41
	Escalation Contingency	1.500%	%	\$ 112,874	\$ 6.55
	Construction Contingency	2.000%	%	\$ 150,499	\$ 8.73
Subtotal: OH&P, GC, Contingency, Allowances:				\$ 6,979,371	\$ 404.95
	General Liability Insurance	1.150%	%	\$ 86,537	\$ 5.02
	Builder's Risk Insurance (By owner)	By Owner	Is	\$ -	\$ -
	Payment and Performance Bonds	1.100%	%	\$ 82,775	\$ 4.80
Subtotal: OH&P, GC, Contingency, Allowances, Bonds, Insurances:				\$ 7,148,683	\$ 414.78
	Overhead and Profit	5.00%	%	\$ 376,247	\$ 21.83
TOTAL GMP				\$ 7,524,930	\$ 436.61



Oceana Coffee  
New Construction  
THE MORGANTI GROUP INC.

SECTION-3  
3/9/2023  
FINAL

## SUBCONTRACTOR SUMMARY

Work Scope	Description	Bidder	Amount of Proposal	Amount Utilized in GMP
<b>DIVISION 010000: General Requirements</b>			<b>\$ 18,150</b>	<b>\$ 18,150</b>
1A	Testing	Universal	\$ 10,500	\$ 10,500
1C	Cleaning: Progress & Final	Magic Touch	\$ 7,650	\$ 7,650
<b>DIVISION 020000: Existing Conditions</b>			<b>\$ 64,416</b>	<b>\$ 64,416</b>
2A	Surveying	American	\$ 13,200	\$ 13,200
2B	Demolition: Building	Rapid	\$ 51,216	\$ 51,216
2C	Demolition: Site		Div 2B	Div 2B
2D	Asbestos: Removal & Testing		By Owner	By Owner
<b>DIVISION 030000: Concrete</b>			<b>\$ 952,623</b>	<b>\$ 952,623</b>
3A	Concrete: Building	Benchmark III	\$ 952,623	\$ 952,623
3B	Concrete: Site- Sidewalk & Curbs		Div 31A	Div 31A
3C	Concrete: Site- Equipment Pads		Not Included- Roof Top Units	Not Included- Roof Top Units
<b>DIVISION 040000: Masonry</b>			<b>\$ -</b>	<b>\$ -</b>
4A	CMU: Building		Div 3A	Div 3A
4E	CMU: Site- Dumpser		Div 3A	Div 3A
<b>DIVISION 050000: Metals</b>			<b>\$ 698,594</b>	<b>\$ 698,594</b>
5A	Structural Steel & Decking	East Coast	\$ 698,594	\$ 698,594
5B	Railing- SST Cable on Roof		\$ -	\$ -
<b>DIVISION 060000: Wood, Plastics &amp; Composites</b>			<b>\$ 5,000</b>	<b>\$ 5,000</b>
6A	Rough Carpentry	Budget	\$ 5,000	\$ 5,000
6B	Millwork & Trim		Deleted by VE	Deleted by VE
6D	Wood: Cladding on exterior walls		Not Included. Storefront Windows are Aluminum	Not Included
<b>DIVISION 070000: Thermal &amp; Moisture Protection</b>			<b>\$ 151,607</b>	<b>\$ 151,607</b>
7A	Caulking & Sealants	Metro	\$ 11,347	\$ 11,347
7B	Roofing: Built Up	Wolverine Roofing	\$ 140,260	\$ 140,260
7J	Insulation- Light Weight Concrete		Div 7B	Div 7B
7N	Insulation- Interior: Rigid & Batt		Div 9A	Div 9A
<b>DIVISION 080000: Openings</b>			<b>\$ 332,497</b>	<b>\$ 332,497</b>
8A	Doors & Frames: Hollow Metal, Wood	Key Mart	\$ 30,132	\$ 30,132
8B - A10	Hardware	Allowance	\$ 15,975	\$ 15,975
8C	Doors: Roll-Up	Acousti	\$ 48,140	\$ 48,140
8E	Windows / Storefronts	No Limit	\$ 141,500	\$ 141,500
8F	Glazing		Not included. Interior doors as solid	Not Included
8H - A6	Glass Cladding: Coffee Bean Shapes	Allowance	\$ 96,750	\$ 96,750
<b>DIVISION 090000: Finishes</b>			<b>\$ 491,807</b>	<b>\$ 491,807</b>
9A1	Drywall, Framing, Insulation, Stucco	Atlantic Interior	\$ 184,900	\$ 184,900
9A2	Stucco	Atlantic Interior	\$ 151,400	\$ 151,400
9A3	FRP		Deleted by VE	Deleted by VE
9B	Flooring: Resilient, Carpet, Tile	Capital	\$ 27,370	\$ 27,370
9D	Tile: Roof Patio		Deleted by VE	Deleted by VE
9F - A9	Flooring: Sealed Concrete	Allowance	\$ 32,390	\$ 32,390
9J	Acoustical: Ceilings	Acousti	\$ 3,600	\$ 3,600
9L	Painting	IQ Painters	\$ 92,147	\$ 92,147



Item 1.

Work Scope	Description	Bidder	Amount of Proposal	Amount Utilized in Owner
<b>DIVISION 100000: Specialties</b>			<b>\$ 86,029</b>	<b>\$ 86,029</b>
10B	Toilet Partitions and Accessories	SDI Mardale	\$ 15,214	\$ 15,214
10C	Signage: Room, Marque, Site Directional	Budget	\$ 6,240	\$ 6,240
10D	Lockers and Benches		By Owner	By Owner
10E - A8	Walkway Covers & Suspended Canopies	Allowance	\$ 58,575	\$ 58,575
10F	Corner Guards		Deleted by VE	Deleted by VE
10i	Fire Extinguishers	Budget	\$ 4,500	\$ 4,500
10L	Knox Box	Budget	\$ 1,500	\$ 1,500
10M	Mail Boxes		By Owner	By Owner
10N	Projection Screens		By Owner	By Owner
10O	Marker & Tack Boards		By Owner	By Owner
<b>DIVISION 110000: Equipment</b>			<b>\$ -</b>	<b>\$ -</b>
11A	Food Services & Equipment		By Owner	By Owner
11B	Hoods: Furnish, Install, Ansul		By Owner	By Owner
11C	Appliances		By Owner	By Owner
<b>DIVISION 120000: Furnishings</b>			<b>\$ -</b>	<b>\$ -</b>
12A	Window Treatments		By Owner	By Owner
12B	Casework & Countertops		By Owner	By Owner
12C	Furniture		By Owner	By Owner
12D	Bike Racks		By Owner	By Owner
12I	Shelving		By Owner	By Owner
<b>DIVISION 130000: Special Construction</b>			<b>\$ -</b>	<b>\$ -</b>
13A	Metal Building		None per Base Proposal	None per Base Proposal
<b>DIVISION 140000: Conveying Equipment</b>			<b>\$ 102,000</b>	<b>\$ 102,000</b>
14A	Elevators	Schindler Elevator	\$ 102,000	\$ 102,000
<b>DIVISION 210000: Fire Suppression</b>			<b>\$ 80,620</b>	<b>\$ 80,620</b>
21A	Fire Suppression	American Eagle	\$ 80,620	\$ 80,620
				\$ -
<b>DIVISION 220000: Plumbing</b>			<b>\$ 593,512</b>	<b>\$ 593,512</b>
22A	Plumbing	Echols	\$ 593,512	\$ 593,512
22C	Grease Trap		Div 31A	Div 31A
22E	Gas Piping		Div 22A	Div 22A
22F	Gas Meter & Supply		By Owner	By Owner
<b>DIVISION 230000: HVAC Systems</b>			<b>\$ 550,226</b>	<b>\$ 550,226</b>
23A	HVAC	CFM	\$ 550,226	\$ 550,226
23D	HVAC: Hoods- Ductwork & Exhaust Fans		By Owner	By Owner
23F	HVAC: Test & Balance		By Owner	By Owner
<b>DIVISION 260000: Electrical Systems</b>			<b>\$ 1,056,640</b>	<b>\$ 1,056,640</b>
26A	Electrical & Fire Alarm	Stryker	\$ 1,056,640	\$ 1,056,640
26B	Generator		Div 26A	Div 26A
26C	Lightning Protection		Not Included	Not Included
				\$ -
<b>DIVISION 270000: Low Voltage</b>			<b>\$ -</b>	<b>\$ -</b>
27A	Voice & Data		By Owner	By Owner
27B	Fire Alarm		Div 26A	Div 26A
27C	Access Control & Security		By Owner	By Owner
27I	TVs & Monitors		By Owner	By Owner
				\$ -



					Item 1.
Work Scope	Description	Bidder	Amount of Proposal	Amount Utilized in GMP	
DIVISION 310000: Earthwork/Paving/Utilites			\$ 720,227	\$ 720,227	
31A	Sitework, Paving, Utilities: Storm,Water,Sewer,Fire	Precision Site	\$ 690,227	\$ 690,227	
31C - A7	Pavers	Allowance	\$ 30,000	\$ 30,000	
DIVISION 320000: Exterior Improvements			\$ 117,179	\$ 117,179	
32A	Temporary Fencing	Daniels	\$ 10,379	\$ 10,379	
32D	Irrigation & Landscaping	Country West	\$ 106,800	\$ 106,800	
DIVISION 330000: Fueling			\$ -	\$ -	
Allowances:			\$ 217,625	\$ 217,625	
A1	Stairs: Exterior of building (either from bldg or deck)		\$ 45,000	\$ 45,000	
A2	Stairs: Cage		\$ 45,000	\$ 45,000	
A3	Exterior Deck: Hollow Core Precast Concrete (1,600 SF) ~ 30'x53'		\$ 73,125	\$ 73,125	
A4	Exterior Deck: Railing. Qnty- 115'		\$ 34,500	\$ 34,500	
A5	Landscape screen wall		\$ 20,000	\$ 20,000	
Value Engineering:			\$ -	\$ -	
	Value EGINEERING: Approved by Owner (Refer to VE Summary)		Included in Div 1-33	Included in Div 1-33	
Subtotal:			\$ 6,238,752	\$ 6,238,752	
			General Conditions:	\$ 90,970	
			Construction Phase Fee:	\$ 386,276	
			Material Escalation:	\$ 112,874	
			Construction Contingency:	\$ 150,499	
			GL Insurance:	\$ 86,537	
			Builders Risk (By Owner):	By Owner	
			Payment & Performance Bond:	\$ 82,775	
			CM OH&P:	\$ 376,247	
			Total GMP:	\$ 7,524,930	



Oceana Coffee  
New Construction  
THE MORGANTI GROUP INC.

## GENERAL CONDITIONS

ITEM DESCRIPTION	Utilization Rate	QTY.	Unit	Unit Cost	Cost	Remarks
<b>LAYOUT</b>			ls.		\$ -	see below
Layout Partitions			sf.		\$ -	by trades
Independent Surveyor	1	-	ls.	-	\$ -	Div 02
Ground penetrating radar	1	-	ls.	5,000.00	\$ -	
As-Built Survey	-	1	ls.	25,000.00	\$ -	by trades
<b>TESTING AND COMMISSIONING</b>						see below
Third Party Testing & Inspections	1	1	ls.	-	\$ -	by owner
Fundamental Commissioning & LEED for schools	1	1	ls.	-	\$ -	not required
Theshold Inspector	1	1	ls.	-	\$ -	by owner
<b>TEMPORARY FACILITIES</b>						see below
Field Office - Contractor	1	12	mo.	1,600.00	\$ 19,200	
Field Meeting Trailer			mo.	400.00	\$ -	
Set-up & Removal	1	1	ea.	3,000.00	\$ 3,000	
Field Office Entry Platforms	1	-	mo.	145.00	\$ -	
Field Office Furniture - Contractor			ls.		\$ -	
Conference Table w/ 8 Chairs	-	1	ls.	500.00	\$ -	
Field Office Janitor Service - Trailer	1	12	mo.	150.00	\$ 1,800	
Chemical Toilets - Contractor	3	12	mo.	125.00	\$ 4,500	
Septic Holding Tanks - Contractor	1	12	mo.	275.00	\$ 3,300	
FO Computer Network Conn./Cable Access	1	12	mo.	175.00	\$ 2,100	
<b>TEMPORARY CONSTRUCTION</b>						see below
Temporary Fence / 6' Windscreen - Rent	1	-	lf.	13.00	\$ -	Included in Div 32
Temporary Job Fence Repair / Relocation	1	-	lf.	3.00	\$ -	Included in Div 32
Job Signs	1	1	ls.	1,500.00	\$ 1,500	
Field Office Security System	-	6	mo.	120.00	\$ -	
<b>SITE SECURITY</b>						
Security Guard	1	-	mo.	6,000.00	\$ -	
<b>CLEAN UP</b>						see below
Final Cleaning	1	-	ls.	-	\$ -	included in Div 01
20 YD - Dumpster	1	30	ld.	535.00	\$ 16,050	
<b>TEMPORARY LABOR (Non Cleaning)</b>	-	-		-	\$ -	see below
Temporary Construction Labor (Non Cleaning)	1.00	0.25	ls	10,000.00	\$ 2,500	
<b>PERMIT &amp; IMPACT FEES</b>	-	-		-	\$ -	excluded
<b>SUPPLIES</b>						see below
Office Supplies	1	12	mo.	300.00	\$ 3,600	
Project Management Bluebeam Software Licenses	1	1	ea.	500.00	\$ 500	per license, one time
Viewpoint Construction Management Program	2	12	mo.	100.00	\$ 2,400	per license, per month
E-Builder Construction Management Program		18	ea.	1,600.00	\$ -	per license, per year
Cell Phones	3	12	mo.	60.00	\$ 2,160	
Hardline Telephone / Fax	1	-	ea.	175.00	\$ -	
Staff Computers	1	-	ea.	2,200.00	\$ -	
Refrigerator	1	1	ea.	500.00	\$ 500	
Postage & Overnight Mail	1	12	mo.	50.00	\$ 600	
Safety Supplies	1	12	mo.	50.00	\$ 600	
Drug Test Program	1	-	ea.	75.00	\$ -	
Jessica Lunsford Act	1	-	ea.	125.00	\$ -	
Progress Photos	1	-	mo.	25.00	\$ -	



Oceana Coffee  
New Construction  
THE MORGANTI GROUP INC.

## GENERAL CONDITIONS

ITEM DESCRIPTION	Utilization Rate	QTY.	Unit	Unit Cost	Cost	Remarks
Progress Photos - Aerials by Drone	1	-	mo.	150.00	\$ -	
Progress Photos - Professional Photographer	1	-	mo.	450.00	\$ -	
Copier	1	12	mo.	150.00	\$ 1,800	
First Aid / Safety Supplies	-	6	mo.	50.00	\$ -	
Eye Wash Station	1	1	ea.	550.00	\$ 550	
Safety Shower	-	1	ea.	1,500.00	\$ -	
Designated Safety/Point Gathering Area	1	-	ea.	1,000.00	\$ -	
Hard Hats - Staff	1	-	ea.	25.00	\$ -	
Hard Hats - Guests	1	-	ea.	25.00	\$ -	
Ice	1	12	mo.	55.00	\$ 660	
Bottled Water	1	12	mo.	75.00	\$ 900	
Weather Thermometer (Weather Station)	1	1	ea.	100.00	\$ 100	
Reproduction Expenses	1	10	set	200.00	\$ 2,000	
<b>COVID 19</b>						see below
Hand Wash Stations	1	1	ea.	550.00	\$ 550	
Signage	2	-	ls.	1,000.00	\$ -	
Temperature Readers	1	-	ea.	125.00	\$ -	
Soap Dispensers	3	12	mo.	25.00	\$ 900	
Job Office- PPE: Mask, sanitizer, gloves	1	-	mo.	50.00	\$ -	
<b>UTILITIES</b>						see below
Construction Power - Meter and Pole Install for Trailer	1	1	ea.	4,500.00	\$ 4,500	
Construction Power - Site Lighting Install for Trailer	1	-	ea.	1,200.00	\$ -	Included Div 26
Water Consumption - Water Line Installation for Trailer	1	-	ls.	1,500.00	\$ -	Included Div 22
Internal Networking Hub - Intranet Installation	1	-	ls.	800.00	\$ -	
Construction Electric Power - Monthly	1	12	mo.	350.00	\$ 4,200	Monthly electric
Water Consumption - Monthly	1	12	mo.	225.00	\$ 2,700	Monthly water
Internet - Monthly	1	12	mo.	150.00	\$ 1,800	Monthly internet
Field Office Security System - Monthly	1	-	mo.	120.00	\$ -	Monthly security system
<b>HOISTING</b>						see below
Stair Scaffolding	1	3	mo.	2,000.00	\$ 6,000	
					\$ -	
<b>EQUIPMENT</b>			ls.		\$ -	
Utility Cart - Used	1	-	ea.	5,000.00	\$ -	
Mechanical Lull / Lift / Hoisting	1	-	mo.	4,500.00	\$ -	
Mechanical Lull & Cart Fuel and Maintenance	1	-	mo.	500.00	\$ -	
<b>SCHEDULING</b>						see below
Scheduling Set-Up	-	1	ea.	3,742.00	\$ -	
Scheduling Updates	-	6	mo.	450.00	\$ -	
<b>MISC. REQUIREMENTS</b>						see below
Ribbon Ceremony	-	1	ls.	-	\$ -	
Project Closeout	-	1	ls.	1,850.00	\$ -	
<b>TOTAL GENERAL CONDITIONS</b>					\$ 90,970	



Oceana Coffee  
New Construction  
THE MORGANTI GROUP INC.

SECTION- 7  
3/9/2023  
FINAL

## ALLOWANCES

Allowance Number	Description		Amount of Allowance	Amount Utilized in GMP
1	Exterior Stairs	Exterior of building (either from bldg or deck)	\$ 45,000	\$ 45,000.00
2	Exterior Stairs	Cage or enclosure	\$ 45,000	\$ 45,000.00
3	Exterior Deck	Hollow Core Precast Concrete (1,600 SF) ~ 30'x53'	\$ 73,125	\$ 73,125.00
4	Exterior Deck	Railing. Qnty- 115'	\$ 34,500	\$ 34,500.00
5	Screen Wall	Exterior landscaped screen wall	\$ 20,000	\$ 20,000.00
6	Glass Cladding	Exterior coffee bean graphics. Additional details and specifications need to be provided.	\$ 96,750.00	\$ 96,750.00
7	Pavers	Additional details, color selection, shape selection, and specifications need to be provided.	\$ 30,000.00	\$ 30,000.00
8	Walkway Covers	Walkway cover or awning for the west side of the building at the 1st floor.	\$ 58,575.00	\$ 58,575.00
9	Sealed Concrete	Sealed concrete in lieu of polished concrete. Additional details and specifications need to be provided.	\$ 32,390.00	\$ 32,390.00
10	Hardware	Allowance of \$500 per door. Specifications were not provided.	\$ 15,975.00	\$ 15,975.00
11				\$ -
12				\$ -
13				\$ -
14				\$ -
15				\$ -
16				\$ -
17				\$ -
18				\$ -
TOTAL Allowances included in GMP:				\$ 451,315.00



Oceana Coffee  
New Construction  
THE MORGANTI GROUP INC.

SECTION- 8  
3/9/2023  
FINAL

## Value Engineering

Value Engineering Num	Scope	Description
1	ACT Ceiling	Deleted ACT Ceilings from project. Only rooms to received ACT are: 101C, 101B,103A.
2	Concrete	Delete detail 12/S3.0. Install CMU in lieu of Cast in Place Over-hang.
3	Concrete	Delete detail 11/S3.1. Install CMU in lieu of Cast in Place.
4	Corner Guards	Delete- Corner Guards
5	Electrical	Delete- Generator.
6	Electrical	MC Cable in lieu of EMT for branch power to lighting and devices.
7	Electrical	MC Cable in lieu of EMT for Power Feeder Cables.
8	Electrical	Change the compression fittings to set screw fittings.
9	Elevator	Include a 3500 lb. capacity elevator.
10	Flooring	Sealed concrete in lieu of polished concrete.
11	General	Delete - Roof Top features. Including: outdoor seating- 300, Stairs- S301/S302, Lobby 302, Corridor/Gazebo- 301, and Restrooms 302/303.
12	General	Delete- Building structure back to column line H. Building will be constructed from column line
13	HVAC	Fiberglass ductwork in lieu sheet metal ductwork.
14	Plumbing	Pex piping in lieu of copper piping.
15	Plumbing	PVC piping in lieu of cast iron piping.
16	Railing	Delete- Railing from roof top.
17	RFP	Delete- FRP from the project.
18	Tile	Tile only included in restrooms. Only tile flooring and cove base. No tile wainscot.
19	Walls	2nd Floor: walls will only be finished to 8' AFF.
20	Walls	1st Floor: no framing, finish, drywall, or insulation on exterior walls.
21		
22		
23		



Oceana Coffee  
New Construction  
THE MORGANTI GROUP INC.

SECTION- 9  
3/9/2023  
FINAL

## **BASIS OF COST, ASSUMPTIONS and CLARIFICATIONS**

Item	Div	Scope	Description
1	00	Asbestos	Any asbestos, lead or hazardous material abatement, removal or survey shall be provided by the
2	00	As-Builts	AutoCAD and CADD as built drawings are excluded. Red line drawings will be turned over to the designer of record at project completion.
3	00	Builder's Risk	The cost of Builder's Risk insurance premiums and deductibles are not included in the GMP and shall be provided by the Owner.
4	00	County Fees	County impact fees are excluded.
5	00	Material Test & Inspections	GMP includes testing for compaction and concrete cylinders.
6	00	Permit Fees	All permit fees, inspection fees and utility connection fees are excluded.
7	00	Threshold	The cost for a threshold and/or resident inspector is not included.
8	00	Power & Utilities	Permanent power during construction shall be paid for by the Owner directly to the utility provider. The GMP is based on utilizing existing utility services available at the site for temporary construction utilities.
9	00	Staff Billing	Staff costs shall be paid in 12 equal and consecutive payments starting with the first pay application.
10	00	Escalation Contingency	The GMP includes an Escalation Contingency as a result of the current market conditions experiencing significant inflation. Should actual cost escalations exceed the contingency amount, they shall be funded by construction contingency, other available GMP budget if any, and/or by Owner change order.
11	00	Allowances	Allowances have been included in the GMP for certain elements where a complete design has not been provided. Should actual costs of the allowance items exceed the allowance amount, then either the design will be modified to meet the allowance amount, or the additional costs will be funded by construction contingency, other available GMP budget if any, and/or by Owner change order. Refer to Allowance Log for details of allowances.
12	00	Material Storage	As a result of worldwide supply chain disruptions as a result of the pandemic and current market demand, the Owner shall fund any deposits required by material suppliers if encountered. Additionally, offsite stored materials shall be allowed and paid for by the Owner as if the materials were stored onsite if necessary to ensure materials are available in order to meet the construction schedule.
13	00	Kitchens	GMP only includes (11) kitchens. Kitchens included are: 205, 206, 211, 212, 215, 216, 217, 218, 219, 220, 221.
14	00	Substantial Completion	Substantial completion shall be achieved within (12) months from receiving all permits. Additionally, substantial completion is subject to equipment and material availability.
15	08	Doors	GMP includes doors sizes as 3'x7'. Hollow metal, 1-3/4 impact flush, 18GA. Frames: Hollow metal drywall knock-down.
16	08	Hardware	GMP includes \$500 for each set of hardware per door. Q-30.
17	08	Roll-up Doors	GMP includes all roll-up doors as manual operated. Color- Gray
18	08	Windows	GMP includes budget of \$1,500 for the drive-thru window. Additional details and specifications need to be provided.
19	10	Signage- Rooms	Budget amount of \$6,240 was provided in the proposal. Additional details and specifications need to be provided.
20	10	Signage- Marque	GMP does not include any marque or site signage.
21	10	Fire Extinguisher	Budget amount of \$4,500 was provided for a quantity of (9) fire extinguishers in the proposal. Final count to be determined by local inspector.
22	11	Appliances	All appliances shall be furnished by the Owner.
23	11	Food Service	GMP does not include any food service equipment. Including but not limited to: food service equipment, stainless steel counters and shelving, hoods, exhaust fans for hoods, ansul systems for hoods or equipment, ductwork for hoods, sinks in food service area, sinks in the kitchens, fire extinguisher in kitchen area, freezers/coolers.
24	12	Planters	The GMP does not include any planters.
25	12	Site Furnishings	All site furnishings shall be furnished and installed by the Owner.
26	12	Clocks	All clocks shall be furnished and installed by the Owner.
27	14	Elevator	GMP includes a 3500 lb. capacity elevator.
28	21	Fire Pumps	GMP does not include any fire pumps as none are shown on the drawings.
29	22	Gas	Owner is responsible for contracting directly with gas supplier. Gas supplier will need to cap the existing service and provide new service to the new building.
30	27	Low Voltage	GMP does not include any low voltage systems. Including but not limited to: data, phone, security, access control, audio, or TV.
31			
32			
33			
34			
35			
36			
37			



Item 1.

Oceana Coffee  
New Construction  
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SECTION- 13  
3/9/2023  
FINAL

STAFFING

ITEM #	POSITION OR TITLE OF STAFF	UTILIZATION RATE	QTY IN MONTHS	UNIT PRICE	TOTAL LABOR	BURDEN RATE	TOTAL RATE
Contruction							
1	Morganti- Executive	0.05	12.00	\$ 16,500	\$ 9,900	1.4200	\$ 14,058.00
2	Morganti- Sr. Project Manager	0.00	12.00	\$ 11,700	\$ -	1.4200	\$ -
3	Morganti- Project Manager	0.50	12.00	\$ 11,700	\$ 70,200	1.4200	\$ 99,684.00
4	Morganti- Asst. Project Manager	0.00	12.00	\$ 7,500	\$ -	1.4200	\$ -
5	Morganti- Lead Superintendent	1.00	12.00	\$ 11,700	\$ 140,400	1.4200	\$ 199,368.00
6	Morganti- Superintendent #2	0.00	12.00	\$ 11,700	\$ -	1.4200	\$ -
8	Morganti- Project Administrator	0.50	12.00	\$ 6,000	\$ 36,000	1.4200	\$ 51,120.00
SUBTOTAL:							\$ 364,230.00
Close Out							
1	Morganti- Executive	0.05	1.00	\$ 16,500	\$ 825	1.4200	\$ 1,171.50
2	Morganti- Project Manager	0.50	1.00	\$ 11,700	\$ 5,850	1.4200	\$ 8,307.00
3	Morganti- Superintendent #1	0.50	1.00	\$ 11,700	\$ 5,850	1.4200	\$ 8,307.00
4	Morganti- Project Administrator	0.50	1.00	\$ 6,000	\$ 3,000	1.4200	\$ 4,260.00
SUBTOTAL:							\$ 22,045.50
TOTAL STAFF COST:							\$ 386,275.50



One A Architecture  
Lake Park Kitchens AKA Oceana Coffee

List of Drawings  
March 2023

## Permit - DRAWING LOG

10/5/2021					<b><u>SUBSOIL INVESTIGATION REPORT</u></b>	<b><u>TITLE</u></b>
<b>X</b>					Federal Engineering & Testing, Inc.	Subsoil Investigation Report. Project: Proposed 2-Story Building. Address: 131 10 <sup>th</sup> Street, Lake Park, FL 33403

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22				<b><u>GENERAL</u></b>	<b><u>TITLE</u></b>
<b>X</b>					T-001	COVER SHEET
<b>X</b>					T-002	INDEX OF DRAWINGS

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22				<b><u>BOUNDARY &amp; TOPOGRAPHIC SURVEY</u></b>	<b><u>TITLE</u></b>
<b>X</b>					SHEET 1 OF 1	LOTS 19-30, BLOCK 79

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22				<b><u>PAVING, GRADING &amp; DRAINAGE PLANS</u></b>	<b><u>TITLE</u></b>
<b>X</b>					PCS-1	COVER SHEET
<b>X</b>					PD-1	PAVING, GRADING & DRAINAGE SITE PLAN
<b>X</b>					PD-2	PAVING, GRADING & DRAINAGE DETAILS
<b>X</b>					PD-3	PAVING, GRADING & DRAINAGE DETAILS
<b>X</b>					SM-1	SIGNING & MARKING PLAN



One A Architecture  
Lake Park Kitchens AKA Oceana Coffee

List of Drawings  
March 2023

X					SWPP-1	STORMWATER POLLUTION PREVENTION
X					SWPP-2	N.P.D.E.S. NOTES
X					SWPP-3	EROSION CONTROL DETAILS

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22				<b><u>WATER &amp; SEWER PLANS</u></b>	<b><u>TITLE</u></b>
X					WCS-1	COVER SHEET
X					WS-1	SITE PLAN
X					WS-2	DETAILS
X					WS-3	DETAILS

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22				<b><u>LANDSCAPE</u></b>	<b><u>TITLE</u></b>
X					L-200	TREE DISPOSITION PLAN AND TABLE
X					L-210	LANDSCAPE PLAN
X					L-210A	ROOF DECK LANDSCAPE PLAN
X					L-211	LANDSCAPE PLAN AND DETAILS
X					L-300	IRRIGATION PLAN
X					L-300A	ROOF DECK IRRIGATION PLAN
X					L-301	IRRIGATION DETAILS
X					L-302	IRRIGATION NOTES

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22	VE Option: Email from One A 02/15/23			<b><u>ARCHITECTURE</u></b>	<b><u>TITLE</u></b>
X	X				AS-001	DEMO PLAN
X					AS-100	SITE PLAN
X	X				LS-101	FIRST FLOOR LIFE SAFETY PLAN
	X				LS-102	SECOND FLOOR LIFE SAFETY PLAN
	X				LS-103	ROOF LIFE SAFETY PLAN
X	X	X			A-101	FIRST FLOOR
X	X	X			A-102	SECOND FLOOR



One A Architecture  
Lake Park Kitchens AKA Oceana Coffee

List of Drawings  
March 2023

X	X	X		A-103	ROOF
X	X			A-201	EXTERIOR ELEVATIONS
X	X			A-301	ENLARGED RESTROOM PLAN AND INT. ELEVATIONS
X				A-401	FIRST FLOOR REFLECTED CEILING PLAN
X	X			A-402	SECOND FLOOR REFLECTED CEILING PLAN
X	X			A-501	ENLARGED STAIR #1 AND #2
X				A-502	HANDRAIL, GUARDRAIL DET.
X	X			A-503	ENLARGED ELEVATOR PLANS & SECTION
X	X			A-601	BUILDING SECTIONS
X	X			A-602	BUILDING WALL SECTIONS
X				A-701	WALL TYPES
X				A-702	ROOFING DETAILS
X	X			A-801	DOOR AND FINISH SCHEDULES
X				A-802	DOOR JAMB DETAILS
X				A-803	STOREFRONT AND WINDOW ELEV. AND SCHEDULE

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22	VE Option: Email from One A 02/15/23		<b><u>STRUCTURAL</u></b>	<b><u>TITLE</u></b>
	X			S0.0	GENERAL NOTES
X	X			S0.1	GENERAL NOTES & WIND PRESSURES
X	X			S1.0	FOUNDATION PLAN
X	X			S1.1	SECOND FLOOR PLAN
X	X			S1.2	ROOF & HIGH ROOF PLAN
X	X			S2.0	SECTIONS & DETAILS
X	X			S3.0	SECTIONS & DETAILS
X	X			S3.1	SECTIONS & DETAILS
X	X			S4.0	SCHEDULES & GENERAL NOTES

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22	VE Option: Email from One A 02/15/23		<b><u>MECHANICAL</u></b>	<b><u>TITLE</u></b>
X				M-1	GENERAL NOTES AND LEGEND
X				M-2	SCHEDULES
X	X			M-3	SCHEDULES



One A Architecture  
Lake Park Kitchens AKA Oceana Coffee

List of Drawings  
March 2023

X				M-4	FIRST FLOOR PLAN
X				M-5	SECOND FLOOR PLAN
X	X			M-6	ROOF PLAN
X				M-7	DETAILS
X				M-8	DETAILS
X				M-9	DETAILS
X				M-10	SPECIFICATIONS
X				M-11	SPECIFICATIONS

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22				<b>HOOD</b>	<b>TITLES</b>
X					AFS-1	GREASE HOOD ITEM 50
X					AFS-2	GREASE HOOD ITEM 100
X					AFS-3	GREASE HOOD ITEM 200
X					AFS-4	GREASE EXHAUST FAN DETAILS
X					AFS-5	TEMPERED MUA DETAILS KSF-50-100
X					AFS-6	TEMPERED MUA DETAILS KSF-200
X					AFS-7	VARIABLE VOLUME CONTROLS ITEM 50 &100
X					AFS-8	VARIABLE VOLUME CONTROLS ITEM 200

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22	VE Option: Email from One A 02/15/23			<b>ELECTRICAL</b>	<b>TITLES</b>
X					E-1	NOTES, INDEX, AND LEGEND
X					E-2	ELECTRICAL SCHEDULES
X					E-3	ELECTRICAL SITE PLAN
X					E-4	FIRST FLOOR LIGHTING PLAN
X					E-5	SECOND FLOR LIGHTING PLAN
X					E-6	FIRST FLOOR POWER PLAN
X	X				E-7	SECOND FLOOR POWER PLAN
X					E-8	FIRST FLOOR SYSTEMS PLAN
X					E-9	SECOND FLOOR SYSTEMS PLAN
X					E-10	ENLARGED SMALL KITCHEN PLAN
X					E-11	ENLARGED LARGE KITCHEN PLAN
X					E-12	ENLARGED RETAIL KTICHEN PLAN



One A Architecture  
Lake Park Kitchens AKA Oceana Coffee

List of Drawings  
March 2023

X	X			E-13	ELECTRICAL ROOF PLAN
X				E-14	ON-LINE DIAGRAM
X				E-15	LIGHTING CONTROL RISER DIAGRAM
X				E-16	FIRE ALARM RISER DIAGRAM
X				E-17	COMMUNICATIONS RISER DIAGRAM
X	X	X		E-18	PANEL BOARD SCHEDULES
X				E-19	PANEL BOARD SCHEDULES
X				E-20	DETAILS
X				E-21	DETAILS
X				E-22	SPECS.
X				E-23	SPECS.
X				E-24	SPECS.

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22	VE Option: Email from One A 02/15/23		<b><u>PLUMBING</u></b>	<b><u>TITLE</u></b>
X				P-1	LEGEND & GENERAL NOTES
X	X			P-2	SCHEDULE
X	X			P-3	FIRST FLOOR PLAN
X	X			P-4	SECOND FLOOR PLAN
X	X	X		P-5	ROOF PLAN
X		X		P-6	ENLARGED PLAN
X				P-7	ENLARGES PLAN
X				P-8	RISER
X				P-9	RISER
X				P-10	DETAILS
X	X			P-11	DETAILS
X				P-12	SPECS.
X				P-13	SPECS.
X				P-14	SPECS.

Permit Set Drawings: 09/20/22	Addendum 08: 11/21/22	VE Option: 02/16/23			<b><u>FIRE PROTECTION</u></b>	<b><u>TITLE</u></b>
X					FP-1	LEGEND & GENERAL NOTES
X					FP-2	FIRST FLOOR
X					FP-3	SECOND FLOOR



One A Architecture  
Lake Park Kitchens AKA Oceana Coffee

List of Drawings  
March 2023

X					FP-4	ROOF PLAN
X					FP-5	DETAILS
X					FP-6	DETAILS
X					FP-7	SPECS.

Permit Set Drawings: 09/20/22					<b><u>KITCHEN DRAWINGS</u></b>	<b><u>TITLE</u></b>
X					COV.	COVER SHEET
X					K1-1.0	OVERALL EQUIPMENT PLAN
X					K1-1.1	1 <sup>ST</sup> FLOOR EQUIPMENT PLAN & SCHEDULE
X					K1-1.2	2 <sup>ND</sup> FLOOR EQUIPMENT PLAN
X					K1-1.3	2 <sup>ND</sup> FLOOR EQUIPMENT SCHEDULE
X					K1-2.0	ELECTRICAL PLAN
X					K1-3.0	PLUMBING PLAN
X					K1-4.0	SPECIAL CONDITIONS PLAN
X					K1-5.0	ELEVATIONS
X					K1-5.1	ELEVATIONS

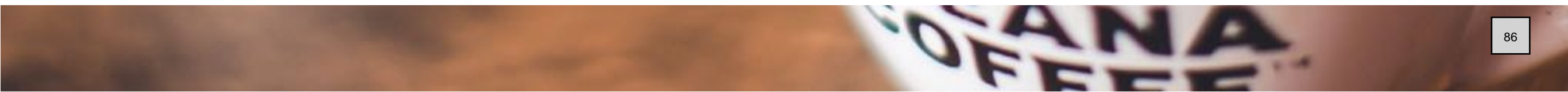


# OCEANA COFFEE™

Item 1.



THE WAY TO GOOD COFFEE







**TOP 5% OF BEANS**  
GROWN AT HIGH ALTITUDE

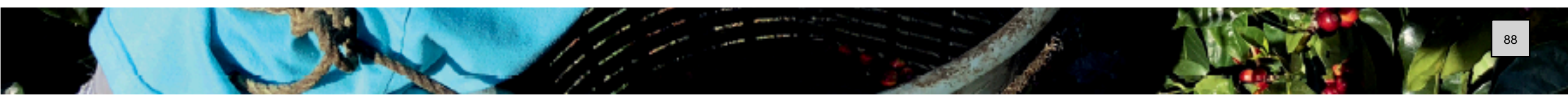






# HAND PICKED

SUSTAINABLE, DIRECT TRADE







# FRESH ROASTED

IN SMALL BATCHES







# PRECISION FROM FARM TO CUP





# AWARD WINNING

THE WAY TO GOOD COFFEE





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 116<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 165

WASHINGTON, THURSDAY, JANUARY 10, 2019

No. 5

## Senate

### RECOGNIZING OCEANA COFFEE ROASTERS

Mr. RUBIO, Mr. President, I wish to recognize the first Small Business of the Week of the 116th

winner for the Golden Bean North America Award, which is the world's largest coffee roaster

CONGRESSIONAL AWARD  
SMALL BUSINESS OF THE YEAR 2019

As Chairman of the Senate Committee on Small Business and Entrepreneurship, it is my pleasure to recognize Oceana Coffee Roasters as this year's

a second location... increasing e-commerce sales and direct shipments to reach approximately 100 wholesale customers. The Angeles are committed to their community





Florida Made Women Owned  
Oceana Coffee is a woman owned  
business that supports the community  
through their Cup of Kindness program.

**CERTIFIED BUSINESS**  
**WOMAN OWNED SMALL BUSINESS ENTITY**



OVER \$4,000  
DONATED TO LOCAL  
CHARITIES SINCE 2018



COMMUNITY MINDED  
OCEANA COFFEE'S CUP OF KINDNESS





**OCEANA  
COFFEE™**  
the way to good coffee

**WHOLE BEAN  
SINGLE ORIGIN  
COFFEE**  
12 OZ. BAGS GROCERY



**COLD BREW  
COFFEE**  
Nitrogen Infused



**K-CUPS  
SINGLE ORIGIN  
COFFEE** (12 Pack)



**WHOLE BEAN  
SINGLE ORIGIN  
COFFEE** (5 Lb. Bag)



**OUR PRODUCTS**



## Amazon Prime

☐ prime

## Department

Grocery &amp; Gourmet Food

Roasted Coffee Beans

▾ See All 9 Departments

## Avg. Customer Review

★★★★★ &amp; Up

★★★★★ &amp; Up

★★★★★ &amp; Up

★★★★★ &amp; Up

## Specialty Food Type

☐ Single-Origin

## International Shipping

☐ International Shipping Eligible

## Condition

New

Used



OCEANA COFFEE Coffee Sumatra  
Tana Karo Whole Bean, 12 OZ

★★★★★ ▾ 12

\$18<sup>95</sup> (\$1.58/Ounce)

FREE Shipping

Only 13 left in stock - order soon.

Amazon's Choice



OCEANA COFFEE Coffee Mexico  
Jaltenango Whole Bean, 12 OZ

★★★★★ ▾ 11

\$19<sup>95</sup> (\$1.66/Ounce)

FREE Shipping

Only 11 left in stock - order soon.



Brazil Medium Roast - Single Origin  
Whole Bean 12oz

★★★★★ ▾ 6

\$18<sup>95</sup> (\$1.58/Ounce)

FREE Shipping

Only 15 left in stock - order soon.



Costa Rica Medium Roast Whole  
Bean 12oz

★★★★★ ▾ 8

\$19<sup>95</sup> (\$1.66/Ounce)

FREE Shipping

Only 16 left in stock - order soon.



OCEANA COFFEE Coffee Brazil Kcup,  
12 CT

★★★★★ ▾ 1



OCEANA COFFEE Coffee Sumatra  
Kcup, 12 CT

\$19<sup>95</sup> (\$1.66/Count)

OCEANA COFFEE Coffee Guatemala  
Huehuetenango Whole Bean, 12 OZ

★★★★★ ▾ 5



OCEANA COFFEE Coffee Mexico  
Kcup, 12 CT

\$19<sup>95</sup> (\$1.66/Count)

# AMAZON

## CONSISTENT 4.5-5 STAR REVIEWS





**BRAZIL**

Coming from the Cerrado Region of Brazil where the rich soil and great weather give this coffee a smooth and nutty flavor with a hint of caramel.

IDEAL FOR: Drip, Espresso, Pour Over, French Press  
ROAST LEVEL: Medium



**COLOMBIA**

Huila is home to many small sustainable family farms. This coffee is grown among the rainforest in Colombia, giving it balanced flavors of sweet citrus and grape.

IDEAL FOR: Pour Over, Drip  
ROAST LEVEL: Medium



**MEXICO**

The colorful lifestyle of Mexico infuses these beans with an essence of chocolate and hints of cherry for a balanced and delicious cup.

IDEAL FOR: Drip, French Press, Pour Over, Cold Brew  
ROAST LEVEL: Medium



**DECAF**

This coffee may lack caffeine but not flavor. Featuring beans with a combination of dried fruit sweetness with velvety chocolate notes that please the Caffeinated Palate

IDEAL FOR: Drip, French Press, Pour Over, Espresso  
ROAST LEVEL: Medium Dark



	SRP	UNIT COST	CASE COST	PROMO	SPECIAL PRICE
BRAZIL					
COLOMBIA					
MEXICO					
DECAF					

Item 1.

# GROCERY PRICING

## AND PROMOTIONAL OFFERINGS





Coming from the Cerrado Region of Brazil where the rich soil and great weather give this coffee a smooth and nutty flavor with a hint of caramel.

IDEAL FOR: Drip, Espresso, Pour Over, French Press  
ROAST LEVEL: Medium



Huila is home to many small sustainable family farms. This coffee is grown among the rainforest in Colombia, giving it balanced flavors of sweet citrus and grape.

IDEAL FOR: Pour Over, Drip  
ROAST LEVEL: Medium



The colorful lifestyle of Mexico infuses these beans with an essence of chocolate and hints of cherry for a balanced and delicious cup.

IDEAL FOR: Drip, French Press, Pour Over, Cold Brew  
ROAST LEVEL: Medium



This coffee may lack caffeine but not flavor. Featuring beans with a combination of dried fruit sweetness with velvety chocolate notes that please the Caffeinated Palate

IDEAL FOR: Drip, French Press, Pour Over, Espresso  
ROAST LEVEL: Medium Dark



5 LB BULK	UNIT COST	PER LB	CASE COST	COST PER CUP
BRAZIL				
COLOMBIA				
MEXICO				
DECAF				

# FOOD SERVICE PRICING

5 LB BULK SIZES



## HOTEL & HOSPITALITY



Canopy by Hilton

## FOOD SERVICE



## GROCERY & RETAIL



ALL FL. WHOLEFOODS

Earth Fare

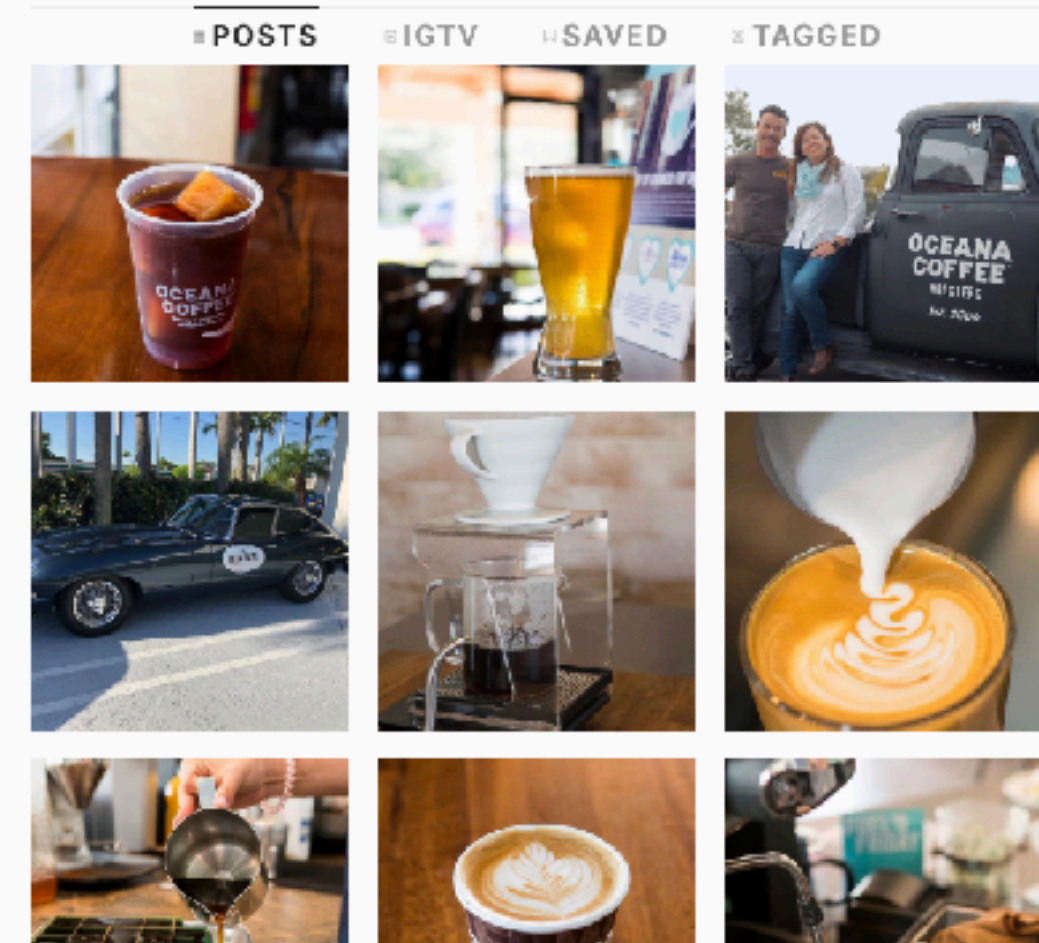


ONGOING PARTNERSHIPS  
JUST TO NAME A FEW...



**OCEANA COFFEE**  
 oceanacoffee Edit Profile  
 264 posts 12.1k followers 1,028 following  
 Oceana Coffee  
 Award winning coffee roaster based out of South Florida  
 Let us show you the way to good coffee  
 Tequesta, Florida  
 PLEASE VOTE!  
 bit.ly/2Jwglwl

EVENTS  
 Uoc...  
 Cup...  
 Wh...  
 Mar...



**OCEANA COFFEE**  
 Oceana Coffee  
 @OceanaCoffee

Home  
 Reviews  
 Shop  
 Events  
 Posts  
 Photos  
 Community  
 Videos  
 About  
 Menu  
 Info and Ads  
 Promote  
 Manage Promotions 1

**THE WAY TO GOOD COFFEE**

Liked Following Share

**Friends and Oceana Coffee**  
 Scotty Angelo, Amy Duell and 271 other friends like or have visited Oceana Coffee.  
 See All

**Friends' posts at Oceana Coffee**  
 Linda Leathart was drinking coffee at Oceana Coffee.  
 21 hrs · Tequesta ·  
 Great catch up and Cappucino with Amy Angelo

3,852 Total Likes | 3,997 Total Follows

Invite your friends to like Oc...

Michael Cheff... Invite  
 Michael Bishop Invite  
 Logan Kedwell Invite  
 See All Friends

English (US) · Español · Português (Brasil) · Français (France) · Deutsch

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 Facebook © 2019

# SOCIAL MEDIA STATS





reviews oceana coffee

← Rating ▾ Hours ▾ Your past visits ▾

## Oceana Coffee Roasters

4.5 ★★★★★ (78) · Coffee shop

221, 1, 2722, Old Dixie Hwy

Breakfast · Fast service · Cozy



## Oceana Coffee Cafe

4.7 ★★★★★ (106) · Coffee shop

150 US-1 #1

Live performances · Breakfast · Outdoor seating



Item 1.

**yelp** Find tacos, cheap dinner, Max's Near San Francisco, CA



Restaurants ▾ Home Services ▾ Auto Services ▾ More ▾

### Oceana Coffee

Claimed

★★★★★ 70 reviews [Details](#)

\$\$ · Coffee Roasteries [Edit](#)

221 Old Dixie Hwy  
Ste 1  
Tequesta, FL 33469

[Get Directions](#)  
(561) 401-2453  
[oceanacoffee.com](#)

**tripadvisor** Tequesta ▾

Travel feed: Tequesta Hotels Things to do **Restaurants** Flights Vacation Rentals Vacation Packages

United States > Florida (FL) > Tequesta > Tequesta Restaurants > Oceana Coffee




### Oceana Coffee

Claimed

★★★★★ 49 reviews #1 of 2 Coffee & Tea in Tequesta \$5 - \$\$\$, Cafe

221 Old Dixie Hwy Ste 1, Suite 1, Tequesta, FL 33469-2722 +1 561-401-2453 [Website](#) [Menu](#)

Open Now: 7:00 AM - 6:00 PM

[All photos \(4\)](#)

# REVIEWS







# OUR AWARDS



Compak Golden Bean Competition  
2015, Gold, Silver and Bronze Medal Winner



Compak Golden Bean Competition  
2016 Overall Champion, Gold Medal Winner



Australian International Coffee Awards  
2016 Bronze Medal Winner for 2 espresso blends



Australian International Coffee Awards  
2017 Silver Medal Winner for 2 espresso blends



## More About Our Wholesale Process

Oceana Coffee is a small-batch coffee roaster with a large-scale wholesale business. In 2016, we roasted over 45,000 lbs of coffee, and currently work with over 60 wholesale customers. To ensure fresh coffee, we deliver in small batches, once a week. Our customers can create a blend or select one of our seasonal favorites, and our experts will make on-site visits to help staff and customers better understand our products.

# OCEANA COFFEE™

## AWARD WINNING...

- 2019 Congressional Small Business Award- Senator Marco Rubio
- 2018 Runner-up Overall Champs Golden Bean North America
- 2016 Overall Champions Golden Bean North America
- 2015 Golden Bean Gold Medalist, Silver and 2 Bronze
- 2016- 2 time medal winner, Australian Coffee Awards
- 2016 Small Business of the Year, Palm Beach North Chamber
- 2014 Accepted into SWOT 224, Palm Beach chapter of SCORE
- 2017-Xcelerate Wellington Champs- Entrepreneur challenge
- 2016 Best of Palm Beach Award- Palm Beach Illustrated
- Multiple high scoring coffees with Coffee Review



It has never been easier to have an award winning coffee on supermarket shelves or in dining establishments around the country.

Item 1.

Oceana Coffee is a woman owned business born in Palm Beach County, Florida. At Oceana Coffee we are driven to source the world's best coffee beans, roast them to perfection, and put them on the world stage of coffee at competitions around the globe. Our Brazil, Colombia, and Mexico are real crowd pleasers and all very popular with our customers. We are also recommending a decaf because there seems to be a lack or great award winning decafs available. Our decaf wins us consistent medals in every competition we enter it into and the population that needs a decaffeinated coffee deserves a great one!



# SUMMARY



Introducing

# Commercial Kitchens





**TRY OUR  
SPECIAL**  
*flavour*

**ORDER NOW!**

+123-456-7890  
@REALLYGREATSITE

**FRESH FOOD**

**SALAD**



ONLY \$10

**ORDER NOW**  
123 - 456 7890

HANOVER AND TYKE  
Restaurant

*Special*  
**THAI  
FOOD**



get **50%** off

EVERY 2 PURCHASE OF THAI  
FOOD ON ONLINE ORDER

+123-456-7890  
www.reallygreatsite.com  
123 Anywhere St., Any City


MR.  
CAKERY  
& CO.

**K-POP CAKE POPS!**



Treat  
yourself!

**ORDER  
NOW!**



PIZZA FOR 200 PE

**FOOD  
DELIVERY**

50%  
OFF

- GOOD SERVICE
- SAFE DELIVERY
- FAST DELIVERY
- COME QUICKLY
- COMFORTABLE




# Commercial kitchens are great for Communities...

Commercial kitchens offer a space for all types of food businesses to get started or scale their existing business.





# Commercial kitchens...

## ARE NOT COMMUNITY KITCHENS

Community kitchens are great but very different to a commercial kitchen facility.

The great thing about this facility is several non-profit groups could operate out of this commercial kitchen to fulfill the needs of their locals in need at a much lower cost than owning their own facility potentially.





## Kitchen Layout

# Proposed Plans

10 x Micro Kitchens=10 businesses & a minimum of 20 jobs

3 x Larger shared kitchen facilities = 40-75 businesses using the facility based on on hourly membership basis. Minimum of 2 jobs per business = 80-150 jobs



# Education Opportunities

## Culinary education:

Cooking classes

Nutritional education

## Business education:

-Marketing

-Small Business management

-Cost analysis & Business plan support

-Short term labor solutions

## Valuable local partnerships with:

-SCORE

-Department of Economic Opportunity- Palm Beach County

-Tourism & Development







## A Taste of Palm Beach County

This site also offers the unique opportunity for tenants and members of the commercial kitchens to showcase their products and offer them for sale in a grab and go set up or a curbside pick up option.







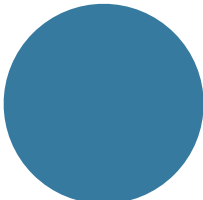
Commercial kitchens offer a space to incubate new business.



Commercial kitchens allow for scalability for exiting businesses.



Commercial kitchens create jobs!



Commercial kitchens are geared to grow with technology and the needs of future food businesses.





---

FLORIDA CANNING CO. LLC



## Business Plan

Prepared for: Lake Park CRA Board

Prepared by: Amy Angelo

April 9, 2023



---

**TABLE OF CONTENTS**

BUSINESS PLAN	1
EXECUTIVE SUMMARY	3
PRODUCT DESCRIPTIONS	4
MARKET ANALYSIS	5
TARGET MARKET	7
LARGE BEVERAGE MANUFACTURERS	8
ASSUMPTIONS	10



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## EXECUTIVE SUMMARY

### Objective

Florida Canning Co. LLC will be the premier and only permanent canning facility in Palm Beach County. With our new state of the art permanent facility we will be able to support a growing craft beverage movement that is sweeping the nation and growing quickly here in Palm Beach County. This facility will support many businesses that are already established in South Florida to scale their existing business models and expand their product offerings. The availability for this canning line to support other beverage manufacturers will help expand this market here in Palm Beach County with new businesses starting and expanding to the area.

### Mission

Florida Canning will be an all in one solution for beverage companies looking to safely prepare their beverages in a can at scale.

### Process

Beverages can be transported to the facility ready to can. White label production of cold brew coffee, nitro tea, and various flavored and carbonated waters can be prepared in house for a complete white label canning solution. Coffee roasters can have their own coffee made into cold brew using their coffee and specified recipes. Alternatively coffee can be sourced from local, award winning coffee roaster Oceana Coffee, to make cold brew or canned coffee beverages.

### Services offered

Canned specialty beverages, logistics, white labeling, contract canning, and distribution.



## PRODUCT DESCRIPTIONS

### COLD BREW COFFEE

Ready to drink cold brew coffee



### BEER & WINE

With the growth of the craft beer scene here in South Florida there are many breweries using a mobile canning company which is expensive and labor intensive. Florida Canning Co. will offer a more cost effective approach with a full service model to assist in the canning process and ultimately distribution of the products and cold storage.

### CRAFT COCKTAILS

With many distilleries emerging and the pandemic limiting the availability to visit a bar, the craft canned cocktail is primed to be a huge success. These beverages will be available for home delivery through local liquor stores and online delivery services.

Cold Produced/Brewed  
No Preservatives  
Natural Energy Drink  
Convenient  
Ready to Drink  
No Additives  
Zero Calories, Gluten Free!  
Nitro Infused  
Extremely Smooth  
Low Acidity  
Silky Mouthfeel  
Naturally Sweet

Florida Made Women Owned  
Oceana Coffee is a woman owned business that supports the community through their Cup of Kindness program.



### TEA AND OTHER INNOVATIVE BEVERAGES

Oceana Coffee will utilize the canning line for nitro tea and canned turmeric and chai lattes.

### CANNED WATER

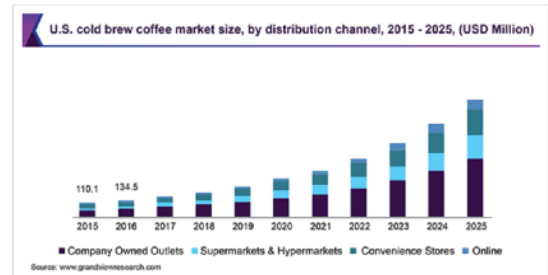
Canned water and flavored sparkling waters represent a global market value of \$24 Billion. The continued growth of this market year over year is a promising area for the company to distribute their own canned water products



## MARKET ANALYSIS

The beverage industry has seen a rise in the variety of canned beverages available globally. Beverage Cans Market size is estimated to reach \$17.24bn by 2025, growing at a CAGR of 4.9%. The increased demand for beverages to be stored at low temperatures is driving the usage of canned beverages as they help in storing the drinks at low temperatures retaining flavor profiles and freshness. The rise in health concerns among people wishing to avoid plastic containers as they are harmful and non-bio-degradable is driving the usage of beverage cans market during the forecast period 2020-2025.

The global cold brew coffee market size was valued at USD 339.7 million in 2018 and is expected to register a CAGR of 25.1% from 2019 to 2025.



### Non-espresso-based gourmet coffee consumption is trending up, driven by cold brew coffee

*\*This data is sourced from the NCA (National Coffee Association USA) 2020 National Coffee Data Trends*

In 2017, a new coffee segment was added to the NCDT study: non-espresso-based beverages. This recognized the emergence of gourmet coffee-based beverages that are not necessarily espresso-based. Included in this segment are frozen blended coffee, cold brew coffee (not traditional iced coffee -made by steeping coffee in cold water for several hours) and nitro coffee (sometimes called draft) –iced or cold brew coffee infused with nitrogen. In 2020, past-day penetration of this segment is 12%, a 2-point increase vs. 2017.

Within the NEBB segment, cold brew coffee consumption sees the most noticeable growth. Compared to 2016, past-week cold brew consumption has increased by 5 points, from 8% to 13%. The other types of NEBB, including frozen blended and nitro coffee, have remained stable in the last 5 years, now sitting at 14% for frozen blended coffee and 5% for nitro coffee.

Similar to 2019, the NEBB segment skews younger (aged under 40). By ethnicity, consumption of NEBB is driven by Hispanic- and Asian-Americans, same as EBB.

### Attitudes towards Cold brew and RTD remain consistently strong vs. 2019



In 2019, new sections on cold brew coffee and Ready-to-Drink (RTD) coffee were added to NCDT tracking study. These questions were added to better understand the perceptions of cold brew & RTD and to complement the behavioral data collected. In 2020, these questions continue to be monitored.



Similar to 2019, awareness of cold brew coffee is high, with nearly 80% of Americans 18+ having heard of cold brew coffee. One-in-five claim to drink cold brew coffee regularly or occasionally. (Past-week penetration of cold brew is 12%.) Cold brew consumption skews younger (under 40 years old).



Awareness and penetration of RTD coffee is also consistent with 2019: 88% are aware and 29% drinking regularly or occasionally. Again, consumption of RTD skews younger (under 40 years old).



Overall opinions of the two types of coffee are also similar: about one-third perceive them as excellent/very good, another one-third say good, and the remaining one-third say fair/poor.



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## COMPETITION

### Competition in the canning space in South Florida

**PROPRIETARY RESEARCH** -This mobile canning operation has over 50 locations nationwide. Most of them are mobile units which visit breweries and roasteries to can their beverages on site. There is currently one unit that services South Florida, they are operating 7 days a week and visit multiple sites per day to service the craft beverage market here in South Florida. The process is expensive and requires involvement from the brewery or coffee roaster to assist in the process of taking the cans off the line. The minimum run is 1 pallet of canned beverage or 14 barrels of liquid product (31 gallons= 1 barrel)

There are two other large canning operations in Florida, one in Tampa and Miami with large minimums



# TARGET MARKET

## CUSTOMERS

Our customers will include beverage companies looking to create canned specialty beverages. Craft beverage companies are booming in south florida. With many breweries and distilleries still opening and a growing number of coffee roasting companies starting there is an excellent customer base to work from here in Palm Beach County as a central point of distribution for the state of Florida and the South East.

As a start-up this list contains current relationships that have needs for utilizing a canning line and will become customers.

## COFFEE COMPANIES

### Oceana Coffee

Oceana Coffee had been canning their own product with a co-packer in New Mexico and shipping to Florida. A relationship with Florida Canning Co. LLC will allow Oceana Coffee to scale their existing ready to drink (RTD) business and help them secure shelf space in local and national grocery chains.

### NDA PROTECTED CUSTOMER

----- utilized the same canning facility in New Mexico and now finds themselves without a partner to continue their growth.

### NDA PROTECTED CUSTOMER

---Coffee is a long time established award winning roaster in ---- looking to get started with their award winning coffee in a ready to drink format.

### NDA PROTECTED CUSTOMER

----- is located in Brooklyn, NY and has a large scale coffee business backing them with roots in Australia and worldwide with ----- coffee and tea. They are looking to get started in the RTD market.

### NDA PROTECTED CUSTOMER

-----owns several specialty coffee shops in the Caribbean, as well as having ties with some resorts and casinos throughout the Caribbean where they distribute their fresh roasted coffee. A RTD product will enhance their product line and allow for further growth in the islands.



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## Customers continued....

### NDA PROTECTED CUSTOMER

——— is currently using a mobile canning solution that is not effective for scaling their presence in the South Florida market and beyond. A relationship with Florida Canning Co. Will bring down their cost of goods and allow them to scale their business.

### LARGE BEVERAGE MANUFACTURERS

#### Long time established company in the alternative milk space-NDA in place

Due to an NDA in place we cannot disclose the name of this business. This company is a long time established milk company with a strong foothold in the alternative milk space. They will be looking to can oat milk lattes for National Distribution.



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## MANAGEMENT SUMMARY

**Scott Angelo** will be the head brewer and operations manager of the canning line at Florida Canning Co. He is an award winning, specialty coffee roaster with past careers in Project Management and in Marine Engineering. Processes and systems are his specialty and passion (after coffee of course!). Scott oversees all of the roasting and production of the coffee, quality control, buying of green coffee, research and development of new products, packaging design and procurement, technical service for all coffee machines and production facility equipment, and also controls the Wholesale Logistics division and roaster training at Oceana Coffee. Being the talented roaster that he is, Scott can consistently produce high quality coffee of the highest caliber, and lead a team of people to provide the highest level of service when it comes to repair and maintenance of machines in the field. Scott is a Q grader, and holds multiple certifications with the SCA (Specialty Coffee Association). Scott has been the head judge for Golden Bean North America since 2017 and Golden Bean Australia for 2018 & 2019.



## ASSUMPTIONS

First year will experience conservative growth with a modest list of existing customers and new customers waiting to launch a new product line in a can.

100% growth in year 2 with a sales team in place and new larger customers coming on line.

### Assumptions:

Monthly Sales are based on the following units of measure:

Cans per case

Cases per pallet

Cans per pallet

Hours required to make a pallet

Sales Price per can

\$

Sales Price per case

\$

Sales Price per pallet

\$

Capacity of the canning line....









U.S. Small Business  
Administration

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



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







**OPERATING AGREEMENT**

**OF**

**FLORIDA CANNING COMPANY, LLC**

**(A FLORIDA LIMITED LIABILITY COMPANY)**

This Operating Agreement is made as December \_\_, 2021 by and between the Persons set forth on Schedule “A” hereto.

A. The parties desire to form FLORIDA CANNING COMPANY LLC (the “Company”) as a limited liability company under the laws of the State of Florida and, to that end, have filed Articles of Organization for the Company with the Florida Secretary of State.

B. The parties desire to become members of the Company and to adopt a limited liability company agreement to govern the respective rights and obligations of the members and the manager of the Company.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree that the following shall be the Operating Agreement of the Company.

**ARTICLE I**

**DEFINITIONS**

When used in this Agreement, the following terms have the following meanings:

1.1 “Act” means the Florida Revised Limited Liability Company Act.

1.2 “Adjusted Capital Account” of a Member means the Capital Account of that Member, increased by any amount that such Member is obligated to restore pursuant to Treasury Regulations § 1.704-1(b)(2)(ii)(c) or deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations § 1.704-2(g)(1) or 1.704-2(i)(5), and reduced by the items described in Treasury Regulations § 1.704-1(b)(2)(ii)(d)(4), (5) or (6).

1.3 “Affiliate” of another Person means (a) a Person directly or indirectly (through one or more intermediaries) Controlling, Controlled by or under common Control with that other Person, or (b) a Person owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of that other Person.



1.4 “Agreement” means this Operating Agreement of the Company.

1.5 “Articles of Organization” means the Articles of Organization of the Company filed under the Act with the Florida Secretary of State.

1.6 “Business” means the leasing, operation, improvement, financing, refinancing, development and or management of the Property.

1.7 “Call” has the meaning set forth in Section 3.1.2.

1.8 “Capital Account” of a Member means the capital account of that Member determined in accordance with Treasury Regulations § 1.704-1(b)(2)(iv) and this Section 1.8. The Capital Accounts shall be adjusted by the Managing Member upon an event described in Treasury Regulations § 1.704-1(b)(2)(iv)(f)(5) in the manner described in Treasury Regulations § 1.704-1(b)(2)(iv)(f) and (g) if the Managing Member reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company, and at such other times as the Managing Member may determine is appropriate to reflect the economic arrangement among the parties. Each such capital account can increase or decrease as applicable depending on each Members contributions to the Company or distributions from the Company.

1.9 “Capital Contribution” of a Member means the amount of money contributed to the capital of the Company by such Member.

1.10 “Code” means the Internal Revenue Code of 1986.

1.11 “Company” means FLORIDA CANNING COMPANY, LLC, a Florida limited liability company.

1.12 “Company Minimum Gain” with respect to any Fiscal Year means the “partnership minimum gain” of the Company computed in accordance with Treasury Regulations §§ 1.7042(b)(2) and 1.704-2(d).

1.13 “Control” of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

1.14 “Defaulting Member” has the meaning set forth in Section 3.2.1.

1.15 “Distributable Cash” at any time means that portion of the cash then on hand or in accounts of the Company at a bank or other financial institution which the Managing Member deem available for distribution to the Members at such time, taking into account (a) the amount of cash required for the payment of all current expenses, liabilities and obligations of the Company (whether for expense items, capital expenditures, improvements, retirement of indebtedness or otherwise) and (b) the amount of cash which the Managing Member deem necessary or appropriate to establish reserves for the payment of future expenses, liabilities, obligations, capital expenditures, improvements, retirements of indebtedness, operations and contingencies, known or



unknown, liquidated or unliquidated, including liabilities which may be incurred in litigation and liabilities undertaken pursuant to the indemnification provisions of this Agreement.

1.16 “Distribution” means the transfer of money or property by the Company to one or more Members with respect to their Interests, without separate consideration.

1.17 “Excess Contribution” at any time means the excess, if any, of (a) the aggregate Capital Contributions through such date over (b) the sum of the aggregate Capital Contributions through such date and the Distributions pursuant to Section 6.5.1(b).

1.18 “Fair Market Value” means the amount that would be paid for such interest/property or assets in cash at the closing by a hypothetical willing buyer to a hypothetical willing seller, each having knowledge of all relevant facts and neither being under a compulsion to buy or sell.

1.19 “Fiscal Year” means the Company’s taxable year, which shall be the taxable year ended December 31, or such other taxable year as may be selected by the Managing Member in accordance with applicable law.

1.20 “Interest” means a Member’s overall interest as a Member of the Company, including the Member’s interest in Profit, Loss, special allocations, Distributable Cash or other Distributions, rights to vote or participate in the management of the Company and rights to information concerning the business and affairs of the Company. Each Member’s applicable Interest in the Company is set forth in Schedule “A” annexed hereto.

1.21 “Interest Rate” means a rate of interest equal to two (2) percentage points above the prime rate of interest as reported in the “Money Rates Section” of The Wall Street Journal from time to time, but not more than the maximum rate permitted by applicable law.

1.22 “Liquidation Value” on any date with respect to an Interest means the amount a Person would receive with respect to such Interest if the net assets of the Company were sold for cash equal to their Fair Market Value on such date and the Company liquidated on such date.

1.23 “Managing Member” means the Person(s) designated pursuant to Section 5.2, until such Person(s) ceases to be a Managing Member of the Company pursuant to the terms of this Agreement.

1.24 “Member” means a Person designated on Schedule “A” as a Member, and any other Person that is admitted as a Member pursuant to the provisions of this Agreement, in each case until such Person ceases to be a member of the Company as provided herein.

1.25 “Member Minimum Gain” means the “partner nonrecourse debt minimum gain” of the Company computed in accordance with Treasury Regulations § 1.704-2(i)(3).

1.26 “Member Nonrecourse Debt” means the “partner nonrecourse liability” or “partner nonrecourse debt” of the Company computed in accordance with Treasury Regulations § 1.704-2(b)(4).



1.27 “Member Nonrecourse Deductions” means the “partner nonrecourse deductions” of the Company computed in accordance with Treasury Regulations § 1.704-2(i)(1) and (2).

1.28 “Nonrecourse Deductions” means the “nonrecourse deductions” of the Company computed in accordance with Treasury Regulations § 1.704-2(b).

1.29 “Percentage” of a Member means the percentage set forth on Schedule A for such Member, as the same may be adjusted pursuant to this Agreement.

1.30 “Person” means any entity, corporation, company, association, joint venture, joint stock company, partnership (including a general partnership, limited partnership and limited liability partnership), limited liability company, trust, real estate investment trust, organization, individual, nation, state, government (including any agency, department, bureau, board, division and instrumentality thereof), trustee, receiver or liquidator.

1.31 “Profit” and “Loss” means, for each Fiscal Year, the taxable income and taxable loss, as the case may be, of the Company for such Fiscal Year determined in accordance with federal income tax principles, including items required to be separately stated, taking into account income that is exempt from federal income taxation, items that are neither deductible nor chargeable to a capital account and rules governing depreciation and amortization, except that in computing taxable income or taxable loss, the “book” value of an asset will be substituted for its adjusted tax basis if the two differ, and any gain, income, deductions or losses specially allocated under Section 6.3 or 6.4 shall be excluded from the computation.

1.32 “Property” means the real property that is the subject of the lease between CIDC and the Company located at 15375 Blue Fish Circle, Lakewood Ranch, FL 34202, the improvements thereon and the personal property related thereto.

1.33 “Securities Act” means the Securities Act of 1933.

1.34 “Tax Matters Partner” means the Person designated pursuant to Section 9.5.1.

1.35 “Transfer” means a sale, assignment, transfer, other disposition, pledge, hypothecation or other encumbrance, whether direct or indirect, whether voluntary, involuntary or by operation of law, and whether for value or not. Transfer includes any transfer by gift, devise, intestate succession, sale, operation of law, upon the termination of a trust, as a result of or in connection with any property settlement or judgment incident to a divorce, dissolution of marriage or separation, by decree of distribution or other court order or otherwise.

1.36 “Treasury Regulations” means the regulations promulgated by the United States Treasury Department pertaining to the income tax.



## ARTICLE II ORGANIZATIONAL MATTERS

2.1 Name. The name of the Company shall be “FLORIDA CANNING COMPANY, LLC,” or upon compliance with applicable law, any other name that the Managing Member may determine. The Business of the Company shall be conducted under that name. The Company shall notify the Members of any change in the name of the Company.

2.2 Term. The term of the Company’s existence commenced upon the filing of its Articles of Organization with the Florida Secretary of State on November 20, 2020, and shall continue until such time as the Company is terminated pursuant to ARTICLE X.

2.3 Office and Agent. The principal office of the Company shall be located at such place as the Managing Member may determine from time to time. The Managing Member shall notify the Members of any change in the principal office of the Company. The name and business address of the agent for service of process for the Company in the State of Florida is Charles Schorr Lesnick; located at 11259 Edgewater Circle, Wellington, FL 33414, or such other Person with such other address as the Managing Member may appoint from time to time.

2.4 Purpose of Company. The purpose of the Company shall be to engage in the Business, and any activities incidental thereto or connected therewith.

2.5 Intent. It is the intent of the Members that the Company shall be treated as a “partnership” for federal income tax purposes. It also is the intent of the Members that the Company not be operated or treated as a “partnership” for purposes of Section 303 of the United States Bankruptcy Code. No Member or Managing Member shall take any action inconsistent with either such express intent without the vote of Members owning a majority of the Percentages of the Members.

2.6 Members. The name, address, phone number, e-mail, Capital Contribution and Percentage of each Member as of the date hereof is set forth on Schedule “A”. The Company shall amend Schedule “A” to reflect any change pursuant to this Agreement in any of the foregoing with respect to any Member.

2.7 Qualification. The Company shall qualify to do business in each jurisdiction where such qualification is required.

## ARTICLE III CAPITAL CONTRIBUTIONS

### 3.1 Capital Contributions.

3.1.1 Capital Contributions. Each Member has contributed to the Company the Capital Contribution specified opposite such Member’s name on Schedule “A”, the receipt of which is hereby acknowledged.



3.1.2 Further Capital Contributions. If the Managing Member determines that the Company needs additional funds that the Managing Member determines should be funded with additional Capital Contributions from the Members, the Company shall give each Member at least Twenty (20) days' notice of the Company's need for the additional funds, the amount of the funds needed, the reason therefor, the Member's additional Capital Contribution required thereby (which shall be equal to his Percentage of the aggregate funds being called), and the date by which the additional Capital Contribution is required to be made (each a "Call"). Notwithstanding the foregoing, the Members may prohibit the Managing Member from making an additional Capital Contribution vis-à-vis a Call through an affirmative vote of Members owning a majority of the Percentages of the Members to be held within Five (5) days of a Call being announced.

3.1.3 No Further Capital Contributions. Except as set forth in this Section 3.1, no Member shall be required to make any Capital Contribution or lend money to the Company. Except as provided in this ARTICLE III no Member may make a Capital Contribution or lend money to the Company without the Managing Member's written consent.

### 3.2 Default by a Member.

3.2.1 Default With Respect to Further Capital Contribution. If a Member fails to timely make a required Capital Contribution pursuant to a Call (which shall not be made upon less than Twenty (20) days' notice) (a "Defaulting Member"), the Company may request one or more non-Defaulting Members to make an additional Capital Contribution to the Company in an amount up to the amount of the required contribution that was not paid by the Defaulting Member. The Defaulting Member shall be liable for any costs and expenses incurred by the Company or any non-Defaulting Member in enforcing its or their rights pursuant to this Section 3.2. Such Capital Contribution shall accrue at the Interest Rate defined in Section 1.21 until paid in full and said amounts shall be charged against the Defaulting Member's Capital Account and/or be recovered against any monies due to the Defaulting Member until paid in full and such Defaulting Member shall not receive any Distributions as defined in this Agreement until such sum is fully paid; or

3.2.2 All Non-Defaulting Members, pro-rata to their Percentage(s) in the Company, shall have the ability to offer a loan to the Defaulting Member at the Interest Rate to cure the default.

3.3 Capital Accounts. The Company shall establish and maintain a separate Capital Account for each Member.

3.4 No Priorities of Members; No Withdrawals of Capital. Except as otherwise specified in this Agreement, no Member shall have a priority over any other Member as to any Distribution, whether by way of return of capital or by way of Profits, or as to any allocation of Profit, Loss or special allocations. No Member shall have any right to withdraw or reduce their Capital Contribution except as a result of the dissolution and liquidation of the Company, and no Member shall have the right to demand or receive property other than cash in return for their Capital Contribution. No Member has any right to, interest in, or claim against any specific property of the Company by reason of their Interest.



3.5 No Interest. Except as specifically provided herein, no Member shall be entitled to receive any interest on their Capital Contributions or Capital Account.

3.6 Certificates of Interest. The Company may issue certificates representing the outstanding Interests. Each certificate shall bear such legends as the Managing Member may determine.

## **ARTICLE IV MEMBERS**

4.1 Resignations. Except as otherwise expressly provided herein, no Member may resign from the Company prior to the dissolution and liquidation of the Company (other than pursuant to a permitted Transfer of a Member's entire Interest in the Company pursuant to ARTICLE X). A Member that resigns in contravention of this Agreement shall not be entitled to any consideration for his Interest as a result of such resignation, and shall be liable to the Company and the other Members for any damages suffered by them as a result of such resignation. A Member that resigns from the Company shall cease to be a Member.

### 4.2 Action by Members.

4.2.1 Meetings of Members. Meetings of the Members may be called by the Managing Member, or in the case of any matter on which Members may vote, by any Member. Such meetings shall be held at the place, date and time that the Person(s) calling such meeting shall designate in the notice of the meeting. Members may participate in any meeting through the use of conference calls, Zoom or similar video conference platforms, or similar communications equipment as long as all Members participating can hear one another. A Member so participating is deemed to be present in person at the meeting. Except as otherwise provided herein, action at any meeting with respect to the Company requires the affirmative vote of Members owning a majority of the Percentages of the Members.

4.2.2 Notice of Meeting. At least two (2) calendar days prior written notice shall be given to the Members entitled to vote at such meeting, stating the place, date and time of the meeting, the Person(s) calling the meeting and the purpose for which the meeting is called. Notice of a meeting need not be given to any Member who submits a signed waiver of notice, in person or by proxy, whether before, at or after the meeting. All such waivers shall be filed with the Company records or made part of the minutes of the meeting. The attendance of a Member at the meeting, whether in person or by proxy, without protesting the lack of proper notice shall constitute a waiver of notice by such Member. All parties shall have the right to call into the meeting by telephone, if they cannot attend in person as well as having the option of assigning a person by proxy to represent them and to vote on any and all issues raised at such meeting.

4.2.3 Action by Consent. Any action that may be taken by Members at a meeting may also be taken without a meeting, if a consent in writing setting forth the action so taken is signed by Members owning a sufficient Percentage to take such action at a meeting at which all the Members entitled to vote on such action are present and voting, and such consent is delivered to the Managing Member within sixty (60) days after the date of the earliest signature to such



consent. Consents may be signed in counterparts and facsimile and PDF signatures shall be deemed originals. The Company shall retain such consents with the books and records of the Company and shall notify all Members of the action so taken.

4.3 Other Activities of Members. Nothing in this Agreement shall prevent a Member, Managing Member or officer from engaging or participating in any other activity, venture or enterprise, whether or not related to the Business and whether or not competitive with the Company. Being a Member of the Company does not entitle such Person to participate or otherwise have any interest in any other permitted activity, venture or enterprise of another Member, the Managing Member or an officer of the Company, unless otherwise agreed between them in writing.

4.4 Membership Interests. The Members shall maintain the respective voting, distribution and equitable Interests in the Company as is set forth on Schedule "A."

## ARTICLE V MANAGEMENT AND CONTROL OF THE COMPANY

### 5.1 Management by the Managing Member.

5.1.1 Exclusive Management by the Managing Member. Except as otherwise expressly provided in this Agreement or as expressly required by a non-waivable provision of the Act, (a) the business, property and affairs of the Company shall be managed exclusively by the Managing Member, (b) the Managing Member shall have full, complete and exclusive authority, power and discretion to manage and Control the business, property and affairs of the Company, to make all decisions regarding those matters, to bind the Company and to perform any and all other actions customary or incident to the management of the Company's business, property and affairs, and (c) no Member, other than the Managing Member, shall have any right or power to participate in the management of the Company or to bind the Company.

5.1.2 Performance of Duties. The Managing Member shall perform their managerial duties for the Company in accordance with the standard of care prescribed by Section 10.2. In performing his duties, the Managing Member shall be entitled to rely in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Member, officer, employee or committee of the Company, or by any other Person, as to matters which the Managing Member reasonably believes are within such Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company (including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which Distributions might properly be made). For this purpose, if the Managing Member is responsible for the making of any Company records, the Managing Member may only rely on those records in good faith if that reliance is reasonable.

5.1.3 Devotion of Time. The Managing Member shall devote such time and effort as they deem appropriate for the management of the Company's business, property and affairs. The Members acknowledge that the Managing Member is engaged in substantial other activities



which require a substantial portion of their time and attention and that of its partners, officers, employees and agents.

## 5.2 Designation and Removal of the Managing Member.

5.2.1 Number of Managing Member. There shall be one (1) Managing Member.

5.2.2 Designation. The Members designate Charles Schorr Lesnick as the Managing Member. If the Person designated as a Managing Member fails to qualify or resigns, then the Person designated by Members owning a majority of the Percentages of the Members shall be the Managing Member, provided such Person qualifies and is willing to serve. The Company shall promptly notify all of the Members of such designation.

5.2.3 Resignation. The Managing Member may resign upon twenty (20) days prior written notice to the Members. Resignation as Managing Member shall not affect the Managing Member's Interest, if any, as a Member.

5.2.4 The Managing Member shall be afforded an additional Forty (40%) Percent Membership Interest in lieu of receiving a fee for acting as Managing Member. This additional Membership Interest shall not require that the Managing Member make any additional Capital Contribution to the Company, nor shall it entitle the Managing Member to additional distributions than any other Member after any distributions made to reimburse the Members for monies contributed pursuant to each Member's Capital Account.

5.3 Limitations on Powers of the Managing Member. Notwithstanding anything herein to the contrary, without the consent of the Members owning a majority of the Percentages of the Members, the Managing Member may not cause or permit the Company to:

- (a) issue any additional Interests or any option or other right to acquire an Interest;
- (b) amend, restate or revoke the Articles of Organization of the Company or this Agreement;
- (c) merge or consolidate with or into another Person, enter into, transfer or terminate any business combination, partnership or joint venture with any other Person;
- (d) engage in any business other than the Business or any activity that is not consistent with the Company's purpose;
- (e) commence, join in or settle any claim, action, suit or proceeding by, against or involving the Company which may materially affect the operations of the Company;
- (f) confess a judgment against the Company;
- (g) take any action for which this Agreement requires the consent of Members, as set forth elsewhere in this Agreement; or



(h) agree to do any of the foregoing.

#### 5.4 Transactions with the Managing Member and his Affiliates.

5.4.1 Compensation. Other than for the additional Membership Interests (for voting rights only) granted to the Managing Member pursuant to Section 5.2.4, the Managing Member shall not receive compensation from the Company for their services as Managing Member, except as outlined below. Additionally, the Company shall reimburse the Managing Member for all reasonable out-of-pocket costs and expenses incurred by the Managing Member in connection with the business and affairs of the Company.

5.4.2 Management Fee. There shall be no management fee. Notwithstanding the foregoing, the Managing Member is authorized to retain and pay Kookaburra Management LLC to handle certain management responsibilities.

5.4.3 Arm's Length Transactions. Any transaction or fees between the Company and a Managing Member or an Affiliate of a Managing Member shall be at arm's length, upon terms no less favorable to the Company than would be obtained from unrelated third parties dealing at arm's length. The Members agree that the allocations and Distributions pursuant to this Agreement satisfy such standard.

5.5 Officers. The Managing Member may appoint such officers of the Company with such powers and duties as the Managing Member may determine from time to time. Each officer shall serve at the pleasure of the Managing Member. An individual may hold any number of offices.

5.6 Day-to-Day Management of the Property. The Company shall hire Kookaburra Management LLC for the services of Amy Angelo and Scott Angelo (collectively, the "Managers") to manage the day-to-day business of the Company and the Property pursuant to a Management Agreement dated \_\_\_\_\_ and subsequent agreement to be entered into between the Company and the Managers. Notwithstanding the foregoing, the Members may overturn any decision made by the Managers through an affirmative vote of Members owning a majority of the Percentages of the Members. In the event that: (i) the Managers stop managing the day-to-day business of the Company and Property; (ii) the Managing Member determines, in their sole discretion, that the Managers are not doing a satisfactory job in performing their duties pursuant to the Management Agreement; (iii) the Managers cease to be a tenant at the Property without written consent of the Company; or (iv) the Managers' business goes out of business; then the Company shall have the right to buy the Managers' Interest in the Company at the then Fair Market Value, as determined by the Managing Member based on a formula taking into account the Company's actual earnings.

## ARTICLE VI ALLOCATIONS OF PROFIT, LOSS AND DISTRIBUTIONS

6.1 Allocation of Profit. Profit for each Fiscal Year shall be allocated to the Members in accordance with the following order of priority:



(a) Profit up to the excess, if any, of the aggregate Loss allocated pursuant to Section 6.2(c) for any prior Fiscal Year over the aggregate Profit previously allocated pursuant to this Section 6.1(a) shall be allocated to the Members in proportion to their respective Percentages for each Member;

(b) Any remaining Profit up to the excess, if any, of the aggregate Loss allocated pursuant to Section 6.2(b) for any prior Fiscal Year over the aggregate Profit previously allocated pursuant to this Section 6.1(b) shall be allocated to the Members in proportion to the Capital Contributions for each Member;

(c) Notwithstanding the provisions of Section 6.5 below, any remaining Profit shall be allocated back to the Company.

6.2 Allocation of Loss. Loss for each Fiscal Year shall be allocated to the Members in accordance with the following order of priority:

(a) Loss up to the excess, if any, of the aggregate Profit allocated pursuant to Section 6.1(c) for any prior Fiscal Year over the sum of the aggregate Loss previously allocated pursuant to this Section 6.2(a) and the aggregate amount previously allocated to the Members in proportion to the Capital Contribution for each Member;

(b) Any remaining Loss up to the aggregate Adjusted Capital Account balances of the Members having positive Adjusted Capital Account balances shall be allocated to the Members in proportion to such Adjusted Capital Account balances; and

(c) Any remaining Loss shall be allocated to the Members in proportion to their respective Percentages.

### 6.3 Special Allocations

6.3.1 Minimum Gain Chargeback. In the event there is a net decrease in the Company Minimum Gain during any Fiscal Year, the minimum gain chargeback provisions described in Treasury Regulations § 1.704-2(f) and (g) shall apply.

6.3.2 Member Minimum Gain Chargeback. In the event there is a net decrease in Member Minimum Gain during any Fiscal Year, the partner minimum gain chargeback provisions described in Treasury Regulations § 1.704-2(i) shall apply.

6.3.3 Qualified Income Offset. In the event a Member unexpectedly receives an adjustment, allocation or Distribution described in Treasury Regulations § 1.704-1(b)(2)(ii)(d)(4), (5) or (6), which adjustment, allocation or distribution creates or increases a deficit balance in that Member's Capital Account, the "qualified income offset" provisions described in Treasury Regulations § 1.704-1(b)(2)(ii)(d) shall apply.

6.3.4 Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Members in proportion to their respective Percentages.



6.3.5 Member Nonrecourse Deductions. Member Nonrecourse Deductions shall be allocated to the Members as required in Treasury Regulations § 1.704-2(i)(1).

6.3.6 Intention. The special allocations in Section 6.3 are intended to comply with certain requirements of the Treasury Regulations and shall be interpreted consistently therewith. It is the intent of the Members that any special allocation pursuant to Section 6.3 shall be offset with other special allocations pursuant to Section 6.3. Accordingly, special allocations of Company income, gain, loss or deduction shall be made in such manner that, in the reasonable determination of the Managing Member, taking into account likely future allocations under Section 6.3, after such allocations are made, each Member's Capital Account is, to the extent possible, equal to the Capital Account it would have been were Section 6.3 not part of this Agreement.

#### 6.4 Tax Allocation Matters.

6.4.1 Contributed or Revalued Property. Each Member's allocable share of the taxable income or loss of the Company, depreciation, depletion, amortization and gain or loss with respect to any contributed property, or with respect to Company property that is revalued pursuant to Treasury Regulations § 1.704-1(b)(2)(iv)(f) or Section 1.8, shall be determined in the manner (and as to revaluations, in the same manner as) provided in Section 704(c) of the Code. The allocation shall take into account, to the full extent required or permitted by the Code, the difference between the adjusted basis of the property to the Member contributing (or deemed to be contributing) it and the Fair Market Value of the property at the time of its contribution or revaluation, as the case may be, determined by the Managing Member. The Company shall apply Section 704(c)(1)(A) by using the "traditional method" as set forth in Treasury Regulations § 1.704-3(b).

6.4.2 Recapture Items. In the event that the Company has taxable income in any Fiscal Year that is characterized as ordinary income under the recapture provisions of the Code, each Member's distributive share of taxable gain or loss from the sale of Company assets (to the extent possible) shall include a proportionate share of this recapture income equal to that Member's share of prior cumulative depreciation deductions with respect to the assets which gave rise to the recapture income.

6.4.3 Consistent Treatment. All items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members for federal income tax purposes in a manner consistent with the allocation of the corresponding items under this ARTICLE VI. Each Member is aware of the income tax consequences of the allocations made by this ARTICLE VI and hereby agrees to be bound by the provisions of this ARTICLE VI in reporting their share of Company income, gain, loss, deduction and credit for income tax purposes. No Member shall report on their tax return any transaction by the Company, any amount allocated or distributed from the Company or contributed to the Company inconsistently with the treatment reported (or to be reported) by the Company on its tax return nor take a position for tax purposes that is inconsistent with the position taken by the Company.

#### 6.5 Distributions.



6.5.1 Distributions. The Company may make Distributions to the Members as needed and at such times and in such amounts as the Managing Member may determine.

6.5.2 Order of Distributions. The Company shall make Distributions in cash, to the extent there is Distributable Cash, to the Members in the following order of priority:

- (a) Repayment of all other outstanding Company loans, in the order and priority that they were entered into by the Company, except subject to Section 6.5.1;
- (b) Any bonus or salaries determined due and payable to the Managing Member; and
- (c) Distributions shall be made to the Members in proportion to their respective Percentages.

6.5.3 Distributions in Kind. The Company may make Distributions in property (other than cash) at such times and in such amounts as the Managing Member may determine. Any such Distributions shall be made to the Members in proportion to their respective Percentages, unless a Member agrees to take such property in lieu of a Distribution that it would otherwise receive under Section 6.5.2. Any property (other than cash) Distributed to one or more Members shall first be valued at its Fair Market Value as determined by the Managing Member to determine the Profit, Loss and special allocations that would have resulted if the property had been sold for such value, which amounts shall be allocated pursuant to Article VI, and the Members' Capital Accounts shall be adjusted to reflect those allocations. The amount Distributed and charged to the Capital Account of each Member receiving an interest in the Distributed property shall be the Fair Market Value of such interest as determined by the Managing Member (net of any liability secured by the asset that the Member assumes or takes subject to).

6.5.4 Limitations on Distributions. Notwithstanding anything herein to the contrary, the Company may not make a Distribution to a Member to the extent that at the time of the Distribution, after giving effect to the Distribution, all liabilities of the Company (other than to Members on account of their Interests and liabilities for which the recourse of creditors is limited to specified property of the Company) exceed the Fair Market Value of the assets of the Company (except that the Fair Market Value of property that is subject to a liability for which the recourse of creditors is limited to such property shall be included in the assets of the Company only to the extent the Fair Market Value of such property exceeds that liability).

## 6.6 Allocations in Respect of a Transferred Interest.

6.6.1 Allocation. If there is a change in any Member's Percentage for any reason during any Fiscal Year, each item of income, gain, loss, deduction or credit of the Company for that Fiscal Year shall be assigned pro rata to each day in that Fiscal Year in the case of items allocated based on Percentages, and the amount of such item so assigned to any such day shall be allocated to the Member based upon that Member's Percentage at the close of that day. Notwithstanding the foregoing, the net amount of gain or loss realized by the Company in connection with the sale or other disposition of property other than in the ordinary course of



business shall be allocated solely to Members having a Percentage of Membership on the date of such sale or other disposition.

6.6.2 Distributions. Except as otherwise provided herein, all Distributions shall be allocated among the Members in accordance with their respective Percentages of Membership on the date of the Distribution.

6.6.3 Attributes. If any Interest is Transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account, excess contributions, and any other relevant attribute of the transferor to the extent it is attributable to the Interest so Transferred.

6.7 Order of Application. To the extent that any allocation, Distribution or adjustment specified in this Agreement affects the results of any other allocation, Distribution or adjustment required herein, the allocations, Distributions and adjustments specified in the following Sections shall be made in the priority listed and in the order set forth therein:

- (a) Section 6.5;
- (b) Section 6.4;
- (c) Section 6.3;
- (d) Section 6.2;
- (e) Section 6.1; and
- (f) Section 10.4.

To the extent possible, these provisions shall be applied as if all Distributions and allocations were made at the end of the Company's Fiscal Year. Where any provision depends on the Capital Account of any Member, that Capital Account shall be determined after the operation of all preceding provisions for the Fiscal Year.

6.8 Allocation of Excess Nonrecourse Liabilities. "Excess nonrecourse liabilities" of the Company as used in Treasury Regulations § 1.752-3(a)(3) shall first be allocated among the Members pursuant to the "additional method" described in such section and then in accordance with the Members' respective Percentages.

6.9 Form of Distribution. No Member has the right to demand or receive any Distribution from the Company in any form other than money. No Member may be compelled to accept from the Company a Distribution of any asset in kind in lieu of a proportionate Distribution of money being made to other Member(s), and except with respect to a Distribution of an asset in kind pro rata to all of the Members with an Interest or upon a dissolution and the winding up of the Company, no Member may be compelled to accept a Distribution of any asset in kind.

6.10 Amounts Withheld. Any amounts withheld with respect to a Member pursuant to any federal, state, local or foreign tax law from a Distribution by the Company to the Member shall be treated as distributed to such Member pursuant to Section 6.5 or 10.4. Any other amount



required to be paid by the Company to a taxing authority with respect to a Member pursuant to any federal, state, local or foreign tax law in connection with any payment to or tax liability (estimated or otherwise) of the Member shall be treated as a loan from the Company to such Member. If such loan is not repaid within thirty (30) days from the date the Managing Member notifies such Member of such withholding, the loan shall bear interest at the Interest Rate from the date of the applicable notice to the date of repayment. In addition to all other remedies the Company may have, the Company may withhold Distributions that would otherwise be payable to such Member and apply such amount toward repayment of the loan and interest.

## ARTICLE VII TRANSFER OF INTERESTS

7.1 Transfer of Interests. Except as otherwise expressly provided in this ARTICLE VII, no Member may Transfer all or any portion of their Interest. Any attempted Transfer in violation of this ARTICLE VII hereof shall be null and void *ab initio*, and shall not bind the Company. Unless the transferee is a Member or is admitted as a Member, a permitted Transfer shall only Transfer a right to allocations and Distributions hereunder. Upon the Transfer of a Member's entire Interest, the transferor shall cease to be a Member.

7.2 Permitted Transfers. Subject to the provisions of Sections 7.3, 7.4 and 7.5, the restrictions upon Transfer specified in Section 7.1 shall not apply to any Transfer by a Member (a) to the transferor's spouse or lineal descendant(s) who are over the age of twenty-one (21) years, or to a trust solely for the benefit of the transferor and/or any such Person irrespective of the age of the beneficiary, and from such trust to any such beneficiary, (b) to a Member or lineal descendant(s) of a Member who are over the age of twenty-one (21) years, or a trust solely for the benefit of the transferor and/or any such Person irrespective of the age of the beneficiary, and from such trust to any such beneficiary, or (c) with the prior written consent of the Managing Member, which consent may be withheld, delayed or conditioned in their sole reasonable discretion, to any other Person; *provided, however*, that such permitted transferee (other than a Person who is already a Member) agrees in writing to become a party to this Agreement and to be subject to the terms and conditions hereof.

7.3 Further Restrictions on Transfers. Notwithstanding anything herein to the contrary, in addition to any other restrictions on a Transfer of an Interest, no Interest may be Transferred (a) without compliance with the Securities Act and any other applicable securities or "blue sky" laws, (b) if, in the determination of the Managing Member, the Transfer could result in the Company not being classified as a partnership for federal income tax purposes, (c) if, in the determination of the Managing Member, the Transfer could cause the Company to become subject to the Investment Company Act of 1940, (d) if, in the determination of the Managing Member, the Transfer results in the termination of the Company under Section 708 of the Code and such termination has a material adverse affect on the Company or the Members; or (e) the transferee is a minor or incompetent.

7.4 Admission of Transferee as a Member. Upon a Transfer of an Interest to a permitted transferee pursuant to Section 7.2, the permitted transferee shall be admitted as a Member. Except as provided in the preceding sentence, no transferee of an Interest who is not



already a Member shall become a Member without the prior consent of the Members through an affirmative vote of the Members holding a majority of Membership Percentages in the Company that are in good standing at the time the transferee is seeking to be admitted, and the transferee pays to the Company a transfer fee in cash which is sufficient, in the Members' sole determination, to cover all expenses incurred by the Company in connection with the Transfer and admission of the transferee as a Member.

#### 7.5 Bring-Along Rights.

7.5.1 Drag-Along Rights. If Members owning a majority of the Interests entitled to vote determine to sell all or substantially all of their Interests to a purchaser who is not an Affiliate of any such Member pursuant to a *bona fide* offer, all the Members and their permitted transferees to whom Interests were transferred shall sell a proportionate amount of their Interests to the purchaser on the same terms and conditions (determined on the basis of their relative Liquidation Values). Notwithstanding the foregoing, the Managing Member must agree to such sale, in writing, or such majority of Members shall be unable to compel the sale of a proportionate share of the Interests of the remaining Members.

7.5.2 Tag-Along Rights. If a Member (the "Seller") determines to Transfer in one (1) or more related transactions, a portion of their Interests having a majority of the aggregate Percentages to a purchaser who is not an Affiliate of any such Member pursuant to a *bona fide* offer, the Seller shall provide the other Members (the "Remaining Members") with at least Twenty (20) days prior written notice of the Transfer, together with a copy of the offer and a description of the terms, including the price for the Interest(s) proposed to be Transferred (the "Notice"). Each Remaining Member shall have the right, by delivery to the Seller of written notice, within such twenty (20) day period, to Transfer a portion of their Interest equal to the same proportion as the proportion of the Seller's Percentages proposed to be Transferred bears to the total Seller's Percentages, to the purchaser on terms and conditions consistent with the Transfer by the Seller. For example, if Seller Members are transferring Fifty Percent (50%) of their Membership Interest(s), then, upon proper Notice to all Remaining Members, such Remaining Members may "Tag Along" and sell their pro-rata (in this case Fifty Percent (50%)) Membership Interest(s) too.. The aggregate purchase price for the Interests sold shall be allocated among the Seller Members in proportion to their respective Liquidation Values on the date of the Notice.

7.6 Enforcement. The restrictions on Transfer contained in this Agreement are an essential element in the ownership of an Interest. Upon application to any court of competent jurisdiction, a Member shall be entitled to a decree against any Person violating or about to violate such restrictions, requiring their specific performance, including those prohibiting a Transfer of all or a portion of their Interest.

7.7 Deadlock. If the Members are unable to agree on any of the matters described in this Section 7 of the LLC Agreement or "Fundamental Matters" and such disagreement continues for fourteen (14) days despite good faith deliberations by the Members (a "Deadlock"), then any Member shall be entitled to exercise the Buy-Sell rights set forth in this Agreement in Article 9 by delivering a Buy-Sell Offer Notice (as defined herein). For purposes hereof, "Fundamental Matters" shall mean any of the following matters:



- (a) Amend, modify or waive the Certificate of Formation or the LLC Agreement;
- (b) Make any material change to the nature of the Business conducted by the Company or enter into any business other than the Business;
- (c) Adopt or amend the Budget;
- (d) Issue additional Membership Interests or admit additional Members to the Company;
- (e) Incur any indebtedness, pledge or grant liens on any assets or guarantee, assume, endorse or otherwise become responsible for the obligations of any other Person except to the extent approved or authorized in the Budget in excess of \$50,000 in any single transaction or series of related transactions, or in excess of \$50,000 in the aggregate at any time outstanding;
- (f) Make any loan, advance or capital contribution to or in any Person except to the extent approved or authorized in the Budget in excess of \$20,000.
- (g) Appoint or remove the Company's auditors or make any changes in the accounting methods or policies of the Company (other than as required by [GAAP]);
- (h) Enter into, amend in any material respect, waive or terminate any Related Party Agreement other than the entry into a Related Party Agreement that is on an arm's length basis and on terms no less favorable to the Company than those that could be obtained from an unaffiliated third party;
- (i) Enter into or effect any transaction or series of related transactions involving the purchase, lease, license, exchange or other acquisition (including by merger, consolidation, acquisition of stock or acquisition of assets) by the Company of any assets and/or equity interests of any Person, other than in the ordinary course of business consistent with past practice;
- (j) Enter into or effect any transaction or series of related transactions involving the sale, lease, license, exchange or other disposition (including by merger, consolidation, sale of stock or sale of assets) by the Company of any assets, other than sales of inventory in the ordinary course of business consistent with past practice;
- (k) Establish a Subsidiary or enter into any joint venture or similar business arrangement within Fifty (50) miles of the Company's Business;
- (l) Settle any lawsuit, action, dispute or other proceeding or otherwise assume any liability with a value in excess of \$50,000 or agree to the provision of any equitable relief by the Company;
- (m) Initiate or consummate an initial public offering or make a public offering and sale of the Membership Interests or any other securities;
- (n) Make any investments in any other, company, entity or individual in excess of \$20,000; or
- (o) Dissolve, wind-up or liquidate the Company or initiate a bankruptcy proceeding involving the Company.



## ARTICLE VIII

### **DEATH OR DISABILITY OF A MEMBER**

8.1. *Intentionally deleted.*

## ARTICLE IX BUY-SELL RIGHTS

9.1 Buy-Sell Rights. Each Member shall, at all times, have the right to buy or sell their Member interests (the "Buy-Sell Right").

9.2 Buy-Sell Offer Notice. If a Member wishes to exercise the buy-sell right provided in Section 9.1 above, such Member (the "Initiating Member") shall deliver to the other Member (the "Responding Member") written notice (the "Buy-Sell Offer Notice") of such election, which notice shall include (a) a description of the circumstances that triggered the use of the buy-sell right, and (b) the purchase price (which shall be payable exclusively in cash (unless otherwise agreed to in writing)) at which the Initiating Member shall (i) purchase all of the Membership Interests owned by the Responding Member(s) (the "Buy-out Price") or (ii) sell all of its Membership Interests to the Responding Member(s) (the "Sell-out Price"), with any difference between the Buy-out Price and the Sell-out Price based solely on each Member's Membership Interest in the Company, without regard to any market discount or premium from differences in such proportionate interests. If more than one (1) Member wishes to become a Responding Member such sold Membership Interests shall be split proportionately among the Responding Members in accordance to their existing Membership Interests.

9.3 Response Notice. Within thirty (30) days after the Buy-Sell Offer Notice is received (the "Buy-Sell Election Date"), the Responding Member(s) shall deliver to the Initiating Member a written notice (the "Response Notice") stating whether it elects to (a) sell all of its Membership Interests to the Initiating Member for the Buy-out Price or (b) buy all of the Membership Interests owned by the Initiating Member for the Sell-out Price. The failure of the Responding Member to deliver the Response Notice by the Buy-Sell Election Date shall be deemed to be an election to sell all of its Membership Interests to the Initiating Member at the Buy-out Price.

9.4 Closing. The closing of any purchase and sale of Membership Interests pursuant to this Agreement shall take place within thirty (30) days after the Response Notice is delivered or deemed to have been delivered or some other date mutually agreed upon by the parties. The Buy-out Price or the Sell-out Price, as the case may be, shall be paid at closing by wire transfer of immediately available funds to an account designated in writing by the selling Member (the "Selling Member"). At the closing, the Selling Member shall deliver to the purchasing Member (the "Purchasing Member") good and marketable title to its Membership Interests, free and clear of all liens and encumbrances. Each Member agrees to cooperate and take all actions and execute all documents reasonably necessary or appropriate to reflect the purchase of the Selling Member's Membership Interest by the Purchasing Member.

## ARTICLE X



## ACCOUNTING, RECORDS AND REPORTING

10.1 Books and Records. The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in accordance with the Company's method of accounting, consistently applied. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Company shall maintain all of the following at its principal office, with copies available at all times during normal business hours for inspection and copying upon reasonable notice by any Member or their authorized representatives for any purpose reasonably related to the Interest of that Member, including, but not limited to:

- (a) true and full information regarding the status of the business and financial condition of the Company;
- (b) promptly after becoming available, a copy of the Company's federal, state and local income tax returns, if any, for each Fiscal Year;
- (c) a current list of the name and last known business, residence or mailing address of each Member and Managing Member;
- (d) a copy of this Agreement and the Articles of Organization and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement or the Articles of Organization or any amendments thereto have been executed; and
- (e) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each became a Member.

10.2 Tax Reports. The Company shall cause to be prepared and duly and timely filed, at the Company's expense, all tax returns required to be filed by the Company. The Company shall send to each Member within ninety (90) days after the end of each Fiscal Year such information relating to the Company as is necessary for the Member to complete their federal, state and local income tax returns that include such Fiscal Year.

10.3 Accounts; Invested Funds. All funds of the Company shall be deposited in such account or accounts of the Company as may be determined by the Managing Member and shall not be commingled with the funds of any other Person. All withdrawals therefrom shall be made upon checks signed by such Persons and in such manner as the Managing Member may determine. Temporary surplus funds of the Company may be invested in commercial paper, time deposits, short-term government obligations or other investments determined by the Managing Member.

10.4 Tax Elections. No Member or Managing Member shall elect to treat the Company as an association taxable as a corporation without the vote of Members owning a majority of the



Percentages of the Members. Except as otherwise expressly provided herein, the Company shall make such tax elections as the Managing Member may determine.

#### 10.5 Tax Matters Partner.

10.5.1 Designation. As long as he qualifies as tax matters partner under the Code, Charles Schorr Lesnick shall be the Tax Matters Partner. If there is no Tax Matters Partner, the Person meeting the requirements for a tax matters partner under Code Section 6231(a)(7) and designated by vote of Members owning a majority of the Percentages of the Members shall be the Tax Matters Partner. The Tax Matters Partner may resign in the same manner as the Managing Member pursuant to Sections 5.2.3, which shall be applied by substituting “Tax Matters Partner” for “Managing Member”.

10.5.2 Powers. The Tax Matters Partner shall have all of the powers and authority of a tax matters partner under the Code. The Tax Matters Partner shall represent the Company (at the Company’s expense) in connection with all administrative and/or judicial proceedings by the Internal Revenue Service or any taxing authority involving any tax return of the Company and may expend the Company’s funds for professional services and costs associated therewith. The Tax Matters Partner shall provide to the Members prompt notice of any communication to or from or agreements with a federal, state, or local taxing authority regarding any tax return of the Company, including a summary of the provisions thereof.

10.6 Confidentiality. All books, records, financial statements, tax returns, budgets, business plans and projections of the Company, all other information concerning the business, affairs and properties of the Company and all of the terms and provisions of this Agreement shall be held in confidence by the Managing Member and Member and their respective Affiliates, subject to any obligation to comply with (a) any applicable law, (b) any rule or regulation of any legal authority or securities exchange or (c) any subpoena or other legal process to make information available to the Persons entitled thereto. Such confidentiality shall be maintained until such time, if any, as any such confidential information either is, or becomes, published or a matter of public knowledge (other than as a result of a breach of this Section 9.6 by such Person or its Affiliate).

## **ARTICLE XI**

### **DISSOLUTION AND WINDING UP**

11.1 Dissolution. The Company shall be dissolved, its assets disposed of and its affairs wound up upon the first to occur of the following:

- (a) a determination of the Members to dissolve the Company through an affirmative vote of the majority of the Members;
- (b) the sale of all or substantially all of the assets of the Company;



(c) ninety (90) days after the date on which there are no Members, unless a Member is admitted within such period;

(d) the entry of a judicial decree of dissolution of the Company pursuant to the Act.

11.2 Date of Dissolution. Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until its assets have been liquidated and distributed as provided herein. Notwithstanding a dissolution, prior to termination, the business and the rights and obligations of the Members, as such, shall continue to be governed by this Agreement.

11.3 Winding Up. Upon the occurrence of any event specified in Section 10.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, satisfying the claims of its creditors, and distributing any remaining assets in cash or in kind, to the Members. The Managing Member shall be responsible for overseeing the winding up and liquidation of the Company and shall cause the Company to sell or otherwise liquidate all of the Company's assets except to the extent the Managing Member determines to distribute any assets to the Members in kind, discharge or make reasonable provision for all of the liabilities of the Company and all costs relating to the dissolution, winding up, and liquidation and distribution of assets, establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members, the amounts of such reserves shall be deemed to be an expense of the Company), and distribute the remaining assets to the Members, in the manner specified in Section 10.4. The Managing Member shall be allowed a reasonable time for the orderly liquidation of the Company's assets and discharge of its liabilities, so as to preserve and upon disposition maximize, to the extent possible, the value of such assets.

11.4 Liquidating Distributions. The Company's assets, or the proceeds from the liquidation thereof, shall be applied in cash or in kind in the following order:

(a) to creditors (including Members who are creditors (other than on account of their Capital Accounts)) to the extent otherwise permitted by applicable law in satisfaction of liabilities of the Company, including expenses of the liquidation (whether by payment of the making of reasonable provision for payment thereof), other than liabilities for which reasonable provision for payment has been made;

(b) to the establishment of such reserves for contingent liabilities of the Company as are deemed reasonably necessary by the Managing Member (other than liabilities for which reasonable provision for payment has been made); *provided, however*, that such reserves shall be held for the purpose of disbursing such reserves for the payment of such contingent liabilities and, at the expiration of such period as the Managing Member may reasonably deem advisable, for the purpose of distributing the remaining balance in accordance with subparagraph (c) and (d) below;



(c) to the Members, in accordance with their respective positive Capital Account balances (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the Fiscal Year in which the liquidation occurs).

11.5 Distributions in Kind. Any non-cash asset distributed to one or more Members shall first be valued at its Fair Market Value as determined by the Managing Member to determine the Profit, Loss and special allocations that would have resulted if that asset had been sold for that value, which amounts shall be allocated pursuant to ARTICLE VI, and the Members' Capital Accounts shall be adjusted to reflect those allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in the distributed asset shall be the Fair Market Value of such interest as determined by the Managing Member (net of any liability secured by the asset that the Member assumes or takes subject to).

11.6 No Liability. Notwithstanding anything herein to the contrary, upon a liquidation within the meaning of Treasury Regulations § 1.704-1(b)(2)(ii)(g), if any Member has a deficit Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the Year in which such liquidation occurs), neither that Member nor the Managing Member shall have any obligation to make any contribution to the capital of the Company, and the deficit balance of that Member's Capital Account shall not be considered a debt owned by that Member or the Managing Member to the Company or to any other Person for any purpose whatsoever.

11.7 Limitations on Payments Made in Dissolution. Each Member shall be entitled to look only to the assets of the Company for the return of that Member's positive Capital Account balance and no Member, Managing Member or officer of the Company shall have any personal liability therefor.

11.8 Articles of Dissolution. Upon completion of the winding up of the Company, the Company shall file an Articles of Dissolution with the Florida Secretary of State to cancel the Articles of Organization.

## ARTICLE XII

### LIMITATION OF LIABILITY; STANDARD OF CARE; INDEMNIFICATION

12.1 Limitation of Liability. Except as otherwise required by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, Managing Member or officer of the Company shall be obligated personally for any such debt, obligation or liability of the Company, or for any debt, or liability of another Member, Managing Member or officer of the Company solely by reason of being a Member, Managing Member and/or officer of the Company.

12.2 Standard of Care. No Managing Member, Member or officer of the Company shall have any personal liability whatsoever to the Company, any Member, Affiliate of the Company or



any Affiliate of any Member on account of such Person's status as Managing Member, Member or officer of the Company or any of the foregoing, or by reason of such Person's acts or omissions in connection with the conduct of the business of the Company, so long as such Person acts in good faith for a purpose which the Person reasonably believes to be in, or not opposed to, the best interests of the Company or any act or omission by an employee, independent contractor or agent of the Company, so long as the selection of such employee, independent contractor or agent was within the scope of such Person's authority and such Person exercised reasonable care in selecting such employee, independent contractor or agent; *provided, however*, that nothing contained herein shall protect any such Person against any liability to which such Person would otherwise be subject by reason of such Person's gross negligence or willful misconduct.

### 12.3 Indemnification.

11.3.1 The Company shall indemnify and hold harmless any Person made, or threatened to be made, a party to an action or proceeding, whether civil, criminal or investigative (a "proceeding"), including an action by or in the right of the Company, by reason of the fact that such Person was or is the Managing Member, a Member (including in the capacity of the Tax Matters Partner) or an officer of the Company or of any of the foregoing, from and against all judgments, fines, amounts paid in settlement and reasonable expenses (including investigation, accounting and attorneys' fees) incurred as a result of such proceeding, or any appeal therein if such Person acted in accordance with the standard of care prescribed in Section 11.2, and in a criminal proceeding, in addition, such Person had no reasonable cause to believe that their conduct was unlawful; *provided, however*, that nothing contained herein shall permit any Person to be indemnified or held harmless if and to the extent the liability sought to be indemnified or held harmless against results from such Person's gross negligence or willful misconduct. The termination of any such civil or criminal proceeding by judgment, settlement, conviction or upon a plea of *nolo contendere*, or its equivalent, shall not in itself create a presumption that any such Person did not act in good faith, for a purpose which he reasonably believed to be in, or not opposed to, the best interests of the Company, that he did not exercise reasonable care in selecting an employee, independent contractor or agent, that an act or omission involved actual fraud or willful misconduct, or that he had reasonable cause to believe that their conduct was unlawful. The Company's indemnification obligations hereunder shall survive the termination of the Company. Each indemnified Person shall have a claim against the net assets of the Company for payment of any indemnity amounts from time to time due hereunder, which amounts shall be paid or properly reserved for prior to the making of Distributions by the Company to the Members.

12.3.2 Each of the Members hereby agrees to indemnify, defend and hold the other Members, the Managing Member, the Company, the officers of the Company and the employees of the Company harmless, including all costs and reasonable legal fees, from and against any and all claims which arise out of or relate to a certain Members negligent act, or claims arising from or related to the personal conduct or actions of Member outside of the scope of the Members employment with the Company.

12.4 Contract Right; Expenses. The right to indemnification conferred in this ARTICLE XII shall be a contract right. The Company may advance the expenses incurred by the indemnified Person in defending any such proceeding in advance of its final disposition, provided such Person



agrees to repay any amount that it is ultimately determined such Person is not entitled to receive under this ARTICLE XI.

12.5 Indemnification of Employees and Agents. In addition to the indemnification provided in Section 11.3 and 11.4, the Company may, to the extent authorized from time to time by the Managing Member, grant rights to indemnification and to advancement of expenses to any employee, independent contractor or agent of the Company and/or to their officers, directors, shareholders, partners, members, managers, employees, independent contractors or agents, up to the extent provided to an indemnified Person pursuant to Sections 11.3 and 11.4.

12.6 Nonexclusive Right. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this ARTICLE XII shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute or agreement, or under any insurance policy obtained for the benefit of any indemnified Person.

12.7 Severability. If any provision of this ARTICLE XII is determined to be unenforceable in whole or in part, such provision shall nonetheless be enforced to the fullest extent permissible, it being the intent of this ARTICLE XII to provide indemnification to all Persons eligible hereunder to the fullest extent permitted by applicable law.

12.8 Insurance. In the discretion of the Managing Member, the Company may purchase and maintain insurance on behalf of an indemnified Person (and for each such indemnified Person who was a Managing Member, Member or officer of the Company for a reasonable period after ceasing to have such status) against any liability that may be asserted against that Person and incurred by that Person in any such capacity or arising out of that Person's connection with the Company. In addition, in the discretion of the Managing Member, the Company may purchase and maintain insurance on behalf of any other Person who is or was an employee, independent contractor or agent of the Company, and/or their officers, directors, shareholders, partners, members, managers, employees, independent contractors or agents, whether or not the Company would be required to indemnify that Person against liability under the provisions of ARTICLE XII or under applicable law.

## **ARTICLE XIII INVESTMENT REPRESENTATIONS**

Each Member represents and warrants to the Members and the Company as follows:

13.1 Authority. The Member has the requisite power and authority to enter into this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not violate any other agreement to which the Member is a party. This Agreement constitutes a valid and binding agreement of the Member, enforceable against the Member in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws, whether now or hereafter in effect, relating to or limiting creditors' rights generally and (b)



enforcement of this Agreement may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

13.2 Preexisting Relationship or Experience. By reason of the Member's business or financial experience, or by reason of the business or financial experience of the Member's financial advisor who is unaffiliated with and who is not compensated, directly or indirectly, by the Company or any Affiliate or selling agent of the Company, the Member is capable of evaluating the risks and merits of an investment in their Interest and of protecting the Member's own interests in connection with the investment.

13.3 Access to Information. Each Member has had an opportunity to review all documents, records and books pertaining to this investment and has been given the opportunity to consult with counsel of their choice with respect to all aspects of this investment, the Company's proposed business activities. To the extent desired, such Member has met with representatives of the Managing Member and has been provided with such information as may have been requested and has at all times been given the opportunity to obtain additional information necessary to verify the accuracy of the information received and the opportunity to ask questions of and receive answers concerning the terms and conditions of the investment and the nature and prospects of the Company's business.

13.4 Economic Risk. The Member is financially able to bear the economic risk of an investment in their Membership Interest, including the total loss thereof.

13.5 Investment Intent. The Member is acquiring their Interest for investment purposes and for the Member's own account only and not with a view to, or for sale in connection with, any distribution of all or any part of their Interest. Except for the shareholders or members of the Members, no other Person will have any direct or indirect beneficial interest in, or right to, their Interest.

13.6 Consultation with Attorney; Conflict. Each Member has been advised to consult with their or her own attorney regarding all legal and tax matters concerning an investment in their Interest, has had adequate opportunity to do so and has done so to the extent they consider necessary. The Member acknowledges and understands that the interests of each Member may be different with respect to this Agreement and the Member waives any conflict of interest that may exist with respect to the preparation of this Agreement.

13.7 Interest is Restricted Security. Each Member understands that their Interest is a "restricted security" under the Securities Act in that the Interest will be acquired from the Company in a transaction not involving a public offering, that their Interest may be resold without registration under the Securities Act only in certain limited circumstances and that otherwise their Interest must be held indefinitely.

13.8 No Registration of Interest. Each Member acknowledges that their Interest has not been registered under the Securities Act or qualified under any state securities law in reliance, in part, upon their representations, warranties and agreements herein, and that the Company has no obligation to register or qualify, or maintain any registration or qualification of, their Interest.



13.9 Accredited Investor. The Member is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D under the Securities Act. If the Member is a corporation, partnership, limited liability company, trust or other entity, it was not organized for the specific purpose of acquiring its Interest.

13.10 No Advertising. Each Member has not seen, received or been solicited by any leaflet, public promotional meeting, newspaper or magazine article or advertisement, radio or general solicitation with respect to the purchase of their Membership Interest.

## ARTICLE XIV MEMBER MEETINGS

14.1 Meetings of Members. Meetings of the Members shall be held on an annual basis, beginning March 1, 2022 or such other date as determined by the Members, or as may be called by the Managing Member or in the case of any matter on which Members may vote, by any Member. A Member so participating is deemed to be present in person at the meeting. Except as otherwise provided herein, action at any meeting with respect to the Company requires the affirmative vote of Members owning a majority of the Percentages of the Members.

14.2 Annual Meetings. Unless otherwise decided by resolution of the Members, annual meetings of the Members shall be held on the First day of March of each Fiscal Year of the Company if not a legal holiday in the state in which the meeting shall be held, and if a legal holiday, then on the next business day following, beginning at 10:00AM, or at any other time and place as the Members may decide by resolution and designate in the notice of the meeting (each an “Annual Meeting”). If the Annual Meeting or the election of a Managing Member is not held on the day designated in this Section, the Members shall conduct the election and a meeting of the Members as soon as is convenient. The Annual Meeting shall be for the purpose of electing a Managing Member and for transacting any other business which may properly come before the Meeting. Attendance by telephone conference is permissible.

14.3 Notice of Meeting. At least two (2) calendar days prior written notice shall be given to the Members entitled to vote at such meeting, stating the place, date and time of the meeting, the Person calling the meeting and the purpose for which the meeting is called. Notice of a meeting need not be given to any Member who submits a signed waiver of notice, in person or by proxy, whether before, at or after the meeting. All such waivers shall be filed with the Company records or made part of the minutes of the meeting. The attendance of a Member at the meeting, whether in person or by proxy, without protesting the lack of proper notice shall constitute a waiver of notice by such Member.

14.4 Consents. Personal presence of a Member shall not be required, provided a written consent to or rejection of the proposed action is submitted to the chairman of the meeting. Attendance by a Member and voting in person at any meeting shall revoke any written consents or rejections of the Member submitted with respect to action proposed to be taken at the meeting. Submission of a later dated written consent or rejection with respect to any action shall revoke an earlier one as to the action. Every consent or rejection must be signed by the Member or their



attorney-in-fact. All questions regarding the validity of consents or rejections shall be determined by the Member or Managing Member presiding over the meeting.

14.5 Action by Consent. Any action that may be taken by Members at a meeting may also be taken without a meeting, if a consent in writing setting forth the action so taken is signed by Members owning a sufficient Percentage to take such action at a meeting at which all the Members entitled to vote on such action are present and voting, and such consent is delivered to the Managing Member within sixty (60) days after the date of the earliest signature to such consent. Consents may be signed in counterparts. The Company shall retain such consents with the books and records of the Company and shall notify to all Members of the action so taken.

14.6 Action by Written Consent. Any matter on which the Members are authorized to take action under law, the Article of Organization, or these Regulations may be taken by the Members without a meeting assembled if written consents to the action by the Members are signed by the Members entitled to vote on the action at a meeting and who hold a majority in interest of the Members (as defined in Section 13.8 of this Article) or any greater ownership interest in the Company as may be required by law, by the Articles of Organization or by these Regulations.

14.7 Adjourned Meeting. On an adjournment of a meeting, it shall not be necessary to give any notice of the adjourned meeting, provided that the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business which might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If, however, after the adjournment, the Managing Member fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in Section 13.4 of this Article to each Member of record on the new record date entitled to vote at such meeting.

14.8 Member Quorum and Voting. The holders of a majority of the then-outstanding contributed and not returned capital of the Company ("majority in interest of the Members") entitled to vote, represented in person or by written consent, shall constitute a quorum at a meeting of Members provided that the Managing Member is present, except as otherwise prescribed by law or by the Articles of Organization of the Company. All Members present in person or represented by written consent at the meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, except as prescribed by law or the Articles of Organization. If a quorum is present, the affirmative vote of a majority in interest of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members unless otherwise provided by law, these Regulations or the Articles of Organization of the Company. All questions regarding the qualification of voters and the acceptance or rejection of votes shall be decided by the Managing Member presiding over the meeting.

14.9 Closing of Transfer Books or Fixing of Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment or postponement of any meeting of Members, or in order to make a determination of Members for any other proper purpose, the Managing Member of the Company may provide that the transfer books shall be closed for a stated period, but not to exceed, in any case, ten (10) days. If the transfer books shall be closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, the books shall be closed for at least two (2) days immediately preceding the



meeting. In lieu of closing the transfer books, the Managing Member may fix in advance a date as the record date for any such determination of Members, this date in any case to be not more than one (1) day and, in case of a meeting of Members, not less than ten (10) days prior to the date on which the particular action requiring the determination of Members is to be taken. If the transfer books are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, or Members entitled to receive payment of a dividend, the date on which notice of the meeting is mailed shall be the record date for the determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, the determination shall apply to any adjournment or postponement of the meeting.

## ARTICLE XV MISCELLANEOUS

15.1 Amendments. Except as otherwise provided herein, no amendment to this Agreement shall be valid or effective unless in writing and authorized by Members owning a majority of the Percentages of the Members; *provided, however*, that except as otherwise provided herein, without the consent of a Member that is materially and adversely affected, no amendment shall make such Member personally liable for any obligation of the Company, change the allocation and distribution provisions or change this Section 14.1.

15.2 Offset Privilege. The Company may offset against any monetary obligation owing from the Company to any Member any monetary obligation then owing from that Member to the Company.

15.3 Notices. Any notice or other communication (collectively, “notice”) to be given to the Company or any Member in connection with this Agreement shall be in writing and will be deemed to have been given and received (a) on the date delivered if by courier or other means of personal delivery, (b) on the date sent by e-mail with a written mailed follow-up, (c) on the next business day after being sent by a nationally recognized overnight mail service in time for and specifying next day or next business day delivery. Any such notice must be given, if to the Company, to the Company at its principal place of business, and if to any Member or Managing Member, to such Member or Managing Member at the address specified for him on Schedule A. Any party may by notice pursuant to this Section 14.3 designate any other address as the new address to which notice must be given.

15.4 Fees and Expenses. Each party shall bear their own fees and expenses in connection with this transaction; *provided, however*, that the fees and expenses of MarksDiPalermo PLLC in connection with the legal work and preparation of this Agreement and any related documents shall be borne by the Company and all of its Members individually agree to ensure such payment by the Company is made in connection with the acquisition of the project and any other acquisition costs.

15.5 Waiver. No course of dealing or omission or delay on the part of any party hereto in asserting or exercising any right hereunder shall constitute or operate as a waiver of any such right. No waiver of any provision hereof shall be effective, unless in writing and signed by or on behalf



of the party to be charged therewith. No waiver shall be deemed a continuing waiver or waiver in respect of any other or subsequent breach or default, unless expressly so stated in writing.

15.6 Governing Law. This Agreement shall be governed by, construed, interpreted and enforced in accordance with the laws of the State of Florida, without regard to choice or conflict of laws principles that would defer to the substantive laws of any other jurisdiction.

15.7 Remedies. Notwithstanding the foregoing, in the event of any actual or prospective breach or default by any party, the other parties shall be entitled to equitable relief, including remedies in the nature of injunction and specific performance (without being required to post a bond or other security or to establish any actual damages). In this regard, the parties acknowledge that they will be irreparably damaged in the event this Agreement is not specifically enforced, since (among other things) the Interests are not readily marketable.

15.8 Jurisdiction. Each of the parties hereto hereby irrevocably consents and submits to the jurisdiction of the Supreme Court of the State of Florida in connection with any suit, action or other proceeding arising out of this Agreement, and hereby unconditionally and irrevocably waives any objection to venue in Florida, and agrees that service of any summons, complaint, notice or other process relating to such suit, action or other proceeding may be effected in the manner provided by clause (c) of Section 14.3. **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT**

15.9 Severability. The provisions hereof are severable and in the event that any provision of this Agreement shall be determined to be illegal, invalid or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions hereof shall not be affected, but shall, subject to the discretion of such court, remain in full force and effect, and any illegal, invalid or unenforceable provision shall be deemed, without further action on the part of the parties hereto, amended and limited to the extent necessary to render such provision, as so amended and limited, legal, valid and enforceable, it being the intention of the parties that this Agreement and each provision hereof shall be legal, valid and enforceable to the fullest extent permitted by applicable law.

15.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

15.11 Further Assurances; Power of Attorney. Each party hereto shall promptly execute, deliver, file or record such agreements, instruments, certificates and other documents and take such other actions as the Managing Member may reasonably request or as may otherwise be necessary or proper to carry out the terms and provisions of this Agreement and to consummate and perfect the transactions contemplated hereby. Failure to comply with this Section 14.11 shall be considered a breach of a material provision. In addition, each party hereby grants to the Managing Member the power of attorney (which power of attorney is coupled with an interest) to execute, deliver, file or record, on behalf of and in the name of such party any and all agreements, instruments, certificates and other documents which the Managing Member deems necessary, appropriate or desirable to effectuate the terms of this Agreement.



15.12 Assignment. Except as otherwise provided herein, this Agreement, and any right, interest or obligation hereunder, may not be assigned by any party hereto without the prior written consent of each other party hereto. Any purported assignment without such consent shall be null and void *ab initio* and without effect.

15.13 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. This Agreement is not intended, and shall not be deemed, to create or confer any right or interest for the benefit of any Person not a party hereto.

15.14 Titles and Captions. The titles and captions of the Articles and Sections of this Agreement are for convenience of reference only and do not in any way define or interpret the intent of the parties or modify or otherwise affect any of the provisions hereof and shall not have any effect on the construction or interpretation of this Agreement.

15.15 Construction. This Agreement shall not be construed against any party by reason of such party having caused this Agreement to be drafted.

15.16 Usage. References in this Agreement to “Articles,” “Sections” and “Schedules” shall be to the Articles, Sections and Schedules of this Agreement, unless otherwise specifically provided; all Schedules to this Agreement are incorporated herein by reference; any use in this Agreement of the singular or plural, or the masculine, feminine or neuter gender, shall be deemed to include the others, unless the context otherwise requires; the words “herein”, “hereof” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; the word “including” when used in this Agreement shall mean “including without limitation”; and except as otherwise specified in this Agreement, all references in this Agreement (a) to any agreement, document, certificate or other written instrument shall be a reference to such agreement, document, certificate or instrument, in each case together with all exhibits, schedules, attachments and appendices thereto, and as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof; and (b) to any law, statute or regulation shall be deemed references to such law, statute or regulation as the same may be supplemented, amended, consolidated, superseded or modified from time to time.

15.17 Entire Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous understandings and agreements relating thereto (written or oral).

15.18 Representation. Each of the undersigned hereby acknowledges that this Agreement has been drafted on behalf of the Company by Cabot J. Marks, Esq. of MarksDiPalermo PLLC and that MarksDiPalermo PLLC. has represented all of the parties to this Agreement. Each of the undersigned understands that the interest of each of them may be different with respect to this Agreement. Each of the undersigned acknowledges that they have been fully, separately and individually apprised and advised by their own attorney of their legal rights and financial liabilities and responsibilities arising out of this Agreement and each has in addition thereto made independent inquiry and investigation with respect to all of the same. Each waives any conflict in



connection with the preparation of this Agreement and the documents related thereto and each acknowledges that they have had the opportunity to have this Agreement reviewed by, and to consult with, their own separate counsel, prior to executing the same.

***BALANCE OF PAGE INTENTIONALLY LEFT BLANK***



IN WITNESS WHEREOF, the Members have executed this Agreement, effective as of the date first written above.

By: Charles Lesnick  
CHARLES SCHORR LESNICK

By: L. Schorr  
DAVINA DEVELOPMENT LLC

By: Philip Schorr  
PHILIP SCHORR

By: Richard Kooris  
PEGALO PROPERTIES INC.

By: Amy Angelo  
AMY ANGELO

By: Scott Angelo  
SCOTT ANGELO



**SCHEDULE A NAMES, ADDRESSES, CAPITAL CONTRIBUTIONS, AND  
PERCENTAGES OF THE MEMBERS**

Name, Address and E-mail	Capital Contribution	Percentage
Charles Schorr Lesnick 15 Albemarle Place Yonkers, NY 10701 Email: chuck.schorr.lesnick@gmail.com Phone: 914-954-3039	\$2,000.00	60%
Davina Development LLC 944 Warren Pkwy Teaneck, NJ 07666 Email: lschwartz@rmabronx.com Phone: 201-906-8005	\$2,000.00	10%
Philip Schorr 15 Albemarle Place Yonkers, NY 10701 Email: pschorr@rmaorg.com Phone: 718-538-5000	\$2,000.00	10%
Pegalo Properties Inc. 501 North IH-35 Austin, TX 78702 Email: rkooris1@501studios.com Phone: 512-422-8878	\$2,000.00	10%
Amy Angelo and Scott Angelo 221 Old Dixie Hwy, Suite 1 Tequesta, FL 33469 Email: amy.angelo@oceanacoffee.com Phone: 561.339.2913	\$2,000.00	10%
<b>TOTAL</b>	<b>\$10,000.00</b>	<b>100%</b>



## **OPERATING AGREEMENT**

### **FLORIDA CANNING COMPANY, LLC**

#### **(A FLORIDA LIMITED LIABILITY COMPANY)**

THE SECURITIES REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS REGISTERED AND QUALIFIED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH REGISTRATION AND QUALIFICATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, THE TERMS AND CONDITIONS OF WHICH ARE SET FORTH IN THIS AGREEMENT.







TITLE	CanningCo. Long OA NK 12.20
FILE NAME	CanningCo.%20Long....20%20redline.pdf
DOCUMENT ID	e2ade57bd9b7e009813d9fef84d6b916d764919d
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Signed

This document was requested from app.clio.com

## Document History



SENT

**02 / 04 / 2022**

21:46:10 UTC

Sent for signature to Chuck Lesnick, Esq.  
(chuck.schorr.lesnick@gmail.com), Len Schwartz  
(lschwartz@rmabronx.com), Philip Schorr  
(philipschorr@aol.com), Richard Kooris  
(rkooris@501studios.com), Amy Angelo  
(amy.angelo@oceanacoffee.com) and Scott Angelo  
(scott.angelo@oceanacoffee.com) from  
nkilcoyne@marksdpalermo.com  
IP: 158.106.217.218



VIEWED

**02 / 04 / 2022**

21:55:52 UTC

Viewed by Chuck Lesnick, Esq.  
(chuck.schorr.lesnick@gmail.com)  
IP: 148.74.212.141



SIGNED

**02 / 04 / 2022**

22:25:39 UTC

Signed by Chuck Lesnick, Esq.  
(chuck.schorr.lesnick@gmail.com)  
IP: 148.74.212.141



TITLE	CanningCo. Long OA NK 12.20
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AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Signed

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**02 / 04 / 2022**  
22:26:35 UTC

Viewed by Philip Schorr (philipschorr@aol.com)  
IP: 148.74.212.141



**02 / 04 / 2022**  
22:26:54 UTC

Signed by Philip Schorr (philipschorr@aol.com)  
IP: 148.74.212.141



**02 / 04 / 2022**  
23:17:55 UTC

Viewed by Richard Kooris (rkooris@501studios.com)  
IP: 23.112.37.223



**02 / 07 / 2022**  
21:48:20 UTC

Viewed by Scott Angelo (scott.angelo@oceanacoffee.com)  
IP: 76.110.216.75



**02 / 07 / 2022**  
21:48:32 UTC

Signed by Scott Angelo (scott.angelo@oceanacoffee.com)  
IP: 76.110.216.75



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FILE NAME	CanningCo.%20Long....20%20redline.pdf
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AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
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## Document History



**02 / 07 / 2022**  
21:53:40 UTC

Signed by Richard Kooris (rkooris@501studios.com)  
IP: 23.112.37.223



**02 / 07 / 2022**  
23:07:14 UTC

Viewed by Amy Angelo (amy.angelo@oceanacoffee.com)  
IP: 98.249.177.207



**02 / 07 / 2022**  
23:08:00 UTC

Signed by Amy Angelo (amy.angelo@oceanacoffee.com)  
IP: 98.249.177.207



**02 / 08 / 2022**  
04:46:51 UTC

Viewed by Len Schwartz (lschwartz@rmabronx.com)  
IP: 68.195.13.45



**02 / 08 / 2022**  
04:47:20 UTC

Signed by Len Schwartz (lschwartz@rmabronx.com)  
IP: 68.195.13.45



**02 / 08 / 2022**  
04:47:20 UTC

The document has been completed.



**Electronic Articles of Organization  
For  
Florida Limited Liability Company**

L20000368144  
FILED 8:00 AM  
November 20, 2020  
Sec. Of State  
jgharris

**Article I**

The name of the Limited Liability Company is:  
FLORIDA CANNING COMPANY, LLC

**Article II**

The street address of the principal office of the Limited Liability Company is:  
11259 EDGEWATER CIRCLE  
WELLINGTON, FL. 33414

The mailing address of the Limited Liability Company is:  
11259 EDGEWATER CIRCLE  
WELLINGTON, FL. 33414

**Article III**

Other provisions, if any:  
ANY AND ALL LAWFUL PURPOSE.

**Article IV**

The name and Florida street address of the registered agent is:  
CHARLES LESNICK ESQ  
11259 EDGEWATER CIRCLE  
WELLINGTON, FL. 33414

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: CHARLES LESNICK



### **Article V**

The name and address of person(s) authorized to manage LLC:

Title: AMBR  
CHARLES LESNICK  
11259 EDGEWATER CIRCLE  
WELLINGTON, FL. 33414

**L20000368144**  
**FILED 8:00 AM**  
**November 20, 2020**  
**Sec. Of State**  
jgharris

### **Article VI**

The effective date for this Limited Liability Company shall be:

11/20/2020

Signature of member or an authorized representative

Electronic Signature: CHARLES LESNICK

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.



Date of this notice: 01-07-2022

Employer Identification Number:  
87-4314149

Form: SS-4

Number of this notice: CP 575 B

KISS KITCHENS LLC  
RICHARD KOORIS MBR  
15375 BLUE FISH CIR  
LAKEWOOD RCH, FL 34202

For assistance you may call us at:  
1-800-829-4933

IF YOU WRITE, ATTACH THE  
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 87-4314149. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

Taxpayers request an EIN for their business. Some taxpayers receive CP575 notices when another person has stolen their identity and are opening a business using their information. If you did **not** apply for this EIN, please contact us at the phone number or address listed on the top of this notice.

When filing tax documents, making payments, or replying to any related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear-off stub and return it to us.

Based on the information received from you or your representative, you must file the following forms by the dates shown.

Form 1065

03/15/2022

If you have questions about the forms or the due dates shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification (corporation, partnership, estate, trust, EPMF, etc.) based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2020-1, 2020-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.



### IMPORTANT REMINDERS:

- \* Keep a copy of this notice in your permanent records. This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you. You may give a copy of this document to anyone asking for proof of your EIN.
- \* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- \* Refer to this EIN on your tax-related correspondence and documents.
- \* Provide future officers of your organization with a copy of this notice.

Your name control associated with this EIN is KISS. You will need to provide this information along with your EIN, if you file your returns electronically.

Safeguard your EIN by referring to Publication 4557, Safeguarding Taxpayer Data: A Guide for Your Business.

You can get any of the forms or publications mentioned in this letter by visiting our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676).

If you have questions about your EIN, you can contact us at the phone number or address listed at the top of this notice. If you write, please tear off the stub at the bottom of this notice and include it with your letter.

Thank you for your cooperation.

Keep this part for your records.

CP 575 B (Rev. 7-2007)

Return this part with any correspondence so we may identify your account. Please correct any errors in your name or address.

CP 575 B

999999999999

Your Telephone Number    Best Time to Call    DATE OF THIS NOTICE:    01-07-2022  
(               )               -               EMPLOYER IDENTIFICATION NUMBER:    87-4314149  
FORM:    SS-4                                         NOBOD

INTERNAL REVENUE SERVICE  
CINCINNATI OH 45999-0023

A barcode consisting of vertical black bars of varying heights, used for automated mail sorting.

KISS KITCHENS LLC  
RICHARD KOORIS MBR  
15375 BLUE FISH CIR  
LAKEWOOD RCH, FL 34202



**Electronic Articles of Organization  
For  
Florida Limited Liability Company**

L22000003035  
FILED 8:00 AM  
December 23, 2021  
Sec. Of State  
bcoates

**Article I**

The name of the Limited Liability Company is:  
KISS KITCHENS LLC

**Article II**

The street address of the principal office of the Limited Liability Company is:  
15375 BLUE FISH CIRCLE  
LAKEWOOD RANCH, FL. US 34202

The mailing address of the Limited Liability Company is:  
15375 BLUE FISH CIRCLE  
LAKEWOOD RANCH, FL. US 34202

**Article III**

The name and Florida street address of the registered agent is:  
RICHARD KOORIS  
15375 BLUE FISH CIRCLE  
LAKEWOOD RANCH, FL. 34202

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: RICHARD KOORIS



## Article IV

The name and address of person(s) authorized to manage LLC:

Title: AMBR  
RICHARD KOORIS  
15375 BLUE FISH CIRCLE  
LAKEWOOD RANCH, FL. 34202 US

L22000003035  
FILED 8:00 AM  
December 23, 2021  
Sec. Of State  
bcoates

Signature of member or an authorized representative

Electronic Signature: SCOTT J. SCHUSTER

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.



**OPERATING AGREEMENT**

**OF**

**KISS KITCHENS LLC**

**(A FLORIDA LIMITED LIABILITY COMPANY)**

This Operating Agreement is made as of December 23, 2021 by and between the Persons set forth on Schedule “A” hereto.

A. The parties desire to form KISS KITCHENS LLC (the “Company”) as a limited liability company under the laws of the State of Florida and, to that end, have filed Articles of Organization for the Company with the Florida Secretary of State.

B. The parties desire to become members of the Company and to adopt a limited liability company agreement to govern the respective rights and obligations of the members and the manager of the Company.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree that the following shall be the Operating Agreement of the Company.

**ARTICLE I**

**DEFINITIONS**

When used in this Agreement, the following terms have the following meanings:

1.1 “Act” means the Florida Revised Limited Liability Company Act.

1.2 “Adjusted Capital Account” of a Member means the Capital Account of that Member, increased by any amount that such Member is obligated to restore pursuant to Treasury Regulations § 1.704-1(b)(2)(ii)(c) or deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations § 1.704-2(g)(1) or 1.704-2(i)(5), and reduced by the items described in Treasury Regulations § 1.704-1(b)(2)(ii)(d)(4), (5) or (6).

1.3 “Affiliate” of another Person means (a) a Person directly or indirectly (through one or more intermediaries) Controlling, Controlled by or under common Control with that other Person, or (b) a Person owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of that other Person.



1.4 “Agreement” means this Operating Agreement of the Company.

1.5 “Articles of Organization” means the Articles of Organization of the Company filed under the Act with the Florida Secretary of State.

1.6 “Business” means the leasing, operation, development and or management of a commercial kitchen, cold storage, and canning company and its operation as an Opportunity Zone Business.

1.7 “Call” has the meaning set forth in Section 3.1.2.

1.8 “Capital Account” of a Member means the capital account of that Member determined in accordance with Treasury Regulations § 1.704-1(b)(2)(iv) and this Section 1.8. The Capital Accounts shall be adjusted by the Managing Member upon an event described in Treasury Regulations § 1.704-1(b)(2)(iv)(f)(5) in the manner described in Treasury Regulations § 1.7041(b)(2)(iv)(f) and (g) if the Managing Member reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company, and at such other times as the Managing Member may determine is appropriate to reflect the economic arrangement among the parties. Each such capital account can increase or decrease as applicable depending on each Members contributions to the Company or distributions from the Company.

1.9 “Capital Contribution” of a Member means the amount of money contributed to the capital of the Company by such Member.

1.10 “Code” means the Internal Revenue Code of 1986.

1.11 “Company” means KISS KITCHENS LLC, a Florida limited liability company.

1.12 “Company Minimum Gain” with respect to any Fiscal Year means the “partnership minimum gain” of the Company computed in accordance with Treasury Regulations §§ 1.7042(b)(2) and 1.704-2(d).

1.13 “Control” of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

1.14 “Defaulting Member” has the meaning set forth in Section 3.2.1.

1.15 “Distributable Cash” at any time means that portion of the cash then on hand or in accounts of the Company at a bank or other financial institution which the Managing Member deems available for distribution to the Members at such time, taking into account (a) the amount of cash required for the payment of all current expenses, liabilities and obligations of the Company (whether for expense items, capital expenditures, improvements, retirement of indebtedness or otherwise) and (b) the amount of cash which the Managing Member deems necessary or appropriate to establish reserves for the payment of future expenses, liabilities, obligations, capital expenditures, improvements, retirements of indebtedness, operations and contingencies, known or



unknown, liquidated or unliquidated, including liabilities which may be incurred in litigation and liabilities undertaken pursuant to the indemnification provisions of this Agreement.

1.16 “Distribution” means the transfer of money or property by the Company to one or more Members with respect to their Interests, without separate consideration.

1.17 “Excess Contribution” at any time means the excess, if any, of (a) the aggregate Capital Contributions through such date over (b) the sum of the aggregate Capital Contributions through such date and the Distributions pursuant to Section 6.5.1(b).

1.18 “Fair Market Value” means the amount that would be paid for such interest/property or assets in cash at the closing by a hypothetical willing buyer to a hypothetical willing seller, each having knowledge of all relevant facts and neither being under a compulsion to buy or sell.

1.19 “Fiscal Year” means the Company’s taxable year, which shall be the taxable year ended December 31, or such other taxable year as may be selected by the Managing Member in accordance with applicable law.

1.20 “Interest” means a Member’s overall interest as a Member of the Company, including the Member’s interest in Profit, Loss, special allocations, Distributable Cash or other Distributions, rights to vote or participate in the management of the Company and rights to information concerning the business and affairs of the Company. Each Member’s applicable Interest in the Company is set forth in Schedule “A” annexed hereto.

1.21 “Interest Rate” means a rate of interest equal to two (2) percentage points above the prime rate of interest as reported in the “Money Rates Section” of The Wall Street Journal from time to time, but not more than the maximum rate permitted by applicable law.

1.22 “Liquidation Value” on any date with respect to an Interest means the amount a Person would receive with respect to such Interest if the net assets of the Company were sold for cash equal to their Fair Market Value on such date and the Company liquidated on such date.

1.23 “Manager or Managing Member” means the Person(s) designated pursuant to Section 5.2, until such Person(s) ceases to be a Manager or Managing Member of the Company pursuant to the terms of this Agreement. In the event that a Member is appointed they shall be deemed the Managing Member. In the event that a member of a Company that is a Member is appointed, they shall be deemed the Manager of the Company. In this Operating Agreement the terms are synonymous and can be used interchangeably depending on the person performing the position and their status as a Member.

1.24 “Member” means a Person designated on Schedule “A” as a Member, and any other Person that is admitted as a Member pursuant to the provisions of this Agreement, in each case until such Person ceases to be a member of the Company as provided herein.

1.25 “Member Minimum Gain” means the “partner nonrecourse debt minimum gain” of the Company computed in accordance with Treasury Regulations § 1.704-2(i)(3).



1.26 “Member Nonrecourse Debt” means the “partner nonrecourse liability” or “partner nonrecourse debt” of the Company computed in accordance with Treasury Regulations § 1.704-2(b)(4).

1.27 “Member Nonrecourse Deductions” means the “partner nonrecourse deductions” of the Company computed in accordance with Treasury Regulations § 1.704-2(i)(1) and (2).

1.28 “Nonrecourse Deductions” means the “nonrecourse deductions” of the Company computed in accordance with Treasury Regulations § 1.704-2(b).

1.29 “Percentage” of a Member means the percentage set forth on Schedule “A” for such Member, as the same may be adjusted pursuant to this Agreement.

1.30 “Person” means any entity, corporation, company, association, joint venture, joint stock company, partnership (including a general partnership, limited partnership and limited liability partnership), limited liability company, trust, real estate investment trust, organization, individual, nation, state, government (including any agency, department, bureau, board, division and instrumentality thereof), trustee, receiver or liquidator.

1.31 “Profit” and “Loss” means, for each Fiscal Year, the taxable income and taxable loss, as the case may be, of the Company for such Fiscal Year determined in accordance with federal income tax principles, including items required to be separately stated, taking into account income that is exempt from federal income taxation, items that are neither deductible nor chargeable to a capital account and rules governing depreciation and amortization, except that in computing taxable income or taxable loss, the “book” value of an asset will be substituted for its adjusted tax basis if the two differ, and any gain, income, deductions or losses specially allocated under Section 6.3 or 6.4 shall be excluded from the computation.

1.32 “Property” means the real property that is the subject of the lease between CIDC and the Company located at 15375 Blue Fish Circle, Lakewood Ranch, FL 34202, the improvements thereon and the personal property related thereto.

1.33 “Securities Act” means the Securities Act of 1933.

1.34 “Tax Matters Partner” means the Person designated pursuant to Section 9.5.1.

1.35 “Transfer” means a sale, assignment, transfer, other disposition, pledge, hypothecation or other encumbrance, whether direct or indirect, whether voluntary, involuntary or by operation of law, and whether for value or not. Transfer includes any transfer by gift, devise, intestate succession, sale, operation of law, upon the termination of a trust, as a result of or in connection with any property settlement or judgment incident to a divorce, dissolution of marriage or separation, by decree of distribution or other court order or otherwise.

1.36 “Treasury Regulations” means the regulations promulgated by the United States Treasury Department pertaining to the income tax.



## ARTICLE II ORGANIZATIONAL MATTERS

2.1 Name. The name of the Company shall be “KISS KITCHENS LLC,” or upon compliance with applicable law, any other name that the Managing Member may determine. The Business of the Company shall be conducted under that name. The Company shall notify the Members of any change in the name of the Company.

2.2 Term. The term of the Company’s existence commenced upon the filing of its Articles of Organization with the Florida Secretary of State on December 23, 2021, and shall continue until such time as the Company is terminated pursuant to ARTICLE XI.

2.3 Office and Agent. The principal office of the Company shall be located at such place as the Managing Member may determine from time to time. The Manager or Managing Member shall notify the Members of any change in the principal office of the Company. The name and business address of the agent for service of process for the Company in the State of Florida is Richard Kooris; located at 15375 Blue Fish Circle, Lakewood Ranch, FL 34202 or such other Person with such other address as the Managing Member may appoint from time to time.

2.4 Purpose of Company. The purpose of the Company shall be to engage in the Business, and any activities incidental thereto or connected therewith.

2.5 Intent. It is the intent of the Members that the Company shall be treated as a “partnership” for federal income tax purposes. It also is the intent of the Members that the Company is not operated or treated as a “partnership” for purposes of Section 303 of the United States Bankruptcy Code. No Member, Manager or Managing Member shall take any action inconsistent with either such express intent without the vote of Members owning a majority of the Percentages of the Members.

2.6 Members. The name, address, phone number, e-mail, Capital Contribution and Percentage of each Member as of the date hereof is set forth on Schedule “A”. The Company shall amend Schedule “A” to reflect any change pursuant to this Agreement in any of the foregoing with respect to any Member.

2.7 Qualification. The Company shall qualify to do business in each jurisdiction where such qualification is required.

## ARTICLE III CAPITAL CONTRIBUTIONS

### 3.1 Capital Contributions.

3.1.1 Capital Contributions. Each Member has contributed to the Company the Capital Contribution specified opposite such Member’s name on Schedule “A”, the receipt of which is hereby acknowledged.



3.1.2 Further Capital Contributions. If the Managing Member determines that the Company needs additional funds that the Managing Member determines should be funded with additional Capital Contributions from the Members, the Company shall give each Member at least Twenty (20) days' notice of the Company's need for the additional funds, the amount of the funds needed, the reason therefor, the Member's additional Capital Contribution required thereby (which shall be equal to his Percentage of the aggregate funds being called), and the date by which the additional Capital Contribution is required to be made (each a "Call"). Notwithstanding the foregoing, the Members may prohibit the Manager or Managing Member from making an additional Capital Contribution vis-à-vis a Call through an affirmative vote of Members owning a majority of the Percentages of the Members to be held within Five (5) days of a Call being announced.

3.1.3 No Further Capital Contributions. Except as set forth in this Section 3.1, no Member shall be required to make any Capital Contribution or lend money to the Company. Except as provided in this ARTICLE III no Member may make a Capital Contribution or lend money to the Company without the Manager or Managing Member's written consent.

### 3.2 Default by a Member.

3.2.1 Default with Respect to Further Capital Contribution. If a Member fails to timely make a required Capital Contribution pursuant to a Call (which shall not be made upon less than Twenty (20) days' notice) (a "Defaulting Member"), the Company may request one or more non-Defaulting Members to make an additional Capital Contribution to the Company in an amount up to the amount of the required contribution that was not paid by the Defaulting Member. The Defaulting Member shall be liable for any costs and expenses incurred by the Company or any Non-Defaulting Member in enforcing its or their rights pursuant to this Section 3.2. Such Capital Contribution shall accrue at the Interest Rate defined in Section 1.21 until paid in full and said amounts shall be charged against the Defaulting Member's Capital Account and/or be recovered against any monies due to the Defaulting Member until paid in full and such Defaulting Member shall not receive any Distributions as defined in this Agreement until such sum is fully paid; or

3.2.2 All Non-Defaulting Members, pro-rata to their Percentage(s) in the Company, shall have the ability to offer a loan to the Defaulting Member at the Interest Rate to cure the default.

3.3 Capital Accounts. The Company shall establish and maintain a separate Capital Account for each Member.

3.4 No Priorities of Members; No Withdrawals of Capital. Except as otherwise specified in this Agreement, no Member shall have a priority over any other Member as to any Distribution, whether by way of return of capital or by way of Profits, or as to any allocation of Profit, Loss or special allocations. No Member shall have any right to withdraw or reduce their Capital Contribution except as a result of the dissolution and liquidation of the Company, and no Member shall have the right to demand or receive property other than cash in return for their Capital Contribution. No Member has any right to, interest in, or claim against any specific property of the Company by reason of their Interest.



3.5 No Interest. Except as specifically provided herein, no Member shall be entitled to receive any interest on their Capital Contributions or Capital Account.

3.6 Certificates of Interest. The Company may issue certificates representing the outstanding Interests. Each certificate shall bear such legends as the Managing Member may determine.

## ARTICLE IV MEMBERS

4.1 Resignations. Except as otherwise expressly provided herein, no Member may resign from the Company prior to the dissolution and liquidation of the Company (other than pursuant to a permitted Transfer of a Member's entire Interest in the Company pursuant to ARTICLE IX). A Member that resigns in contravention of this Agreement shall not be entitled to any consideration for his Interest as a result of such resignation and shall be liable to the Company and the other Members for any damages suffered by them as a result of such resignation. A Member that resigns from the Company shall cease to be a Member.

### 4.2 Action by Members.

4.2.1 Meetings of Members. Meetings of the Members may be called by the Manager or Managing Member, or in the case of any matter on which Members may vote, by any Member. Such meetings shall be held at the place, date and time that the Person(s) calling such meeting shall designate in the notice of the meeting. Members may participate in any meeting through the use of conference calls, Zoom or similar video conference platforms, or similar communications equipment as long as all Members participating can hear one another. A Member so participating is deemed to be present in person at the meeting. Except as otherwise provided herein, action at any meeting with respect to the Company requires the affirmative vote of Members owning a majority of the Percentages of the Members.

4.2.2 Notice of Meeting. At least two (2) calendar days prior written notice shall be given to the Members entitled to vote at such meeting, stating the place, date and time of the meeting, the Person(s) calling the meeting and the purpose for which the meeting is called. Notice of a meeting need not be given to any Member who submits a signed waiver of notice, in person or by proxy, whether before, at or after the meeting. All such waivers shall be filed with the Company records or made part of the minutes of the meeting. The attendance of a Member at the meeting, whether in person or by proxy, without protesting the lack of proper notice shall constitute a waiver of notice by such Member. All parties shall have the right to call into the meeting by telephone, if they cannot attend in person as well as having the option of assigning a person by proxy to represent them and to vote on any and all issues raised at such meeting.

4.2.3 Action by Consent. Any action that may be taken by Members at a meeting may also be taken without a meeting, if a consent in writing setting forth the action so taken is signed by Members owning a sufficient Percentage to take such action at a meeting at which all the Members entitled to vote on such action are present and voting, and such consent is delivered to the Manager or Managing Member within sixty (60) days after the date of the earliest signature



to such consent. Consents may be signed in counterparts and facsimile and PDF signatures shall be deemed originals. The Company shall retain such consents with the books and records of the Company and shall notify all Members of the action so taken.

4.3 Other Activities of Members. Nothing in this Agreement shall prevent a Member, Manager, Managing Member or officer from engaging or participating in any other activity, venture or enterprise, whether or not related to the Business and whether or not competitive with the Company. Being a Member of the Company does not entitle such Person to participate or otherwise have any interest in any other permitted activity, venture or enterprise of another Member, the Managing Member or an officer of the Company, unless otherwise agreed between them in writing.

4.4 Membership Interests. The Members shall maintain the respective voting, distribution and equitable Interests in the Company as is set forth on Schedule “A.”

## ARTICLE V MANAGEMENT AND CONTROL OF THE COMPANY

### 5.1 Management by the Managing Member.

5.1.1 Exclusive Management by the Manager or Managing Member. Except as otherwise expressly provided in this Agreement or as expressly required by a non-waivable provision of the Act, (a) the business, property and affairs of the Company shall be managed exclusively by the Manager or Managing Member, (b) the Manager or Managing Member shall have full, complete and exclusive authority, power and discretion to Manage and Control the Business, Property and affairs of the Company, to make all decisions regarding those matters, to bind the Company and to perform any and all other actions customary or incident to the management of the Company’s Business, Property and affairs, and (c) no Member, other than the Managing Member (or the Manager), shall have any right or power to participate in the management of the Company or to bind the Company.

5.1.2 Performance of Duties. The Manager or Managing Member shall perform their managerial duties for the Company in accordance with the standard of care prescribed by Section 10.2. In performing his duties, the Manager or Managing Member shall be entitled to rely in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Member, officer, employee or committee of the Company, or by any other Person, as to matters which the Manager or Managing Member reasonably believes are within such Person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Company (including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which Distributions might property be made). For this purpose, if the Manager or Managing Member is responsible for the making of any Company records, the Manager or Managing Member may only rely on those records in good faith if that reliance is reasonable.

5.1.3 Devotion of Time. The Manager shall devote such time and effort



as they deem appropriate for the management of the Company's business, property and affairs. The Members acknowledge that the Manager is engaged in substantial other activities which require a substantial portion of their time and attention and that of its partners, officers, employees and agents.

## 5.2 Designation and Removal of the Manager or Managing Member.

5.2.1 Number of Manager or Managing Member. There shall be one (1) Manager or Managing Member.

5.2.2 Designation. The Members designate Richard Kooris as the Manager. If the Person designated as a Manager fails to qualify or resigns, then the Person designated by Members owning a majority of the Percentages of the Members shall be the Manager or Managing Member, provided such Person qualifies and is willing to serve. The Company shall promptly notify all of the Members of such designation.

5.2.3 Resignation. The Manager or Managing Member may resign upon twenty (20) days prior written notice to the Members. Resignation as Managing Member shall not affect the Managing Member's Interest, if any, as a Member.

5.3 Limitations on Powers of the Manager or Managing Member. Notwithstanding anything herein to the contrary, without the consent of the Members owning a majority of Membership Percentages, the Manager may not make decisions for the Company on certain "Fundamental Matters". For purposes hereof, "Fundamental Matters" shall mean any of the following matters:

- (a) Amend, modify or waive the Certificate of Formation or the LLC Agreement;
- (b) Make any material change to the nature of the Business conducted by the Company or enter into any business other than the Business;
- (c) Adopt or amend the Budget;
- (d) Issue additional Membership Interests or admit Additional Members to the Company;
- (e) Incur any indebtedness, pledge or grant liens on any assets or guarantee, assume, endorse or otherwise become responsible for the obligations of any other Person, except to the extent approved or authorized in the Budget, in excess of \$50,000 in any single transaction or series of related transactions, or in excess of \$50,000 in the aggregate at any time outstanding;
- (f) Make any loan, advance or capital contribution in excess of \$20,000 to or in favor of any Person; except to the extent approved or authorized in the Budget;
- (g) Merge or consolidate with or into another Person, enter into, transfer or terminate any business combination, partnership or joint venture with any other Person;



(h) Appoint or remove the Company's auditors or make any changes in the accounting methods or policies of the Company (other than as required by [GAAP]);

(i) Enter into, amend in any material respect, waive or terminate any Related Party Agreement other than the entry into a Related Party Agreement that is on an arm's length basis and on terms no less favorable to the Company than those that could be obtained from an unaffiliated third party;

(j) Enter into or effect any transaction or series of related transactions involving the purchase, lease, license, exchange or other acquisition (including by merger, consolidation, acquisition of stock or acquisition of assets) by the Company of any assets and/or equity interests of any Person, other than in the ordinary course of business consistent with past practices;

(k) Enter into or effect any transaction or series of related transactions involving the sale, lease, license, exchange or other disposition (including by merger, consolidation, sale of stock or sale of assets) by the Company of any assets, other than sales of inventory in the ordinary course of business consistent with past practices;

(l) Establish a Subsidiary or enter into any joint venture or similar business arrangement within Fifty (50) miles of the Company's Business;

(m) Commence, join in, or settle any claim, action, suit or proceeding by, against, or involving, the Company which may materially affect the operations of the Company;

(n) Settle any lawsuit, action, dispute or other proceeding or otherwise assume any liability with a value in excess of \$50,000 or agree to the provision of any equitable relief by the Company;

(o) Confess a judgment against the Company;

(p) Consummate an initial public offering or make a public offering and sale of the Membership Interests or any other securities;

(q) Make any investments in any other, company, entity or individual in excess of \$20,000; or

(r) Dissolve, wind-up or liquidate the Company or initiate a bankruptcy proceeding involving the Company.

(s) Enter into any refinance, loans, funding arrangement or other financial commitment on behalf of the Company with any institutional or private lender. Notwithstanding the foregoing, the Managing Member is authorized to initiate discussions and negotiations for such refinances, loans or funding arrangements so long as any commitment on behalf of the Company requires approval by a majority of the Membership Interest of the Company;

(t) Take any action which this Agreement requires the consent of Members as set forth elsewhere in this Agreement; or



(u) Agree to do any of the foregoing.

5.4 Transactions with the Manager or Managing Member and his Affiliates.

5.4.1 Compensation. The Manager or Managing Member shall not receive compensation from the Company for their services as Manager, except as outlined below. Additionally, the Company shall reimburse the Manager for all reasonable out-of-pocket costs and expenses incurred by the Manager in connection with the business and affairs of the Company.

5.4.2 Management Fee. There shall be no management fee. Notwithstanding the foregoing, the Manager is authorized to retain and pay Kookaburra Management LLC to handle certain management responsibilities.

5.4.3 Arm's Length Transactions. Any transaction or fees between the Company and a Manager or Managing Member or an Affiliate of a Managing Member shall be at arm's length, upon terms no less favorable to the Company than would be obtained from unrelated third parties dealing at arm's length. The Members agree that the allocations and Distributions pursuant to this Agreement satisfy such standard.

5.5 Officers. The Manager may appoint such officers of the Company with such powers and duties as the Manager may determine from time to time. Each officer shall serve at the pleasure of the Manager. An individual may hold any number of offices.

5.6 Day-to-Day Management of the Property. The Company shall hire Kookaburra Management LLC for the services of Amy Angelo and Scott Angelo (collectively, the "Managers") to manage the day-to-day business of the Company and the Property pursuant to a separate Management Agreement, and subsequent agreements, to be entered into between the Company and the Managers. Notwithstanding the foregoing, the Members may overturn any decision made by the Managers through an affirmative vote of Members owning a majority of the Percentages of the Members. In the event that: (i) the Managers stop managing the day-to-day business of the Company and Property; (ii) the Manager or Managing Member determines, in their sole discretion, that the Managers are not doing a satisfactory job in performing their duties pursuant to the Management Agreement; (iii) the Managers cease to be a tenant at the Property without written consent of the Company; or (iv) the Managers' business goes out of business; then the Company shall have the right to buy the Managers' Interest in the Company at the then Fair Market Value, as determined by the Manager or Managing Member based on a formula taking into account the Company's actual earnings.

## ARTICLE VI ALLOCATIONS OF PROFIT, LOSS AND DISTRIBUTIONS

6.1 Allocation of Profit. Profit for each Fiscal Year shall be allocated to the Members in accordance with the following order of priority:



(a) Profit up to the excess, if any, of the aggregate Loss allocated pursuant to Section 6.2(c) for any prior Fiscal Year over the aggregate Profit previously allocated pursuant to this Section 6.1(a) shall be allocated to the Members in proportion to their respective Percentages for each Member;

(b) Any remaining Profit up to the excess, if any, of the aggregate Loss allocated pursuant to Section 6.2(b) for any prior Fiscal Year over the aggregate Profit previously allocated pursuant to this Section 6.1(b) shall be allocated to the Members in proportion to the Capital Contributions for each Member;

(c) Notwithstanding the provisions of Section 6.5 below, any remaining Profit shall be allocated back to the Company.

6.2 Allocation of Loss. Loss for each Fiscal Year shall be allocated to the Members in accordance with the following order of priority:

(a) Loss up to the excess, if any, of the aggregate Profit allocated pursuant to Section 6.1(c) for any prior Fiscal Year over the sum of the aggregate Loss previously allocated pursuant to this Section 6.2(a) and the aggregate amount previously allocated to the Members in proportion to the Capital Contribution for each Member;

(b) Any remaining Loss up to the aggregate Adjusted Capital Account balances of the Members having positive Adjusted Capital Account balances shall be allocated to the Members in proportion to such Adjusted Capital Account balances; and

(c) Any remaining Loss shall be allocated to the Members in proportion to their respective Percentages.

### 6.3 Special Allocations

6.3.1 Minimum Gain Chargeback. In the event there is a net decrease in the Company Minimum Gain during any Fiscal Year, the minimum gain chargeback provisions described in Treasury Regulations § 1.704-2(f) and (g) shall apply.

6.3.2 Member Minimum Gain Chargeback. In the event there is a net decrease in Member Minimum Gain during any Fiscal Year, the partner minimum gain chargeback provisions described in Treasury Regulations § 1.704-2(i) shall apply.

6.3.3 Qualified Income Offset. In the event a Member unexpectedly receives an adjustment, allocation or Distribution described in Treasury Regulations § 1.704-1(b)(2)(ii)(d)(4), (5) or (6), which adjustment, allocation or Distribution creates or increases a deficit balance in that Member's Capital Account, the "qualified income offset" provisions described in Treasury Regulations § 1.704-1(b)(2)(ii)(d) shall apply.

6.3.4 Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Members in proportion to their respective Percentages.



6.3.5 Member Nonrecourse Deductions. Member Nonrecourse Deductions shall be allocated to the Members as required in Treasury Regulations § 1.704-2(i)(1).

6.3.6 Intention. The special allocations in Section 6.3 are intended to comply with certain requirements of the Treasury Regulations and shall be interpreted consistently therewith. It is the intent of the Members that any special allocation pursuant to Section 6.3 shall be offset with other special allocations pursuant to Section 6.3. Accordingly, special allocations of Company income, gain, loss or deduction shall be made in such manner that, in the reasonable determination of the Manager or Managing Member, taking into account likely future allocations under Section 6.3, after such allocations are made, each Member's Capital Account is, to the extent possible, equal to the Capital Account it would have been where Section 6.3 not part of this Agreement.

#### 6.4 Tax Allocation Matters.

6.4.1 Contributed or Revalued Property. Each Member's allocable share of the taxable income or loss of the Company, depreciation, depletion, amortization and gain or loss with respect to any contributed property, or with respect to Company property that is revalued pursuant to Treasury Regulations § 1.704-1(b)(2)(iv)(f) or Section 1.8, shall be determined in the manner (and as to revaluations, in the same manner as) provided in Section 704(c) of the Code. The allocation shall take into account, to the full extent required or permitted by the Code, the difference between the adjusted basis of the property to the Member contributing (or deemed to be contributing) it and the Fair Market Value of the property at the time of its contribution or revaluation, as the case may be, determined by the Managing Member. The Company shall apply Section 704(c)(1)(A) by using the "traditional method" as set forth in Treasury Regulations § 1.704-3(b).

6.4.2 Recapture Items. In the event that the Company has taxable income in any Fiscal Year that is characterized as ordinary income under the recapture provisions of the Code, each Member's distributive share of taxable gain or loss from the sale of Company assets (to the extent possible) shall include a proportionate share of this recapture income equal to that Member's share of prior cumulative depreciation deductions with respect to the assets which gave rise to the recapture income.

6.4.3 Consistent Treatment. All items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members for federal income tax purposes in a manner consistent with the allocation of the corresponding items under this ARTICLE VI. Each Member is aware of the income tax consequences of the allocations made by this ARTICLE VI and hereby agrees to be bound by the provisions of this ARTICLE VI in reporting their share of Company income, gain, loss, deduction and credit for income tax purposes. No Member shall report on their tax return any transaction by the Company, any amount allocated or distributed from the Company or contributed to the Company inconsistently with the treatment reported (or to be reported) by the Company on its tax return nor take a position for tax purposes that is inconsistent with the position taken by the Company.

#### 6.5 Distributions.



6.5.1 Distributions. The Company may make Distributions to the Members as needed and at such times and in such amounts as the Manager or Managing Member may determine.

6.5.2 Order of Distributions. The Company shall make Distributions in cash, to the extent there is Distributable Cash, to the Members in the following order of priority:

- (a) Repayment of all other outstanding Company loans, in the order and priority that they were entered into by the Company, except subject to Section 6.5.1;
- (b) Any bonus or salaries determined due and payable to the Managing Member; and
- (c) Distributions shall be made to the Members in proportion to their respective Percentages.

6.5.3 Distributions in Kind. The Company may make Distributions in property (other than cash) at such times and in such amounts as the Manager or Managing Member may determine. Any such Distributions shall be made to the Members in proportion to their respective Percentages, unless a Member agrees to take such property in lieu of a Distribution that it would otherwise receive under Section 6.5.2. Any property (other than cash) Distributed to one or more Members shall first be valued at its Fair Market Value as determined by the Manager to determine the Profit, Loss and special allocations that would have resulted if the property had been sold for such value, which amounts shall be allocated pursuant to Article VI, and the Members' Capital Accounts shall be adjusted to reflect those allocations. The amount Distributed and charged to the Capital Account of each Member receiving an interest in the Distributed property shall be the Fair Market Value of such interest as determined by the Managing Member (net of any liability secured by the asset that the Member assumes or takes subject to).

6.5.4 Limitations on Distributions. Notwithstanding anything herein to the contrary, the Company may not make a Distribution to a Member to the extent that at the time of the Distribution, after giving effect to the Distribution, all liabilities of the Company (other than to Members on account of their Interests and liabilities for which the recourse of creditors is limited to specified property of the Company) exceed the Fair Market Value of the assets of the Company (except that the Fair Market Value of property that is subject to a liability for which the recourse of creditors is limited to such property shall be included in the assets of the Company only to the extent the Fair Market Value of such property exceeds that liability).

## 6.6 Allocations in Respect of a Transferred Interest.

6.6.1 Allocation. If there is a change in any Member's Percentage for any reason during any Fiscal Year, each item of income, gain, loss, deduction, or credit of the Company for that Fiscal Year shall be assigned pro rata to each day in that Fiscal Year in the case of items allocated based on Percentages, and the amount of such item so assigned to any such day shall be allocated to the Member based upon that Member's Percentage at the close of that day. Notwithstanding the foregoing, the net amount of gain or loss realized by the Company in connection with the sale or other disposition of property other than in the ordinary course of



Business shall be allocated solely to Members having a Percentage of Membership on the date of such sale or other disposition.

6.6.2 Distributions. Except as otherwise provided herein, all Distributions shall be allocated among the Members in accordance with their respective Percentages of Membership on the date of the Distribution.

6.6.3 Attributes. If any Interest is Transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account, excess contributions, and any other relevant attribute of the transferor to the extent it is attributable to the Interest so Transferred.

6.7 Order of Application. To the extent that any allocation, Distribution or adjustment specified in this Agreement affects the results of any other allocation, Distribution or adjustment required herein, the allocations, Distributions and adjustments specified in the following Sections shall be made in the priority listed and in the order set forth therein:

- (a) Section 6.5;
- (b) Section 6.4;
- (c) Section 6.3;
- (d) Section 6.2;
- (e) Section 6.1; and
- (f) Section 10.4.

To the extent possible, these provisions shall be applied as if all Distributions and allocations were made at the end of the Company's Fiscal Year. Where any provision depends on the Capital Account of any Member, that Capital Account shall be determined after the operation of all preceding provisions for the Fiscal Year.

6.8 Allocation of Excess Nonrecourse Liabilities. "Excess nonrecourse liabilities" of the Company as used in Treasury Regulations § 1.752-3(a)(3) shall first be allocated among the Members pursuant to the "additional method" described in such section and then in accordance with the Members' respective Percentages.

6.9 Form of Distribution. No Member has the right to demand or receive any Distribution from the Company in any form other than money. No Member may be compelled to accept from the Company a Distribution of any asset in kind in lieu of a proportionate Distribution of money being made to other Member(s), and except with respect to a Distribution of an asset in kind pro rata to all of the Members with an Interest or upon a dissolution and the winding up of the Company, no Member may be compelled to accept a Distribution of any asset in kind.

6.10 Amounts Withheld. Any amounts withheld with respect to a Member pursuant to any federal, state, local or foreign tax law from a Distribution by the Company to the Member shall be treated as distributed to such Member pursuant to Section 6.5 or 10.4. Any other amount



required to be paid by the Company to a taxing authority with respect to a Member pursuant to any federal, state, local or foreign tax law in connection with any payment to or tax liability (estimated or otherwise) of the Member shall be treated as a loan from the Company to such Member. If such loan is not repaid within thirty (30) days from the date the Managing Member notifies such Member of such withholding, the loan shall bear interest at the Interest Rate from the date of the applicable notice to the date of repayment. In addition to all other remedies the Company may have, the Company may withhold Distributions that would otherwise be payable to such Member and apply such amount toward repayment of the loan and interest.

## ARTICLE VII TRANSFER OF INTERESTS

7.1 Transfer of Interests. Except as otherwise expressly provided in this ARTICLE VII, no Member may Transfer all or any portion of their Interest. Any attempted Transfer in violation of this ARTICLE VII hereof shall be null and void *ab initio*, and shall not bind the Company. Unless the transferee is a Member or is admitted as a Member, a permitted Transfer shall only Transfer a right to allocations and Distributions hereunder. Upon the Transfer of a Member's entire Interest, the transferor shall cease to be a Member.

7.2 Permitted Transfers. Subject to the provisions of Sections 7.3, 7.4 and 7.5, the restrictions upon Transfer specified in Section 7.1 shall not apply to any Transfer by a Member (a) to the transferor's spouse or lineal descendant(s) who are over the age of twenty-one (21) years, or to a trust solely for the benefit of the transferor and/or any such Person irrespective of the age of the beneficiary, and from such trust to any such beneficiary, (b) to a Member or lineal descendant(s) of a Member who are over the age of twenty-one (21) years, or a trust solely for the benefit of the transferor and/or any such Person irrespective of the age of the beneficiary, and from such trust to any such beneficiary, or (c) with the prior written consent of the Managing Member, which consent may be withheld, delayed or conditioned in their sole reasonable discretion, to any other Person; *provided, however*, that such permitted transferee (other than a Person who is already a Member) agrees in writing to become a party to this Agreement and to be subject to the terms and conditions hereof.

7.3 Further Restrictions on Transfers. Notwithstanding anything herein to the contrary, in addition to any other restrictions on a Transfer of an Interest, no Interest may be Transferred (a) without compliance with the Securities Act and any other applicable securities or "blue sky" laws, (b) if, in the determination of the Managing Member, the Transfer could result in the Company not being classified as a partnership for federal income tax purposes, (c) if, in the determination of the Managing Member, the Transfer could cause the Company to become subject to the Investment Company Act of 1940, (d) if, in the determination of the Managing Member, the Transfer results in the termination of the Company under Section 708 of the Code and such termination has a material adverse effect on the Company or the Members; or (e) the transferee is a minor or incompetent.

7.4 Admission of Transferee as a Member. Upon a Transfer of an Interest to a permitted transferee pursuant to Section 7.2, the permitted transferee shall be admitted as a Member. Except as provided in the preceding sentence, no transferee of an Interest who is not



already a Member shall become a Member without the prior consent of the Members through an affirmative vote of the Members holding a majority of Membership Percentages in the Company that are in good standing at the time the transferee is seeking to be admitted, and the transferee pays to the Company a transfer fee in cash which is sufficient, in the Members' sole determination, to cover all expenses incurred by the Company in connection with the Transfer and admission of the transferee as a Member.

#### 7.5 Bring-Along Rights.

7.5.1 Drag-Along Rights. If Members owning a majority of the Interests entitled to vote determine to sell all or substantially all of their Interests to a purchaser who is not an Affiliate of any such Member pursuant to a *bona fide* offer, all the Members and their permitted transferees to whom Interests were transferred shall sell a proportionate amount of their Interests to the purchaser on the same terms and conditions (determined on the basis of their relative Liquidation Values). Notwithstanding the foregoing, the Managing Member must agree to such sale, in writing, or such majority of Members shall be unable to compel the sale of a proportionate share of the Interests of the remaining Members.

7.5.2 Tag-Along Rights. If a Member (the "Seller") determines to Transfer in one (1) or more related transactions, a portion of their Interests having a majority of the aggregate Percentages to a purchaser who is not an Affiliate of any such Member pursuant to a *bona fide* offer, the Seller shall provide the other Members (the "Remaining Members") with at least Twenty (20) days prior written notice of the Transfer, together with a copy of the offer and a description of the terms, including the price for the Interest(s) proposed to be Transferred (the "Notice"). Each Remaining Member shall have the right, by delivery to the Seller of written notice, within such twenty (20) day period, to Transfer a portion of their Interest equal to the same proportion as the proportion of the Seller's Percentages proposed to be Transferred bears to the total Seller's Percentages, to the purchaser on terms and conditions consistent with the Transfer by the Seller. For example, if Seller Members are transferring Fifty Percent (50%) of their Membership Interest(s), then, upon proper Notice to all Remaining Members, such Remaining Members may "Tag Along" and sell their pro-rata (in this case Fifty Percent (50%) Membership Interest(s) too. The aggregate purchase price for the Interests sold shall be allocated among the Seller Members in proportion to their respective Liquidation Values on the date of the Notice.

7.6 Enforcement. The restrictions on Transfer contained in this Agreement are an essential element in the ownership of an Interest. Upon application to any court of competent jurisdiction, a Member shall be entitled to a decree against any Person violating or about to violate such restrictions, requiring their specific performance, including those prohibiting a Transfer of all or a portion of their Interest.

7.7 Deadlock. If the Members are unable to agree on any of the matters described in this Section 7 of the LLC Agreement or "Fundamental Matters" and such disagreement continues for fourteen (14) days despite good faith deliberations by the Members (a "Deadlock"), then any Member shall be entitled to exercise the Buy-Sell rights set forth in this Agreement in ARTICLE IX by delivering a Buy-Sell Offer Notice (as defined herein). For purposes hereof, "Fundamental Matters" shall mean any of the following matters:



- (a) Amend, modify or waive the Certificate of Formation or the LLC Agreement;
- (b) Make any material change to the nature of the Business conducted by the Company or enter into any business other than the Business;
- (c) Adopt or amend the Budget;
- (d) Issue additional Membership Interests or admit additional Members to the Company;
- (e) Incur any indebtedness, pledge or grant liens on any assets or guarantee, assume, endorse or otherwise become responsible for the obligations of any other Person except to the extent approved or authorized in the Budget in excess of \$50,000 in any single transaction or series of related transactions, or in excess of \$50,000 in the aggregate at any time outstanding;
- (f) Make any loan, advance or capital contribution to or in any Person except to the extent approved or authorized in the Budget in excess of \$20,000.
- (g) Appoint or remove the Company's auditors or make any changes in the accounting methods or policies of the Company (other than as required by [GAAP]);
- (h) Enter into, amend in any material respect, waive or terminate any Related Party Agreement other than the entry into a Related Party Agreement that is on an arm's length basis and on terms no less favorable to the Company than those that could be obtained from an unaffiliated third party;
- (i) Enter into or effect any transaction or series of related transactions involving the purchase, lease, license, exchange or other acquisition (including by merger, consolidation, acquisition of stock or acquisition of assets) by the Company of any assets and/or equity interests of any Person, other than in the ordinary course of business consistent with past practice;
- (j) Enter into or effect any transaction or series of related transactions involving the sale, lease, license, exchange or other disposition (including by merger, consolidation, sale of stock or sale of assets) by the Company of any assets, other than sales of inventory in the ordinary course of business consistent with past practice;
- (k) Establish a Subsidiary or enter into any joint venture or similar business arrangement within Fifty (50) miles of the Company's Business;
- (l) Settle any lawsuit, action, dispute or other proceeding or otherwise assume any liability with a value in excess of \$50,000 or agree to the provision of any equitable relief by the Company;
- (m) Initiate or consummate an initial public offering or make a public offering and sale of the Membership Interests or any other securities;
- (n) Make any investments in any other, company, entity or individual in excess of \$50,000; or



(o) Enter into any refinance, loans, funding arrangement or other financial commitment on behalf of the Company with any institutional or private lender. Notwithstanding the foregoing, the Managing Member is authorized to initiate discussions and negotiations for such refinances, loans or funding arrangements so long as any commitment on behalf of the Company requires approval by a majority of the Membership Interest of the Company;

(p) Dissolve, wind-up or liquidate the Company or initiate a bankruptcy proceeding involving the Company.

## ARTICLE VIII

### **DEATH OR DISABILITY OF A MEMBER**

8.1. *Intentionally deleted.*

## ARTICLE IX BUY-SELL RIGHTS

9.1 **Buy-Sell Rights.** Each Member shall, at all times, have the right to buy or sell their Member interests (the "Buy-Sell Right").

9.2 **Buy-Sell Offer Notice.** If a Member wishes to exercise the buy-sell right provided in Section 9.1 above, such Member (the "Initiating Member") shall deliver to the other Member (the "Responding Member") written notice (the "Buy-Sell Offer Notice") of such election, which notice shall include (a) a description of the circumstances that triggered the use of the buy-sell right, and (b) the purchase price (which shall be payable exclusively in cash (unless otherwise agreed to in writing)) at which the Initiating Member shall (i) purchase all of the Membership Interests owned by the Responding Member(s) (the "Buy-out Price") or (ii) sell all of its Membership Interests to the Responding Member(s) (the "Sell-out Price"), with any difference between the Buy-out Price and the Sell-out Price based solely on each Member's Membership Interest in the Company, without regard to any market discount or premium from differences in such proportionate interests. If more than one (1) Member wishes to become a Responding Member such sold Membership Interests shall be split proportionately among the Responding Members in accordance to their existing Membership Interests.

9.3 **Response Notice.** Within thirty (30) days after the Buy-Sell Offer Notice is received (the "Buy-Sell Election Date"), the Responding Member(s) shall deliver to the Initiating Member a written notice (the "Response Notice") stating whether it elects to (a) sell all of its Membership Interests to the Initiating Member for the Buy-out Price or (b) buy all of the Membership Interests owned by the Initiating Member for the Sell-out Price. The failure of the Responding Member to deliver the Response Notice by the Buy-Sell Election Date shall be deemed to be an election to sell all of its Membership Interests to the Initiating Member at the Buy-out Price.

9.4 **Closing.** The closing of any purchase and sale of Membership Interests pursuant to this Agreement shall take place within thirty (30) days after the Response Notice is delivered or deemed to have been delivered or some other date mutually agreed upon by the parties. The Buy-out Price or the Sell-out Price, as the case may be, shall be paid at closing by wire transfer of immediately available funds to an account designated in writing by the selling Member (the



"Selling Member"). At the closing, the Selling Member shall deliver to the purchasing Member (the "Purchasing Member") good and marketable title to its Membership Interests, free and clear of all liens and encumbrances. Each Member agrees to cooperate and take all actions and execute all documents reasonably necessary or appropriate to reflect the purchase of the Selling Member's Membership Interest by the Purchasing Member.

## ARTICLE X ACCOUNTING, RECORDS AND REPORTING

10.1 Books and Records. The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in accordance with the Company's method of accounting, consistently applied. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Company shall maintain all of the following at its principal office, with copies available at all times during normal business hours for inspection and copying upon reasonable notice by any Member or their authorized representatives for any purpose reasonably related to the Interest of that Member, including, but not limited to:

- (a) true and full information regarding the status of the business and financial condition of the Company;
- (b) promptly after becoming available, a copy of the Company's federal, state and local income tax returns, if any, for each Fiscal Year;
- (c) a current list of the name and last known business, residence or mailing address of each Member and Managing Member;
- (d) a copy of this Agreement and the Articles of Organization and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement or the Articles of Organization or any amendments thereto have been executed; and
- (e) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each became a Member.

10.2 Tax Reports. The Company shall cause to be prepared and duly and timely filed, at the Company's expense, all tax returns required to be filed by the Company. The Company shall send to each Member within ninety (90) days after the end of each Fiscal Year such information relating to the Company as is necessary for the Member to complete their federal, state and local income tax returns that include such Fiscal Year.



10.3 Accounts; Invested Funds. All funds of the Company shall be deposited in such account or accounts of the Company as may be determined by the Managing Member and shall not be commingled with the funds of any other Person. All withdrawals therefrom shall be made upon checks signed by such Persons and in such manner as the Managing Member may determine. Temporary surplus funds of the Company may be invested in commercial paper, time deposits, short-term government obligations or other investments determined by the Managing Member.

10.4 Tax Elections. No Member or Managing Member shall elect to treat the Company as an association taxable as a corporation without the vote of Members owning a majority of the Percentages of the Members. Except as otherwise expressly provided herein, the Company shall make such tax elections as the Managing Member may determine.

10.5 Tax Matters Partner.

10.5.1 Designation. As long as he qualifies as tax matters partner under the Code, Richard Kooris shall be the Tax Matters Partner. If there is no Tax Matters Partner, the Person meeting the requirements for a tax matters partner under Code Section 6231(a)(7) and designated by vote of Members owning a majority of the Percentages of the Members shall be the Tax Matters Partner. The Tax Matters Partner may resign in the same manner as the Managing Member pursuant to Sections 5.2.3, which shall be applied by substituting “Tax Matters Partner” for “Managing Member”.

10.5.2 Powers. The Tax Matters Partner shall have all of the powers and authority of a tax matters partner under the Code. The Tax Matters Partner shall represent the Company (at the Company’s expense) in connection with all administrative and/or judicial proceedings by the Internal Revenue Service or any taxing authority involving any tax return of the Company and may expend the Company’s funds for professional services and costs associated therewith. The Tax Matters Partner shall provide to the Members prompt notice of any communication to or from or agreements with a federal, state, or local taxing authority regarding any tax return of the Company, including a summary of the provisions thereof.

10.6 Confidentiality. All books, records, financial statements, tax returns, budgets, business plans and projections of the Company, all other information concerning the business, affairs and properties of the Company and all of the terms and provisions of this Agreement shall be held in confidence by the Managing Member and Member and their respective Affiliates, subject to any obligation to comply with (a) any applicable law, (b) any rule or regulation of any legal authority or securities exchange or (c) any subpoena or other legal process to make information available to the Persons entitled thereto. Such confidentiality shall be maintained until such time, if any, as any such confidential information either is, or becomes, published or a matter of public knowledge (other than as a result of a breach of this Section 10.6 by such Person or its Affiliate).



## ARTICLE XI

### DISSOLUTION AND WINDING UP

11.1 Dissolution. The Company shall be dissolved, its assets disposed of, and its affairs wound up upon the first to occur of the following:

- (a) a determination of the Members to dissolve the Company through an affirmative vote of the majority of the Members;
- (b) the sale of all or substantially all of the assets of the Company;
- (c) ninety (90) days after the date on which there are no Members, unless a Member is admitted within such period;
- (d) the entry of a judicial decree of dissolution of the Company pursuant to the Act.

11.2 Date of Dissolution. Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until its assets have been liquidated and distributed as provided herein. Notwithstanding a dissolution, prior to termination, the business and the rights and obligations of the Members, as such, shall continue to be governed by this Agreement.

11.3 Winding Up. Upon the occurrence of any event specified in Section 11.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, satisfying the claims of its creditors, and distributing any remaining assets in cash or in kind, to the Members. The Manager or Managing Member shall be responsible for overseeing the winding up and liquidation of the Company and shall cause the Company to sell or otherwise liquidate all of the Company's assets except to the extent the Managing Member determines to distribute any assets to the Members in kind, discharge or make reasonable provision for all of the liabilities of the Company and all costs relating to the dissolution, winding up, and liquidation and distribution of assets, establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members, the amounts of such reserves shall be deemed to be an expense of the Company), and distribute the remaining assets to the Members, in the manner specified in Section 11.4. The Manager or Managing Member shall be allowed a reasonable time for the orderly liquidation of the Company's assets and discharge of its liabilities, so as to preserve and upon disposition maximize, to the extent possible, the value of such assets.

11.4 Liquidating Distributions. The Company's assets, or the proceeds from the liquidation thereof, shall be applied in cash or in kind in the following order:

- (a) to creditors (including Members who are creditors (other than on account of their Capital Accounts)) to the extent otherwise permitted by applicable law in satisfaction of liabilities of the Company, including expenses of the liquidation (whether by payment of the



making of reasonable provision for payment thereof), other than liabilities for which reasonable provision for payment has been made;

(b) to the establishment of such reserves for contingent liabilities of the Company as are deemed reasonably necessary by the Manager or Managing Member (other than liabilities for which reasonable provision for payment has been made); *provided, however*, that such reserves shall be held for the purpose of disbursing such reserves for the payment of such contingent liabilities and, at the expiration of such period as the Managing Member may reasonably deem advisable, for the purpose of distributing the remaining balance in accordance with subparagraph (c) and (d) below;

(c) to the Members, in accordance with their respective positive Capital Account balances (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the Fiscal Year in which the liquidation occurs).

11.5 Distributions in Kind. Any non-cash asset distributed to one or more Members shall first be valued at its Fair Market Value as determined by the Manager or Managing Member to determine the Profit, Loss and special allocations that would have resulted if that asset had been sold for that value, which amounts shall be allocated pursuant to ARTICLE VI, and the Members' Capital Accounts shall be adjusted to reflect those allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in the distributed asset shall be the Fair Market Value of such interest as determined by the Managing Member (net of any liability secured by the asset that the Member assumes or takes subject to).

11.6 No Liability. Notwithstanding anything herein to the contrary, upon a liquidation within the meaning of Treasury Regulations § 1.704-1(b)(2)(ii)(g), if any Member has a deficit Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the Year in which such liquidation occurs), neither that Member, Manager nor the Managing Member shall have any obligation to make any contribution to the capital of the Company, and the deficit balance of that Member's Capital Account shall not be considered a debt owned by that Member or the Managing Member to the Company or to any other Person for any purpose whatsoever.

11.7 Limitations on Payments Made in Dissolution. Each Member shall be entitled to look only to the assets of the Company for the return of that Member's positive Capital Account balance and no Member, Manager or Managing Member or officer of the Company shall have any personal liability therefor.

11.8 Articles of Dissolution. Upon completion of the winding up of the Company, the Company shall file an Articles of Dissolution with the Florida Secretary of State to cancel the Articles of Organization.



## ARTICLE XII

### LIMITATION OF LIABILITY; STANDARD OF CARE; INDEMNIFICATION

12.1 Limitation of Liability. Except as otherwise required by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, Managing Member or officer of the Company shall be obligated personally for any such debt, obligation or liability of the Company, or for any debt, or liability of another Member, Manager or Managing Member or officer of the Company solely by reason of being a Member, Manager or Managing Member and/or officer of the Company.

12.2 Standard of Care. No Managing Member, Manager, Member or officer of the Company shall have any personal liability whatsoever to the Company, any Member, Affiliate of the Company or any Affiliate of any Member on account of such Person's status as Managing Member, Member or officer of the Company or any of the foregoing, or by reason of such Person's acts or omissions in connection with the conduct of the business of the Company, so long as such Person acts in good faith for a purpose which the Person reasonably believes to be in, or not opposed to, the best interests of the Company or any act or omission by an employee, independent contractor or agent of the Company, so long as the selection of such employee, independent contractor or agent was within the scope of such Person's authority and such Person exercised reasonable care in selecting such employee, independent contractor or agent; *provided, however*, that nothing contained herein shall protect any such Person against any liability to which such Person would otherwise be subject by reason of such Person's gross negligence or willful misconduct.

#### 12.3 Indemnification.

11.3.1 The Company shall indemnify and hold harmless any Person made, or threatened to be made, a party to an action or proceeding, whether civil, criminal or investigative (a "proceeding"), including an action by or in the right of the Company, by reason of the fact that such Person was or is the Manager or Managing Member, a Member (including in the capacity of the Tax Matters Partner) or an officer of the Company or of any of the foregoing, from and against all judgments, fines, amounts paid in settlement and reasonable expenses (including investigation, accounting and attorneys' fees) incurred as a result of such proceeding, or any appeal therein if such Person acted in accordance with the standard of care prescribed in Section 12.2, and in a criminal proceeding, in addition, such Person had no reasonable cause to believe that their conduct was unlawful; *provided, however*, that nothing contained herein shall permit any Person to be indemnified or held harmless if and to the extent the liability sought to be indemnified or held harmless against results from such Person's gross negligence or willful misconduct. The termination of any such civil or criminal proceeding by judgment, settlement, conviction or upon a plea of *nolo contendere*, or its equivalent, shall not in itself create a presumption that any such Person did not act in good faith, for a purpose which he reasonably believed to be in, or not opposed to, the best interests of the Company, that he did not exercise reasonable care in selecting an employee, independent contractor or agent, that an act or omission involved actual fraud or willful misconduct, or that he had reasonable cause to believe that their conduct was unlawful. The



Company's indemnification obligations hereunder shall survive the termination of the Company. Each indemnified Person shall have a claim against the net assets of the Company for payment of any indemnity amounts from time to time due hereunder, which amounts shall be paid or properly reserved for prior to the making of Distributions by the Company to the Members.

12.3.2 Each of the Members hereby agrees to indemnify, defend and hold the other Members, Manager, the Managing Member, the Company, the officers of the Company and the employees of the Company harmless, including all costs and reasonable legal fees, from and against any and all claims which arise out of or relate to a certain Members negligent act, or claims arising from or related to the personal conduct or actions of Member outside of the scope of the Members employment with the Company.

12.4 Contract Right; Expenses. The right to indemnification conferred in this ARTICLE XII shall be a contract right. The Company may advance the expenses incurred by the indemnified Person in defending any such proceeding in advance of its final disposition, provided such Person agrees to repay any amount that it is ultimately determined such Person is not entitled to receive under this ARTICLE XI.

12.5 Indemnification of Employees and Agents. In addition to the indemnification provided in Section 12.3 and 12.4, the Company may, to the extent authorized from time to time by the Manager or Managing Member, grant rights to indemnification and to advancement of expenses to any employee, independent contractor or agent of the Company and/or to their officers, directors, shareholders, partners, members, managers, employees, independent contractors or agents, up to the extent provided to an indemnified Person pursuant to Sections 12.3 and 12.4.

12.6 Nonexclusive Right. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this ARTICLE XII shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute or agreement, or under any insurance policy obtained for the benefit of any indemnified Person.

12.7 Severability. If any provision of this ARTICLE XII is determined to be unenforceable in whole or in part, such provision shall nonetheless be enforced to the fullest extent permissible, it being the intent of this ARTICLE XII to provide indemnification to all Persons eligible hereunder to the fullest extent permitted by applicable law.

12.8 Insurance. In the discretion of the Managing Member, the Company may purchase and maintain insurance on behalf of an indemnified Person (and for each such indemnified Person who was a Manager, Managing Member, Member or officer of the Company for a reasonable period after ceasing to have such status) against any liability that may be asserted against that Person and incurred by that Person in any such capacity or arising out of that Person's connection with the Company. In addition, in the discretion of the Managing Member, the Company may purchase and maintain insurance on behalf of any other Person who is or was an employee, independent contractor or agent of the Company, and/or their officers, directors, shareholders, partners, members, managers, employees, independent contractors or agents, whether or not the



Company would be required to indemnify that Person against liability under the provisions of ARTICLE XII or under applicable law.

### **ARTICLE XIII**

#### **INVESTMENT REPRESENTATIONS**

Each Member represents and warrants to the Members and the Company as follows:

13.1 Authority. The Member has the requisite power and authority to enter into this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not violate any other agreement to which the Member is a party. This Agreement constitutes a valid and binding agreement of the Member, enforceable against the Member in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws, whether now or hereafter in effect, relating to or limiting creditors' rights generally and (b) enforcement of this Agreement may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

13.2 Preexisting Relationship or Experience. By reason of the Member's business or financial experience, or by reason of the business or financial experience of the Member's financial advisor who is unaffiliated with and who is not compensated, directly or indirectly, by the Company or any Affiliate or selling agent of the Company, the Member is capable of evaluating the risks and merits of an investment in their Interest and of protecting the Member's own interests in connection with the investment.

13.3 Access to Information. Each Member has had an opportunity to review all documents, records and books pertaining to this investment and has been given the opportunity to consult with counsel of their choice with respect to all aspects of this investment, the Company's proposed business activities. To the extent desired, such Member has met with representatives of the Manager or Managing Member and has been provided with such information as may have been requested and has at all times been given the opportunity to obtain additional information necessary to verify the accuracy of the information received and the opportunity to ask questions of and receive answers concerning the terms and conditions of the investment and the nature and prospects of the Company's business.

13.4 Economic Risk. The Member is financially able to bear the economic risk of an investment in their Membership Interest, including the total loss thereof.

13.5 Investment Intent. The Member is acquiring their Interest for investment purposes and for the Member's own account only and not with a view to, or for sale in connection with, any distribution of all or any part of their Interest. Except for the shareholders or members of the Members, no other Person will have any direct or indirect beneficial interest in, or right to, their Interest.

13.6 Consultation with Attorney; Conflict. Each Member has been advised to consult with their or her own attorney regarding all legal and tax matters concerning an investment in their Interest, has had adequate opportunity to do so and has done so to the extent they consider



necessary. The Member acknowledges and understands that the interests of each Member may be different with respect to this Agreement and the Member waives any conflict of interest that may exist with respect to the preparation of this Agreement.

13.7 Interest is Restricted Security. Each Member understands that their Interest is a “restricted security” under the Securities Act in that the Interest will be acquired from the Company in a transaction not involving a public offering, that their Interest may be resold without registration under the Securities Act only in certain limited circumstances and that otherwise their Interest must be held indefinitely.

13.8 No Registration of Interest. Each Member acknowledges that their Interest has not been registered under the Securities Act or qualified under any state securities law in reliance, in part, upon their representations, warranties and agreements herein, and that the Company has no obligation to register or qualify, or maintain any registration or qualification of, their Interest.

13.9 Accredited Investor. The Member is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D under the Securities Act. If the Member is a corporation, partnership, limited liability company, trust or other entity, it was not organized for the specific purpose of acquiring its Interest.

13.10 No Advertising. Each Member has not seen, received, or been solicited by any leaflet, public promotional meeting, newspaper or magazine article or advertisement, radio or general solicitation with respect to the purchase of their Membership Interest.

## ARTICLE XIV MEMBER MEETINGS

14.1 Meetings of Members. Meetings of the Members shall be held on an annual basis, beginning March 1, 2022, or such other date as determined by the Members, or as may be called by the Manager or in the case of any matter on which Members may vote, by any Member. A Member so participating is deemed to be present in person at the meeting. Except as otherwise provided herein, action at any meeting with respect to the Company requires the affirmative vote of Members owning a majority of the Percentages of the Members.

14.2 Annual Meetings. Unless otherwise decided by resolution of the Members, annual meetings of the Members shall be held on the First day of March of each Fiscal Year of the Company if not a legal holiday in the state in which the meeting shall be held, and if a legal holiday, then on the next business day following, beginning at 10:00AM, or at any other time and place as the Members may decide by resolution and designate in the notice of the meeting (each an “Annual Meeting”). If the Annual Meeting or the election of a Manager or Managing Member is not held on the day designated in this Section, the Members shall conduct the election and a meeting of the Members as soon as is convenient. The Annual Meeting shall be for the purpose of electing a Managing Member and for transacting any other business which may properly come before the Meeting. Attendance by telephone conference is permissible.



14.3 Notice of Meeting. At least two (2) calendar days prior written notice shall be given to the Members entitled to vote at such meeting, stating the place, date and time of the meeting, the Person calling the meeting and the purpose for which the meeting is called. Notice of a meeting need not be given to any Member who submits a signed waiver of notice, in person or by proxy, whether before, at or after the meeting. All such waivers shall be filed with the Company records or made part of the minutes of the meeting. The attendance of a Member at the meeting, whether in person or by proxy, without protesting the lack of proper notice shall constitute a waiver of notice by such Member.

14.4 Consents. Personal presence of a Member shall not be required, provided a written consent to or rejection of the proposed action is submitted to the chairman of the meeting. Attendance by a Member and voting in person at any meeting shall revoke any written consents or rejections of the Member submitted with respect to action proposed to be taken at the meeting. Submission of a later dated written consent or rejection with respect to any action shall revoke an earlier one as to the action. Every consent or rejection must be signed by the Member or their attorney-in-fact. All questions regarding the validity of consents or rejections shall be determined by the Member, Manager or Managing Member presiding over the meeting.

14.5 Action by Consent. Any action that may be taken by Members at a meeting may also be taken without a meeting, if a consent in writing setting forth the action so taken is signed by Members owning a sufficient Percentage to take such action at a meeting at which all the Members entitled to vote on such action are present and voting, and such consent is delivered to the Manager or Managing Member within sixty (60) days after the date of the earliest signature to such consent. Consents may be signed in counterparts. The Company shall retain such consents with the books and records of the Company and shall notify to all Members of the action so taken.

14.6 Action by Written Consent. Any matter on which the Members are authorized to take action under law, the Article of Organization, or these Regulations may be taken by the Members without a meeting assembled if written consents to the action by the Members are signed by the Members entitled to vote on the action at a meeting and who hold a majority in interest of the Members (as defined in Section 14.8 of this Article) or any greater ownership interest in the Company as may be required by law, by the Articles of Organization or by these Regulations.

14.7 Adjourned Meeting. On an adjournment of a meeting, it shall not be necessary to give any notice of the adjourned meeting, provided that the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business which might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If, however, after the adjournment, the Managing Member fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in Section 14.4 of this Article to each Member of record on the new record date entitled to vote at such meeting.

14.8 Member Quorum and Voting. The holders of a majority of the then-outstanding contributed and not returned capital of the Company ("majority in interest of the Members") entitled to vote, represented in person or by written consent, shall constitute a quorum at a meeting of Members provided that the Managing Member is present, except as otherwise prescribed by law or by the Articles of Organization of the Company. All Members present in person or represented



by written consent at the meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, except as prescribed by law or the Articles of Organization. If a quorum is present, the affirmative vote of a majority in interest of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members unless otherwise provided by law, these Regulations or the Articles of Organization of the Company. All questions regarding the qualification of voters and the acceptance or rejection of votes shall be decided by the Managing Member presiding over the meeting.

14.9 Closing of Transfer Books or Fixing of Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment or postponement of any meeting of Members, or in order to make a determination of Members for any other proper purpose, the Managing Member of the Company may provide that the transfer books shall be closed for a stated period, but not to exceed, in any case, ten (10) days. If the transfer books shall be closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, the books shall be closed for at least two (2) days immediately preceding the meeting. In lieu of closing the transfer books, the Managing Member may fix in advance a date as the record date for any such determination of Members, this date in any case to be not more than one (1) day and, in case of a meeting of Members, not less than ten (10) days prior to the date on which the particular action requiring the determination of Members is to be taken. If the transfer books are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, or Members entitled to receive payment of a dividend, the date on which notice of the meeting is mailed shall be the record date for the determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, the determination shall apply to any adjournment or postponement of the meeting.

## ARTICLE XV MISCELLANEOUS

15.1 Amendments. Except as otherwise provided herein, no amendment to this Agreement shall be valid or effective unless in writing and authorized by Members owning a majority of the Percentages of the Members; *provided, however*, that except as otherwise provided herein, without the consent of a Member that is materially and adversely affected, no amendment shall make such Member personally liable for any obligation of the Company, change the allocation and distribution provisions or change this Section 15.1.

15.2 Offset Privilege. The Company may offset against any monetary obligation owing from the Company to any Member any monetary obligation then owing from that Member to the Company.

15.3 Notices. Any notice or other communication (collectively, “Notice”) to be given to the Company or any Member in connection with this Agreement shall be in writing and will be deemed to have been given and received (a) on the date delivered if by courier or other means of personal delivery, (b) on the date sent by e-mail with a written mailed follow-up, (c) on the next business day after being sent by a nationally recognized overnight mail service in time for and specifying next day or next business day delivery. Any such notice must be given, if to the



Company, to the Company at its principal place of business, and if to any Member, Manager or Managing Member, to such Member, Manager or Managing Member at the address specified for him on Schedule A. Any party may by notice pursuant to this Section 15.3 designate any other address as the new address to which notice must be given.

15.4 Fees and Expenses. Each party shall bear their own fees and expenses in connection with this transaction; *provided, however*, that the fees and expenses of MarksDiPalermo PLLC in connection with the legal work and preparation of this Agreement and any related documents shall be borne by the Company and all of its Members individually agree to ensure such payment by the Company is made in connection with the acquisition of the project and any other acquisition costs.

15.5 Waiver. No course of dealing or omission or delay on the part of any party hereto in asserting or exercising any right hereunder shall constitute or operate as a waiver of any such right. No waiver of any provision hereof shall be effective, unless in writing and signed by or on behalf of the party to be charged therewith. No waiver shall be deemed a continuing waiver or waiver in respect of any other or subsequent breach or default, unless expressly so stated in writing.

15.6 Governing Law. This Agreement shall be governed by, construed, interpreted and enforced in accordance with the laws of the State of Florida, without regard to choice or conflict of laws principles that would defer to the substantive laws of any other jurisdiction.

15.7 Remedies. Notwithstanding the foregoing, in the event of any actual or prospective breach or default by any party, the other parties shall be entitled to equitable relief, including remedies in the nature of injunction and specific performance (without being required to post a bond or other security or to establish any actual damages). In this regard, the parties acknowledge that they will be irreparably damaged in the event this Agreement is not specifically enforced, since (among other things) the Interests are not readily marketable.

15.8 Jurisdiction. Each of the parties hereto hereby irrevocably consents and submits to the jurisdiction of the Supreme Court of the State of Florida in connection with any suit, action or other proceeding arising out of this Agreement, and hereby unconditionally and irrevocably waives any objection to venue in Florida, and agrees that service of any summons, complaint, notice or other process relating to such suit, action or other proceeding may be effected in the manner provided by clause (c) of Section 15.3. **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT**

15.9 Severability. The provisions hereof are severable and in the event that any provision of this Agreement shall be determined to be illegal, invalid or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions hereof shall not be affected, but shall, subject to the discretion of such court, remain in full force and effect, and any illegal, invalid or unenforceable provision shall be deemed, without further action on the part of the parties hereto, amended and limited to the extent necessary to render such provision, as so amended and limited, legal, valid and enforceable, it being the intention of the parties that this Agreement and each provision hereof shall be legal, valid and enforceable to the fullest extent permitted by applicable law.



15.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

15.11 Further Assurances; Power of Attorney. Each party hereto shall promptly execute, deliver, file or record such agreements, instruments, certificates and other documents and take such other actions as the Managing Member may reasonably request or as may otherwise be necessary or proper to carry out the terms and provisions of this Agreement and to consummate and perfect the transactions contemplated hereby. Failure to comply with this Section 15.11 shall be considered a breach of a material provision. In addition, each party hereby grants to the Managing Member the power of attorney (which power of attorney is coupled with an interest) to execute, deliver, file or record, on behalf of and in the name of such party any and all agreements, instruments, certificates and other documents which the Manager deems necessary, appropriate or desirable to effectuate the terms of this Agreement.

15.12 Assignment. Except as otherwise provided herein, this Agreement, and any right, interest or obligation hereunder, may not be assigned by any party hereto without the prior written consent of each other party hereto. Any purported assignment without such consent shall be null and void *ab initio* and without effect.

15.13 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. This Agreement is not intended, and shall not be deemed, to create or confer any right or interest for the benefit of any Person not a party hereto.

15.14 Titles and Captions. The titles and captions of the Articles and Sections of this Agreement are for convenience of reference only and do not in any way define or interpret the intent of the parties or modify or otherwise affect any of the provisions hereof and shall not have any effect on the construction or interpretation of this Agreement.

15.15 Construction. This Agreement shall not be construed against any party by reason of such party having caused this Agreement to be drafted.

15.16 Usage. References in this Agreement to “Articles,” “Sections” and “Schedules” shall be to the Articles, Sections and Schedules of this Agreement, unless otherwise specifically provided; all Schedules to this Agreement are incorporated herein by reference; any use in this Agreement of the singular or plural, or the masculine, feminine or neuter gender, shall be deemed to include the others, unless the context otherwise requires; the words “herein”, “hereof” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; the word “including” when used in this Agreement shall mean “including without limitation”; and except as otherwise specified in this Agreement, all references in this Agreement (a) to any agreement, document, certificate or other written instrument shall be a reference to such agreement, document, certificate or instrument, in each case together with all exhibits, schedules, attachments and appendices thereto, and as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof; and (b) to any law, statute or regulation shall be deemed



references to such law, statute or regulation as the same may be supplemented, amended, consolidated, superseded or modified from time to time.

15.17 Entire Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous understandings and agreements relating thereto (written or oral).

15.18 Representation. Each of the undersigned hereby acknowledges that this Agreement has been drafted on behalf of the Company by Cabot J. Marks, Esq. of MarksDiPalermo PLLC and that MarksDiPalermo PLLC. has represented all of the parties to this Agreement. Each of the undersigned understands that the interest of each of them may be different with respect to this Agreement. Each of the undersigned acknowledges that they have been fully, separately and individually apprised and advised by their own attorney of their legal rights and financial liabilities and responsibilities arising out of this Agreement and each has in addition thereto made independent inquiry and investigation with respect to all of the same. Each waives any conflict in connection with the preparation of this Agreement and the documents related thereto and each acknowledges that they have had the opportunity to have this Agreement reviewed by, and to consult with, their own separate counsel, prior to executing the same.

***BALANCE OF PAGE INTENTIONALLY LEFT BLANK***



IN WITNESS WHEREOF, the Members have executed this Agreement, effective as of the date first written above.

**PEGALO PROPERTIES INC.**

*Richard Kooris*

By: Richard Kooris

**DAVINA DEVELOPMENT CORP.**

*L. Schorf*

By: Leonard Schwartz

**WOMBAT HOLDINGS LLC**

*Amy Angelo* *Scott Angelo*

By: Amy and Scott Angelo

*Charles Lesnick*

By: Chuck Schorr Lesnick

*Philip Schorr*

By: Philip Schorr



**SCHEDULE A NAMES, ADDRESSES, CAPITAL CONTRIBUTIONS, AND  
PERCENTAGES OF THE MEMBERS**

Name, Address and E-mail	Capital Contribution	Percentage
Chuck Schorr Lesnick 15 Albemarle Place Yonkers, NY 10701 Email: chuck.schorr.lesnick@gmail.com Phone: (914)954-3039	\$110,000.00	21%
Davina Development Corp. 944 Warren Pkwy Teaneck, NJ 07666 Email: lschwartz@rmabronx.com Phone: (201)906-8005	\$110,000.00	20.5%
Philip Schorr 15 Albemarle Place Yonkers, NY 10701 Email: pschorr@rmaorg.com Phone: (718)538-5000	\$110,000.00	19%
Pegalo Properties Inc. 501 North IH-35 Austin, TX 78702 Email: rkooris@501studios.com Phone: (512)422-8878	\$110,000.00	20.5%
Wombat Holdings LLC 221 Old Dixie Hwy, Suite 1 Tequesta, FL 33469 Email: amy.angelo@oceanacoffee.com Phone: (561)339-2913	\$110,000.00	19%
<b>TOTAL</b>	<b>\$550,000.00</b>	<b>100%</b>



## **OPERATING AGREEMENT**

### **KISS KITCHENS LLC**

#### **(A FLORIDA LIMITED LIABILITY COMPANY)**

THE SECURITIES REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS REGISTERED AND QUALIFIED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH REGISTRATION AND QUALIFICATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, THE TERMS AND CONDITIONS OF WHICH ARE SET FORTH IN THIS AGREEMENT.











TITLE	Kiss Kitchens LLC Operating Agreement.pdf
FILE NAME	Kiss%20kitchen%20...ement%20Clean.pdf
DOCUMENT ID	424c95e1cdc07a87a7987568404b6e0258b5d6cd
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Signed

This document was requested from app.clio.com

## Document History



SENT

**01 / 28 / 2022**

17:57:17 UTC

Sent for signature to Chuck Lesnick, Esq. (chuck.schorr.lesnick@gmail.com), Len Schwartz (lschwartz@rmabronx.com), Philip Schorr (philipschorr@aol.com), Richard Kooris (rkooris@501studios.com), Amy Angelo (amy.angelo@oceanacoffee.com) and Scott Angelo (scott.angelo@oceanacoffee.com) from nkilcoyne@marksdiplermo.com  
IP: 100.2.36.109



VIEWED

**01 / 28 / 2022**

18:50:43 UTC

Viewed by Richard Kooris (rkooris@501studios.com)  
IP: 23.112.37.223



SIGNED

**01 / 28 / 2022**

18:51:03 UTC

Signed by Richard Kooris (rkooris@501studios.com)  
IP: 23.112.37.223



VIEWED

**02 / 01 / 2022**

19:23:59 UTC

Viewed by Len Schwartz (lschwartz@rmabronx.com)  
IP: 68.195.13.45



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FILE NAME	Kiss%20kitchen%20...ement%20Clean.pdf
DOCUMENT ID	424c95e1cdc07a87a7987568404b6e0258b5d6cd
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Signed

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## Document History



**02 / 01 / 2022**  
19:24:35 UTC

Signed by Len Schwartz (lschwartz@rmabronx.com)  
IP: 68.195.13.45



**02 / 02 / 2022**  
02:47:13 UTC

Viewed by Chuck Lesnick, Esq.  
(chuck.schorr.lesnick@gmail.com)  
IP: 148.74.212.141



**02 / 02 / 2022**  
02:47:40 UTC

Signed by Chuck Lesnick, Esq.  
(chuck.schorr.lesnick@gmail.com)  
IP: 148.74.212.141



**02 / 02 / 2022**  
03:02:18 UTC

Viewed by Philip Schorr (philipschorr@aol.com)  
IP: 148.74.212.141



**02 / 02 / 2022**  
03:03:13 UTC

Signed by Philip Schorr (philipschorr@aol.com)  
IP: 148.74.212.141



<b>TITLE</b>	Kiss Kitchens LLC Operating Agreement.pdf
<b>FILE NAME</b>	Kiss%20kitchen%20...ement%20Clean.pdf
<b>DOCUMENT ID</b>	424c95e1cdc07a87a7987568404b6e0258b5d6cd
<b>AUDIT TRAIL DATE FORMAT</b>	MM / DD / YYYY
<b>STATUS</b>	● Signed

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## Document History



**02 / 03 / 2022**  
18:49:53 UTC

Viewed by Amy Angelo ([amy.angelo@oceanacoffee.com](mailto:amy.angelo@oceanacoffee.com))  
IP: 76.110.217.95



**02 / 03 / 2022**  
18:50:50 UTC

Signed by Amy Angelo ([amy.angelo@oceanacoffee.com](mailto:amy.angelo@oceanacoffee.com))  
IP: 76.110.217.95



**02 / 03 / 2022**  
19:27:10 UTC

Viewed by Scott Angelo ([scott.angelo@oceanacoffee.com](mailto:scott.angelo@oceanacoffee.com))  
IP: 76.110.216.75



**02 / 03 / 2022**  
19:27:27 UTC

Signed by Scott Angelo ([scott.angelo@oceanacoffee.com](mailto:scott.angelo@oceanacoffee.com))  
IP: 76.110.216.75



**02 / 03 / 2022**  
19:27:27 UTC

The document has been completed.



Date: March 15, 2023

CRA and Regular Commission Meeting

Submitted by: Commissioner Mary Beth Taylor

**Subject:** Termination of the Oceana Logistics International (i.e. Oceana Coffee) Contract Agreement and recovery of the first \$200,000 disbursement of a **one million dollar** Grant they received from The Town Of Lake Park on December 22, 2022.

In my opinion, the conclusion is encapsulated in one sentence. ***The contract agreement was breached on February 1, pursuant to Oceana Coffee's inability to commence construction, as listed in the grant contract agreement or to fulfill the requirements to complete their permit application.*** Not hard to understand. The consequences of defaulting on the Oceana contract are clear, *number 3* on the first page of the Unconditional Guaranty of Repayment and Performance Contract, 'Grantor hereby agrees to provide the Guarantors written notice of any default by the grantees, under the provisions of the Grant Documents. If you are a resident or business owner in Lake Park that explanation may be all you need.

But, as a Commissioner I welcome the opportunity to explain my 'Nay' to awarding the **one million dollar** grant to Oceana Coffee.

- I have many unanswered questions about the five investors/principals of the partnership and about their inability to fulfill the essentials of their contract, by defaulting on February 1, 2023, and failing to complete their permit process. The Oceana Coffee presentation was well scripted, but abstruse and devoid of the details I wanted to hear. The million dollar grant disbursements among partners were suspicious, and I felt misled, and pressured. The mercurial additions, shifting parts and serious lack of background details, especially from KISS Kitchens LLC and Florida Canning Company are still questionable.
- On March 9, 2023, I requested *all* the background information on the five Oceana partners, I received seven documents, including the Executed Guaranty that provided the investor related contact information, addresses....but no background, financial or credit information. Interestingly two of the partners listed the same address, a single family home on the west coast of Florida. Interesting also, was that seven companies have been linked to this home through corporate registrations. Two other partners gave a Wellington address. None of the information I received included their legal residency or credit and business histories. My question, "Is Granting, essentially gifting, one million dollars to a group of people without a thorough background check a standard way to do business or did I not receive all the information I requested?"



- I took an oath when becoming a commissioner to uphold laws and codes and I promised myself, that promoting and protecting the best interests of the residents and businesses of Lake Park would be my priority. I do not believe granting a gift of one million dollars to the Oceana Coffee Partnership at this time is prudent or fair to the residents and other struggling businesses in town. The Oceana Partners have admitted they have adequate personal money to fund their investment and I cannot imagine investing my money in the Oceana venture, so it makes no sense to me to expend much of our *small, tiny* town's taxpayer monies on a seemingly desperate vision that has already faltered. A million dollars could go a long way to improve the image and reputation of the entire Town of Lake Park *if spent wisely*.
- I also do not believe that the *vision* presented by the Oceana partners is beneficial or realistic for The Town of Lake Park. I traverse this town with my eyes open! I see never occupied and empty shopfronts. I see another *grant gone bad*, the 754 Park Avenue eyesore. I hear of previously popular businesses closing or struggling to stay open. ***Lake Park needs help, but should help itself first!*** We need to provide beneficial, reliable essential services. We need to improve the Town's safety and image by, repairing, cleaning, lighting up common public areas. We need to support *local* and pop-up, practical businesses, that economically match the needs and desires of the town's diverse population. And at the same time address our critical infrastructure, the cracked seawall for example.
- In conclusion, Thank you, and "*Don't worry, Every little thing gonna be alright!*" Lake Park will survive and has *innumerable, innovated* spaces for entrepreneurial ventures.







In order to initiate this process, the Community Development Department, in conjunction with Seacoast Authority, coordinated Property Owner Informational Sessions on Saturday, January 23, 2021. All Property Owners were notified of the sessions by direct mail and asked to RSVP. Four sessions were set-up throughout the day. Due to the lack of participation, only one session was held between 11am-12:30pm with approximately 10 owners in attendance. The Agenda for the session included the following:

- I. WELCOME AND INTRODUCTIONS (SEACOAST; TOWN STAFF AND ATTENDEES)*
- II. PURPOSE OF TODAY'S MEETING*
- III. REVIEW OF FLORIDA STATE STATUTE GOVERNING SPECIAL ASSESSMENTS AND OVERVIEW OF GENERAL LOCATION AND ANTICIPATED FIXED COSTS*
- IV. PRESENTATION BY SEACOAST*
- V. OPEN DISCUSSION AND QUESTIONS*
- VI. NEXT STEPS AND CLOSING REMARKS*

The Property Owners who attended the session expressed concerns with not necessarily needing Sanitary Sewer, but that if a Sanitary Sewer Assessment is pursued, that some additional studies are conducted so as to determine what the overall property costs would be in an effort to fold all costs into an assessment and eliminate any out of pocket expenses. A select number of owners who expressed interest in the conversion also echoed the above comments on costs. Consequently, conversations with Seacoast and our contracted Engineering firm, Engenuity, ensued and updated costs were provided from Seacoast. Seacoast's costs were determined to be approximately \$2.6M however, they did not include certain unknowns such as requirements for sewer laterals on private property; the requirement to abandon septic tanks; and any required electrical improvements. While Engenuity was not be able to determine any electrical improvement requirements at that point, they advised on pursuing a Phase 1 Conceptual Plan.

In July 2021, the Town Commission approved by Resolution 36-07-21 a work order with Engenuity in the amount of \$36,190 to pursue a Phase 1 Conceptual Plan. The Conceptual Report was completed by Engenuity in December 2021. Staff was asked to put this project on hold until April 2022 and then have Engenuity present it to the Town Commission in May 2022. A presentation on the Conceptual Study was provided in May 2022. This conceptual study also included updated costs (just under \$5M).

In 2021, Seacoast had provided a preliminary general layout and had discussed the two viable options of gravity sewer versus a low-pressure sewer system. Based on their preliminary evaluation of costs, it was determined that a low-pressure sewer system is the more economical option. This is the option that is discussed in the conceptual study prepared by Engenuity. Also included in the conceptual study is a conceptual plan for the proposed systems on private property, a conceptual opinion of added costs as it relates to the individual property owners, along with conclusions and recommendations. While specific items such as construction plans and electrical requirements were anticipated to come in a later phase, the conceptual study served as our Phase 1 fact finding and determination of additional costs per the limits of the survey conducted. Additional phases were anticipated and are required for the following:

- A.** *The design of any major off-site roadway improvements.*
- B.** *Construction set of plans. (included in the Seacoast 30% contingency cost breakdown)*
- C.** *Additional Survey including possible Sketch and Description, Boundary, additional Topography and/or Right-of-Way Easement needs.*
- D.** *Design of landscaping, irrigation, and lighting.*
- E.** *Underground locations of existing electrical, gas, telephone, TV, water, sewer and mains.*

**A. B. and C.** above are incorporated in the next two phases as proposed by Engenuity in their proposals enclosed with this agenda item. **D. and E.** above would be folded into the project when the construction plans that are prepared by Engenuity are bid out to a contractor.

**Following the May 2022 presentation of a conceptual plan prepared by Engenuity, a stakeholder (i.e. affected property owners) meeting was coordinated to present the conceptual plan and next steps to those in attendance as well. This was held on August 22, 2022. Positive feedback was received at this meeting and the stakeholders reminded Staff, Seacoast and Engenuity that they are interested in a transition**



limits any out of pocket costs to them and that the infrastructure selection should also minimize maintenance costs as well. If this agenda item is approved this evening, the stakeholders will be updated by email of the next steps as well.

Given the high overall costs associated with this initiative, the Town decided to look for funding sources to help fund the transition prior to moving forward with any additional studies. In February 2023, a grant request was submitted by the Town's Grant Writer for \$2M through the House and Senate Appropriations Grant. The CRA Executive Director was informed that our request is promising and a response on the funding is eminent (it may or may not be for the full \$2M).

In order to best position ourselves, the enclosed Engenuity proposals will ensure the necessary surveying and development of design plans are completed so that the project is ready to go out to bid later this year/early 2024. Both phases as described in the proposal will be complete by October 31, 2023.

**Recommended Motion:** Staff recommends **APPROVAL**.



April 12, 2023

Nadia Di Tommaso, FRA-RP, LEED Green Associate  
Community Development Director  
535 Park Avenue  
Lake Park, Florida, 33403  
(Via email: [NDiTommaso@lakeparkflorida.gov](mailto:NDiTommaso@lakeparkflorida.gov))

**Re: Professional Surveying Services  
Old Dixie Septic to Sewer  
Town of Lake Park, FL  
Engenuity Group Project No. 18187.27.04**

Dear Ms. Di Tommaso,

We are pleased to offer this proposed to render professional Surveying services in accordance with our existing contract agreement. This proposal includes the design and preparation of construction plans, details and specifications for the "Public" sanitary sewer system to serve the previously identified 42 private properties, (hereinafter called the "Project").

The items that will be addressed in the design and plans will include, but may not necessarily be limited to, the following:

**Surveying and SUE Services**

Engenuity Group, Inc. will update the existing topographic and tree survey, which was prepared under Engenuity Group, Inc job number 18187.27. The update will include obtaining finish floor elevations on all assessable buildings within the entire project limits and to obtain additional topographic information in the areas outlined in red on the attached graphics.

Additionally, Engenuity Group, Inc. will research existing utility as-builts and use ground penetrating radar (GPR) and electromagnetic locating to determine where the underground utilities are within the scope area. Engenuity Group, Inc will in turn locate said markings and show them on survey.

The final deliverable will be an electronically signed and sealed copy of the updated Topographic and Tree Survey with accompanying AutoCAD file, which can be provided within forty-five (45) business days of receiving authorization to proceed. In the event of rain delaying our field work, the delivery time will be pushed back the same number of days.



Survey Fee: \$8,164.00

SUE Fee: \$15,110.00

Total Survey and SUE Fee: \$23,274.00

This proposal and our Town Contract represent the entire understanding between you and us with respect to the Report. If you have any questions, please do not hesitate to contact us.

**PURSUANT TO SECTION 558.0035 FLORIDA STATUTES, THE CONSULTANT IS THE RESPONSIBLE PARTY FOR THE PROFESSIONAL SERVICES IT AGREES TO PROVIDE UNDER THIS CONTRACT. NO INDIVIDUAL PROFESSIONAL EMPLOYEE, AGENT, DIRECTOR, OFFICER OR PRINCIPAL MAY BE INDIVIDUALLY LIABLE FOR NEGLIGENCE ARISING OUT OF THIS CONTRACT, AS LONG AS THE CONSULTANT MAINTAINS THE PROFESSIONAL LIABILITY INSURANCE REQUIRED UNDER THIS CONTRACT AND AS LONG AS ANY DAMAGES ARE SOLELY ECONOMIC IN NATURE AND THE DAMAGES DO NOT EXTEND TO PERSONAL INJURIES OR PROPERTY NOT SUBJECT TO THIS CONTRACT.**

Sincerely,



Lisa Tropepe, P.E.  
Vice President

Approved by,



Andre Rayman, P.S.M  
President



**Authorization:** Professional Surveying Services  
Old Dixie Septic to Sewer  
Town of Lake Park, FL  
Engenuity Group Project No. 18187.27.04

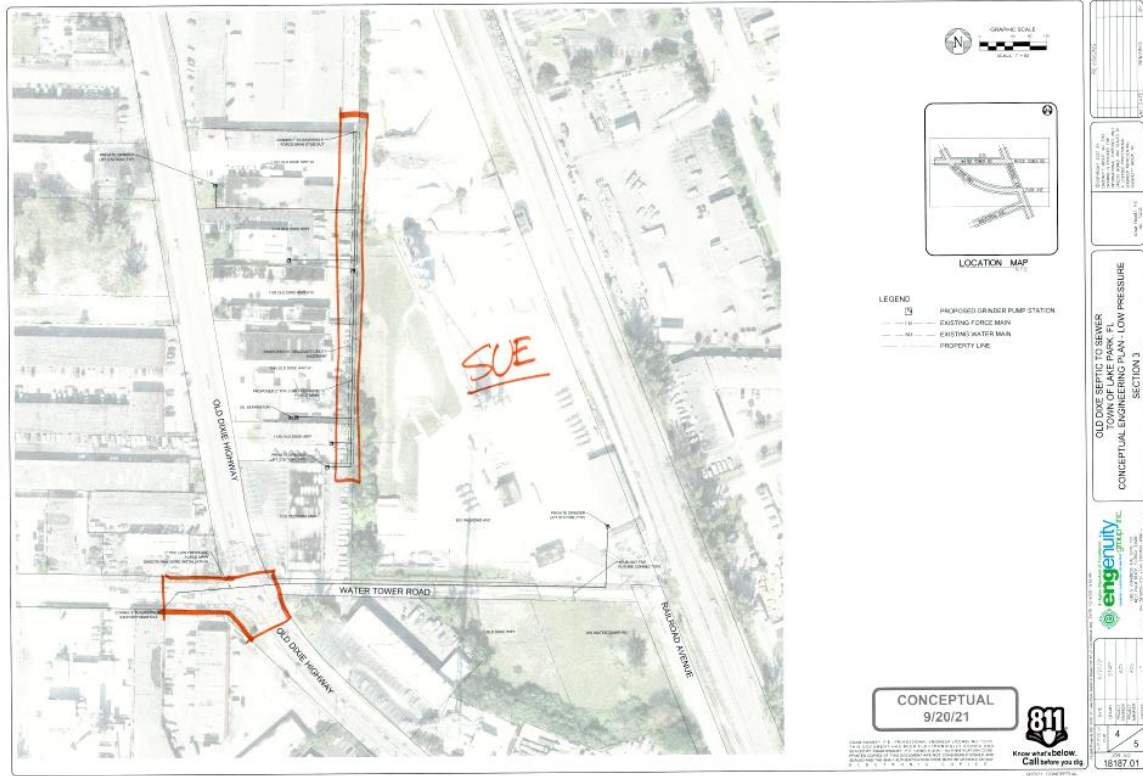
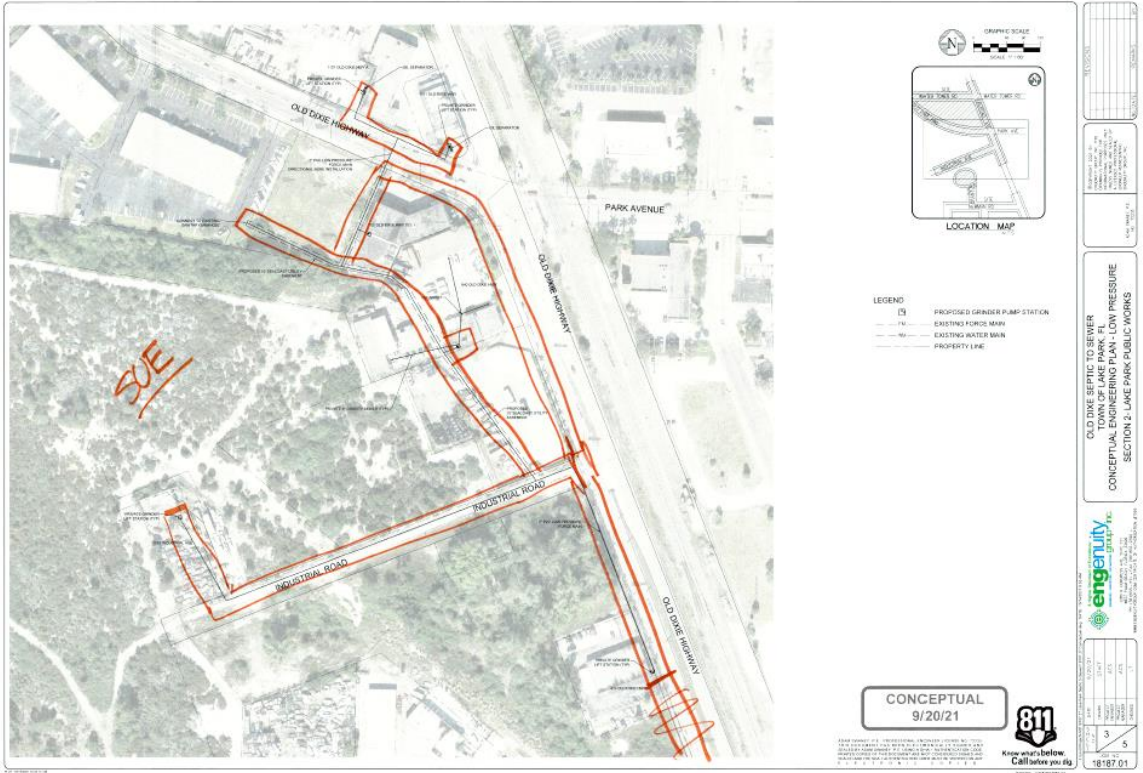
**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
(Name & Title)

**For:** \_\_\_\_\_  
(Name of Company)

**Contract Amount:** \$23,274.00



## Graphic's



Note: This Survey update will include the Tri City Industrial Area

2022 12-13 Proposal  
Project No. 18187.27.04  
Page 4 of 4



April 12, 2023

Nadia Di Tommaso, FRA-RP, LEED Green Associate  
Community Development Director  
535 Park Avenue  
Lake Park, Florida, 33403  
(Via email: [NDiTommaso@lakeparkflorida.gov](mailto:NDiTommaso@lakeparkflorida.gov))

**Re: Professional Civil Engineering Services  
Old Dixie Septic to Sewer – Construction Plans  
Town of Lake Park, FL  
Engenuity Group Project No. 18187.27.04**

Dear Ms. Di Tommaso,

We are pleased to offer this proposed to render professional Civil Engineering Services in accordance with our existing contract agreement. This proposal includes the design and preparation of construction plans, details and specifications for the "Public" sanitary sewer system to serve the previously identified 42 private properties, (hereinafter called the "Project"). This project will use the findings and information from the conceptual report by Engenuity Group, dated August, 2022 and presented to Town Council and Staff. The final deliverable will be an electronically signed and sealed copy of the engineering plans which can be provided within 180 calendar days of receiving authorization to proceed. The items that will be addressed in the design and plans will include, but may not necessarily be limited to, the following:

**Engineering Services**

- Coordination with the Town and Seacoast Utility Authority (SUA) on the limits of the public sewer system and maintenance of said system.

Clarification on the design and construction of the sanitary system(s) to be located on the 42 private properties shall be further coordinated for potential additional services.

- Design of the Public sanitary sewer system(s) and preparation of construction plans, details and specifications, all as set forth in Exhibit A which is attached to this letter.

Topographic survey information will be collected in areas not previously collected. Subsurface Utility Engineering (SUE) methodologies will be performed in areas determined by the design and location of known existing underground utilities.



Our services as set forth in Exhibit "A" will be provided based on the following distribution of compensation:

A. Coordination with SUA	\$15,000.00
B. Engineering/Design	\$154,000.00
C. Permitting	\$7,500.00

**Total Engineering Fee: \$176,500.00**

**Will be completed no later than October 31, 2023**

This proposal and our Town Contract represent the entire understanding between you and us with respect to the Report. If you have any questions, please do not hesitate to contact us.

**PURSUANT TO SECTION 558.0035 FLORIDA STATUTES, THE CONSULTANT IS THE RESPONSIBLE PARTY FOR THE PROFESSIONAL SERVICES IT AGREES TO PROVIDE UNDER THIS CONTRACT. NO INDIVIDUAL PROFESSIONAL EMPLOYEE, AGENT, DIRECTOR, OFFICER OR PRINCIPAL MAY BE INDIVIDUALLY LIABLE FOR NEGLIGENCE ARISING OUT OF THIS CONTRACT, AS LONG AS THE CONSULTANT MAINTAINS THE PROFESSIONAL LIABILITY INSURANCE REQUIRED UNDER THIS CONTRACT AND AS LONG AS ANY DAMAGES ARE SOLELY ECONOMIC IN NATURE AND THE DAMAGES DO NOT EXTEND TO PERSONAL INJURIES OR PROPERTY NOT SUBJECT TO THIS CONTRACT.**

Sincerely,



Lisa Tropepe, P.E.  
Vice President

Approved by,



Adam Swaney, P.E.  
Director of Engineering



**Authorization:** Professional Civil Engineering  
Old Dixie Septic to Sewer – Construction Plans  
Town of Lake Park, FL  
Engenuity Group Project No. 18187.27.04

**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
(Name & Title)

**For:** \_\_\_\_\_  
(Name of Company)

**Contract Amount:** \$176,500.00





# EXHIBIT “A”

## Town of Lake Park Old Dixie Septic to Sewer – Construction Plans Engenuity Group Project No. 18187.27.04

### **ENGINEER’S SERVICES:**

#### **A1.01 Design Phase Services and Construction Documents**

- A. Coordination with the Town and Seacoast Utility Authority (SUA) on the limits of the **public** sewer system and maintenance of said system. Clarification on the design and construction of the sanitary sewer system(s) to be located on the 42 private properties shall be further coordinated for potential additional services.
- B. Prepare drawings indicating the scope, extent, and character of the sewer and water work to be performed and furnished by the CONTRACTOR. Construction drawings will be consistent with the conceptual drawings prepared for the report referenced in the proposal letter. Construction drawings shall only be for the public system within R/W or easements (existing or proposed) for this work.
- C. Prepare project manual with front end, general, and technical specifications and bid form with schedule of values for bidding purposes.
- D. Prepare a horizontal control plan.
- E. Prepare a Pollution Prevention Plan.

#### **A1.02 Permitting Services**

- A. Provide technical criteria, written descriptions, and design data for filing applications for permits from the following governmental authorities having jurisdiction to review or approve the design of the Project:
  - a. Town of Lake Park – R/W Permit
  - b. Seacoast Utility Authority – Sewer (and Water if necessary) permits.
  - c. Palm Beach County Health Dept – Sewer (and Water if necessary) permits.
  - d. PBC Engineering Dept – R/W permit.

Normal and customary permitting activities are included in ENGINEER’S services. Responding to application review comments that require ENGINEER’S services that are not normal and customary are additional



services that can be performed on an hourly basis upon authorization.

B. Items to be furnished by OWNER:

- a. Soil borings and analysis, if needed.

C. This proposal does **not** include the following:

- a. Preparation of a South Florida Water Management District drainage or dewatering permit application.
- b. Reproduction of drawings and specifications for CONTRACTOR'S use during construction.
- c. Platting, survey construction layout, or record drawings. Additional topographic surveying is included in the proposal letter.
- d. Design of drainage, landscaping, irrigation, and lighting.
- e. Coordination of new or relocated electrical, gas, telephone, and TV services.
- f. Environmental Analysis including Wetlands, Uplands, or contamination.
- g. Design and construction plans for any **ON-SITE** sewer collection systems for the 42 properties, including location of existing septic tanks and any abandonment procedures.
- h. Construction Phase Services



## Town of Lake Park

# Old Dixie Septic to Sewer Conceptual Report

Prepared for:

## Lake Park Town Commission

Michael O'Rourke– Mayor  
Kimberly Glas-Castro – Vice Mayor  
John Linden - Commissioner  
Mary Beth Taylor – Commissioner  
Roger Michaud - Commissioner



Lake Park Town Hall  
535 Park Avenue  
Lake Park, FL 33403

April 11, 2022

Prepared by:



## Engenuity Group, Inc.

Adam Swaney, P.E.,  
P.E. No. 72235  
1280 North Congress Avenue, Suite 101  
West Palm Beach, FL 33409  
Project No. 18187.27



# Table of Contents

1.	Purpose and Scope .....	4
2.	Introduction .....	4
3.	Existing Conditions and Environmental Concerns.....	5
4.	Calculation of the Total Flows .....	6
5.	Capacity of Existing Treatment Plant.....	6
6.	Sewage Collection Options.....	6
6.1	Gravity Sewer System.....	6
6.2	Low Pressure Sewer System – Description and Brief History.....	7
6.3	Vacuum Sewer System .....	8
7.	Conceptual Plans of Town System for Old Dixie .....	8
8.	Opinion of Capital Costs .....	8
9.	Water Distribution Considerations .....	9
10.	Existing Utility Rates .....	9
11.	Funding Options for Capital Costs .....	11
11.1	Loans .....	11
11.2	Grants .....	12
11.2.1	Florida Section 319(h) Nonpoint Source Grant Program (Federal Clean Water Act Grants) .....	12
11.2.2	Future Possibilities.....	12
11.3	Bonds .....	12
11.4	American Rescue Plan Act (ARPA).....	12
11.5	Summary of Financial Options.....	13
12.	Conclusions and Recommendations .....	13
	Appendices .....	14
A	Systems Summary (2 Sheets)	
B	Conceptual Gravity Sewer Plans (3 Sheets)	
C	Conceptual Low Pressure System Plans (5 Sheets)	
D	Gravity Sewer System Image	
E	Low Pressure Sewer System Image	
F	Onsite Engineer's Opinion of Probable Cost – Gravity / Low Combination Pressure Sewer System	
G	Onsite Engineer's Opinion of Probable Cost – Low Pressure Sewer System	
H	Offsite Engineer's Opinion of Probable Cost – Gravity Sewer System	



- I Offsite Engineer's Opinion of Probable Cost – Low Pressure Sewer System
- J Property Information Summary
- K Septic to Sewer Alternative Comparison
- L EPA Fact Sheets for Force Mains, Lift Stations and Low Pressure Systems



## 1. Purpose and Scope

Over the years, addressing Florida's environmental issues has become increasingly more important. Recently, State Representatives and Senators have been formally discussing the subject of converting existing septic systems to wastewater collection (i.e. Sewer) systems. In order to make this transformation more widespread and meaningful during the upcoming Legislative Session, discussions in Tallahassee included the possibilities of expanding mandatory conversion areas, providing additional funding sources and evaluating the costs/benefits.

The Lake Park Town Commission, in their capacity to strive to provide their landowners a better quality of life, acknowledges the importance of knowing the options of converting the Town's individual septic systems to a more complex sewer system. During their July 7, 2021 Commission meeting, the Town Commission directed Engenuity Group, Inc. to prepare a Conceptual Septic to Sewer Conversion Report for the last portion of Lake Park that remains on septic systems.

The scope of work involves understanding the current conditions and capacities, describing the sewer collection options, and calculating a conceptual opinion of cost. This planning document will assist in future deliberations moving forward.

## 2. Introduction

The Town of Lake Park is a small residential community located in the northern portion of Palm Beach County, north of Riviera Beach, and south of North Palm Beach. With a population of approximately 8,605 residents, the Town is approximately 1,500 acres in size and is bordered by the Intracoastal Waterway (Lake Worth Lagoon) to the East.

The majority of the land is built out, but new development and redevelopment is ongoing and dependent upon the economy.

As requested by the Town Commission of Lake Park, this Septic to Sewer Conceptual Report includes conceptual options for converting the Town's individual private systems to a more unified collection system. Also included are preliminary opinion of costs for converting to these systems along with various funding options for construction and maintenance.

It should be noted that this Report is prepared without the benefit of detailed soil analysis, permits or a final design. The conceptual layout of the proposed system was provided by Seacoast Utility Authority (SUA). Current economic conditions were used to prepare our opinion of costs. Final costs may vary substantially.



### 3. Existing Conditions and Environmental Concerns

Currently most landowners and residents are already provided with public sewer service by Seacoast Utility Authority (SUA). These systems are made up of a combination of gravity sewer, and low pressure. The area of concern in this Report focuses on the commercial/industrial properties along Old Dixie Highway, which own and maintain their own individual septic sewer systems, which include septic tanks and drain fields. The properties in question are the last of the remaining properties in Lake Park which are not connected to a wastewater collection system.

A total of 42 properties are analyzed as part of this study. The areas are separated into three sections, South-Section 1 (Tri City Industrial Park), Mid-Section 2 (Lake Park Public Works), and North-Section 3. Section 1 has the option to implement either a full low pressure sewer system or a combination gravity/low pressure sewer system. There is known groundwater contamination in Section 1. However, the groundwater in this area is anticipated to be low enough to not be an issue during construction as dewatering will likely not be required.

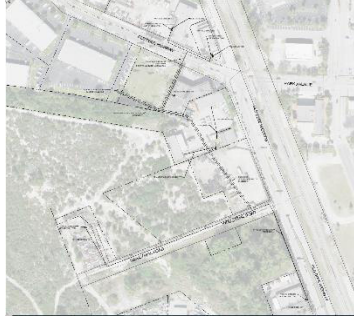


Figure 1 – Area Map





(South-Section 1)



(Mid-Section 2)



(North-Section 3)

## 4. Calculation of the Total Flows

Type of Property	Number of Properties	Calculated Flow (GPD)*	Measured Flow 2020(GPD)**
Commercial	42	37,664	13,251

\* Calculated Flows per unit type were based on Seacoast Utility Authority standards of 0.1 gallons per day per square foot of building size.

\*\*The measured flows are the actual water usages for the properties in question based on the Seacoast water bills over the previous year (2020).

**See Appendix J for the estimated flow breakdown.**

## 5. Capacity of Existing Treatment Plant

The Seacoast Utility Authority (SUA) PGA Regional Wastewater Treatment Facility is owned and operated by SUA. This facility services customers residing in Palm Beach Gardens, Lake Park, North Palm Beach, Juno Beach, and unincorporated areas within this region. Its projected flow in 2030 is 10 million gallons per day (MGD), however, it is permitted to treat up to 12 MGD. This facility treats the influent sewage into reclaimed water.

Based on the estimated flows, the PGA Regional Wastewater Treatment and Disposal Facility has sufficient capacity for the proposed conversion to a wastewater collection system.

## 6. Sewage Collection Options

### 6.1 Gravity Sewer System

A gravity sewer system is a system of pipes that are constructed by gravity (called laterals) from a building to a main gravity system. A gravity sewer system solely utilizes the energy



created from the pipe ends being at different elevations. This creates a slope to transport sewage from the source to the main to then be transferred to the wastewater treatment plant via pump stations and force mains.

Within the municipal right-of-way, there will be a series of gravity mains and manholes usually located along the centerline of the roadways. Manholes are located approximately 400 feet apart. When the gravity system becomes too deep, a lift station is installed to mechanically move the wastewater. Lift stations pump into force mains, which are pressurized piping systems, which move the wastewater to other lift stations or to the treatment plant itself.

The gravity system would not have any mechanical parts located on the individual property. Improvements within the right-of-way would be the responsibility of the municipality or SUA. This system is more expensive and more intrusive in construction; however, long term maintenance is minimal for the landowner.

In a gravity sewer system where the roadways are to be removed and replaced, it is to the advantage of the municipality to upgrade any other existing utilities at the same time. Some of these improvements could be water main replacement, storm drainage upgrades, underground electric, telephone, cable, etc.

**Appendices B, D, F, and H provide conceptual plans, images and estimated costs associated with sewer system options. Refer to Appendix A and K for a summary and comparison of all systems and Appendix L for informational technical facts from the Environmental Protection Agency (EPA).**

## 6.2 Low Pressure Sewer System – Description and Brief History

A low pressure force main system starts with individual grinder stations at each home or building. The system is entirely under pressure from the private property to the collection system/ treatment facility. The grinder station can be physically adjacent to the building or placed near the road right of way (within the private property). It includes components like control panels, a small wet well, valves, and piping. Within the municipal right-of-way, a series of pressure pipes would be constructed.

This system is a mechanical system and would need more on-site maintenance than a gravity system mentioned in section 6.1. Grinder stations are “small lift stations” and typically require training and education to properly maintain and sustain, and are therefore typically maintained by private companies that provide this service. These stations also require connection the private property's electrical system for power.

Even though these private low-pressure stations are not owned or maintained by Seacoast Utilities, they will need to be permitted and meet SUA construction standards. Per the current SUA standards the approved pump station products are manufactured by Atlantic Environmental Systems, Inc, Southeastern Pump, and E-one W-Series (or approved equal). The pump stations will also be required to meet the Palm Beach County Health Department standards for commercial pump stations.



**Appendices C, E, G, and I provide conceptual plans, images and estimated costs associated with low pressure sewer systems. Refer to Appendix A and K for a summary and comparison of all systems and Appendix L for informational technical facts from the Environmental Protection Agency (EPA).**

### 6.3 Vacuum Sewer System

A vacuum system consists of a series of piping that is not under positive pressure like a force main or drinking water line. It is a system that utilizes negative pressure, like a vacuum cleaner, to move wastewater. This system begins at the house or building with a gravity lateral. The individual laterals usually connect to an on-site vacuum valve pit that is shared by one to four landowners. In the municipal right-of-way, vacuum lines are constructed. Ultimately these lines lead to a vacuum lift station facility prior to being transported to the wastewater treatment plant. The vacuum lift station facility can be as large as a 2,000 square foot single family house.

**A vacuum sewer collection system is NOT being proposed in Lake Park, due to Seacoast Utilities not supporting this type of collection system.**

## 7. Conceptual Plans of Town System for Old Dixie

There are two conceptual plans that are part of this report. The first proposed plan is a 'low pressure' sewer system with individual grinder stations placed at each property to be served. These pumps would discharge the sewage into the proposed low pressure force main discharge pipe in the public right of way. These force mains direct the sewage effluent back to the existing SUA collection system. The low pressure grinder pump stations would be privately owned and maintained.

The second proposed system is a combination gravity sewer system and low pressure system. The low pressure would remain for the proposed option for Sections 2 and 3, but Section 1 would be mostly served via a gravity collection system. This system would involve underground piping connecting to each property, which conveys the sewage effluent to the gravity main within the public right of way. From here the sewage flows to a central lift station that will ultimately be pumped out to the existing SUA collection system. The central lift station in this option would be owned and maintained by SUA.

## 8. Opinion of Capital Costs

The following table below depicts the conceptual cost of the conversion from septic tanks to both a gravity sewer system and a low-pressure sewer system.

Proposed Sewer System	Conceptual Construction Cost*
Gravity / Low Pressure Combination	\$4.74 million
Low Pressure Only	\$4.84 million
Vacuum	Not evaluated in this report



\* Costs for re-routing of on-site sewer lines were based on septic tank location assumptions, and will need to be refined further after field locating the existing septic systems. In addition, SUA may impose additional fees for *Reservation Fees connections charges*.

\* These cost estimates were calculated without the benefit of soil analysis, sub surface utility information, permits and a final design. The conceptual layouts in this area were provided by SUA. Current economic conditions were used to prepare our opinion of costs. Conceptual construction costs are an estimate and based on conceptual plans and current unit prices. Final costs may vary substantially.

## 9. Water Distribution Considerations

SUA currently owns the Water Distribution System and its appurtenances within the Town's municipal boundary. Currently, SUA provides the potable water for each connection within the study area. The request may be for domestic water or for irrigation purposes. SUA reads the meters and issues invoices directly to landowners.

If the Town proceeds with a gravity Septic to Sewer option, older water mains and other utilities may need to be replaced/upgraded simultaneously with the new sewer system in order to upgrade the area while the road work is ongoing. Doing this all-in-one project can save costs, versus replacing utilities in a piecemeal fashion as they become obsolete. Further investigation would be needed to determine the areas that would be affected.

## 10. Existing Utility Rates

SUA currently bills its customers for water and sewer via a meter system. Each bill is broken down into three categories: Water Service Charges, Sewer Charges, and Other Charges where applicable.

The Sewer connection fee charges are \$1,200 for a 1.0 ERC (Equivalent Residential Connection) estimated usage for non-residential, per the below tables. The Sewer Charges category is billed the base monthly charge of \$35.56 (for 5/8"x 3/4" meter), fixed monthly \$2.04 point of service charge, and then a rate of \$0.79 per thousand gallons of water metered for non-residential accounts. Monthly base facility charges are greater for larger water meters.



These numbers reflect the 2021/2022 fiscal year rates:



## SEACOAST UTILITY AUTHORITY

### RATE SCHEDULE

Effective Date October 1, 2021

Updated 12/1/21

<u>Single Family</u>			<u>Non-Residential</u>		
(per unit & includes POS)			(per meter & includes POS)		
Water	Sewer	Total Base	Water	Sewer	Total Base
5/8": \$28.12	\$19.24	<b>\$51.67</b>	\$11.70	\$10.44	<b>\$26.45</b>
1": \$70.29	\$19.24	<b>\$93.84</b>	\$11.70	\$10.44	<b>\$26.45</b>
1 1/2": \$140.59	\$19.24	<b>\$164.14</b>	\$11.70	\$10.44	<b>\$26.45</b>
2": \$224.94	\$19.24	<b>\$248.49</b>	\$11.70	\$10.44	<b>\$26.45</b>

Point of Se	Charge
Water	Sewer
\$2.27	\$2.04
	<b>P.O.S</b>
	<b>\$4.31</b>

### GALLONAGE CHARGE

<u>Single Family</u>		<u>Multi-Family</u>		<u>Non-Residential</u>	
Water	Sewer	Water	Sewer	Water	Sewer
1 - 6,000: \$2.59	\$0.87	1 - 4,000: \$3.67	\$0.87	1 - 6,000: \$2.07	\$0.79
7,000 - 30,000: \$4.48		5,000 - 20,000: \$5.00		7,000 + : \$4.32	
31,000 + : \$5.42		21,000 + : \$5.67		no cap	

### SEWER ONLY MAXIMUM (per unit)

Single: 10,000 gallons \$8.70

Multi: 6,000 gallons \$5.22

Non-Residential: no cap

### FIRELINE CHARGES

Fixed Monthly Charge = \$28.12

(plus \$5.67 per 1,000 gallons)

Sewer Maximum Rate (Residential only)  $\$19.24 + \$2.04 + \$8.70 (.87 \times 10k) = \$29.98$

### EPOSITS

<u>Water/Sewer</u>	<u>Water Only</u>	<u>Sewer Only</u>
5/8": \$150.00	5/8": \$100.00	\$60.00
1": \$370.00	1": \$310.00	Multi: \$110.00
1 1/2": \$940.00	1 1/2": \$880.00	
Multi & Mobile Homes: \$110.00	Multi & Mobile: \$80.00	Interest Rate as of 6/1/21
2": \$1,540.00	2": \$1,480.00	0.27%
Comm. & Non Resid: 2 month average		

### UTILITIES

Jupiter	741-2300
WPB	822-2222
Juno	626-3956
Riviera	845-4050
PBC	740-4600
FPL	697-8000
Teco Gas	877/832-6747

### WATER QUALITY

Hardness	Medium, 5 - 6 grains per gallon or 80 - 100 mg/l or ppm
PH:	8.7 - 9.1 pH units
TDS	(total dissolved solids) 230 milligrams per liter
Sodium:	25 - 30 milligrams per liter
Pressure	57 psi - 65 psi is good pressure
Chlorine:	Yes
Fluoride:	Non added, small amt naturally occurring



If the Town proceeds with a septic to sewer conversion, wastewater rates will be added to the affected property's monthly utility bill.

## 11. Funding Options for Capital Costs

Funding for the Septic to Sewer project may be available by a variety of government funded loans and grants. The United States Department of Agriculture (USDA) also offers two loan/grant programs, the Water and Waste Disposal Loan and Grant Program as well as Technical Assistance and Training and Solid Waste Management Grant Programs. Also, the last option is the Clean Water State Revolving Fund which is issued to the state from the Environmental Protection Agency (EPA).

### 11.1 Loans

#### 11.1.1 Clean Water State Revolving Fund (EPA Loan)

The Clean Water State Revolving Fund (CWSRF) is a low interest loan program in which the EPA issues grants that are to be utilized for various water and wastewater infrastructure projects. The loans are given directly to the state where they then have the ability to control and target priority sites to fund. There are eleven eligibility categories within the CWSRF including: centralized wastewater treatment, surface water protection and restoration, and contaminated sites. The proposed sewer system conversion falls under the centralized wastewater treatment category where a loan can be issued for the upgrade, repair, placement, or installation/construction of new pipes, pump stations, and force mains<sup>1</sup>.

[https://www.epa.gov/sites/production/files/2016-07/documents/overview\\_of\\_cwsrf\\_eligibilities\\_may\\_2016.pdf](https://www.epa.gov/sites/production/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf)

#### 11.1.2 USDA Loan/Grant

The USDA provides several options for loans and grants for waste water disposal. These consist of mostly long-term, low-interest loans. However, these USDA programs are limited to rural areas, which Lake Park will likely not qualify.

<https://www.rd.usda.gov/programs-services/solid-waste-management-grants>



## 11.2 Grants

### 11.2.1 Florida Section 319(h) Nonpoint Source Grant Program (Federal Clean Water Act Grants)

The Florida Section 319(h) Nonpoint Source Grant Program, or more commonly known as the 319 Grant Funds, has set its goal to reduce nonpoint source pollution from land use activities with a focus on septic to sewer conversions. Included in the EPA's definition of nonpoint sources, examples include bacteria and nutrients from livestock, pet wastes, and septic systems. This would make the Town of Lake Park a candidate for the future application periods.

### 11.2.2 Future Possibilities

Other grant or loan options with the more specific cause of septic conversion may be surfacing in the near future due to new state initiatives. The Governor's 2019 Executive Order focuses primarily on the improvement of Florida's water quality along with the following statement that he will "Direct DEP to establish a septic conversion and remediation grant program with a local government match requirement."

<https://floridadep.gov/sec/sec/documents/executive-order-19-12>

## 11.3 Bonds

Municipal bonds are used to raise money for capital projects like the Septic to Sewer Program. City governments can sell municipal bonds to investors. In Florida, this type of funding is, for the most part, exempt from federal and state taxes which make it attractive to investors. Municipalities usually pay back the debt over 20 to 30 years.

The Florida League of Cities, Inc. administers the Florida Municipal Loan Council (FMLC) that offers municipalities, of all sizes, a variety of funding options to finance capital projects. The FMLC has authorized and validated the issuance of up to \$1.25 billion in revenue bonds. The FMLC is just one of several entities that can provide this type of funding.

## 11.4 American Rescue Plan Act (ARPA)

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. This Act totals \$ 65.1 billion dollars in aid to America's cities, towns and villages. Florida is likely to receive approximately \$ 1.5 billion dollars in aid. The ARPA funding can be used for infrastructure improvements, and capital projects that are necessary for the health, safety and welfare of the public. There are restrictions associated with this relief money. However, a capital improvement plan for the wastewater distribution system appears to be a viable, qualifying project.



## 11.5 Summary of Financial Options

Based off of research and selection criteria of all of the above options, the most likely method of funding the proposed project may be through the Clean Water State Revolving Fund. This option is an EPA funded, low interest loan.

Further investigation will be necessary to determine specific funding sources and availability. The Florida Legislature may also fully fund several programs not currently funded at the time of this Report.

## 12. Conclusions and Recommendations

The Town of Lake Park has taken a proactive role in the pursuit of converting existing septic systems to sewer collection systems. They are accomplishing this by gaining knowledge of the options set forth in this Report, by seeking input from landowners, and by continuing the dialog between the Town and SUA.

Two systems, a gravity system combo and a low-pressure system have been introduced and compared in this report. Even though we listed another alternative, a vacuum system, we did not focus on this system as it did not appear to be a reasonable option or one that SUA is proposing to maintain in the future.

**See Appendix A for a summary comparison of the proposed options.** Conceptual construction costs for the options presented are an estimate and based on conceptual plans and current unit prices. Potential water, drainage, or other utility replacement costs are not contemplated in this report but should be analyzed further to fully understand the possibility of additional fiscal impacts.

**Our Recommendation:** Both the gravity and the low-pressure systems have their advantages and limitations. Both systems are good options based on the Town's conditions. The gravity / low-pressure combination system is the recommended option due to it having the lowest estimated construction and maintenance cost, as well as having the least amount of onsite maintenance required by landowners.



## Appendices

- A Systems Summary (2 Sheets)
- B Conceptual Gravity Sewer Plans (3 Sheets)
- C Conceptual Low Pressure System Plans (5 Sheets)
- D Gravity Sewer System Image
- E Low Pressure Sewer System Image
- F Engineer's Opinion of Probable Cost – Onsite *Gravity Sewer System*
- G Engineer's Opinion of Probable Cost – Onsite Low Pressure / Gravity Sewer System
- H Engineer's Opinion of Probable Cost – Offsite *Gravity Sewer System*
- I Engineer's Opinion of Probable Cost – Offsite *Low Pressure Sewer System*
- J Engineer's Opinion of Total Per Property – *Gravity Sewer System*
- K Engineer's Opinion of Total Per Property – *Low Pressure System*
- L Property Information Summary
- M Septic to Sewer Alternative Comparison
- N EPA Fact Sheets for Force Mains, Lift Stations and Low Pressure Systems



## Appendix A

### Systems Summary

(2 Sheets)







# Septic to Sewer Feasibility Report

April 2022  
Project No. 18187.27

## Summary of Estimated Costs -Low Pressure System

		Conceptual Capital Construction Cost <sup>1</sup>	Operation and Maintenance Estimated Annual Costs <sup>2</sup>	Annual Construction Cost - Amortized over 20 years at 4% interest rate	Total annual cost (Maintenance and amortized construction cost)	Average annual cost per property <sup>3</sup>
Proposed Alternatives	Proposed SUA Public System	~\$1.04 million	Paid by SUA.	\$75.6k	\$75.6k	\$1,800
	Proposed Onsite Private System (All 42 properties)	~\$3.80 million	~\$190k (paid by property owner)	\$276k	\$466k	\$11,090
	Total	~\$4.84 million	~\$190k (paid by property owner)	\$352k	\$542k	\$12,890

<sup>1</sup> Cost does not include Seacoast Utilities fees for reservation and administration charges.

<sup>2</sup> Cost includes the following assumptions: SUA sewer base fee of \$30 per month per property as well as usage fee of \$0.79/1000 gallons, \$1,000 per year per property for lift station maintenance, electricity costs, and 3% of construction cost for ongoing annual renewal and replacement costs.

<sup>3</sup> This cost is the total cost divided evenly over the 42 properties analyzed in this report, and is an average. This is an estimate of the annual total costs during a 20-year loan payback period. The actual cost to each property will vary per the enclosed detailed cost breakdowns – see Appendix J

Systems Summary





# Septic to Sewer Feasibility Report

February 2022  
Project No. 18187.27

## Summary of Estimated Costs -Gravity / Low Pressure Combination System

		Conceptual Capital Construction Cost <sup>1</sup>	Operation and Maintenance Estimated Annual Costs <sup>2</sup>	Annual Construction Cost Amortized over 20 years at 4% interest rate	Total annual cost (Maintenance and amortized construction cost)	Average annual cost per property <sup>3</sup>
Proposed Alternatives	Proposed SUA Public System	~\$3.14 million	Paid by SUA.	\$217k	\$217k	\$5,160
	Proposed Onsite Private System (All 42 properties)	~\$1.60 million	~\$60k (paid by property owner)	\$116k	\$176k	\$4,190
	Total	~\$4.74 million	~\$60k (paid by property owner)	\$333k	\$393k	\$9,350

<sup>1</sup> Cost does not include Seacoast Utilities fees for *reservation and administration charges*.

<sup>2</sup> Cost includes the following assumptions: SUA sewer base fee of \$30 per month per property as well as usage fee of \$0.79/1000 gallons, 2% of construction cost for ongoing annual renewal and replacement costs.

<sup>3</sup> This cost is the total cost divided evenly over the 42 properties analyzed in this report, and is an average. This is an estimate of the annual total costs during a 20-year loan payback period. The actual cost to each property will vary per the enclosed detailed cost breakdowns – see Appendix K



## Appendix B

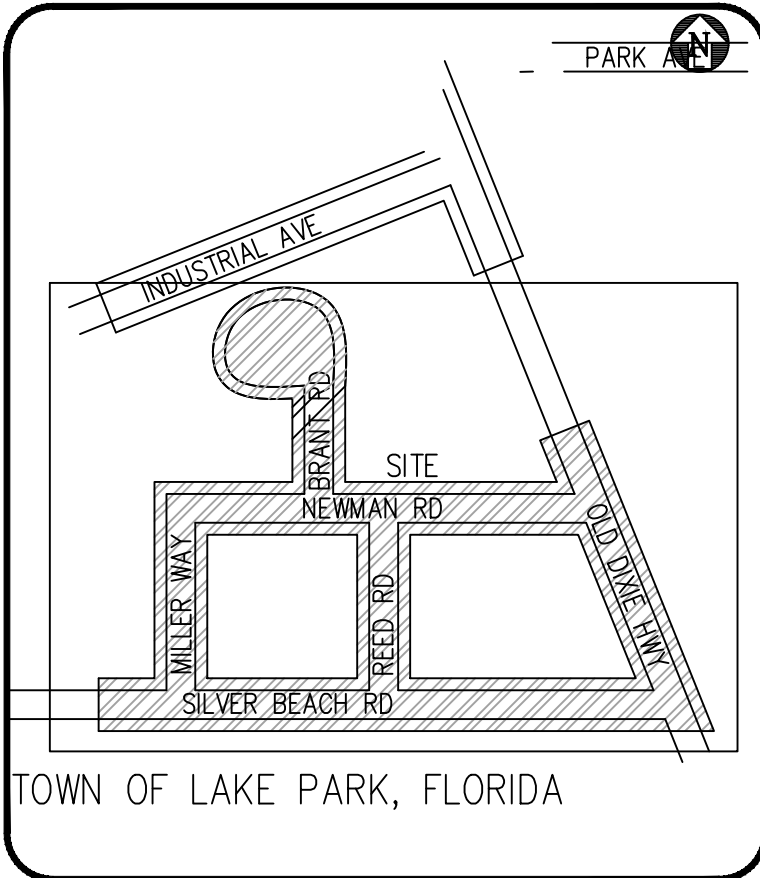
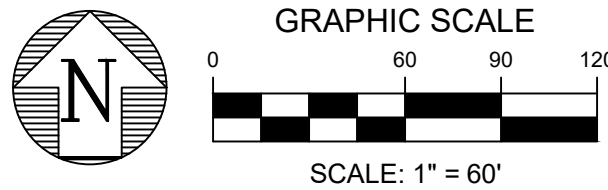
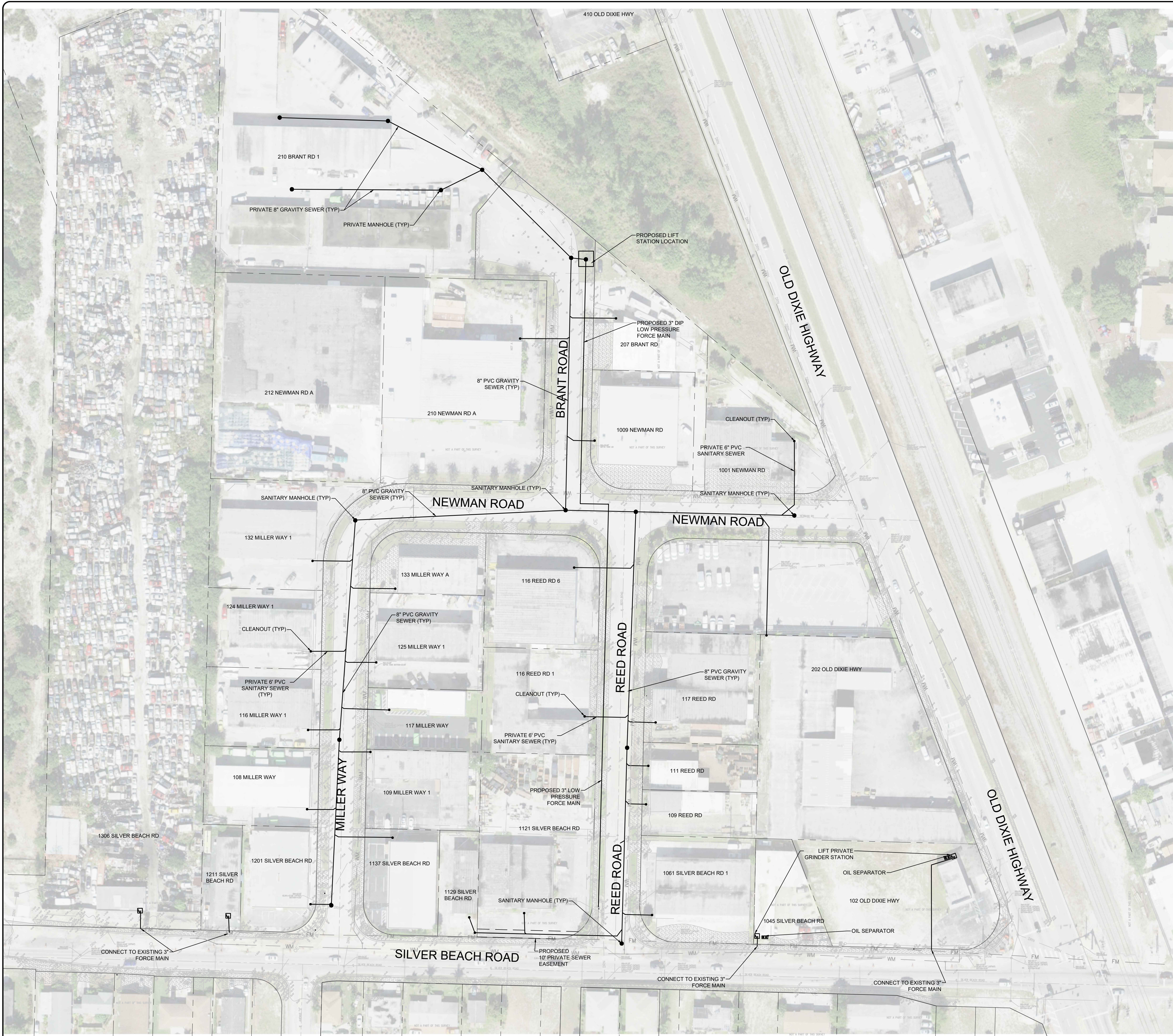
### Conceptual Gravity Sewer Plans (3 Sheets)











- LEGEND**
- PROPOSED GRINDER PUMP STATION
  - EXISTING FORCE MAIN
  - EXISTING WATER MAIN
  - PROPERTY LINE

**CONCEPTUAL**  
**9/20/21**



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NO. 72235

OLD DIXIE SEPTIC TO SEWER  
TOWN OF LAKE PARK, FL  
CONCEPTUAL ENGINEERING PLAN - GRAVITY  
SECTION 1 - TRI CITY INDUSTRIAL PARK

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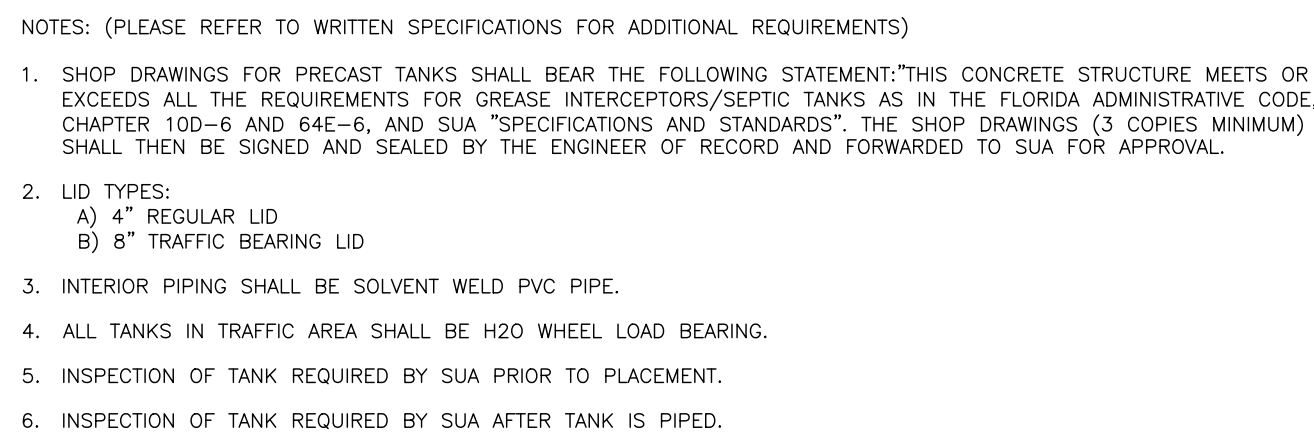
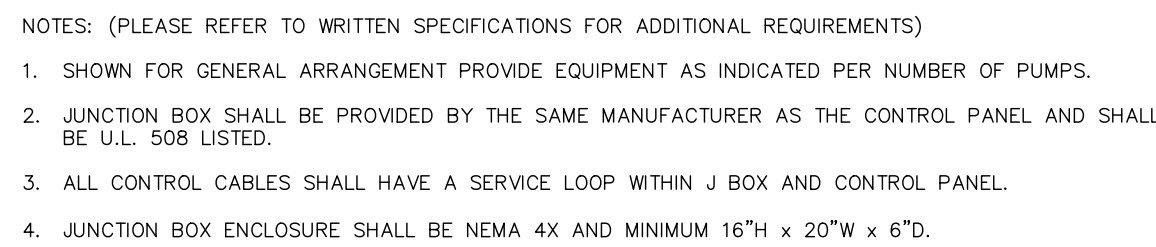
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276







## Appendix C

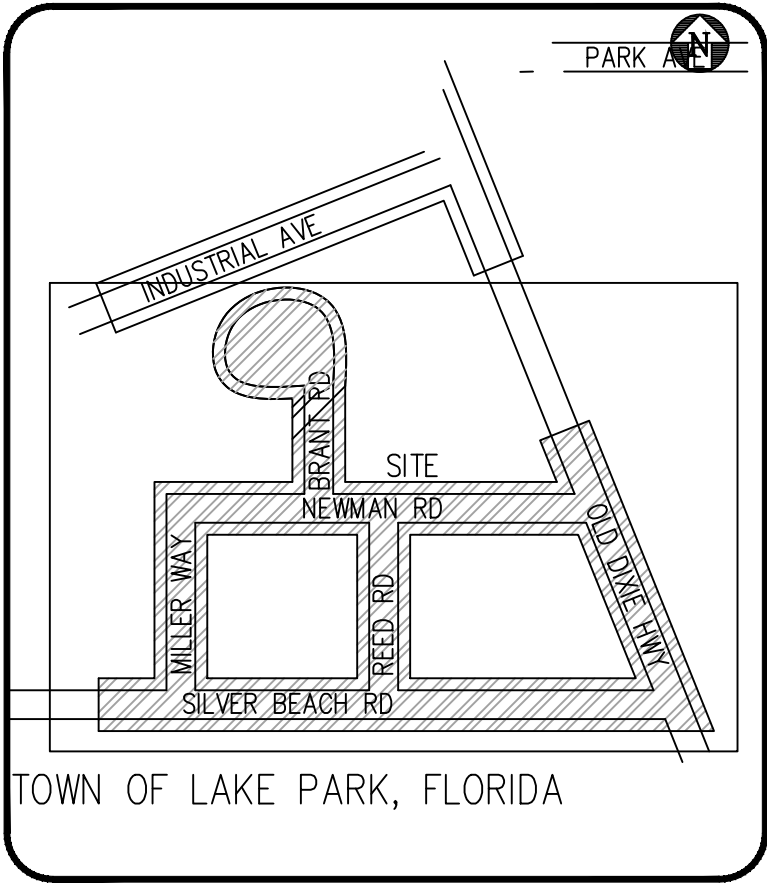
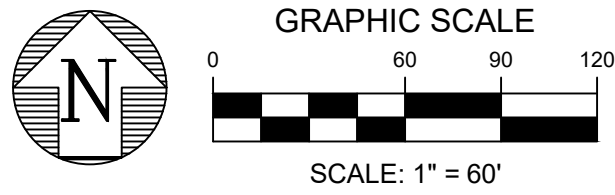
### Conceptual Low Pressure System Plans (5 Sheets)











LOCATION MAP  
N.T.S.

- LEGEND
- PROPOSED GRINDER PUMP STATION
  - EXISTING FORCE MAIN
  - EXISTING WATER MAIN
  - PROPERTY LINE

CONCEPTUAL  
9/20/21



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9/20/21	STAFF	ACS	LT	9/20/21	STAFF	ACS	LT
2	5						
JOB NO.				18187.01			

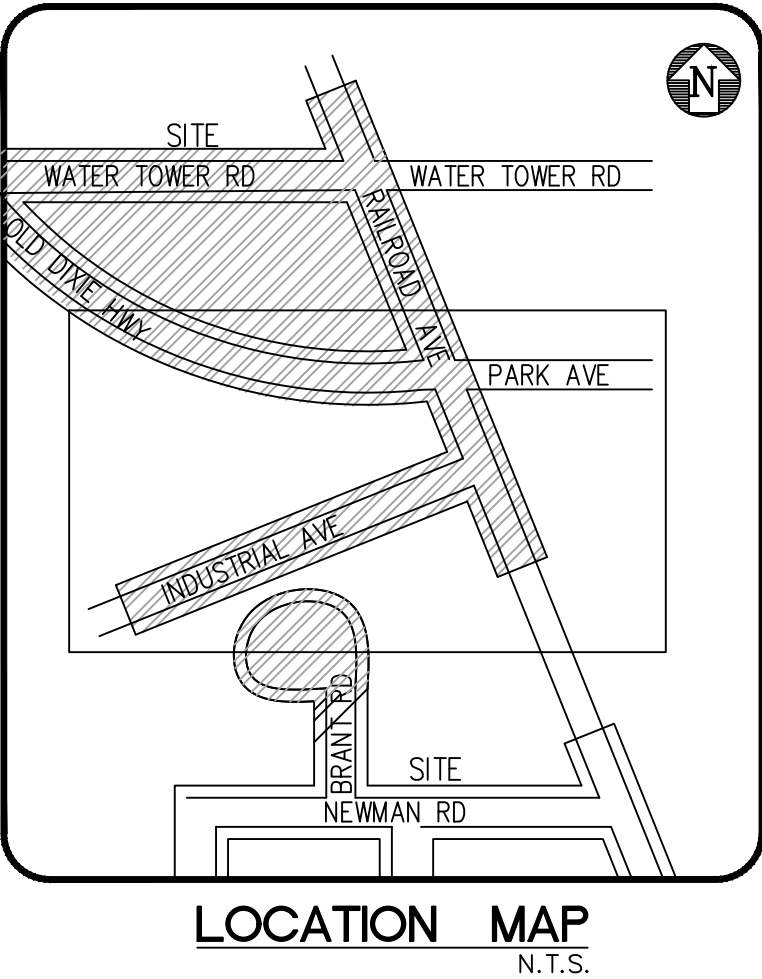
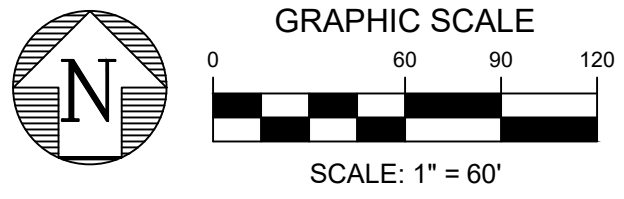
OLD DIXIE SEPTIC TO SEWER  
TOWN OF LAKE PARK, FL  
CONCEPTUAL ENGINEERING PLAN - LOW PRESSURE  
SECTION 1-TRI CITY INDUSTRIAL PARK

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- LEGEND**
- PROPOSED GRINDER PUMP STATION
  - EXISTING FORCE MAIN
  - EXISTING WATER MAIN
  - PROPERTY LINE

**CONCEPTUAL**  
**9/20/21**

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NO. 72235

**OLD DIXE SEPTIC TO SEWER**  
**TOWN OF LAKE PARK, FL**  
**CONCEPTUAL ENGINEERING PLAN - LOW PRESSURE**  
**SECTION 2- LAKE PARK PUBLIC WORKS**

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**18187.01**











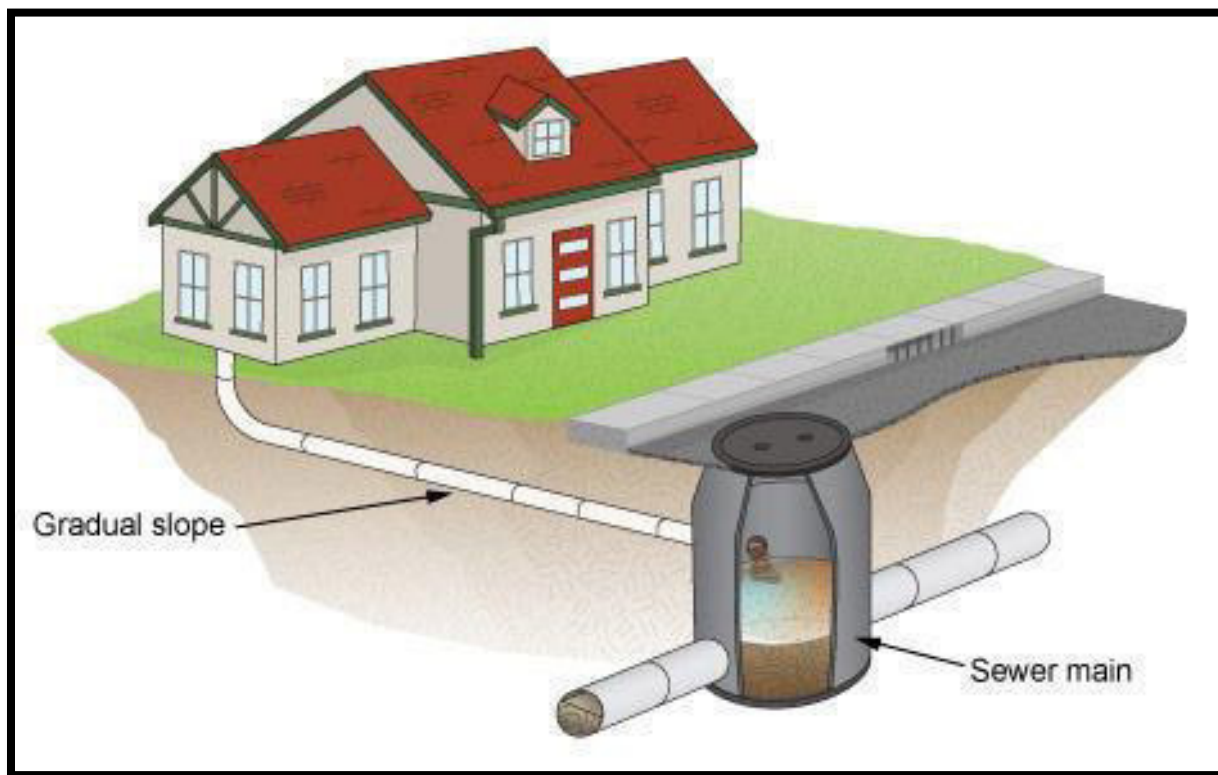
## Appendix D

Gravity Sewer System Image





## Gravity Sewer System Image





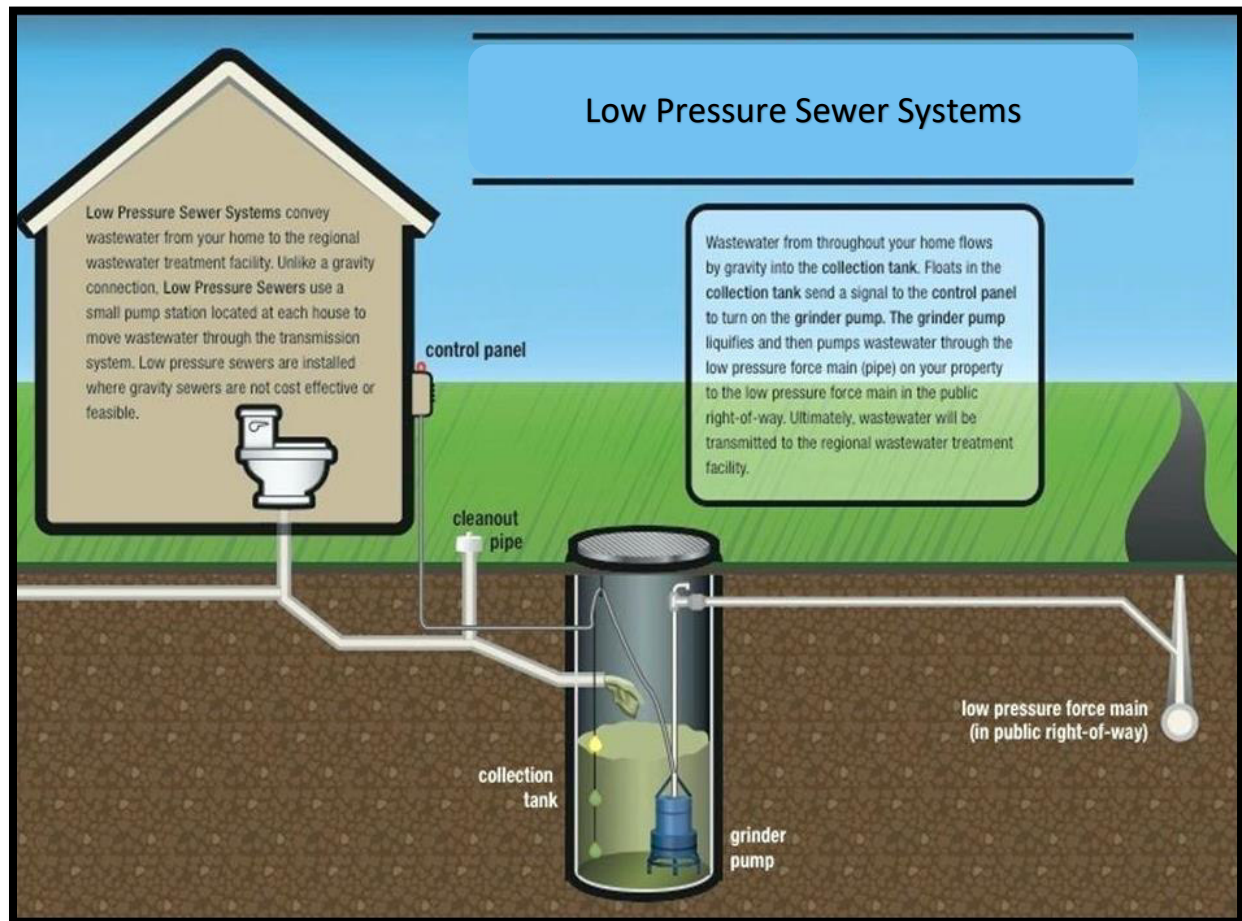
## Appendix E

Low Pressure Sewer System Image





## Low Pressure Sewer System Image





## Appendix F

### Engineer's Opinion of Probable Cost Low Pressure Sewer System





**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**LOW PRESSURE SEWER SYSTEM**  
 JOB NO. 18187.27  
 April 2022



<b>Address: 640 Old Dixie (Lake Park Public Works)</b>					
<b>Item</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Amount</b>
1	Private Grinder Station	1	EA	\$ 45,000.00	\$ 45,000.00
2	2" Low Pressure Force Main	25	LF	\$ 25.00	\$ 625.00
3	Pavement, Restoration, Sub-grade, Sub-base, Asphalt	250	SQ YD	\$ 50.00	\$ 12,500.00
4	6" PVC Service Lateral (including connection to existing, cleanouts, bends)	334	LF	\$ 45.00	\$ 15,030.00
5	Abandon Septic tank & drainfield assuming each building has one)	3	EA	\$ 2,500.00	\$ 7,500.00
6	Connection Fee (Assumming 1 ERCs Equivalent)	1	EA	\$ 1,200.00	\$ 1,200.00
7	Sodding Restoration	50	SQ YD	\$ 5.00	\$ 250.00
8	Electrical service connection	1	LS	\$ 3,000.00	\$ 3,000.00
9	Water connection for hose bib	1	LS	\$ 1,500.00	\$ 1,500.00

Subtotal \$ 86,605.00

Mobilization, Demobilization, MOT, Bonds  
& Insurance (10%) 1 LS \$ 8,660.50

Contingency (25%) 1 LS \$ 21,651.25

Legal, Engineering, Administration (20%) 1 LS \$ 17,321.00

**TOTAL \$ 134,237.75**

Note: Estimated costs are based on conceptual plans and unit costs at the time of this report. It was assumed that septic tanks are located in the same locations as the grinder stations in the conceptual plans. These locations will need to be verified in the final design in order to finalize pricing estimates.



**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**LOW PRESSURE SEWER SYSTEM**  
 JOB NO. 18187.27  
 April 2022



<b>Address: 210 Brant Road</b>					
<b>Item</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Amount</b>
1	Private Grinder Station	1	EA	\$ 45,000.00	\$ 45,000.00
2	2" Low Pressure Force Main	10	LF	\$ 25.00	\$ 250.00
3	Pavement, Restoration, Sub-grade, Sub-base, Asphalt	750	SQ YD	\$ 50.00	\$ 37,500.00
4	6" PVC Service Lateral (including connection to existing, cleanouts, bends)	800	LF	\$ 45.00	\$ 36,000.00
5	Abandon Septic tank & drainfield assuming each building has one)	5	EA	\$ 2,500.00	\$ 12,500.00
6	Connection Fee (Assumming 1 ERCs Equivalent)	1	EA	\$ 1,200.00	\$ 1,200.00
7	Sodding Restoration	50	SQ YD	\$ 5.00	\$ 250.00
8	Electrical service connection	1	LS	\$ 3,000.00	\$ 3,000.00
9	Water connection for hose bib	1	LS	\$ 1,500.00	\$ 1,500.00

Subtotal \$ 137,200.00

Mobilization, Demobilization, MOT, Bonds  
& Insurance (10%) 1 LS \$ 13,720.00

Contingency (25%) 1 LS \$ 34,300.00

Legal, Engineering, Administration (20%) 1 LS \$ 27,440.00

**TOTAL \$ 212,660.00**

Note: Estimated costs are based on conceptual plans and unit costs at the time of this report. It was assumed that septic tanks are located in the same locations as the grinder stations in the conceptual plans. These locations will need to be verified in the final design in order to finalize pricing estimates.



**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**LOW PRESSURE SEWER SYSTEM**  
 JOB NO. 18187.27  
 April 2022



<b>Address: All Properties Without Oil Interceptor with exception of 210 Brant Road, and 640 Old Dixie</b>					
<b>Item</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Amount</b>
1	Private Grinder Station	1	EA	\$ 45,000.00	\$ 45,000.00
2	2" Low Pressure Force Main	50	LF	\$ 25.00	\$ 1,250.00
3	Pavement, Restoration, Sub-grade, Sub-base, Asphalt	25	SQ YD	\$ 50.00	\$ 1,250.00
4	6" PVC Service Lateral connection (including connection to existing, cleanouts, bends)	1	EA	\$ 750.00	\$ 750.00
5	Abandon Septic tank & drainfield assuming each building has one)	1	EA	\$ 2,500.00	\$ 2,500.00
6	Connection Fee (Assumming 1 ERC Equivalent)	1	EA	\$ 1,200.00	\$ 1,200.00
7	Sodding Restoration	25	SQ YD	\$ 5.00	\$ 125.00
8	Electrical service connection	1	LS	\$ 1,500.00	\$ 1,500.00
9	Water connection for hose bib	1	LS	\$ 1,500.00	\$ 1,500.00

Subtotal \$ 55,075.00

Mobilization, Demobilization, MOT, Bonds & Insurance (10%) 1 LS \$ 5,507.50

Contingency (25%) 1 LS \$ 13,768.75

Legal, Engineering, Administration (20%) 1 LS \$ 11,015.00

**TOTAL \$ 85,366.25**

Note: Estimated costs are based on conceptual plans and unit costs at the time of this report. It was assumed that septic tanks are located in the same locations as the grinder stations in the conceptual plans. These locations will need to be verified in the final design in order to finalize pricing estimates.

Electrical cost is assumed and will need to be verified w/ individual site analysis bby FPL/construction.



**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**LOW PRESSURE SEWER SYSTEM**  
 JOB NO. 18187.27  
 April 2022



<b>Address: Oil Separator properties (102 OLD DIXIE HWY, 1045 SILVER BEACH RD, 1101 OLD DIXIE HWY 1107 OLD DIXIE HWY A, 1145 OLD DIXIE HWY A1)</b>					
<b>Item</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Amount</b>
1	Private Grinder Station	1	EA	\$ 45,000.00	\$ 45,000.00
2	2" Low Pressure Force Main	50	LF	\$ 25.00	\$ 1,250.00
3	Pavement, Restoration, Sub-grade, Sub-base, Asphalt	25	SQ YD	\$ 50.00	\$ 1,250.00
4	6" PVC Service Lateral connection (including connection to existing, cleanouts, bends)	1	EA	\$ 750.00	\$ 750.00
5	Oil Separator	1	EA	\$ 5,000.00	\$ 5,000.00
6	Abandon Septic tank & drainfield assuming each building has one)	1	EA	\$ 2,500.00	\$ 2,500.00
7	Connection Fee (Assumming 1 ERC Equivalent)	1	EA	\$ 1,200.00	\$ 1,200.00
8	Sodding Restoration	25	SQ YD	\$ 5.00	\$ 125.00
9	Electrical service connection	1	LS	\$ 1,500.00	\$ 1,500.00
10	Water connection for hose bib	1	LS	\$ 1,500.00	\$ 1,500.00

Subtotal				\$	60,075.00
Mobilization, Demobilization, MOT, Bonds & Insurance (10%)	1	LS		\$	6,007.50
Contingency (25%)	1	LS		\$	15,018.75
Legal, Engineering, Administration (20%)	1	LS		\$	12,015.00
<b>TOTAL</b>				<b>\$</b>	<b>93,116.25</b>

Note: Estimated costs are based on conceptual plans and unit costs at the time of this report. It was assumed that septic tanks are located in the same locations as the grinder stations in the conceptual plans. These locations will need to be verified in the final design in order to finalize pricing estimates.



## Appendix G

Engineer's Opinion of Probable Cost  
Low Pressure / Gravity Sewer Combination System





**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**GRAVITY SEWER SYSTEM**  
 JOB NO. 18187.27  
 April 2022



<b>Address: 210 Brant Road</b>					
<b>Item</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Amount</b>
1	Pavement, Restoration, Sub-grade, Sub-base, Asphalt	750	SQ YD	\$ 50.00	\$ 37,500.00
2	6" PVC Service Lateral (including connection to existing, cleanouts, bends)	800	LF	\$ 45.00	\$ 36,000.00
3	Abandon Septic tank & drainfield assuming each building has one)	5	EA	\$ 2,500.00	\$ 12,500.00
4	Connection Fee (Assuming 1 ERCs Equivalent)	1	EA	\$ 1,200.00	\$ 1,200.00
7	Sodding Restoration	50	SQ YD	\$ 5.00	\$ 250.00

Subtotal \$ 87,450.00

Mobilization, Demobilization, MOT, Bonds  
& Insurance (10%) 1 LS \$ 8,745.00

Contingency (25%) 1 LS \$ 21,862.50

Legal, Engineering, Administration (20%) 1 LS \$ 17,490.00

**TOTAL \$ 135,547.50**

Note: Estimated costs are based on conceptual plans and unit costs at the time of this report. It was assumed that septic tanks are located in the same locations as the grinder stations in the conceptual plans. These locations will need to be verified in the final design in order to finalize pricing estimates.



**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**GRAVITY SEWER SYSTEM**  
 JOB NO. 18187.27  
 April 2022



<b>Address: Gravity served properties in Section 1 without oil Separator (except 210 Brant Road and 202 Old Dive)</b>					
<b>Item</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Amount</b>
1	Pavement, Restoration, Sub-grade, Sub-base, Asphalt	25	SQ YD	\$ 50.00	\$ 1,250.00
2	6" PVC Service Lateral connection (including connection to existing, cleanouts, bends)	1	EA	\$ 750.00	\$ 750.00
3	Abandon Septic tank & drainfield assuming each building has one)	1	EA	\$ 2,500.00	\$ 2,500.00
4	Connection Fee (Assumming 1 ERC Equivalent)	1	EA	\$ 1,200.00	\$ 1,200.00
5	Sodding Restoration	25	SQ YD	\$ 5.00	\$ 125.00

Subtotal \$ 5,825.00

Mobilization, Demobilization, MOT, Bonds & Insurance (10%) 1 LS \$ 582.50

Contingency (25%) 1 LS \$ 1,456.25

Legal, Engineering, Administration (20%) 1 LS \$ 1,165.00

**TOTAL \$ 9,028.75**

Note: Estimated costs are based on conceptual plans and unit costs at the time of this report. It was assumed that septic tanks are located in the same locations as the grinder stations in the conceptual plans. These locations will need to be verified in the final design in order to finalize pricing estimates.



**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**GRAVITY SEWER SYSTEM**  
 JOB NO. 18187.27  
 April 2022



Address: 202 Old Dixie					
Item	Description	Quantity	Unit	Unit Cost	Total Amount
1	Pavemet, Restoration, Sub-grade, Sub-base, Asphalt	120	SQ YD	\$ 50.00	\$ 6,000.00
2	6" PVC Service Lateral (including connection to existing cleanouts, bends)	140	LF	\$ 45.00	\$ 6,300.00
3	Abandon Septic tank & drainfield assuming each building has one)	1	EA	\$ 2,500.00	\$ 2,500.00
4	Connection Fee (Assumming 1 ERC Equivalent)	1	EA	\$ 1,200.00	\$ 1,200.00
5	Sodding Restoration	25	SQ YD	\$ 5.00	\$ 125.00

4

Subtotal \$ 16,125.00

Mobilization, Demobilization, MOT, Bonds & Insurance (10%) 1 LS \$ 1,612.50

Contingency (25%) 1 LS \$ 4,031.25

Legal, Engineering, Administration (20%) 1 LS \$ 3,225.00

**TOTAL \$ 24,993.75**

Note: Estimated costs are based on conceptual plans and unit costs at the time of this report. It was assumed that septic tanks are located in the same locations as the grinder stations in the conceptual plans. These locations will need to be verified in the final design in order to finalize pricing estimates.



**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**GRAVITY SEWER SYSTEM**  
 JOB NO. 18187.27  
 April 2022



<b>Address: Oil Separator properties (102 OLD DIXIE HWY, 1045 SILVER BEACH RD)</b>					
<b>Item</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Amount</b>
1	Pavement, Restoration, Sub-grade, Sub-base, Asphalt	25	EA	\$ 50.00	\$ 1,250.00
2		1	EA	\$ 750.00	\$ 750.00
3	Oil Separator	1	EA	\$ 5,000.00	\$ 5,000.00
4	Abandon Septic tank & drainfield assuming each building has one)	1	EA	\$ 2,500.00	\$ 2,500.00
5	Connection Fee (Assumming 1 ERC Equivalent)	1	EA	\$ 1,200.00	\$ 1,200.00
6	Sodding Restoration	25	SQ YD	\$ 5.00	\$ 125.00

Subtotal \$ 10,825.00

Mobilization, Demobilization, MOT, Bonds & Insurance (10%) 1 LS \$ 1,082.50

Contingency (25%) 1 LS \$ 2,706.25

Legal, Engineering, Administration (20%) 1 LS \$ 2,165.00

**TOTAL \$ 16,778.75**

Note: Estimated costs are based on conceptual plans and unit costs at the time of this report. It was assumed that septic tanks are located in the same locations as the grinder stations in the conceptual plans. These locations will need to be verified in the final design in order to finalize pricing estimates.



## Appendix H

### Offsite Engineer's Opinion of Probable Cost Gravity Sewer System





**Preliminary Cost Estimate**  
**Lake Park Old Dixie Highway Sewer System**

**PART I - PUBLIC UTILITIES PORTION**

**Section 1 - Tri-City Industrial Park**

Item	Number	Unit	Unit Cost	Cost
<b>Miller Way</b>				
2-Inch PVC Low Pressure Force Main	410	LF	\$14	\$5,740
In-Line Cleanout Port & Main Line Valve	1	LS	\$2,000	\$2,000
Terminal Cleanout Port and Main Line Valve	1	LS	\$1,000	\$1,000
8" PVC Gravity Main (0 - 6 feet)	520	LF	\$80	\$41,600
4' Diameter Sanitary Sewer Manhole 0' to 6' deep	3	EA	\$7,500	\$22,500
6" PVC C-900 Gravity Service Lateral - 0' to 6' deep	330	LF	\$60	\$19,800
Miscellaneous Restoration	1	LS	\$4,000	\$4,000
Roadway Restoration	1,390	SY	\$75	\$104,250
Contaminated Groundwater Dewatering/Treatment	2	Weeks	\$4,000	\$8,000
<b>Reed Road</b>				
8" PVC Gravity Main (0 - 6 feet)	510	LF	\$80	\$40,800
4' Diameter Sanitary Sewer Manhole 0' to 6' deep	3	EA	\$7,500	\$22,500
6" PVC C-900 Gravity Service Lateral - 0' to 6' deep	270	LF	\$60	\$16,200
Miscellaneous Restoration	1	LS	\$4,000	\$4,000
Roadway Restoration	1,370	SY	\$75	\$102,750
Contaminated Groundwater Dewatering/Treatment	2	Weeks	\$4,000	\$8,000
<b>Newman Road</b>				
4" DIP Main	350	LF	\$35	\$12,250
8" PVC Gravity Main (0 - 6 feet)	450	LF	\$80	\$36,000
8" PVC C-900 Gravity Sanitary Sewer Main 6' to 8' deep	100	LF	\$90	\$9,000
4' Diameter Sanitary Sewer Manhole 0' to 6' deep	1	EA	\$7,500	\$7,500
4' Diameter Sanitary Sewer Manhole 6' to 8' deep	1	EA	\$8,500	\$8,500
6" PVC C-900 Gravity Service Lateral - 0' to 6' deep	120	LF	\$60	\$7,200
Miscellaneous Restoration	1	LS	\$5,000	\$5,000
Pavement Restoration	1,740	SY	\$75	\$130,500
Contaminated Groundwater Dewatering/Treatment	1	Week	\$4,000	\$4,000



**Preliminary Cost Estimate  
Lake Park Old Dixie Highway Sewer System**

<b>Brant Road</b>				
4" DIP Main	320	LF	\$35	\$11,200
8" PVC Gravity Main (6-8 feet)	450	LF	\$90	\$40,500
4' Diameter Sanitary Sewer Manhole 6' to 8' deep	2	EA	\$8,500	\$17,000
6" PVC C-900 Gravity Service Lateral - 6' to 8' deep	120	LF	\$65	\$7,800
Miscellaneous Restoration	1	LS	\$4,000	\$4,000
Roadway Restoration	1,270	SY	\$75	\$95,250
Contaminated Groundwater Dewatering/Treatment	1	Week	\$4,000	\$4,000
<b>Lift Station Allowance</b>				
Duplex Lift Station	1	LS	\$500,000	\$500,000
Contaminated Groundwater Dewatering/Treatment	3	Weeks	\$4,000	\$12,000
<b>Subtotal</b>				<b>\$1,314,840</b>

*General Conditions (3%)*      \$40,000  
*Mobilization, Bonds, and Insurance (3%)*      \$40,000  
*Overhead (8%)*      \$106,000  
***Subtotal***      **\$1,500,840**  
*Profit (15%)*      \$226,000

***Subtotal***      **\$1,726,840**

*Contingency (30%)*      \$519,000

***Total Construction Cost***      **\$2,245,840**

*Technical Services (15%)*      \$337,000

***Total Project Cost***      **\$2,582,840**

**\* For Section 2, use \$289,100 (Low Pressure Cost)**

**\* For Section 3, use \$272,700 (Low Pressure Cost)**

***Total of all 3 sections = \$3,144,640***



## Appendix I

### Offsite Engineer's Opinion of Probable Cost Low Pressure Sewer System





**LOW P<sub>F</sub>**  
**Preliminary Cost Estimate**  
**Lake Park Old Dixie Highway Sewer System**

**PART I - PUBLIC UTILITIES PORTION**

**Section 1 - Tri-City Industrial Park**

Item	Number	Unit	Unit Cost	Cost
<b>Miller Way</b>				
2" PVC Main	550	LF	\$14	\$7,700
In-Line Cleanout Port & Main Line Valve	1	LS	\$2,000	\$2,000
Terminal Cleanout Port and Main Line Valve	1	LS	\$1,000	\$1,000
Double Service - Short Side	2	LS	\$1,600	\$3,200
Double Service - Long Side	2	LS	\$2,000	\$4,000
Single Service - Short Side	1	LS	\$1,200	\$1,200
Single Service-Long Side	2	LS	\$1,600	\$3,200
Driveway Restoration	200	SY	\$50	\$10,000
Sodding Restoration	400	SY	\$5	\$2,000
Miscellaneous Restoration	1	LS	\$10,000	\$10,000
<b>Reed Road</b>				
2" PVC Main	550	LF	\$14	\$7,700
In-Line Cleanout Port & Main Line Valve	1	LS	\$2,000	\$2,000
Terminal Cleanout Port and Main Line Valve	1	LS	\$1,000	\$1,000
Double Service - Short Side	1	LS	\$1,600	\$1,600
Double Service - Long Side	1	LS	\$2,000	\$2,000
Single Service - Short Side	1	LS	\$1,200	\$1,200
Single Service-Long Side	1	LS	\$1,600	\$1,600
Driveway Restoration	200	SY	\$50	\$10,000
Sodding Restoration	400	SY	\$5	\$2,000
Miscellaneous Restoration	1	LS	\$10,000	\$10,000
<b>Brant Road</b>				
2" PVC Main	475	LF	\$14	\$6,650
In-Line Cleanout Port & Main Line Valve	1	LS	\$2,000	\$2,000
Terminal Cleanout Port and Main Line Valve	1	LS	\$1,000	\$1,000
Double Service - Long Side	1	LS	\$2,000	\$2,000
Pavement Restoration	40	SY	\$75	\$3,000
Driveway Restoration	150	SY	\$50	\$7,500
Sodding Restoration	200	SY	\$5	\$1,000
Miscellaneous Restoration	1	LS	\$10,000	\$10,000



**Preliminary Cost Estimate  
Lake Park Old Dixie Highway Sewer System**

<b>Newman Road</b>				
2" PVC Main	450	LF	\$14	\$6,300
In-Line Cleanout Port & Main Line Valve	2	LS	\$2,000	\$4,000
Terminal Cleanout Port and Main Line Valve	2	LS	\$1,000	\$2,000
Single Service-Long Side	3	LS	\$1,600	\$4,800
Pavement Restoration	280	SY	\$75	\$21,000
Driveway Restoration	75	SY	\$50	\$3,750
Sodding Restoration	490	SY	\$5	\$2,450
Miscellaneous Restoration	1	LS	\$12,000	\$12,000
<b>Old Dixie Highway (Assumed that easements are obtained from PBC and Lake Park)</b>				
2" PVC Main	500	LF	\$14	\$7,000
In-Line Cleanout Port & Main Line Valve	1	LS	\$2,000	\$2,000
Terminal Cleanout Port and Main Line Valve	1	LS	\$1,000	\$1,000
Single Service - Short Side	2	LS	\$1,200	\$2,400
Pavement Restoration	40	SY	\$75	\$3,000
Driveway Restoration	50	SY	\$50	\$2,500
Sodding Restoration	250	SY	\$5	\$1,250
Sidewalk Restoration	300	SY	\$40	\$12,000
Miscellaneous Restoration	1	LS	\$10,000	\$10,000
<b>Silver Beach Road</b>				
2" PVC Main	250	LF	\$14	\$3,500
Terminal Cleanout Port and Main Line Valve	1	LS	\$1,000	\$1,000
Single Service - Short Side	5	LS	\$1,200	\$6,000
Driveway Restoration	150	SY	\$50	\$7,500
Sodding Restoration	50	SY	\$5	\$250
Sidewalk Restoration	25	SY	\$40	\$1,000
Miscellaneous Restoration	1	LS	\$7,500	\$7,500
<b>LOW PRESSURE FORCE MAIN CONSTRUCTION SUBTOTAL</b>				<b>\$240,800</b>

*General Conditions (3%)*      \$8,000

*Mobilization, Bonds, and Insurance (3%)*      \$8,000

*Overhead (8%)*      \$20,000

***Subtotal***      \$276,800

*Profit (15%)*      \$42,000

***Subtotal***      \$318,800

*Contingency (30%)*      \$96,000

***Total Construction Cost***      \$414,800

*Technical Services (15%)*      \$63,000

***Total Section 1 Project Cost***      **\$477,800**



**Preliminary Cost Estimate**  
**Lake Park Old Dixie Highway Sewer System**

Section 2 - Town of Lake Park Public Works Area

Item	Number	Unit	Unit Cost	Cost
2-Inch PVC Low Pressure Force Main	2,450	LF	\$14	\$34,300
In-Line Cleanout Port & Main Line Valve	6	LS	\$2,000	\$12,000
Terminal Cleanout Port and Main Line Valve	1	LS	\$1,000	\$1,000
Single Service - Short Side	2	LS	\$1,200	\$2,400
Core Through Existing Manhole	1	LS	\$7,500	\$7,500
Driveway Restoration	140	SY	\$50	\$7,000
Sodding Restoration	1,470	SY	\$5	\$7,350
Sidewalk Restoration	400	SY	\$40	\$16,000
Roadway Restoration	500	SY	\$75	\$37,500
Miscellaneous Restoration	1	LS	\$20,000	\$20,000
<b>LOW PRESSURE FORCE MAIN CONSTRUCTION SUBTOTAL</b>				<b>\$145,100</b>

*General Conditions (3%)*      \$5,000

*Mobilization, Bonds, and Insurance (3%)*      \$5,000

*Overhead (8%)*      \$12,000

***Subtotal***      **\$167,100**

*Profit (15%)*      \$26,000

***Subtotal***      **\$193,100**

*Contingency (30%)*      \$58,000

***Total Construction Cost***      **\$251,100**

*Technical Services (15%)*      \$38,000

***Total Section 2 Project Cost***      **\$289,100**



**Preliminary Cost Estimate**  
**Lake Park Old Dixie Highway Sewer System**

Section 3 - Commercial Area on Old Dixie, North of Water Tower Road

Item	Number	Unit	Unit Cost	Cost
2-Inch PVC Low Pressure Force Main	1,900	LF	\$14	\$26,600
In-Line Cleanout Port & Main Line Valve	2	LS	\$2,000	\$4,000
Terminal Cleanout Port and Main Line Valve	1	LS	\$1,000	\$1,000
Double Service - Short Side	3	LS	\$1,600	\$4,800
Single Service - Short Side	4	LS	\$1,200	\$4,800
Core Through Existing Manhole	2	LS	\$7,500	\$15,000
Sodding Restoration	2,400	SY	\$5	\$12,000
Driveway Restoration	140	SY	\$50	\$7,000
Roadway Restoration	500	SY	\$75	\$37,500
Miscellaneous Restoration	1	LS	\$24,000	\$24,000
<b>LOW PRESSURE FORCE MAIN CONSTRUCTION SUBTOTAL</b>				<b>\$136,700</b>

*General Conditions (3%)*      \$5,000

*Mobilization, Bonds, and Insurance (3%)*      \$5,000

*Overhead (8%)*      \$11,000

***Subtotal***      \$157,700

*Profit (15%)*      \$24,000

***Subtotal***      \$181,700

*Contingency (30%)*      \$55,000

***Total Construction Cost***      \$236,700

*Technical Services (15%)*      \$36,000

***Total Section 3 Project Cost***      **\$272,700**

**PART I - PUBLIC UTILITIES PORTION TOTAL**      **\$1,039,600**



## Appendix J

### Engineer's Opinion of Total Per Property Gravity Sewer System





**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**GRAVITY/LOW PRESSURE - TOTAL COST SUMMARY BY PROPERTY**  
 JOB NO. 18187.27  
 APRIL 2022



Property	Address	*Estimated Onsite Cost	*Estimated Offsite Cost	*Total
	<b>SOUTH - SECTION</b>			
1	1306 SILVER BEACH RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
2	1211 SILVER BEACH RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
3	1201 SILVER BEACH RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
4	108 MILLER WAY	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
5	116 MILLER WAY 1	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
6	124 MILLER WAY 1	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
7	132 MILLER WAY 1	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
8	212 NEWMAN RD A	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
9	210 NEWMAN RD A	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
10	210 BRANT RD 1	\$ 135,548.00	\$ 89,063.45	\$ 224,611.45
11	207 BRANT RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
12	1009 NEWMAN RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
13	1001 NEWMAN RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
14	133 MILLER WAY A	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
15	125 MILLER WAY 1	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
16	117 MILLER WA	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
17	109 MILLER WAY 1	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
18	1137 SILVER BEACH RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
19	1129 SILVER BEACH RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
20	1121 SILVER BEACH RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
21	116 REED RD 1	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
22	116 REED RD 6	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
23	1061 SILVER BEACH RD 1	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
24	109 REED RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
25	111 REED RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
26	117 REED RD	\$ 9,029.00	\$ 89,063.45	\$ 98,092.45
27	202 OLD DIXIE HWY	\$ 24,994.00	\$ 89,063.45	\$ 114,057.45
28	1045 SILVER BEACH RD	\$ 16,779.00	\$ 89,063.45	\$ 105,842.45
29	102 OLD DIXIE HWY	\$ 16,779.00	\$ 89,063.45	\$ 105,842.45
	<b>Total SOUTH - SECTION</b>	<b>\$ 419,825.00</b>	<b>\$ 2,582,840.00</b>	<b>\$ 3,002,665.00</b>

\*Refer to Appendix H for Breakdown of Estimated Offsite Cost, and Appendix G for onsite costs.

\*Estimated Costs Includes Mobilization, Demobilization, MOT, Insurance, Contingency, Legal, Engineering, & Administration



TOWN OF LAKE PARK  
ENGINEER'S OPINION OF PROBABLE COST  
GRAVITY/LOW PRESSURE - TOTAL COST SUMMARY BY PROPERTY  
JOB NO. 18187.27  
APRIL 2022



	MID-SECTION	*Estimated Onsite Cost	*Estimated Offsite Cost	Total
1	410 OLD DIXIE HWY	\$ 85,366.00	\$ 48,183.33	\$ 133,549.33
2	1215 INDUSTRIAL AVE	\$ 85,366.00	\$ 48,183.33	\$ 133,549.33
3	640 OLD DIXIE HWY	\$ 134,238.00	\$ 48,183.33	\$ 182,421.33
4	700 OLD DIXIE HWY 101	\$ 85,366.00	\$ 48,183.33	\$ 133,549.33
5	1107 OLD DIXIE HWY A	\$ 93,116.00	\$ 48,183.33	\$ 141,299.33
6	1101 OLD DIXIE HWY	\$ 93,116.00	\$ 48,183.33	\$ 141,299.33
	<b>Total MID-SECTION</b>	\$ 576,568.00	\$ 289,100.00	\$ 865,668.00

\*Refer to Appendix I for Breakdown of Estimated Offsite Cost, and Appendix F for onsite cost.

\*Estimated Costs Include Mobilization, Demobilization, MOT, Insurance, Contingency, Legal, Engineering, & Administration

	NORTH-SECTION	*Estimated Onsite Cost	*Estimated Offsite Cost	Total
7	1133 OLD DIXIE HWY 1	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
8	1145 OLD DIXIE HWY A1	\$ 93,116.00	\$ 38,957.14	\$ 132,073.14
9	1183 OLD DIXIE HWY A1	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
10	1173 OLD DIXIE HWY	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
11	1169 OLD DIXIE HWY A10	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
12	1139 OLD DIXIE HWY	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
13	800 RAILROAD AVE	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
	<b>Total NORTH - SECTION</b>	\$ 605,312.00	\$ 272,700.00	\$ 878,012.00

\*Refer to Appendix I for Breakdown of Estimated Offsite Cost, and Appendix F for onsite cost.

\*Estimated Onsite Cost Included with Mobilization, Demobilization, MOT, Insurance Contingency, Legal, Engineering & Administration

	<b>GRAND TOTAL (ALL 3 SECTION)</b>	<b>\$ 1,601,705.00</b>	<b>\$ 3,144,640.00</b>	<b>\$ 4,746,345.00</b>
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Notes: (2) Number of units are an estimate only. Costs are based on conceptual plans and unit costs at the time of this report.



## Appendix K

### Engineer's Opinion of Total Per Property Low Pressure Sewer System





**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**LOW PRESSURE SEWER SYSTEM - TOTAL COST SUMMARY BY PROPERTY**  
 JOB NO. 18187.27  
 APRIL 2022



Property	Address	*Estimated Onsite Cost	*Estimated Offsite Cost	Total
	<b>SOUTH - SECTION</b>			
1	1306 SILVER BEACH RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
2	1211 SILVER BEACH RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
3	1201 SILVER BEACH RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
4	108 MILLER WAY	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
5	116 MILLER WAY 1	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
6	124 MILLER WAY 1	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
7	132 MILLER WAY 1	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
8	212 NEWMAN RD A	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
9	210 NEWMAN RD A	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
10	210 BRANT RD 1	\$ 212,660.00	\$ 16,475.86	\$ 229,135.86
11	207 BRANT RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
12	1009 NEWMAN RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
13	1001 NEWMAN RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
14	133 MILLER WAY A	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
15	125 MILLER WAY 1	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
16	117 MILLER WA	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
17	109 MILLER WAY 1	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
18	1137 SILVER BEACH RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
19	1129 SILVER BEACH RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
20	1121 SILVER BEACH RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
21	116 REED RD 1	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
22	116 REED RD 6	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
23	1061 SILVER BEACH RD 1	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
24	109 REED RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
25	111 REED RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
26	117 REED RD	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
27	202 OLD DIXIE HWY	\$ 85,366.00	\$ 16,475.86	\$ 101,841.86
28	1045 SILVER BEACH RD	\$ 93,116.00	\$ 16,475.86	\$ 109,591.86
29	102 OLD DIXIE HWY	\$ 93,116.00	\$ 16,475.86	\$ 109,591.86
	<b>Total SOUTH - SECTION</b>	\$ 2,618,408.00	\$ 477,800.00	\$ 3,096,208.00

\*Refer to Appendix I for Breakdown of Estimated Offsite Cost, and Appendix F for onsite cost.

\*Estimated Costs Include Mobilization, Demobilization, MOT, Insurance, Contingency, Legal, Engineering, & Administration



**TOWN OF LAKE PARK**  
**ENGINEER'S OPINION OF PROBABLE COST**  
**LOW PRESSURE SEWER SYSTEM - TOTAL COST SUMMARY BY PROPERTY**  
 JOB NO. 18187.27  
 APRIL 2022



	<b>MID-SECTION</b>	<b>*Estimated Onsite Cost</b>	<b>*Estimated Offsite Cost</b>	<b>Total</b>
30	410 OLD DIXIE HWY	\$ 85,366.00	\$ 48,183.33	\$ 133,549.33
31	1215 INDUSTRIAL AVE	\$ 85,366.00	\$ 48,183.33	\$ 133,549.33
32	640 OLD DIXIE HWY	\$ 134,238.00	\$ 48,183.33	\$ 182,421.33
33	700 OLD DIXIE HWY 101	\$ 85,366.00	\$ 48,183.33	\$ 133,549.33
34	1107 OLD DIXIE HWY A	\$ 93,116.00	\$ 48,183.33	\$ 141,299.33
35	1101 OLD DIXIE HWY	\$ 93,116.00	\$ 48,183.33	\$ 141,299.33
	<b>Total MID-SECTION</b>	\$ 576,568.00	\$ 289,100.00	\$ 865,668.00

\*Refer to Appendix I for Breakdown of Estimated Offsite Cost, and Appendix F for onsite cost.

\*Estimated Costs Include Mobilization, Demobilization, MOT, Insurance, Contingency, Legal, Engineering, & Administration

	<b>NORTH-SECTION</b>	<b>*Estimated Onsite Cost</b>	<b>*Estimated Offsite Cost</b>	<b>Total</b>
36	1133 OLD DIXIE HWY 1	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
37	1145 OLD DIXIE HWY A1	\$ 93,116.00	\$ 38,957.14	\$ 132,073.14
38	1183 OLD DIXIE HWY A1	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
39	1173 OLD DIXIE HWY	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
40	1169 OLD DIXIE HWY A10	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
41	1139 OLD DIXIE HWY	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
42	800 RAILROAD AVE	\$ 85,366.00	\$ 38,957.14	\$ 124,323.14
	<b>Total NORTH - SECTION</b>	\$ 605,312.00	\$ 272,700.00	\$ 878,012.00

\*Refer to Appendix I for Breakdown of Estimated Offsite Cost, and Appendix F for onsite cost.

\*Estimated Onsite Cost Included with Mobilization, Demobilization, MOT, Insurance Contingency, Legal, Engineering & Administration

	<b>GRAND TOTAL (ALL 3 SECTION)</b>	<b>\$ 3,800,288.00</b>	<b>\$ 1,039,600.00</b>	<b>\$ 4,839,888.00</b>
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Notes: Number of units are an estimate only. Costs are based on conceptual plans and unit costs at the time of this report.



## Appendix L

### Property Information Summary





TOWN OF LAKE PARK  
PROPERTY INFORMATION  
JOB NO. 18187.27  
SEPTEMBER 2021



Item 2.

Property	Address	PCN	Zoning	2020 Taxes Paid	Actual usage (Average Gallons per Month in 2020 (in thousands))	Building Size (SF)	Gallons Per Day (0.1 GPD per SF)	ERCs
	<b>SOUTH - SECTION</b>			\$ -				
1	1306 SILVER BEACH RD	36434220000007170	CLIC	\$ 31,209.00	0	1,860	186	1
2	1211 SILVER BEACH RD	36434220070040060	CLIC	\$ 5,447.00	0	3,000	300	1
3	1201 SILVER BEACH RD	36434220070040070	CLIC	\$ 11,289.00	17.7	8,440	844	1
4	108 MILLER WAY	36434220070040050	CLIC	\$ 9,310.00	1	6,000	600	1
5	116 MILLER WAY 1	36434220070040040	CLIC	\$ 9,392.00	5.6	5,250	525	1
6	124 MILLER WAY 1	36434220070040030	CLIC	\$ 11,713.00	5.6	5,250	525	1
7	132 MILLER WAY 1	36434220070040020	CLIC	\$ 13,058.00	2.5	7,200	720	1
8	212 NEWMAN RD A	36434220000005110	CLIC	\$ 43,254.00	5.4	30,400	3040	1
9	210 NEWMAN RD A	36434220000005120	CLIC	\$ 41,617.00	73.9	20,750	2075	1
10	210 BRANT RD 1	36434220070040010	CLIC	\$ 56,866.00	73.9	33,600	3360	1
11	207 BRANT RD	36434220070010010	CLIC	\$ 9,119.00	2.6	4,369	436.9	1
12	1009 NEWMAN RD	36434220070010020	CLIC	\$ 18,932.00	5.1	10,000	1000	1
13	1001 NEWMAN RD	36434220070010030	CLIC	\$ 14,116.00	2.3	6,480	648	1
14	133 MILLER WAY A	36434220070030010	CLIC	\$ 9,587.00	0.8	4,500	450	1
15	125 MILLER WAY 1	36434220070030011	CLIC	\$ 11,863.00	0.6	6,000	600	1
16	117 MILLER WA	36434220070030031	CLIC	\$ 14,140.00	21.1	4,048	404.8	1
17	109 MILLER WAY 1	36434220070030040	CLIC	\$ 11,886.00	7.4	6,195	619.5	1
18	1137 SILVER BEACH RD	36434220070030050	CLIC	\$ 14,321.00	24.9	6,600	660	1
19	1129 SILVER BEACH RD	36434220070030070	CLIC	\$ 6,015.00	2.9	2,400	240	1
20	1121 SILVER BEACH RD	36434220070030080	CLIC	\$ 17,602.00	4.1	7,680	768	1
21	116 REED RD 1	36434220070030120	CLIC	\$ 15,268.00	2.2	8,280	828	1
22	116 REED RD 6	36434220070030130	CLIC	\$ 18,024.00	2.2	9,300	930	1
23	1061 SILVER BEACH RD 1	36434220070020050	CLIC	\$ 13,967.00	2.4	8,760	876	1
24	109 REED RD	36434220070020041	CLIC	\$ 7,929.00	1.7	3,432	343.2	1
25	111 REED RD	36434220070020032	CLIC	\$ 6,416.00	4.2	2,160	216	1
26	117 REED RD	36434220070020020	CLIC	\$ 19,629.00	1.1	11,588	1158.8	1
27	202 OLD DIXIE HWY	36434220070020010	CLIC	\$ 41,492.00	16.2	26,906	2690.6	1
28	1045 SILVER BEACH RD	36434220000005100	CLIC	\$ 6,693.00	1.9	3,836	383.6	1
29	102 OLD DIXIE HWY	36434220000005080	CLIC	\$ 8,818.00	44.9	1,431	143.1	1
	<b>MID-SECTION</b>							
30	410 OLD DIXIE HWY	36434220000007010	CLIC	\$ 16,082.00	16.6	6,060	606	1
31	1215 INDUSTRIAL AVE	36434220000007040	CLIC	\$ 6,678.00	0.0	2,923	292.3	1
32	640 OLD DIXIE HWY	36434220000007191	CSV	\$ -	11.7	10,235	1023.5	1
33	700 OLD DIXIE HWY 101	36434220000007100	CLIC	\$ 27,954.00	4.7	13,124	1312.4	1
34	1107 OLD DIXIE HWY A	36434220000007120	CLIC	\$ 23,639.00	5.9	8,750	875	1
35	1101 OLD DIXIE HWY	36434220000007153	CLIC	\$ 7,867.00	2.1	5,888	588.8	1
	<b>NORTH-SECTION</b>							
36	1133 OLD DIXIE HWY 1	36434220110000010	C4	\$ 3,696.00	16.4	12,200	1220	1
37	1145 OLD DIXIE HWY A1	36434220000003110	C4	\$ 24,651.00	6.7	11,362	1136.2	1
38	1183 OLD DIXIE HWY A1	36434220000003151	C4	\$ 43,432.00	13.4	24,742	2474.2	1
39	1173 OLD DIXIE HWY	36434220000003152	C4	\$ 13,670.00	19.1	4,700	470	1
40	1169 OLD DIXIE HWY A10	36434220000003140	C4	\$ 17,693.00	3.3	8,575	857.5	1
41	1139 OLD DIXIE HWY	36434220000003130	C4	\$ 9,404.00	7.7	4,200	420	1
42	800 RAILROAD AVE	36434220000003200	C4	\$ 61,653.00		8,168	816.8	1

**TOTAL**

<b>\$ 755,391.00</b>	<b>441.7</b>	<b>376,642</b>	<b>37,664</b>
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## Appendix M

### Septic to Sewer Alternative Comparison







# Septic to Sewer Alternative Comparison

April, 2022  
Project No. 18187.27

## Existing Conditions

		Conceptual Construction Cost	Disruption During Construction	Landowner Maintenance Obligation	Re-development Opportunity	Current Challenges
Existing Systems	Existing Septic (42 Units)	N/A	N/A	Moderate	Limited, due to lower capacity of septic systems,	Routine maintenance of existing septic system and drain field

## Summary of Options

		Estimated Conceptual Construction Cost	Disruption During Construction	Landowner Maintenance Obligation	Re-development Opportunity	Future Challenges to Landowner
Proposed Alternatives	Proposed Gravity/ Low Pressure Combination System	\$4.70 million	High	Low	Greater potential	Routine maintenance of onsite pump stations where proposed.
	Proposed Low Pressure System	\$4.84 million	Low	Moderate	Greater potential	Routine maintenance of onsite pump stations where proposed.



## Appendix N

EPA Fact Sheets for Force Mains, Lift Stations and Low Pressure Systems







# Wastewater Technology Fact Sheet Sewers, Force Main

## DESCRIPTION

Force mains are pipelines that convey wastewater under pressure from the discharge side of a pump or pneumatic ejector to a discharge point. Pumps or compressors located in a lift station provide the energy for wastewater conveyance in force mains. The key elements of force mains are:

1. Pipe.
2. Valves.
3. Pressure surge control devices.
4. Force main cleaning system.

Force mains are constructed from various materials and come in a wide range of diameters. Wastewater quality governs the selection of the most suitable pipe material. Operating pressure and corrosion resistance also impact the choice. Pipeline size and wall thickness are determined by wastewater flow, operating pressure, and trench conditions.

## Common Modifications

Force mains may be aerated or the wastewater chlorinated at the pump station to prevent odors and excessive corrosion. Pressure surge control devices are installed to reduce pipeline pressure below a safe operating pressure during lift station start-up and shut-off. Typically, automatically operated valves (cone or ball type) control pressure surges at the pump discharge or pressure surge tanks. Normally, force main cleaning includes running a manufactured "pigging" device through the line and long force mains are typically equipped with "pig"

insertion and retrieval stations. In most cases, insertion facilities are located within the lift station and the pig removal station is at the discharge point of the force main. Several launching and retrieval stations are usually provided in long force mains to facilitate cleaning of the pipeline.

## APPLICABILITY

Force mains are used to convey wastewater from a lower to higher elevation, particularly where the elevation of the source is not sufficient for gravity flow and/or the use of gravity conveyance will result in excessive excavation depths and high sewer pipeline construction costs.

Ductile iron and polyvinyl chloride (PVC) are the most frequently used materials for wastewater force mains. Ductile iron pipe has particular advantages in wastewater collection systems due to its high strength and high flow capacity with greater than nominal inside diameters and tight joints. For special corrosive conditions and extremely high flow characteristics, polyethylene-lined ductile iron pipe and fittings are widely used.

Cast iron pipe with glass lining is available in standard pipe sizes, with most joints in lengths up to 6.1 meters (20 feet). Corrosion-resistant plastic lined piping systems are used for certain waste carrying applications. Polyethylene-lined ductile iron pipe and fittings known as "poly-bond-lined" pipe is widely used for force mains conveying highly corrosive industrial or municipal wastewater.

The types of thermoplastic pipe materials used for force main service are PVC, acrylonitrile-butadiene-styrene (ABS), and polyethylene (PE).



The corrosion resistance, light weight, and low hydraulic friction characteristics of these materials offer certain advantages for different force main applications, including resistance to microbial attack. Typically, PVC pipes are available in standard diameters of 100 to 900 mm (4 to 36 inches) and their laying lengths normally range from 3 to 6 meters (10 to 20 feet). The use of composite material pipes, such as fiberglass reinforced mortar pipe (“truss pipe”), is increasing in the construction of force mains. A truss pipe is constructed on concentric ABS cylinders with annular space filled with cement. Pipe fabricated of fiberglass reinforced epoxy resin is almost as strong as steel, as well as corrosion and abrasion resistant.

Certain types of asbestos-cement pipe are applicable in construction of wastewater force mains. The advantage of asbestos-cement pipes in sewer applications is their low hydraulic friction. These pipes are relatively lightweight, allowing long laying lengths in long lines. Asbestos-cement pipes are also highly corrosion resistant. At one time it was thought that many asbestos containing products (including asbestos-cement pipe) would be banned by the Environmental Protection Agency. However, a court ruling overturned this ban and this pipe is available and still used for wastewater force main applications (Sanks, 1998).

Force mains are very reliable when they are properly designed and maintained. In general, force main reliability and useful life are comparable to that of gravity sewer lines, but pipeline reliability may be compromised by excessive pressure surges, corrosion, or lack of routine maintenance.

## **ADVANTAGES AND DISADVANTAGES**

### **Advantages**

Use of force mains can significantly reduce the size and depth of sewer lines and decrease the overall costs of sewer system construction. Typically, when gravity sewers are installed in trenches deeper than 6.1 meters (20 feet), the cost of sewer line installation increases significantly because more complex and costly excavation equipment and trench shoring techniques are required. Usually, the diameter of pressurized force mains is one to two

sizes smaller than the diameter of gravity sewer lines conveying the same flow, allowing significant pipeline cost reduction. Force main installation is simple because of shallower pipeline trenches and reduced quantity of earthwork. Installation of force mains is not dependent on site specific topographic conditions and is not impacted by available terrain slope, which typically limits gravity wastewater conveyance.

### **Disadvantages**

While construction of force mains is less expensive than gravity sewer lines for the same flow, force main wastewater conveyance requires the construction and operation of one or more lift stations. Wastewater pumping and use of force mains could be eliminated or reduced by selecting alternative sewer routes, consolidating a proposed lift station with an existing lift station, or extending a gravity sewer using directional drilling or other state-of-the art deep excavation methods.

The dissolved oxygen content of the wastewater is often depleted in the wet-well of the lift station, and its subsequent passage through the force main results in the discharge of septic wastewater, which not only lacks oxygen but often contains sulfides. Frequent cleaning and maintenance of force mains is required to remove solids and grease buildup and minimize corrosion due to the high concentration of sulfides.

Pressure surges are abrupt increases in operating pressure in force mains which typically occur during pump start-up and shut-off. Pressure surges may have negative effects on force main integrity but can be reduced by proper pump station and pipeline design.

## **DESIGN CRITERIA**

Force main design is typically integrated with lift station design. The major factors to consider in analyzing force main materials and hydraulics include the design formula for sizing the pipe, friction losses, pressure surges, and maintenance. The Hazen-Williams formula is recommended for the design of force mains. This formula includes a roughness coefficient  $C$ , which accounts for



pipeline hydraulic friction characteristics. The roughness coefficient varies with pipe material, size, and age.

### Force Main Pipe Materials

Selection criteria for force main pipe materials include:

1. Wastewater quantity, quality, and pressure.
2. Pipe properties, such as strength, ease of handling, and corrosion resistance.
3. Availability of appropriate sizes, wall thickness, and fittings.
4. Hydraulic friction characteristics
5. Cost.

Ductile iron pipe offers strength, stiffness, ductility, and a range of sizes and thicknesses and is the typical choice for high-pressure and exposed piping. Plastic pipe is most widely used in short force mains and smaller diameters. Table 1 lists the types of pipe recommended for use in a force main system and suggested applications.

### Velocity

Force mains from the lift station are typically designed for velocities between 0.6 to 2.4 meters per second (2 to 8 feet per second). Such velocities are normally based on the most economical pipe diameters and typical available heads. For shorter force mains (less than 610 meters or 2,000 feet) and low lift requirements (less than 9.1 meters or 30 feet), the recommended design force main velocity range is 1.8 to 2.7 meters per second (6 to 9 feet per second). This higher design velocity allows the use of smaller pipe, reducing construction costs. Higher velocity also increases pipeline friction loss by more than 50 percent, resulting in increased energy costs. To reduce the velocity, a reducer pipe or a pipe valve can be used. Reducer pipes are often used because of the costly nature of pipe valves. These reducer pipes, which are larger in diameter, help to disperse the flow, therefore reducing the velocity.

The maximum force main velocity at peak conditions is recommended not to exceed 3 meters per second (10 feet per second). Table 2 provides examples of force main capacities at various pipeline sizes, materials, and velocities. The flow volumes may vary depending on the pipe material used.

**TABLE 1 CHARACTERISTICS OF COMMON FORCE MAIN PIPE MATERIALS**

Material	Application	Key Advantages	Key Disadvantages
Cast or Ductile Iron, Cement Lined	High pressure Available sizes of 4-54 inches	Good resistance to pressure surges	More expensive than concrete and fiberglass
Steel, Cement Lined	High pressure All pipe sizes	Excellent resistance to pressure surges	More expensive than concrete and fiberglass
Asbestos Cement	Moderate pressure For 36-inch + pipe sizes	No corrosion Slow grease buildup	Relatively brittle
Fiberglass Reinforced Epoxy Pipe	Moderate pressure For up to 36-inch pipe sizes	No corrosion Slow grease buildup	350 psi max pressure
Plastic	Low pressure For up to 36-inch pipe sizes	No corrosion Slow grease buildup	Suitable for small pipe sizes and low pressure only

Source: Sanks, 1998.



**TABLE 2 FORCE MAIN CAPACITY**

Diameter (inches)	Velocity = 2 fps		Velocity = 4 fps		Velocity = 6 fps	
	gpm	lps	gpm	lps	gpm	lps
6	176	11	362	22	528	33
8	313	20	626	40	626	60
10	490	31	980	62	1,470	93
18	1,585	100	3,170	200	4,755	300
24	2,819	178	5,638	356	8,457	534
36	6,342	400	12,684	800	19,026	1,200

Source: Metcalf and Eddy, 1981.

## Vertical Alignment

Force mains should be designed so that they are always full and pressure in the pipe is greater than 69 kiloPascals (10 pounds per square inch) to prevent the release of gases. Low and high points in the vertical alignment should be avoided; considerable effort and expense are justified to maintain an uphill slope from the lift station to the discharge point. High points in force mains trap air, which reduces available pipe area, causes non-uniform flow, and creates the potential for sulfide corrosion. Gas relief and vacuum valves are often installed if high points in the alignment of force mains cannot be avoided, while blowoffs are installed at low points.

## Pressure Surges

The possibility of sudden changes in pressure (pressure surges) in the force main due to starting and/or stopping pumps (or operation of valves appurtenant to a pump) must be considered during design. The duration of such pressure surges ranges between 2 to 15 seconds. Each surge is site specific and depends on pipeline profile, flow, change in velocity, inertia of the pumping equipment, valve characteristics, pipeline materials, and pipeline accessories. Critical surges may be caused by power failure. If pressure surge is a concern, the force main should be designed to withstand calculated maximum surge pressures.

## Valves

Valves are installed to regulate wastewater flow and pressure in the force mains. Valves can be used to stop and start flow, control the flow rate, divert the flow, prevent backflow, and control and relieve the pressure. The number, type, and location of force main valves depends on the operating pressures and potential surge conditions in the pipeline. Although valves have a lot of benefits, the costliness of them prevents them from being used extensively.

## PERFORMANCE

Force main performance is closely tied to the performance of the lift station to which it is connected. Pump-force main performance curves are used to define and compare the operating characteristics of a given pump or set of pumps along with the associated force main. They are also used to identify the best combination of performance characteristics under which the lift station-force main system will operate under typical conditions (flows and pressures). Properly designed pump-force main systems usually allow the lift station pumps to operate at 35 to 55 percent efficiency most of the time. Overall pump efficiency depends on the type of pumps, their control system, and the fluctuation of the influent wastewater flow.

## OPERATION AND MAINTENANCE

The operation of force main-lift station systems is usually automated and does not require continuous on-site operator presence. However, annual force



main route inspections are recommended to ensure normal functioning and to identify potential problems.

Special attention is given to the integrity of the force main surface and pipeline connections, unusual noise, vibration, pipe and pipe joint leakage and displacement, valving arrangement and leakage, lift station operation and performance, discharge pump rates and pump speed, and pump suction and discharge pressures. Depending on the overall performance of the lift station-force main system, the extent of grease build-up and the need for pipeline pigging are also assessed.

If there is an excessive increase in pump head and the headloss increase is caused by grease build-up, the pipeline is pigged. Corrosion is rarely a problem since pipes are primarily constructed of ductile iron or plastic, which are highly resistant to corrosion. Buildup can be removed by pigging the pipeline.

## COSTS

Force main costs depend on many factors including:

1. Conveyed wastewater quantity and quality.
2. Force main length.
3. Operating pressure.
4. Soil properties and underground conditions.
5. Pipeline trench depth.
6. Appurtenances such as valves and blowoffs.
7. Community impacts.

These site and system specific factors must be examined and incorporated in the preparation of force main cost estimates.

## Construction Costs

Unit force main construction costs are usually expressed in \$ per linear foot of installed pipeline

and costs typically include labor and the equipment and materials required for pipeline installation. Table 3 unit pipeline construction costs for ductile iron and plastic (PVC) pipes used for force main construction. These costs are base installation costs and do not include the following:

1. General contractor overhead and profit.
2. Engineering and construction management.
3. Land or right-of-way acquisition.
4. Legal, fiscal, and administrative costs.
5. Interest during construction.
6. Community impacts.

All unit pipeline costs are adjusted to 1999 dollars.

**TABLE 3 CONSTRUCTION COSTS FOR DUCTILE IRON AND PLASTIC PIPES**

Pipe Diameter (inches)	Ductile Iron Pipe (\$/linear foot)	PVC Pressure Pipe (\$/linear foot)
8	23	15
10	29	20
12	36	26
14	46	33
16	53	41
18	66	48
20	72	56
24	84	65
30	142	90
36	190	135

Source: James M. Montgomery Consulting Engineers, 1998.

## Operation and Maintenance Costs

Force main operation and maintenance costs include labor and maintenance requirements. Typically, labor costs account for 85 to 95 percent of total operation and maintenance costs and are dependent on the force main length. The



maintenance costs usually vary from \$7 to \$20/meter (\$2 to \$6/linear foot), depending on the size and number of appurtenances installed on the force main. An internal inspection using TV equipment can be completed, if visual inspection is not sufficient. TV inspection can be costly, ranging from \$1,000 to \$11,450 per mile with an average cost of \$4,600 per mile (WERF, 1997; Arbour and Kerri, 1997).

Table 4 summarizes force main construction costs

**TABLE 4 FORCE MAIN  
CONSTRUCTION COSTS**

<b>Project/ Location</b>	<b>Force Main Average Capacity (mgd)</b>	<b>Construction Costs (\$US/linear foot)</b>
Compton, CA	8	70
Oceanside, CA	18	85
Eugene, OR	12	90
CMCWD I, CA	42	510
CMCWD II, CA	30	260
Goleta, CA	56	365
Gillette, WY	30	120

Source: James M. Montgomery Consulting Engineers, 1998.

from several projects, adjusted to 1999 dollars.

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### Other Related Fact Sheets

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September 2000

Pipe Construction and Materials  
EPA 832-F-00-068  
September 2000

Sewer Cleaning and Inspection  
EPA 832-F-99-031  
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Other EPA Fact Sheets can be found at the following web address:

<http://www.epa.gov/owmitnet/mtbfact.htm>

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Item 2.

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# Collection Systems Technology Fact Sheet Sewers, Lift Station

## DESCRIPTION

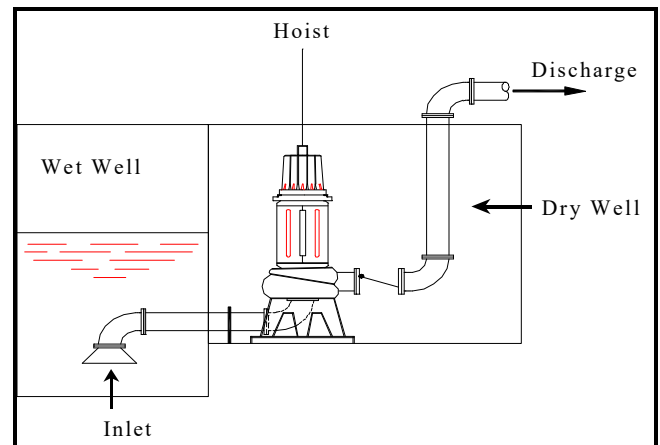
Wastewater lift stations are facilities designed to move wastewater from lower to higher elevation through pipes. Key elements of lift stations include a wastewater receiving well (wet-well), often equipped with a screen or grinding to remove coarse materials; pumps and piping with associated valves; motors; a power supply system; an equipment control and alarm system; and an odor control system and ventilation system.

Lift station equipment and systems are often installed in an enclosed structure. They can be constructed on-site (custom-designed) or pre-fabricated. Lift station capacities range from 76 liters per minute (20 gallons per minute) to more than 378,500 liters per minute (100,000 gallons per minute). Pre-fabricated lift stations generally have capacities of up to 38,000 liters per minute (10,000 gallons per minute). Centrifugal pumps are commonly used in lift stations. A trapped air column, or bubbler system, that senses pressure and level is commonly used for pump station control. Other control alternatives include electrodes placed at cut-off levels, floats, mechanical clutches, and floating mercury switches. A more sophisticated control operation involves the use of variable speed drives.

Lift stations are typically provided with equipment for easy pump removal. Floor access hatches or openings above the pump room and an overhead monorail beam, bridge crane, or portable hoist are commonly used.

The two most common types of lift stations are the dry-pit or dry-well and submersible lift stations. In

dry-well lift stations, pumps and valves are housed in a pump room (dry pit or dry-well), that is easily accessible. The wet-well is a separate chamber attached or located adjacent to the dry-well (pump room) structure. Figures 1 and 2 illustrate the two types of pumps.

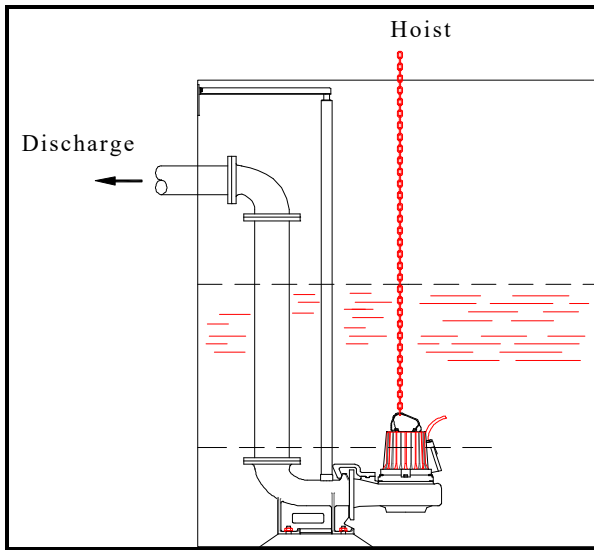


Source: Qasim, 1994.

**FIGURE 1 DRY-WELL PUMP**

Submersible lift stations do not have a separate pump room; the lift station header piping, associated valves, and flow meters are located in a separate dry vault at grade for easy access. Submersible lift stations include sealed pumps that operate submerged in the wet-well. These are removed to the surface periodically and reinstalled using guide rails and a hoist. A key advantage of dry-well lift stations is that they allow easy access for routine visual inspection and maintenance. In general, they are easier to repair than submersible pumps. An advantage of submersible lift stations is that they typically cost less than dry-well stations and operate without frequent pump maintenance. Submersible lift stations do not usually include





Source: Qasim, 1994.

## FIGURE 2 WET-WELL SUBMERSIBLE

large aboveground structures and tend to blend in with their surrounding environment in residential areas. They require less space and are easier and less expensive to construct for wastewater flow capacities of 38,000 liters per minute (10,000 gallons per minute) or less.

### APPLICABILITY

Lift stations are used to move wastewater from lower to higher elevation, particularly where the elevation of the source is not sufficient for gravity flow and/or when the use of gravity conveyance will result in excessive excavation depths and high sewer construction costs.

#### Current Status

Lift stations are widely used in wastewater conveyance systems. Dry-well lift stations have been used in the industry for many years. However, the current industry-wide trend is to replace dry-well lift stations of small and medium size (typically less than 24,000 liters per minute or 6,350 gallons per minute) with submersible lift stations mainly because of lower costs, a smaller footprint, and simplified operation and maintenance.

Variable speed pumping is often used to optimize pump performance and minimize power use. Several types of variable-speed pumping equipment

are available, including variable voltage and frequency drives, eddy current couplings, and mechanical variable-speed drives. Variable-speed pumping can reduce the size and cost of the wet-well and allows the pumps to operate at maximum efficiency under a variety of flow conditions. Because variable-speed pumping allows lift station discharge to match inflow, only nominal wet-well storage volume is required and the well water level is maintained at a near constant elevation. Variable-speed pumping may allow a given flow range to be achieved with fewer pumps than a constant-speed alternative. Variable-speed stations also minimize the number of pump starts and stops, reducing mechanical wear. Although there is significant energy saving potential for stations with large friction losses, it may not justify the additional capital costs unless the cost of power is relatively high. Variable speed equipment also requires more room within the lift station and may produce more noise and heat than constant speed pumps.

Lift stations are complex facilities with many auxiliary systems. Therefore, they are less reliable than gravity wastewater conveyance. However, lift station reliability can be significantly improved by providing stand-by equipment (pumps and controls) and emergency power supply systems. In addition, lift station reliability is improved by using non-clog pumps suitable for the particular wastewater quality and by applying emergency alarm and automatic control systems.

### ADVANTAGES AND DISADVANTAGES

#### Advantages

Lift stations are used to reduce the capital cost of sewer system construction. When gravity sewers are installed in trenches deeper than three meters (10 feet), the cost of sewer line installation increases significantly because of the more complex and costly excavation equipment and trench shoring techniques required. The size of the gravity sewer lines is dependent on the minimum pipe slope and flow. Pumping wastewater can convey the same flow using smaller pipeline size at shallower depth, and thereby, reducing pipeline costs.



## Disadvantages

Compared to sewer lines where gravity drives wastewater flow, lift stations require a source of electric power. If the power supply is interrupted, flow conveyance is discontinued and can result in flooding upstream of the lift station. It can also interrupt the normal operation of the downstream wastewater conveyance and treatment facilities. This limitation is typically addressed by providing an emergency power supply.

Key disadvantages of lift stations include the high cost to construct and maintain and the potential for odors and noise. Lift stations also require a significant amount of power, are sometimes expensive to upgrade, and may create public concerns and negative public reaction.

The low cost of gravity wastewater conveyance and the higher costs of building, operating, and maintaining lift stations means that wastewater pumping should be avoided, if possible and technically feasible. Wastewater pumping can be eliminated or reduced by selecting alternative sewer routes or extending a gravity sewer using direction drilling or other state-of-the-art deep excavation methods. If such alternatives are viable, a cost-benefit analysis can determine if a lift station is the most viable choice.

## DESIGN CRITERIA

Cost effective lift stations are designed to: (1) match pump capacity, type, and configuration with wastewater quantity and quality; (2) provide reliable and uninterruptible operation; (3) allow for easy operation and maintenance of the installed equipment; (4) accommodate future capacity expansion; (5) avoid septic conditions and excessive release of odors in the collection system and at the lift station; (6) minimize environmental and landscape impacts on the surrounding residential and commercial developments; and (7) avoid flooding of the lift station and the surrounding areas.

## Wet-well

Wet-well design depends on the type of lift station configuration (submersible or dry-well) and the type of pump controls (constant or variable speed). Wet-wells are typically designed large enough to prevent rapid pump cycling but small enough to prevent a long detention time and associated odor release.

Wet-well maximum detention time in constant speed pumps is typically 20 to 30 minutes. Use of variable frequency drives for pump speed control allows wet-well detention time reduction to 5 to 15 minutes. The minimum recommended wet-well bottom slope is to 2:1 to allow self-cleaning and minimum deposit of debris. Effective volume of the wet-well may include sewer pipelines, especially when variable speed drives are used. Wet-wells should always hold some level of sewage to minimize odor release. Bar screens or grinders are often installed in or upstream of the wet-well to minimize pump clogging problems.

## Wastewater Pumps

The number of wastewater pumps and associated capacity should be selected to provide head-capacity characteristics that correspond as nearly as possible to wastewater quantity fluctuations. This can be accomplished by preparing pump/pipeline system head-capacity curves showing all conditions of head (elevation of a free surface of water) and capacity under which the pumps will be required to operate.

The number of pumps to be installed in a lift station depends on the station capacity, the range of flow and the regulations. In small stations, with maximum inflows of less than 2,640 liters per minute (700 gallons per minute), two pumps are customarily installed, with each unit able to meet the maximum influent rate. For larger lift stations, the size and number of pumps should be selected so that the range of influent flow rates can be met without starting and stopping pumps too frequently and without excessive wet-well storage.



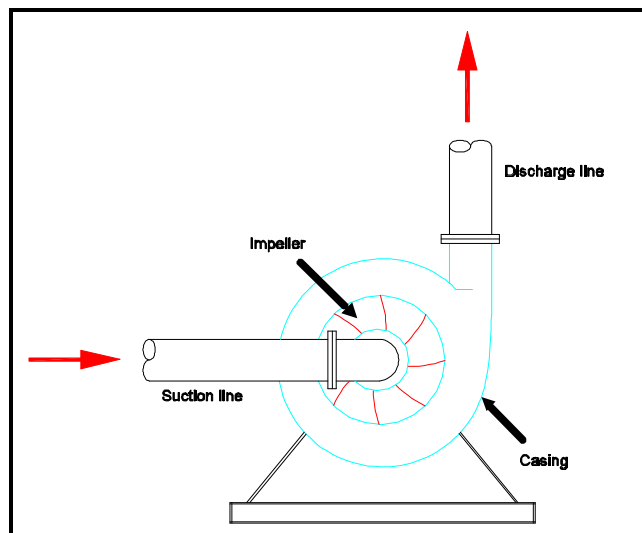
Depending on the system, the pumps are designed to run at a reduced rate. The pumps may also alternate to equalize wear and tear. Additional pumps may provide intermediate capacities better matched to typical daily flows. An alternative option is to provide flow flexibility with variable-speed pumps.

For pump stations with high head-losses, the single-pump flow approach is usually the most suitable. Parallel pumping is not as effective for such stations because two pumps operating together yield only slightly higher flows than one pump. If the peak flow is to be achieved with multiple pumps in parallel, the lift station must be equipped with at least three pumps: two duty pumps that together provide peak flow and one standby pump for emergency backup. Parallel peak pumping is typically used in large lift stations with relatively flat system head curves. Such curves allow multiple pumps to deliver substantially more flow than a single pump. The use of multiple pumps in parallel provides more flexibility.

Several types of centrifugal pumps are used in wastewater lift stations. In the straight-flow centrifugal pumps, wastewater does not change direction as it passes through the pumps and into the discharge pipe. These pumps are well suited for low-flow/high head conditions. In angle-flow pumps, wastewater enters the impeller axially and passes through the volute casing at 90 degrees to its original direction (Figure 3). This type of pump is appropriate for pumping against low or moderate heads. Mixed flow pumps are most viable for pumping large quantities of wastewater at low head. In these pumps, the outside diameter of the impeller is less than an ordinary centrifugal pump, increasing flow volume.

## Ventilation

Ventilation and heating are required if the lift station includes an area routinely entered by personnel. Ventilation is particularly important to prevent the collection of toxic and/or explosive gases. According to the Nation Fire Protection Association (NFPA) Section 820, all continuous ventilation systems should be fitted with flow detection devices connected to alarm systems to



Source: Lindeburg, revised edition 1995.

**FIGURE 3 CENTRIFUGAL ANGLE-FLOW PUMP**

indicate ventilation system failure. Dry-well ventilation codes typically require six continuous air changes per hour or 30 intermittent air changes per hour. Wet-wells typically require 12 continuous air changes per hour or 60 intermittent air changes per hour. Motor control center (MCC) rooms should have a ventilation system adequate to provide six air changes per hour and should be air conditioned to between 13 and 32 degrees Celsius (55 to 90 degrees F). If the control room is combined with an MCC room, the temperature should not exceed 30 degrees C or 85 degrees F. All other spaces should be designed for 12 air changes per hour. The minimum temperature should be 13 degrees C (55 degrees F) whenever chemicals are stored or used.

## Odor Control

Odor control is frequently required for lift stations. A relatively simple and widely used odor control alternative is minimizing wet-well turbulence. More effective options include collection of odors generated at the lift station and treating them in scrubbers or biofilters or the addition of odor control chemicals to the sewer upstream of the lift station. Chemicals typically used for odor control include chlorine, hydrogen peroxide, metal salts (ferric chloride and ferrous sulfate) oxygen, air, and potassium permanganate. Chemicals should be



closely monitored to avoid affecting downstream treatment processes, such as extended aeration.

## Power Supply

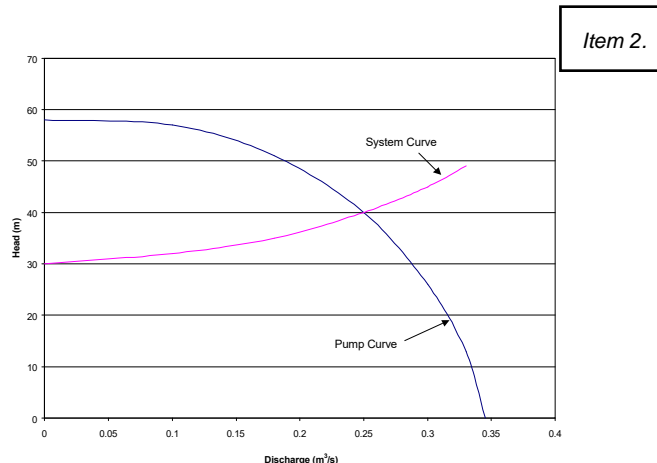
The reliability of power for the pump motor drives is a basic design consideration. Commonly used methods of emergency power supply include electric power feed from two independent power distribution lines; an on-site standby generator; an adequate portable generator with quick connection; a stand-by engine driven pump; ready access to a suitable portable pumping unit and appropriate connections; and availability of an adequate holding facility for wastewater storage upstream of the lift station.

## PERFORMANCE

The overall performance of a lift station depends on the performance of the pumps. All pumps have four common performance characteristics: capacity, head, power, and overall efficiency. Capacity (flow rate) is the quantity of liquid pumped per unit of time, typically measured as gallons per minute (gpm) or million gallons per day (mgd). Head is the energy supplied to the wastewater per unit weight, typically expressed as feet of water. Power is the energy consumed by a pump per unit time, typically measured as kilowatt-hours. Overall efficiency is the ratio of useful hydraulic work performed to actual work input. Efficiency reflects the pump relative power losses and is usually measured as a percentage of applied power.

Pump performance curves (Figure 4) are used to define and compare the operating characteristics of a pump and to identify the best combination of performance characteristics under which a lift station pumping system will operate under typical conditions (flows and heads). Pump systems operate at 75 to 85 percent efficiency most of the time, while overall pump efficiency depends on the type of installed pumps, their control system, and the fluctuation of influent wastewater flow.

Performance optimization strategies focus on different ways to match pump operational characteristics with system flow and head requirements. They may include the following



Source: Adapted from Roberson and Crowe, 1993.

## FIGURE 4 PUMP PERFORMANCE CURVE

options: adjusting system flow paths installing variable speed drives; using parallel pumps installing pumps of different sizes trimming a pump impeller; or putting a two-speed motor on one or more pumps in a lift station. Optimizing system performance may yield significant electrical energy savings.

## OPERATION AND MAINTENANCE

Lift station operation is usually automated and does not require continuous on-site operator presence. However, frequent inspections are recommended to ensure normal functioning and to identify potential problems. Lift station inspection typically includes observation of pumps, motors and drives for unusual noise, vibration, heating and leakage, check of pump suction and discharge lines for valving arrangement and leakage, check of control panel switches for proper position, monitoring of discharge pump rates and pump speed, and monitoring of the pump suction and discharge pressure. Weekly inspections are typically conducted, although the frequency really depends on the size of the lift station.

If a lift station is equipped with grinder bar screens to remove coarse materials from the wastewater, these materials are collected in containers and disposed of to a sanitary landfill site as needed. If the lift station has a scrubber system for odor control, chemicals are supplied and replenished typically every three months. If chemicals are added for odor control ahead of the lift station, the



chemical feed stations should be inspected weekly and chemicals replenished as needed.

The most labor-intensive task for lift stations is routine preventive maintenance. A well-planned maintenance program for lift station pumps prevents unnecessary equipment wear and downtime. Lift station operators must maintain an inventory of critical spare parts. The number of spare parts in the inventory depends on the critical needs of the unit, the rate at which the part normally fails, and the availability of the part. The operator should tabulate each pumping element in the system and its recommended spare parts. This information is typically available from the operation and maintenance manuals provided with the lift station.

## COSTS

Lift station costs depend on many factors, including (1) wastewater quality, quantity, and projections; (2) zoning and land use planning of the area where the lift station will be located; (3) alternatives for standby power sources; (4) operation and maintenance needs and support; (5) soil properties and underground conditions; (6) required lift to the receiving (discharge) sewer line; (7) the severity of impact of accidental sewage spill upon the local area; and (8) the need for an odor control system. These site and system specific factors must be examined and incorporated in preparing a lift station cost estimate.

## Construction Costs

The most important factors influencing cost are the design lift station capacity and the installed pump power. Another cost factor is the lift station complexity. Factors which classify a lift station as complex include two or more of the following: (1) extent of excavation; (2) congested site and/or restricted access; (3) rock excavation; (4) extensive dewatering requirements, such as cofferdams; (5) site conflicts, including modification or removal of existing facilities; (6) special foundations, including piling; (7) dual power supply and on-site switch stations and emergency power generator; and (8) high pumping heads (design heads in excess of 200 ft).

Mechanical, electrical, and control equipment delivered to a pumping station construction site typically account for 15 to 30 percent of total construction costs. Lift station construction has a significant economy-of-scale. Typically, if the capacity of a lift station is increased 100 percent, the construction cost would increase only 50 to 55 percent. An important consideration is that two identical lift stations will cost 25 to 30 percent more than a single station of the same combined capacity. Usually, complex lift stations cost two to three times more than more simple lift stations with no construction complications.

Table 1 provides examples of complex lift stations and associated construction costs in 1999 dollars.

**TABLE 1 LIFT STATION CONSTRUCTION COSTS**

Lift Station	Design Flowrate (MGD)	Construction Costs (1999 \$US)
Cost curve data <sup>1</sup>	0.5	\$134,467
Cost curve data <sup>1</sup>	1	\$246,524
Cost curve data <sup>1</sup>	3	\$392,197
Valencia, California <sup>2</sup>	6	\$1,390,000
Sunneymead, California <sup>2</sup>	12	\$3,320,000
Sunset/Heahfield, California <sup>2</sup>	14	\$2,600,000
Springfield, Oregon Terry Street Pumping Station <sup>2</sup>	20	\$5,470,000
Detroit, Michigan <sup>2</sup>	750	\$128,800,000

Source: <sup>1</sup>Qasim, 1994 and <sup>2</sup>James M. Montgomery Consulting Engineers, 1998.



## Operation and Maintenance Costs

Lift station operation and maintenance costs include power, labor, maintenance, and chemicals (if used for odor control). Usually, the costs for solids disposal are minimal, but are included if the lift station is equipped with bar screens to remove coarse materials from the wastewater. Typically, power costs account for 85 to 95 percent of the total operation and maintenance costs and are directly proportional to the unit cost of power and the actual power used by the lift station pumps. Labor costs average 1 to 2 percent of total costs. Annual maintenance costs vary, depending on the complexity of the equipment and instrumentation.

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September 2000

In-Plant Pump Stations  
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# Wastewater Technology Fact Sheet

## Sewers, Pressure

### DESCRIPTION

#### Conventional Wastewater Collection System

Conventional wastewater collection systems transport sewage from homes or other sources by gravity flow through buried piping systems to a central treatment facility. These systems are usually reliable and consume no power. However, the slope requirements to maintain adequate flow by gravity may require deep excavations in hilly or flat terrain, as well as the addition of sewage pump stations, which can significantly increase the cost of conventional collection systems. Manholes and other sewer appurtenances also add substantial costs to conventional collection systems.

#### Alternative

Alternative wastewater collection systems can be cost effective for homes in areas where traditional collection systems are too expensive to install and operate. Pressure sewers are used in sparsely populated or suburban areas in which conventional collection systems would be expensive. These systems generally use smaller diameter pipes with a slight slope or follow the surface contour of the land, reducing excavation and construction costs.

Pressure sewers differ from conventional gravity collection systems because they break down large solids in the pumping station before they are transported through the collection system. Their watertight design and the absence of manholes eliminates extraneous flows into the system. Thus, alternative sewer systems may be preferred in areas that have high groundwater that could seep into the sewer, increasing the amount of wastewater to be treated. They also protect groundwater sources by keeping wastewater in the sewer. The disadvantages of alternative sewage systems include increased energy demands, higher maintenance requirements, and

greater on-lot costs. In areas with varying terrain and population density, it may prove beneficial to install a combination of sewer types.

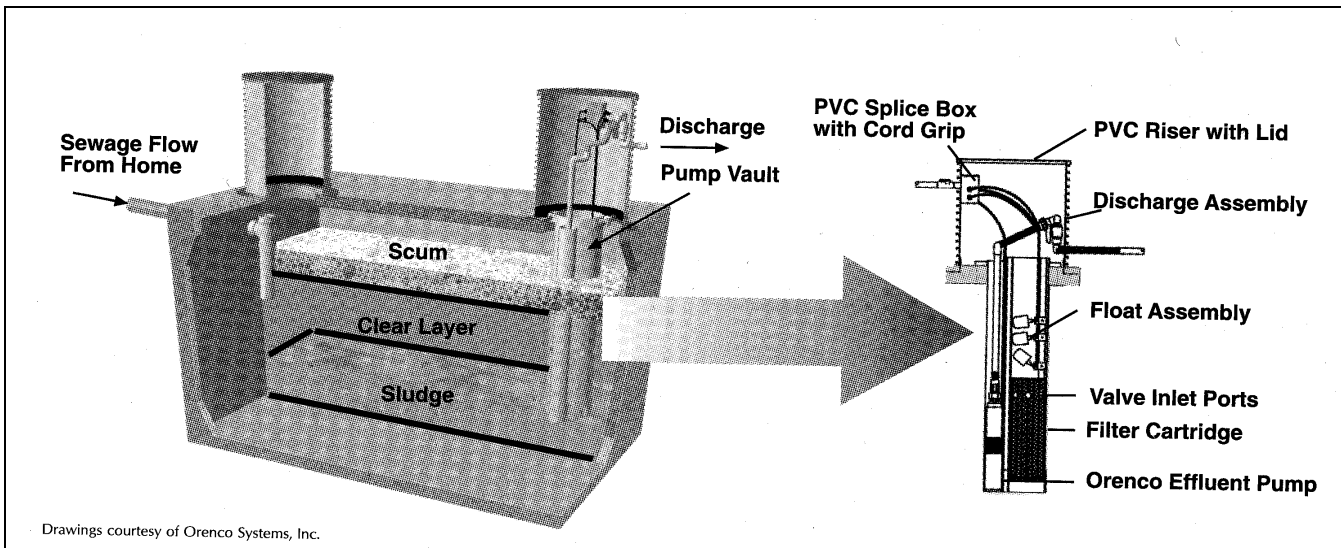
This fact sheet discusses a sewer system that uses pressure to deliver sewage to a treatment system. Systems that use vacuum to deliver sewage to a treatment system are discussed in the *Vacuum Sewers* Fact Sheet, while gravity flow sewers are discussed in the *Small Diameter Sewers* Fact Sheet.

#### Pressure Sewers

Pressure sewers are particularly adaptable for rural or semi-rural communities where public contact with effluent from failing drain fields presents a substantial health concern. Since the mains for pressure sewers are, by design, watertight, the pipe connections ensure minimal leakage of sewage. This can be an important consideration in areas subject to groundwater contamination. Two major types of pressure sewer systems are the **septic tank effluent pump (STEP)** system and the **grinder pump (GP)**. Neither requires any modification to plumbing inside the house.

In STEP systems, wastewater flows into a conventional septic tank to capture solids. The liquid effluent flows to a holding tank containing a pump and control devices. The effluent is then pumped and transferred for treatment. Retrofitting existing septic tanks in areas served by septic tank/drain field systems would seem to present an opportunity for cost savings, but a large number (often a majority) must be replaced or expanded over the life of the system because of insufficient capacity, deterioration of concrete tanks, or leaks. In a GP system, sewage flows to a vault where a grinder pump grinds the solids and discharges the sewage into a pressurized pipe system. GP systems do not require a septic tank but may require more horsepower than STEP systems because of the grinding action. A GP system can result in significant capital cost





Source: C. Falvey, 2001.

**FIGURE 1 TYPICAL SEPTIC TANK EFFLUENT PUMP**

savings for new areas that have no septic tanks or in older areas where many tanks must be replaced or repaired. Figure 1 shows a typical septic tank effluent pump, while Figure 2 shows a typical grinder pump used in residential wastewater treatment.

The choice between GP and STEP systems depends on three main factors, as described below:

**Cost:** On-lot facilities, including pumps and tanks, will account for more than 75 percent of total costs, and may run as high as 90 percent. Thus, there is a strong motivation to use a system with the least expensive on-lot facilities. STEP systems may lower on-lot costs because they allow some gravity service connections due to the continued use of a septic tank. In addition, a grinder pump must be more rugged than a STEP pump to handle the added task of grinding, and, consequently, it is more expensive. If many septic tanks must be replaced, costs will be significantly higher for a STEP system than a GP system.

**Downstream Treatment:** GP systems produce a higher TSS that may not be acceptable at a downstream treatment facility.

**Low Flow Conditions:** STEP systems will better tolerate low flow conditions that occur in areas with highly fluctuating seasonal occupancy and those with slow build out from a small initial population to the

ultimate design population. Thus, STEP systems may be better choices in these areas than GP systems.

## APPLICABILITY

Pressure sewer systems are most cost effective where housing density is low, where the terrain has undulations with relatively high relief, and where the system outfall must be at the same or a higher elevation than most or all of the service area. They can also be effective where flat terrain is combined with high ground water or bedrock, making deep cuts and/or multiple lift stations excessively expensive. They can be cost effective even in densely populated areas where difficult construction or right of way conditions exist, or where the terrain will not accommodate gravity sewers.

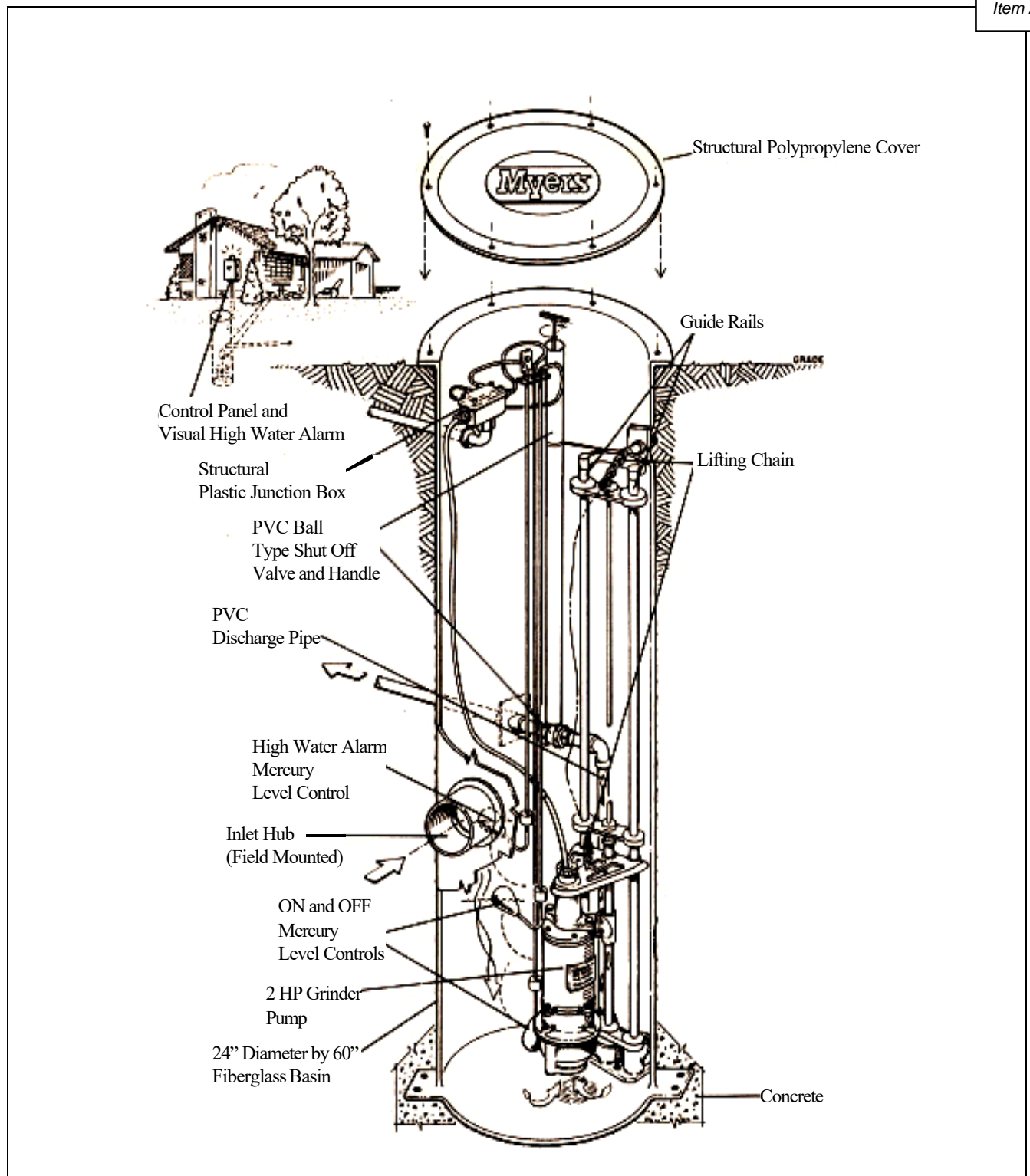
Since pressure systems do not have the large excess capacity typical of conventional gravity sewers, they must be designed with a balanced approach, keeping future growth and internal hydraulic performance in mind.

## ADVANTAGES AND DISADVANTAGES

### Advantages

Pressure sewer systems that connect several residences to a “cluster” pump station can be less expensive than





Source: F.E. Meyers Company, 2000.

**FIGURE 2 TYPICAL GRINDER PUMP**

conventional gravity systems. On-property facilities represent a major portion of the capital cost of the entire system and are shared in a cluster arrangement. This can be an economic advantage since on-property components are not required until a house is

constructed and are borne by the homeowner. Low front-end investment makes the present-value cost of the entire system lower than that of conventional gravity sewerage, especially in new development areas where homes are built over many years.



Because wastewater is pumped under pressure, gravity flow is not necessary and the strict alignment and slope restrictions for conventional gravity sewers can be relaxed. Network layout does not depend on ground contours: pipes can be laid in any location and extensions can be made in the street right-of-way at a relatively small cost without damage to existing structures.

Other advantages of pressure sewers include:

Material and trenching costs are significantly lower because pipe size and depth requirements are reduced.

Low-cost clean outs and valve assemblies are used rather than manholes and may be spaced further apart than manholes in a conventional system.

Infiltration is reduced, resulting in reductions in pipe size.

The user pays for the electricity to operate the pump unit. The resulting increase in electric bills is small and may replace municipality or community bills for central pumping eliminated by the pressure system.

Final treatment may be substantially reduced in hydraulic and organic loading in STEP systems. Hydraulic loadings are also reduced for GP systems.

Because sewage is transported under pressure, more flexibility is allowed in siting final treatment facilities and may help reduce the length of outfall lines or treatment plant construction costs.

## Disadvantages

Requires much institutional involvement because the pressure system has many mechanical components throughout the service area.

The operation and maintenance (O&M) cost for a pressure system is often higher than a conventional gravity system due to the high number of pumps in use. However, lift stations in a conventional gravity sewer can reverse this situation.

Annual preventive maintenance calls are usually scheduled for GP components of pressure sewers. STEP systems also require pump-out of septic tanks at two to three year intervals.

Public education is necessary so the user knows how to deal with emergencies and how to avoid blockages or other maintenance problems.

The number of pumps that can share the same downstream force main is limited.

Power outages can result in overflows if standby generators are not available.

Life cycle replacement costs are expected to be higher because pressure sewers have a lower life expectancy than conventional systems.

Odors and corrosion are potential problems because the wastewater in the collection sewers is usually septic. Proper ventilation and odor control must be provided in the design and non-corrosive components should be used. Air release valves are often vented to soil beds to minimize odor problems and special discharge and treatment designs are required to avoid terminal discharge problems.

## DESIGN CRITERIA

Many different design flows can be used in pressure systems. When positive displacement GP units are used, the design flow is obtained by multiplying the pump discharge by the maximum number of pumps expected to be operating simultaneously. When centrifugal pumps are used, the equation used is  $Q = 20 + 0.5D$ , where  $Q$  is the flow in gpm and  $D$  is the number of homes served. The operation of the system under various assumed conditions should be simulated



by computer to check design adequacy. No allowances for infiltration and inflow are required. No minimum velocity is generally used in design, but GP systems must attain three to five feet per second at least once per day. A Hazen-Williams coefficient, (C) = 130 to 140, is suggested for hydraulic analysis. Pressure mains generally use 50 mm (2 inch) or larger PVC pipe (SDR 21) and rubber-ring joints or solvent welding to assemble the pipe joints. High-density polyethylene (HDPE) pipe with fused joints is widely used in Canada. Electrical requirements, especially for GP systems, may necessitate rewiring and electrical service upgrading in the service area. Pipes are generally buried to at least the winter frost penetration depth; in far northern sites insulated and heat-traced pipes are generally buried at a minimal depth. GP and STEP pumps are sized to accommodate the hydraulic grade requirements of the system. Discharge points must use drop inlets to minimize odors and corrosion. Air release valves are placed at high points in the sewer and often are vented to soil beds. Both STEP and GP systems can be assumed to be anaerobic and potentially odorous if subjected to turbulence (stripping of gases such as H<sub>2</sub>S).

## PERFORMANCE

### STEP

When properly installed, septic tanks typically remove about 50 percent of BOD, 75 percent of suspended solids, virtually all grit, and about 90 percent of grease, reducing the likelihood of clogging. Also, wastewater reaching the treatment plant will be weaker than raw sewage. Typical average values of BOD and TSS are 110 mg/L and 50 mg/L, respectively. On the other hand, septic tank effluent has virtually zero dissolved oxygen.

Primary sedimentation is not required to treat septic tank effluent. The effluent responds well to aerobic treatment, but odor control at the headworks of the treatment plant should receive extra attention.

The small community of High Island, Texas, was concerned that septic tank failures were damaging a local area frequented by migratory birds. Funds and materials were secured from the EPA, several state

agencies, and the Audubon Society to replace undersized septic tanks with larger ones equipped with STEP units and low pressure sewerage ultimately discharging to a constructed wetland. This system is expected to achieve an effluent quality of less than 20 mg/L each of BOD and TSS, less than 8 mg/L ammonia, and greater than 4 mg/L dissolved oxygen (Jensen 1999).

In 1996, the village of Browns, Illinois, replaced a failing septic tank system with a STEP system discharging to low pressure sewers and ultimately to a recirculating gravel filter. Cost was a major concern to the residents of the village, who were used to average monthly sewer bills of \$20. Conditions in the village were poor for conventional sewer systems, making them prohibitively expensive. An alternative low pressure-STEP system averaged only \$19.38 per month per resident, and eliminated the public health hazard caused by the failed septic tanks (ICAA, 2000).

### GP Treatment

The wastewater reaching the treatment plant will typically be stronger than that from conventional systems because infiltration is not possible. Typical design average concentrations of both BOD and TSS are 350 mg/L (WPCF, 1986).

GP/low pressure sewer systems have replaced failing septic tanks in Lake Worth, Texas (Head, et. al., 2000); Beach Drive in Kitsap County, Washington (Mayhew and Fitzwater, 1999); and Cuyler, New York (Earle, 1998). Each of these communities chose alternative systems over conventional systems based on lower costs and better suitability to local soil conditions.

## OPERATION AND MAINTENANCE

Routine operation and maintenance requirements for both STEP and GP systems are minimal. Small systems that serve 300 or fewer homes do not usually require a full-time staff. Service can be performed by personnel from the municipal public works or highway department. Most system maintenance activities involve responding to homeowner service calls usually for electrical control problems or pump blockages. STEP systems also require pumping every two to three years



**TABLE 1 RELATIVE CHARACTERISTICS OF ALTERNATIVE SEWERS**

<b>Sewer Type</b>	<b>Slope Requirement</b>	<b>Construction Cost in Rocky, High Groundwater Sites</b>	<b>Operation and Maintenance Requirements</b>	<b>Ideal Power Requirements</b>
<b>Conventional</b>	Downhill	High	Moderate	None*
<b>Pressure</b>				
STEP	None	Low	Moderate-high	Low
GP	None	Low	Moderate-high	Moderate

\* Power may be required for lift stations  
Source: Small Flows Clearinghouse, 1992.

The inherent septic nature of wastewater in pressure sewers requires that system personnel take appropriate safety precautions when performing maintenance to minimize exposure to toxic gases, such as hydrogen sulfide, which may be present in the sewer lines, pump vaults, or septic tanks. Odor problems may develop in pressure sewer systems because of improper house venting. The addition of strong oxidizing agents, such as chlorine or hydrogen peroxide, may be necessary to control odor where venting is not the cause of the problem.

Generally, it is in the best interest of the municipality and the homeowners to have the municipality or sewer utility be responsible for maintaining all system components. General easement agreements are needed to permit access to on-site components, such as septic tanks, STEP units, or GP units on private property.

## **COSTS**

Pressure sewers are generally more cost-effective than conventional gravity sewers in rural areas because capital costs for pressure sewers are generally lower than for gravity sewers. While capital cost savings of 90 percent have been achieved, no universal statement of savings is possible because each site and system is unique. Table 1 presents a generic comparison of common characteristics of sanitary sewer systems that should be considered in the initial decision-making process on whether to use pressure sewer systems or conventional gravity sewer systems.

Table 2 presents data from recent evaluations of the costs of pressure sewer mains and appurtenances (essentially the same for GP and STEP), including items specific to each type of pressure sewer. Purchasing pumping stations in volume may reduce costs by up to 50 percent. The linear cost of mains can vary by a factor of two to three, depending on the type of trenching equipment and local costs of high-quality backfill and pipe. The local geology and utility systems will impact the installation cost of either system.

The homeowner is responsible for energy costs, which will vary from \$1.00 to \$2.50/month for GP systems, depending on the horsepower of the unit. STEP units generally cost less than \$1.00/month.

Preventive maintenance should be performed annually for each unit, with monthly maintenance of other mechanical components. STEP systems require periodic pumping of septic tanks. Total O&M costs average \$100-200 per year per unit, and include costs for troubleshooting, inspection of new installations, and responding to problems.

Mean time between service calls (MTBSC) data vary greatly, but values of 4 to 10 years for both GP and STEP units are reasonable estimates for quality installations.



**TABLE 2 AVERAGE INSTALLED UNIT COSTS FOR PRESSURE SEWER MAINS & APPURTENANCES**

Item	Unit Cost (\$)
2 inch mains	9.40/LF
3 inch mains	10.00/LF
4 inch mains	11.30/LF
6 inch mains	15.80/LF
8 inch mains	17.60/LF
Extra for mains in asphalt concrete pavement	6.30/LF
2 inch isolation valves	315/each
3 inch isolation valves	345/each
4 inch isolation valves	440/each
6 inch isolation valves	500/each
8 inch isolation valves	720/each
Individual Grinder pump	1,505/each
Single (simplex) package pump system	5,140/each
package installation	625 - 1,880/each
Automatic air release stations	1,255/each

Source: U.S. EPA, 1991.

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Haldex Barnes  
2222 15<sup>th</sup> Street  
Rockford, IL 61104
  
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Allen Sims  
Carroll and Blackman, Inc.  
1360 Seventh Street  
Beaumont, TX 77702
  
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John Acree  
Lamac Engineering Company  
P.O.Box 160  
Mt. Carmel, IL 62863
  
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P.O. Box 1090  
Springfield, IL 62705
  
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Alan Plummer Associates Inc.  
7524 Mosier View Court Suite 200  
Fort Worth, TX 76118  
Chuck Mayhew  
Kennedy/Jenkins Consultants  
530 S 336<sup>th</sup> Street  
Federal Way, WA 98003
  
16. U.S. EPA, 1992. *Summary Report Small Community Water and Wastewater Treatment*. EPA Office of Research and Development. Cincinnati, Ohio.  
Richard Fitzwater  
Kitsap County Sewer District #5  
614 Division Street MS 27  
Port Orchard, WA 98366

## ADDITIONAL INFORMATION

Environment One Corporation  
2773 Balltown Road  
Niskayuna, NY 12309-1090

F.E. Meyers  
1101 Myers Parkway  
Ashland, OH 44805

Interon  
620 Pennsylvania Dr.  
Exton, PA 19341

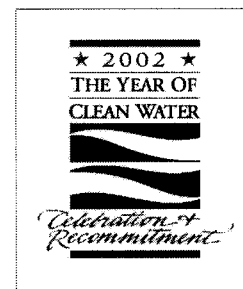
The mention of trade names or commercial products does not constitute endorsement or recommendation for use by the U. S. Environmental Protection Agency.

Office of Water  
EPA 832-F-02-006  
September 2002



For more information contact:

Municipal Technology Branch  
U.S. EPA  
ICC Building  
1200 Pennsylvania Ave., N.W.  
7<sup>th</sup> Floor, Mail Code 4201M





Town of Lake Park  
Stakeholder Meeting  
August 22, 2022

# OLD DIXIE SEPTIC TO SEWER CONCEPTUAL REPORT

PRESENTED BY:



ENGENUITY GROUP INC  
1280 N Congress Ave, Suite 101  
West Palm Beach, FL 33409  
T: 561-655-1151



Job#: 18187.27



# THE 3 SECTIONS

- Section 1 - South-Section – Tri City Industrial Park  
29 Properties
- Section 2 – Mid-Section – Lake Park Public Works  
6 Properties
- Section 3 – North-Section  
7 Properties

Total of 42 Properties





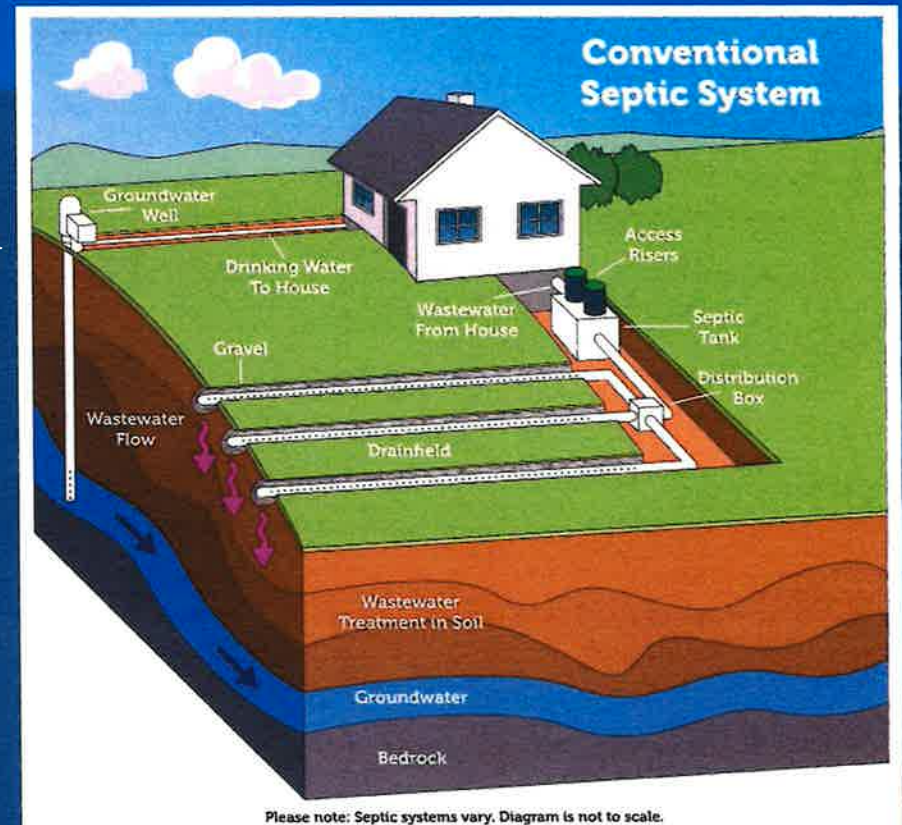
## CURRENT SITUATION

- All 42 properties are on septic-type systems
- Groundwater contamination concerns ongoing
- State regulations are discussed annually regarding the adverse environmental impact of these systems
- Palm Beach County Health Department continues to tighten their regulations
- Re-development could be a potential problem
- Property values may remain stagnant



# CURRENT WASTEWATER SYSTEM

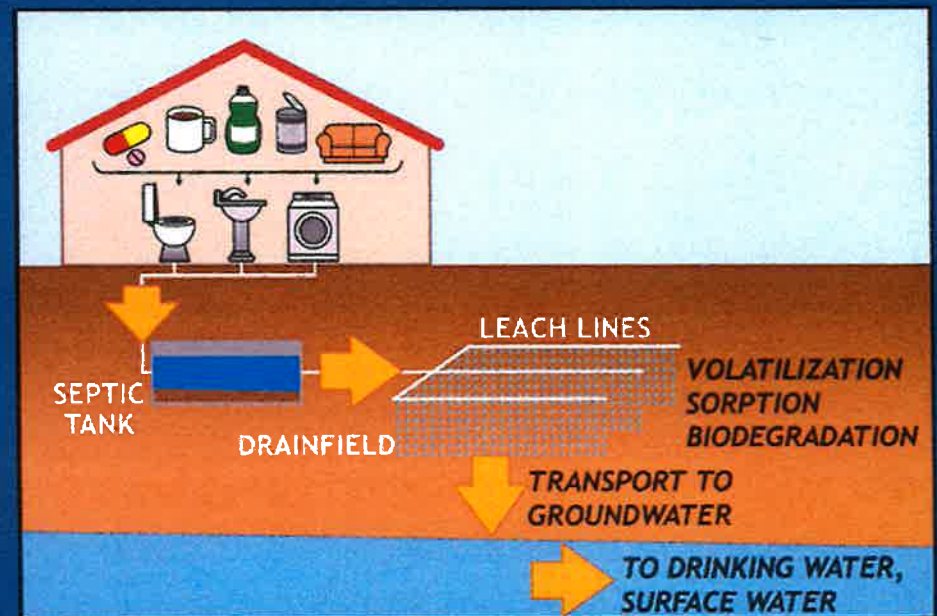
- THE SEPTIC TANK PROCESS:
  - An underground chamber holds wastewater from a building or home
  - The waste settles and is broken down by naturally occurring enzymes and bacteria
  - The treated wastewater is then drained through underground drainage pipes on the property





# CURRENT SEPTIC TANK CONCERNS

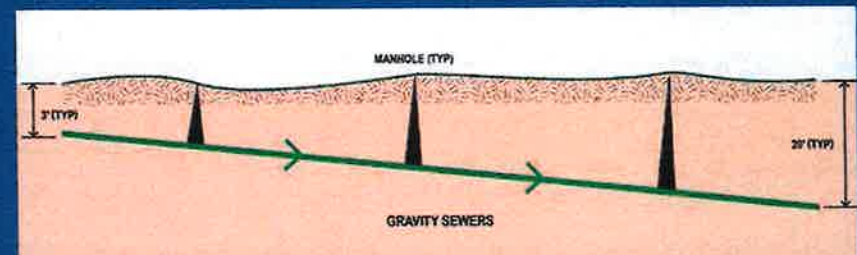
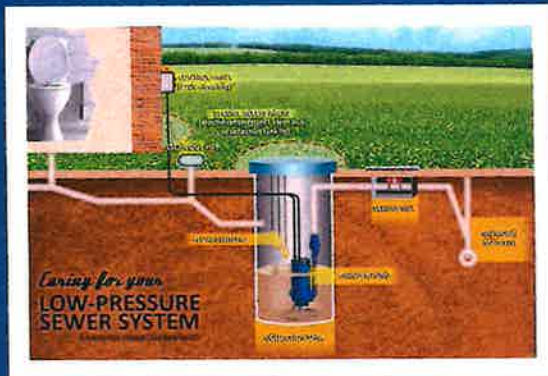
- Concern over effectiveness of the septic tanks for larger-scale industrial use
- Concern over hazardous waste discharge which cannot be treated by septic tanks





## TWO REPLACEMENT ALTERNATIVES

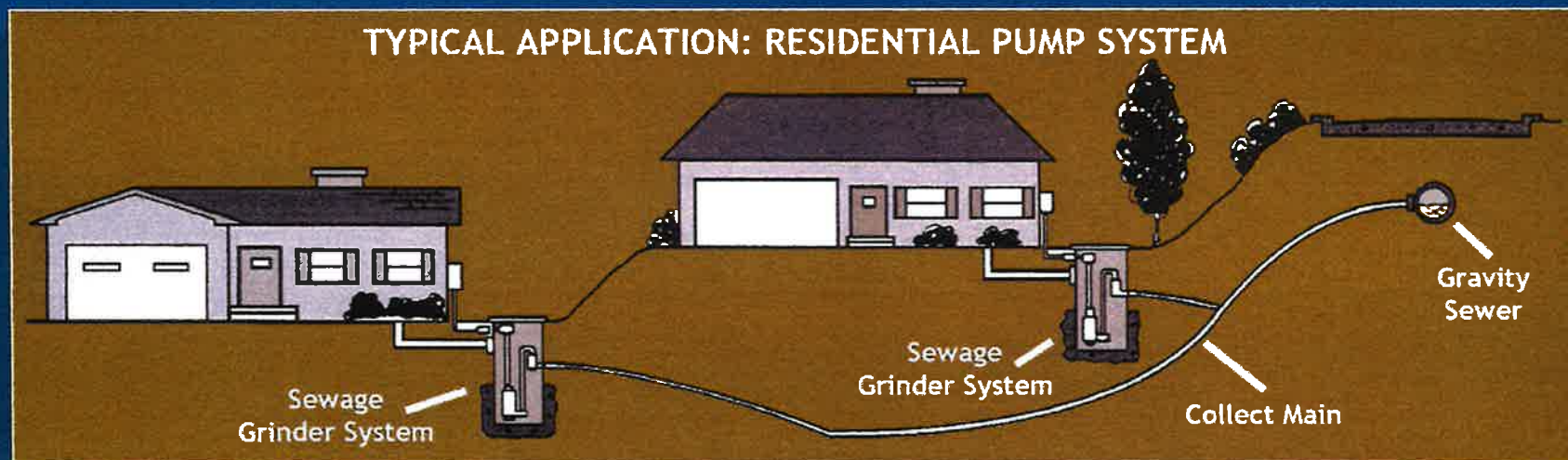
- The low pressure system in which every property will have one
- The gravity/low pressure combination system where the South-Section (1) will have a gravity sewer, and the rest will have the low pressure





# LOW PRESSURE

- The low pressure sewer system:
  - Uses a small pump station located at each property to move wastewater from the building to the regional wastewater treatment facility





# GRAVITY SEWER

- The gravity sewer system:
- Use pipe that are constructed by gravity (called laterals) from a building to a main gravity system.
- All of the wastewater will travel to a lift station, where it pumps the wastewater to another pump station or a treatment plant.





# COST SUMMARY: LOW PRESSURE



## Septic to Sewer Feasibility Report

April 2022  
Project No. 18187.27

### Summary of Estimated Costs -Low Pressure System

Proposed Alternatives		Conceptual Capital Construction Cost <sup>1</sup>	Operation and Maintenance Estimated Annual Costs <sup>2</sup>	Annual Construction Cost - Amortized over 20 years at 4% interest rate	Total annual cost (Maintenance and amortized construction cost)	Average annual cost per property <sup>3</sup>
	Proposed SUA Public System	~\$1.04 million	Paid by SUA. (excludes monthly sewer billing)	\$75.6k	\$75.6k	\$1,800
	Proposed Onsite Private System (All 42 properties)	~\$3.80 million	~\$190k (paid by property owner)	\$276k	\$466k	\$11,090
	Total	~\$4.84 million	~\$190k (paid by property owner)	\$352k	\$542k	\$12,890

<sup>1</sup> Cost does not include Seacoast Utilities fees for reservation and administration charges.

<sup>2</sup> Cost includes the following assumptions: SUA sewer base fee of \$30 per month per property as well as usage fee of \$0.79/1000 gallons, \$1,000 per year per property for lift station maintenance, electricity costs, and 3% of construction cost for ongoing annual renewal and replacement costs.

<sup>3</sup> This cost is the total cost divided evenly over the 42 properties analyzed in this report, and is an average. This is an estimate of the annual total costs during a 20-year loan payback period. The actual cost to each property will vary per the enclosed detailed cost breakdowns – see Appendix J

Systems Summary



# COST SUMMARY: GRAVITY/LOW PRESSURE



## Septic to Sewer Feasibility Report

February 2022  
Project No. 18187.27

### Summary of Estimated Costs -Gravity / Low Pressure Combination System

		Conceptual Capital Construction Cost	Operation and Maintenance Estimated Annual Costs <sup>2</sup>	Annual Construction Cost Amortized over 20 years at 4% interest rate	Total annual cost (Maintenance and amortized construction cost)	Average annual cost per property <sup>3</sup>
Proposed Alternatives	Proposed SUA Public System	~\$3.14 million	Paid by SUA. (excludes monthly sewer billing)	\$217k	\$217k	\$5,160
	Proposed Onsite Private System (All 42 properties)	~\$1.60 million	~\$60k (paid by property owner)	\$116k	\$176k	\$4,190
	Total	~\$4.74 million	~\$60k (paid by property owner)	\$333k	\$393k	\$9,350

<sup>1</sup> Cost does not include Seacoast Utilities fees for reservation and administration charges.

<sup>2</sup> Cost includes the following assumptions: SUA sewer base fee of \$30 per month per property as well as usage fee of \$0.79/1000 gallons, 2% of construction cost for ongoing annual renewal and replacement costs.

<sup>3</sup> This cost is the total cost divided evenly over the 42 properties analyzed in this report, and is an average. This is an estimate of the annual total costs during a 20-year loan payback period. The actual cost to each property will vary per the enclosed detailed cost breakdowns – see Appendix K



# HOW WILL IT BE PAID?

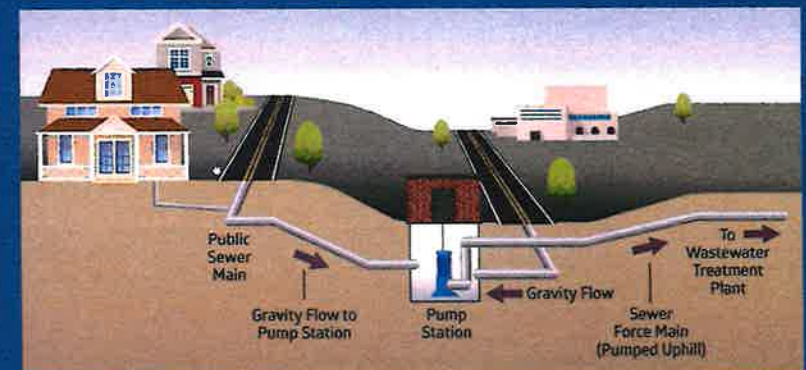
- Several Options
  - Special assessments
  - For public utilities: State/Local taxes or public grants/loans (ARPA Project)
  - For private parcels: direct billing or local taxes
  - Potential bond referendum from Palm Beach County (\$30 million)





# SUMMARY/ RECOMMENDATION

- Both the gravity and low pressure systems have their advantages and limitations.
- The gravity/low pressure combination system is the recommended option due to lowest construction and maintenance costs.





## NEXT STEPS

- Meet with the stakeholders this summer to discuss the project and seek public input (August 22, 2022)
- Engage a financial management consulting firm to discuss funding options for both private and public properties
- Continue to coordinate with Seacoast Utilities to monitor any utility changes, cost changes, and design needs
- Decide on the ultimate alternative in order to prepare a construction set of plans and an opinion of cost
- Have a funding plan in place to ultimately bid out the project for construction



*ANY QUESTIONS?*



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