



BOARD OF COUNTY COMMISSIONERS

DATE: June 24, 2014

AGENDA ITEM NO. 276

Consent Agenda ☐

Regular Agenda ☒

Public Hearing ☐

County Administrator's Signature:

Subject:

Approval of a Resolution for issuance by the Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) of its Industrial Development Revenue Bonds in an aggregate principal amount of not-to-exceed \$6,000,000 for Hydro-Dyne Engineering, Inc., a Florida corporation ("Hydro-Dyne"), and Squared Martello LLC, a Florida limited liability company ("Squared Martello" and collectively with Hydro-Dyne, the "Borrower").

Department:

Planning and Development Services

Staff Member Responsible:

Mike Meidel, Director
Economic Development

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BCC), ACTING AS THE PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, DOING BUSINESS AS THE PINELLAS COUNTY ECONOMIC DEVELOPMENT AUTHORITY (AUTHORITY), APPROVE THE ATTACHED RESOLUTION AUTHORIZING THE APPROVAL OF THE PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS (HYDRO-DYNE ENGINEERING PROJECT), SERIES 2014, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000 ON BEHALF OF THE BORROWER.

Summary Explanation/Background:

Hydro-Dyne is an existing manufacturing company which manufactures screens and screenings handling equipment for industrial and municipal water and wastewater treatment. Squared Martello is a limited liability company recently created by Jay R. Conroy, the President of Hydro-Dyne to own the Project. The proceeds of the Bonds will be used by the Borrower (i) to finance the acquisition of approximately 9 acres of land and the acquisition, renovation and equipping of an approximate 107,500 square foot building thereon, located at the following address: 4750 118th Avenue North, Clearwater, Florida, within the city limits of the city of Pinellas Park, Pinellas County, Florida (the "Project"), and (ii) pay the costs of issuance of the Bonds. Squared Martello will own the Project and lease it to Hydro-Dyne or an affiliated or related entity. The Bonds will be sold and placed with Branch Banking and Trust to be privately held. Approval of the Tax Equity and Fiscal Responsibility Act (TEFRA) Resolution is also scheduled for the June 24th BCC meeting.

Fiscal Impact/Cost/Revenue Summary:

There is no fiscal impact to the County. The Borrower is responsible for payment of all fees and expenses. The County has received the bond application fee of \$2,000 from Hydro-Dyne. The County will also receive a financing fee of 1/2 of 1% of the bond amount, up to \$20,000 maximum, at closing to cover administrative costs for this project.

Exhibits/Attachments Attached:

Authority Resolution
Exhibit A - Commitment Letter
Exhibit B - Form of Loan Agreement
Exhibit C - Form of Bonds
Exhibit D - Form of Assignment
Exhibit E - Form of Bond Purchase Agreement
Exhibit F - Form of Memorandum of Agreement

RESOLUTION NO. ____

A RESOLUTION OF THE PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (DOING BUSINESS AS THE PINELLAS COUNTY ECONOMIC DEVELOPMENT AUTHORITY) APPROVING THE ISSUANCE OF NOT TO EXCEED \$6,000,000 INDUSTRIAL DEVELOPMENT REVENUE BONDS (HYDRO-DYNE ENGINEERING PROJECT), IN ONE OR MORE SERIES, AND APPROVING THE PROJECT; AUTHORIZING THE ISSUANCE AND SALE OF THE BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO HYDRO-DYNE ENGINEERING, INC. AND SQUARED MARTELLO LLC TO FINANCE THE ACQUISITION, RENOVATION AND EQUIPPING OF A MANUFACTURING PROJECT AND TO PAY THE COSTS OF ISSUING THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, A MEMORANDUM OF AGREEMENT, AN ASSIGNMENT OF LOAN AGREEMENT, PROMISSORY NOTE AND OTHER COLLATERAL AND A BOND PURCHASE AGREEMENT; AWARDING THE SALE OF THE BONDS BY A NEGOTIATED SALE TO BRANCH BANKING AND TRUST COMPANY; APPROVING THE FORM OF THE BONDS; AUTHORIZING OFFICIALS OF THE ISSUER TO TAKE CERTAIN ACTION IN CONNECTION WITH THE ISSUANCE OF THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Hydro-Dyne Engineering, Inc. ("Hydro-Dyne") and Squared Martello LLC ("Squared Martello" and collectively with Hydro-Dyne, the "Borrower") have requested the Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) (the "Issuer") to assist the Borrower by the issuance by the Issuer of its Industrial Development Revenue Bonds (Hydro-Dyne Engineering Project), in one or more series, in an aggregate principal amount of not exceeding \$6,000,000 (the "Bonds") and the loan of the proceeds of the Bonds to the Borrower to provide funds for a project as described herein; and

WHEREAS, the Borrower in particular requested the funds for the following uses: (i) the acquisition of approximately 9 acres of land and the acquisition, renovation and equipping of an approximate 107,500 square foot building thereon, located at the following address: 4750 118th Avenue North, Clearwater, Florida, within the city limits of the city of Pinellas Park, Pinellas County, Florida (the "Project"), and (ii) the costs of issuance of the Bonds; and

WHEREAS, the Issuer and the Borrower have received a proposal from Branch Banking and Trust Company (together with its successors and assigns as registered owner of the Bonds, the "Bank") to purchase the Bonds, in the form of a Commitment Letter dated May 2, 2014 (the "Commitment Letter"), pursuant to the Bond Purchase Agreement; and

WHEREAS, it is necessary and desirable to approve the form of and authorize the execution of a Loan Agreement, a Memorandum of Agreement, an Assignment of Loan Agreement, Promissory Note and Other Collateral and the Commitment Letter and a Bond Purchase Agreement, and to specify the interest rate, maturity date, prepayment provisions and other details for the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY THAT:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution, hereinafter called the "Resolution," is adopted pursuant to the Constitution of the State, Chapter 159, Parts II and III, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this Resolution in capitalized form and not otherwise defined herein shall have the meanings specified in the Loan Agreement attached hereto as Exhibit B, Assignment attached hereto as Exhibit D and/or in the Commitment Letter attached hereto as Exhibit A. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement among the Issuer, the Borrower and the Bank describing the sale of the Bonds, attached hereto as Exhibit E.

"Chair" as used herein refers to both the Chair and Vice Chair unless specifically indicated otherwise. Throughout this document when reference is made to "Chair" the Chair or Vice Chair may act independently and interchangeably in performing the duties and functions resolved herein.

SECTION 3. INTERPRETATION. Whenever in this Resolution any governmental unit or body, including the Issuer, or any officer, director, board, department, commission, or agency of a governmental unit or body is defined or referred to, such definition or reference shall be deemed to include the governmental unit or body or officer, director, board, department, commission or agency succeeding to or in whom or which is vested, the functions, rights, powers, duties and obligations of such governmental unit or body or officer, director, board, department, commission or agency, as the case may be, encompassed by this Resolution.

Unless the context shall clearly indicate otherwise in this Resolution: (i) references to sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding sections and subdivisions of this Resolution; (ii) the terms "herein," "hereunder,"

"hereby," "hereto," hereof," and any similar terms, refer to this Resolution only and to this Resolution as a whole and not to any particular section or subdivision hereof; and (iii) the term "heretofore" means before the date of adoption of this Resolution; the word "now" means at the time of enactment of this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

SECTION 4. FINDINGS. Upon consideration of the documents described herein and the information presented to the Issuer at or prior to the date hereof, it is hereby ascertained, determined and declared as follows:

A. The Project is appropriate to the needs and circumstances of, and will make a contribution to the economic growth of Pinellas County, Florida, will assist in providing employment through the manufacturing of its products to residents of Pinellas County, will preserve gainful employment, and will serve a public purpose, consistent with Article VII, Section 10(c) of the Florida Constitution, by advancing the economic prosperity and the general welfare of the Issuer, the State, and the people thereof, and in particular, the issuance of the Bonds is in the common interest of the people of Pinellas County, Florida.

B. As of the date hereof, the Borrower has represented and shown that it is financially responsible and fully capable of and willing to fulfill any obligations which it may incur in connection with the financing of the Project as contemplated by this Resolution.

C. Local government will be able to cope satisfactorily with the impact of the Project and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the construction, operation, repair and maintenance of the Project and on account of any increases in population or other circumstances resulting therefrom.

D. The Loan Agreement makes provision for the operation, repair and maintenance of the Project at the expense of the Borrower and for the payment of the principal and interest on the Bonds and all other costs incurred by the Issuer in connection with the Bonds and the Project.

E. Based upon the information provided by the Borrower to the Issuer, the Project constitutes a "project" as defined in the Act and the proceeds of the Bonds shall only be expended on "costs" of a "project" within the meaning of Act.

F. The Issuer has been advised that due to the desire to coordinate the sale of the Bonds and due to the limited market for tax-exempt obligations such as the Bonds, it is in the best interest of the Borrower to sell the Bonds by negotiated sale, and the Issuer, wishing to obtain the best interest rate on the Bonds for the benefit of the Borrower, has determined to sell the Bonds by negotiated sale to the Bank, permitting the Issuer to enter such market at the most advantageous time, rather than at a specified advertised date, and accordingly it is in the best interest of the Issuer that a negotiated sale of the Bonds be authorized.

G. The Issuer is not obligated to pay the Bonds except from the proceeds derived from the repayment of the loan of the proceeds of the Bonds to the Borrower, or from the other security pledged, and neither the faith and credit of the Issuer, Pinellas County, the State of Florida or any political subdivision thereof, nor the taxing power of the State of Florida or any political subdivision thereof is pledged to the payment of the principal and purchase price of, premium, if any, or the interest on the Bonds. The Issuer has no taxing power.

H. The Bank has provided, or prior to the issuance of the Bonds will provide, to the Issuer a disclosure statement containing the information required by Section 218.385(6), Florida Statutes.

I. A public hearing was held by the Board of County Commissioners of Pinellas County, Florida (the "Pinellas Commission") concerning the issuance of the Bonds to finance the Project, at which comments and discussions from interested persons were solicited and heard, on even date herewith, after and pursuant to appropriate publication of notice thereof in *The Tampa Bay Times*, a newspaper of general circulation in Pinellas County, Florida, at least fourteen (14) days in advance of said hearing.

J. Following the public hearing, issuance of the Bonds was approved by the Pinellas Commission by its adoption of a Resolution on even date herewith. The Pinellas Commission is the elected legislative body of Pinellas County and for the purposes of the Act and the Code has jurisdiction over the area in which the Project is located.

K. It is necessary and desirable and in the best interest of the Issuer that the Issuer and the Borrower enter into a Memorandum of Agreement (the "Memorandum of Agreement"), providing among other things for the issuance of the Bonds by the Issuer and the sale of the Bonds to the Bank; for the use and application of the proceeds of the issuance and sale of the Bonds to pay all or any part of the "cost" (as defined in the Act) of the Project, to the extent of such proceeds; and for the loan of the proceeds of the sale of the Bonds by the Issuer to the Borrower pursuant to a loan agreement requiring the Borrower to pay the loan in installments sufficient to pay all of the interest, principal, redemption premiums (if any) and other costs due under and pursuant to the Bonds when and as the same become due and payable, to operate, repair and maintain the Project at the Borrower's own expense, and to pay all other costs incurred by the Issuer in connection with the financing and administration of the Project which are not paid out of Bond proceeds or otherwise.

SECTION 5. APPROVAL OF PROJECT. The issuance of industrial development revenue bonds, in one or more series, in the aggregate principal amount of not to exceed \$6,000,000 for the benefit of the Borrower is hereby approved. The Project financed with the proceeds of the Bonds will be located within the city limits of the city of Pinellas Park, Pinellas County, Florida. Squared Martello will own the Project and lease it to Hydro-Dyne or an affiliated or related entity.

SECTION 6. AUTHORIZATION OF BONDS. For the purpose of making the Loan to the Borrower, there is hereby approved and authorized to be issued under this Resolution the Bonds, in one or more series designated as tax-exempt or taxable, in the aggregate principal amount of not to exceed \$6,000,000, and to be designated "Pinellas County Industrial Development Authority Industrial Development Revenue Bonds (Hydro-Dyne Engineering Project), Series 2014," or a similar designation approved by the Chair, such approval to be conclusively presumed by the execution thereof by the Chair. The Bonds shall be issued as fully registered Bonds, shall be dated as of the date of issuance, shall mature, shall bear interest at the rate and shall have such other terms and conditions, and shall be in the form of, the Bonds attached hereto as Exhibit C, with such changes, alterations and corrections as may be approved by the Chair, such approval to be conclusively presumed by the execution thereof by the Chair.

SECTION 7. BOND REGISTER. The Bonds shall be registered as to principal and interest in the name of Branch Banking and Trust Company provided that the Bonds may be transferred at the office of the Issuer by surrender of such Bonds for cancellation, accompanied by a written instrument of transfer, in form satisfactory to the Issuer, duly executed by the registered owner in person or by his duly authorized agent, and thereupon the Issuer will issue and deliver to the owner thereof at his expense, in the name of the transferee or transferees, a new registered Bond, having the same terms as the Bond so surrendered. Upon any transfer of the Bonds the Issuer will keep or cause to be kept a bond register for the registration and transfer of ownership of the Bonds, and, upon presentation for such purpose, the Issuer shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred such Bond on the bond register. In every case of a transfer of a Bond, the surrendered Bond shall be canceled by the Issuer.

SECTION 8. MEMORANDUM OF AGREEMENT. The Chair or the Vice Chair is hereby authorized and directed to execute the Memorandum of Agreement, in substantially the form attached hereto as Exhibit E, with such changes, alterations and corrections as may be approved by the Chair, such approval to be conclusively presumed by the execution thereof by the Chair, in the name of and on behalf of the Issuer, and to affix thereto the official seal of the Issuer, and to deliver the Memorandum of Agreement to the Borrower.

SECTION 9. MUTILATED, LOST, STOLEN OR DESTROYED BONDS. In case a Bond shall become mutilated or be lost, stolen or destroyed, the Issuer shall cause to be executed and furnished to the owner a new Bond in exchange and substitution for, and upon the cancellation of, the mutilated Bond or in lieu of and substitution for such lost, stolen or destroyed Bond. In every case the applicant shall furnish evidence satisfactory to the Issuer of the destruction, theft or loss of such Bond and indemnity satisfactory to the Issuer, and the Issuer shall charge the applicant for the issuance of such new Bond an amount sufficient to reimburse it for any expense incurred by it in the issuance thereof.

SECTION 10. LIMITED OBLIGATION. The Bonds are not a general obligation of the Issuer but are limited obligations payable solely from the Loan Payments received from or on behalf of the Borrower. The Bonds shall not be an obligation of the State of Florida or of any political subdivision

thereof, other than the Issuer (limited as aforesaid), and any and all payments of any nature thereunder shall be payable only from amounts provided for such purpose under the Bond Documents and not from other funds of the Issuer.

SECTION 11. COVENANT TO PERFORM. The Issuer shall faithfully perform at all times all of its covenants, undertakings and agreements contained in this Resolution, in the Bonds or in any proceedings of the Issuer pertaining thereto. The Issuer represents that it is duly authorized under the Constitution and laws of the State of Florida, particularly the Act, to issue the Bonds and to adopt this Resolution, and to assign the Loan Agreement, and the Promissory Note and pledge the revenues, receipts, proceeds and funds derived in respect thereof, in the manner and to the extent herein set forth as security for the Bonds; that all action on its part for the issuance of the Bonds and the adoption of this Resolution has been duly and effectively taken; and that the Bonds will be a valid and enforceable limited obligation of the Issuer according to its terms.

SECTION 12. COVENANT AS TO THE BORROWER. The Issuer covenants that it will fulfill its obligations, and it authorizes the Bank to require the Borrower to perform the duties and obligations of the Borrower, under the Loan Agreement and the Promissory Note, it being understood that the Issuer has no obligation to pay debt service on the Bonds or any other amounts to Bondholders, such being the obligation solely of the Borrower. The Issuer shall promptly notify the Bank of any actual or alleged Default of which it has actual knowledge and shall not execute or agree to any change, amendment, modification or supplement of or to any Bond Document, except as is provided in the Bond Documents.

SECTION 13. ENFORCEMENT OF THE AGREEMENT. The Bank may enforce all obligations of the Borrower, and may exercise all rights (except Unassigned Issuer's Rights) of the Issuer specified under the Bond Documents whether or not the Issuer is in default thereunder.

SECTION 14. AMENDMENTS. No amendment to this Resolution shall become effective unless and until the Borrower and the Bank shall have consented thereto in writing.

SECTION 15. DISCHARGE OF BONDS. If the Borrower shall pay and discharge the entire indebtedness on the Bonds by fully paying or causing to be paid the principal of and interest on the Bonds, as and when the same become due and payable and if the Borrower shall also pay or provide for the payment of all other sums payable hereunder by the Issuer or the Borrower, then and in that case this Resolution shall cease, determine and become null and void as to the Bonds.

SECTION 16. LIMITED LIABILITY OF ISSUER. Anything in this Resolution or the Bond Documents to the contrary notwithstanding, the performance by the Issuer of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the Issuer for all warranties and other covenants hereunder, shall be limited solely to the Loan Payments and other revenues and receipts derived from the Bond Documents, and the Issuer shall

not be required to effectuate any of its duties, obligations, powers or covenants hereunder except to the extent of such Loan Payments and other revenues and receipts.

SECTION 17. NO PERSONAL LIABILITY. No recourse under or upon any obligation, covenant or agreement contained in this Resolution, the Bonds, any other Bond Document or under any judgment, or by the enforcement of any assessment or by legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Resolution, shall be had against any member, agent, employee or officer, as such, past, present or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of the Bonds or otherwise of any sum that may be due and unpaid by the Issuer upon the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any member or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of the Bonds or otherwise, of any sum that may remain due and unpaid upon the Bonds is hereby expressly waived and released as a condition of and in consideration for the execution of this Resolution and the issuance of the Bonds.

SECTION 18. BONDS NOT A DEBT OF STATE OR ISSUER. None of the State of Florida, the County, any political subdivision thereof, or the Issuer shall in any event be liable for the payment of the principal of or interest on the Bonds, except that the Issuer has provided for payment from the special and limited sources as provided in the Bond Documents. The Bonds issued hereunder shall never constitute an indebtedness of the State of Florida or of any political subdivision of the State of Florida or of the County or Issuer within the meaning of any state constitutional provisions or statutory limitation and shall never constitute or give rise to the pecuniary liability of the State of Florida or any political subdivision thereof, the County or of the Issuer or a charge against their general credit. The holder of the Bonds shall not have the right to compel any exercise of the ad valorem taxing power of the State of Florida or of any political subdivision of said State to pay the Bonds or the interest thereon. The Issuer has no taxing power.

SECTION 19. LAWS GOVERNING. This Resolution shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Florida.

SECTION 20. THE BOND DOCUMENTS. The Bonds, the Loan Agreement, the Assignment and the Bond Purchase Agreement in the forms thereof attached hereto as Exhibits B through E, respectively, with such changes, alterations and corrections as may be approved by the Chair, such approval to be conclusively presumed by the execution thereof by the Chair and the Executive Director, are hereby approved by the Issuer, and the Issuer hereby authorizes and directs the Chair to execute such Bond Documents, simultaneous with the issuance of the Bonds, and to deliver the Bond Documents to the Borrower all of the provisions of which, when executed and delivered by the Issuer as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 21. SALE OF BONDS. The Bonds are hereby awarded to the Bank upon the terms and conditions set forth in the Commitment Letter, a copy of which is attached hereto as Exhibit A, and the Bond Purchase Agreement, the form of which is attached hereto as Exhibit E. Prior to the execution of the Loan Agreement, the Bank shall file with the Issuer the disclosure and truth-in-bonding statements required by Section 218.385, Florida Statutes.

SECTION 22. COVENANT REGARDING TAX STATUS OF BONDS. The Issuer covenants that it will not knowingly take any action, or knowingly fail to take any action, and will not fail to take any action reasonably requested by Bond Counsel, the Bank or the Borrower, and will not take any action which Bond Counsel, the Bank or the Borrower reasonably requests it not to take, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

SECTION 23. VOLUME CAP. The Issuer does hereby elect to have the provisions of Section 144(a)(4) of the United States Internal Revenue Code of 1986, as amended, increasing the small issue limitation from \$1,000,000 to \$10,000,000, apply to the Bonds and the authorized officers are hereby authorized and directed to evidence such election by filing a copy of this Resolution in the official records of the Issuer. Bond Counsel is authorized to apply for volume cap for the Bonds from the Division of Bond Finance, State of Florida.

SECTION 24. NOTICES. Any notice, request, complaint, demand, communication or other paper given under or with respect to any Bond Document shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail to the Notice Address of the Issuer.

SECTION 25. NO THIRD PARTY BENEFICIARIES. Except as herein or in the documents herein mentioned otherwise expressly provided, nothing in this Resolution or in such documents, express or implied, is intended or shall be construed to confer upon any Person other than the Issuer, the Bank and the Borrower any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof or of such documents; this Resolution and such documents being intended to be and being for the sole and exclusive benefit of such parties.

SECTION 26. PREREQUISITES PERFORMED. All acts, conditions and prerequisites relating to the passage of this Resolution and required by the Constitution or laws of the State of Florida to happen, exist and be performed precedent to and in the passage hereof have happened, exist and have been performed as so required.

SECTION 27. GENERAL AUTHORITY. The Chair, the Executive Director and the other officers and employees of the Issuer are hereby authorized to do all acts and things required of them by this Resolution and the other Bond Documents or desirable or consistent with the requirements hereof or thereof, for the full punctual and complete performance of all terms, covenants and agreements contained in the Bonds, this Resolution and the other Bond Documents.

SECTION 28. RESOLUTION CONSTITUTES A CONTRACT. The Issuer covenants and agrees that this Resolution shall constitute a contract between the Issuer and the holders from time to time of the Bonds and that all covenants and agreements set forth herein and in the Bond Documents and to be performed by the Issuer shall be for the benefit and security of the holder of the Bonds.

SECTION 29. SEVERABILITY. If any one or more of the covenants, agreements, or provisions contained herein or in the Bonds shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions hereof and thereof and shall in no way affect the validity of any of the other provisions of this Resolution or of the Bonds.

SECTION 30. REPEALER. All resolutions or ordinances or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of any such conflict, hereby superseded and repealed.

SECTION 31. LIMITED APPROVAL. The approval given herein shall not be construed as (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective purchaser of the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any necessary rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Project, and the Issuer shall not be construed by reason of its adoption of this Resolution to have made any such endorsement, finding or recommendation or to have waived any of the Issuer's rights or estopping the Issuer from asserting any rights or responsibilities it may have in that regard.

SECTION 32. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage and adoption.

[Remainder of Page Intentionally Left Blank]

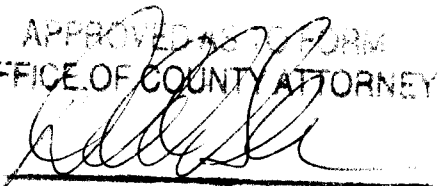
DULY PASSED AND ADOPTED by the Pinellas County Industrial Development Authority
on this 24th day of June, 2014.

PINELLAS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY d/b/a
PINELLAS COUNTY ECONOMIC
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Name: Mike Meidel
Title: Executive Director

By: _____
Name: Karen Williams Seel
Title: Chair

APPROVED AS TO FORM
OFFICE OF COUNTY ATTORNEY


Attorney

EXHIBIT A

COMMITMENT LETTER

May 2, 2014

Hydro-Dyne Engineering, Inc. and affiliates
401 Douglas Road
Oldsmar, Florida 34677
Attention: Jay Conroy

COMMITMENT LETTER

Dear Mr. Conroy:

Branch Banking and Trust Company (the "Bank") is pleased to offer (i) a taxable or tax-exempt term loan facility (the "Term Facility") and (ii) a revolving line of credit (the "Line of Credit") and together with the Term Facility, collectively, the "Credit Facilities"), subject, but not limited to, the terms and conditions set forth below:

A. TERM FACILITY

Borrowers: Ageis, LLC or a newly created limited liability company owned by Jay R. Conroy (the "Real Estate Borrower") and Hydro-Dyne Engineering, Inc.

Guarantors: Unconditional joint and several unlimited guaranties of, Hydro-Dyne Management, Inc. and Jay R. Conroy.

Purpose: To finance (i) the acquisition, renovation and equipping of a manufacturing facility building located at 4750 118th Ave. N., Clearwater, Florida 33762-4451 (the "Project") and (ii) the cost of issuing the Term Facility.

Amount: The lesser of (i) \$4,900,000, (ii) 85% of the cost of the Project or (iii) 85% of the appraised value of the Project.

Interest Rate: The interest rate applicable to the Term Facility will be based upon the type of interest rate selected by the Borrowers prior to closing as follows:

Taxable Fixed Rate

4.25%

Tax-Exempt Fixed Rate

3.15%

The fixed rate quotes above are available to the Borrowers for 60 days from the date of this Commitment Letter if the Borrowers accept this Commitment Letter within 7 days of the date hereof.

For either fixed rate option, the following terms and conditions apply: (a) the Term Facility must fully fund at closing; (b) the Term Facility may be prepaid upon no less than 7 days' notice to the Bank; (c) the Borrowers will pay to the Bank a prepayment fee in connection with any prepayment of the Term Facility

during the first 5 years equal to 1% of the amount prepaid if the prepayment is refinanced by a third party.

The tax-exempt fixed rate set forth above will be subject to increase in the event of a Determination of Taxability or decreases in the Bank's marginal tax rate. Except in the case of an event of default, the taxable fixed rate set forth above will not be subject to adjustment during the term of the Term Facility.

Commitment Fee: The Borrowers shall pay the Bank a non-refundable commitment fee equal to \$10,000 on the acceptance date of this Commitment Letter.

Advances: Any portion of the Term Facility not advanced at closing to acquire the Project will be advanced at closing into a project fund held at the Bank. Advances for construction of the Project subsequent to closing will be funded upon receipt by the Bank of invoices and other supporting documentation acceptable to the Bank evidencing work completed on the Project.

Repayment: Principal and Interest will be payable in monthly installments based on a 20-year amortization schedule acceptable to the Bank. All outstanding principal and all accrued but unpaid interest will be due and payable 10 years from the closing date.

Collateral: The following collateral will be pledged to secure the Term Facility: (i) Real Estate Borrower shall grant the Bank a first priority mortgage on the Project, together with an assignment of leases and rents and (ii) Jay R. Conroy will grant an assignment of one or more life insurance policies having an aggregate death benefit of at least \$1,000,000.

B. LINE OF CREDIT

Borrower: Hydro Dyne Engineering, Inc.

Guarantors: Unconditional joint and several unlimited guaranties of, Hydro-Dyne Management, Inc. and Jay R. Conroy.

Amount: \$500,000. Prior to maturity and the occurrence of an event of default, the Borrower may borrow, repay and reborrow under the Line of Credit.

Purpose: For general corporate purposes.

Repayment: Interest will be payable monthly. All outstanding principal and all accrued but unpaid interest will be due one (1) year from the closing date.

Commitment Fee: The Borrower will pay the Bank a non-refundable commitment fee equal to \$500 on the acceptance date of this Commitment Letter.

Interest Rate: One-Month LIBOR plus 2.00% per annum, adjusted monthly with changes in One-Month LIBOR.

Collateral: The following collateral will be pledged to secure the Line of Credit: (i) Hydro-Dyne Engineering, Inc. will grant a first priority security interest in all of its now existing and after acquired personal property and (ii) Jay R. Conroy will grant an assignment of one or more life insurance policies having an aggregate death benefit of at least \$1,000,000.

C. CONDITIONS PRECEDENT

The obligation of the Bank to extend the Credit Facilities shall be subject to fulfillment of the following additional conditions precedent:

- (a) Bond Counsel Opinion: If the tax-exempt option is selected for the Term Facility, the Bank shall receive an opinion of bond counsel customary for transactions of this type, including an opinion that interest on the Term Facility is exempt from federal and state income tax, and the interest thereon will not be a specific preference item for purposes of the alternative minimum tax.
- (b) Borrower and Guarantors' Counsel Opinion: The Bank shall receive an opinion of Borrowers and Guarantors' counsel customary for transactions of this type and acceptable to the Bank.
- (c) Term Facility Documentation: If the tax-exempt option is selected for the Term Facility, the tax-exempt loan documents shall have been approved by all applicable local, state and federal authorities. This commitment is further subject to the Bank's review and approval of the terms and conditions of the tax-exempt loan documents.
- (d) Equity Requirement: Receipt by the Bank of evidence satisfactory to the Bank that the Real Estate Borrower and/or the Guarantor has injected equity into the Project to satisfy the requirements of the Bank.
- (e) Deposit Accounts: The Borrowers and the Guarantors shall maintain their primary depository relationship with the Bank.
- (f) Copy of Organizational Documents. The Borrowers and the corporate and limited liability company Guarantors shall furnish a true and complete copy of their organizational documents.
- (g) Hazard Insurance. Borrowers and the corporate and limited liability company Guarantors shall provide Bank a hazard insurance policy for the replacement cost of the insurable items of the collateral, naming Bank as lienholder/loss payee. The insurance company issuing the policy and the policy must be acceptable to Bank.
- (h) Liability Insurance. Borrowers and the corporate and limited liability company Guarantors shall provide Bank a liability insurance policy naming Bank as lienholder/loss payee. The insurance company issuing the policy and the policy must be acceptable to Bank.
- (i) Title Insurance: At least ten days prior to the closing date, a title commitment from a title insurance company acceptable to Bank listing all liens, encumbrances, and easements covering the Project. On the closing date, a title insurance policy insuring Bank's interest

as mortgagee for the full amount of the Term Facility which may contain only those exceptions acceptable to Bank.

- (j) Environmental Audit: Prior to closing Real Estate Borrower shall obtain an acceptable environmental audit (Phase I) from an environmental firm acceptable to Bank, as Bank may require in its sole discretion, which shall be satisfactory to Bank in its sole discretion.
- (k) Appraisal: Prior to closing, an appraisal of the Project ordered by and acceptable to Bank, indicating a loan (based on the Term Facility) to value no greater than 85%.
- (l) Survey: A current plat of survey of the Project, prepared and certified by a registered land surveyor or civil engineer shall be delivered to Bank at least ten (10) days prior to the closing date. The survey must show all the dimensions of the Project, together with appropriate courses and distances, all access routes from public streets, the distance to and names of the nearest intersecting streets, the location of all easements, rights of way, oil and gas pipelines, encroachments, set back and side lines, the location and dimensions of all existing buildings and improvements, special flood zones, if any, the location of all easements appurtenant to and a metes and bounds description of the Project.
- (m) Flood Certification or Insurance: Prior to the closing date, Bank will obtain from First American Flood Data Services, Inc., a determination of whether the Project is located in a "special flood, mud slide, or erosion hazard area". If the Project is located within such an area, this commitment shall be unenforceable as to Bank unless Real Estate Borrower provides Bank, prior to closing, with flood insurance acceptable to Bank in its sole discretion, naming Bank as mortgagee or loss payee.
- (n) Lease Agreement: The lease agreement between the Real Estate Borrower and its tenants related to the Project shall be subordinate to the mortgage and in form and substance satisfactory to the Bank.
- (o) Other Items: The Bank shall have received such other documents, instruments, approvals or opinions as the Bank may reasonably request and which are usual and customary for transactions such as this.

D. COVENANTS

The documentation for the Credit Facilities will contain terms, conditions and financial covenants mutually acceptable to the Borrowers, the Guarantors and the Bank, including, but not limited to, the following covenants:

(a) Financial Covenants: Key financial ratios to be contained in the loan documentation will be tested on the Ageis, LLC, any new real estate holding company created and Hydro-Dyne Engineering, Inc. (collectively, the "Consolidated Group") unless otherwise noted below. Such covenants shall include:

(i) Cash Flow Coverage Ratio: 1.50 times Debt Service. Cash Flow is defined as earnings before taxes, plus depreciation and amortization and interest. Debt Service is defined as current year's current maturities of long term debt plus interest expense. This calculation will be tested annually.

(ii) **Maximum Debt/Tangible Net Worth:** Maximum Debt/Tangible Net Worth of 2.00. Defined as (i) Total Liabilities of the Consolidated Group divided by (ii) Tangible Net Worth of the Consolidated Group plus unencumbered liquidity of Jay R. Conroy (excluding any liquidity held in a trust or another shielded entity). This calculation will be tested annually.

(b) **Non-Exclusive List of Other Covenants/Terms:**

(i) Borrowers and the corporate and limited liability company Guarantors shall maintain their current form of existence; maintain adequate liability and hazard insurance on their buildings, equipment, and inventory; and comply with all local, state and federal laws and government regulations to which it is subject.

(ii) Borrowers and the corporate and limited liability company Guarantors shall maintain their current management and ownership; and not be permitted to merge into or acquire the capital stock of any entity.

(iii) Borrowers and the corporate and limited liability company Guarantors shall not be permitted to acquire substantially all of the assets of any other entity, or to sell any of their assets other than in the ordinary course of business.

(iv) Stockholders, officers, directors, and affiliates shall subordinate their loans to the Borrowers, if any, to the obligations of the Borrowers and the Guarantors to the Bank pursuant to Subordination Agreements satisfactory to Bank.

(v) Borrowers and the corporate and limited liability company Guarantors shall not permit any liens on its assets other than permitted liens mutually agreeable between the Borrower and the Bank without the prior written consent of the Bank.

(vi) Borrowers and corporate limited liability company Guarantors shall not guaranty the obligations of others without the prior written consent of the Bank.

(vii) Jay R. Conroy will not transfer more than 10% of his existing shares and membership interests in the Borrowers and the Corporate Guarantors, without the prior consent of the Bank.

(c) **Financial Information:** Borrowers and Guarantors, as applicable, shall provide to the Bank, in form and content acceptable to the Bank:

(i) Annual review level consolidated and consolidating fiscal year-end GAAP compliant financial statements of the Consolidated Group as soon as available and in any event within 120 days of their fiscal year-end.

(ii) Quarterly company prepared quarterly financial statements of the Hydro-Dyne Engineering, Inc. as soon as available an in any event within 30 days of each fiscal quarter end.

(iii) Personal financial statements on Jay R. Conroy dated within 12 months of statements previously provided and updated annually including a summary of contingent liabilities and verification of liquidity.

(iv) Annual Tax Returns within 30 days of filing for: Hydro-Dyne Engineering, Inc., Hydro-Dyne Management, Inc. and Jay R. Conroy (to include all K-1s).

E. OTHER TERMS

- (a) Borrowers shall pay all legal fees, construction monitoring fees, recording fees, appraisal fees, documentary stamp and intangible taxes and other costs incurred by Bank in connection with the making, documenting and closing of the Credit Facilities whether or not the Credit Facilities are closed.
- (b) This commitment must be accepted by Borrowers and Guarantors on or before May 9, 2014 or it will terminate. If accepted, the Commitment Letter will expire on August 2, 2014, unless otherwise extended in writing by the Bank, if the Credit Facilities are not closed by then.
- (c) Borrowers will be required to reimburse the Bank for any increased costs for issuing, maintaining and participating in the Credit Facilities which result from changes in any law, rule or regulation, state or federal, including capital reserve requirements or changes in tax law.
- (d) The Line of Credit is only available if the Term Facility is selected and closed.

F. MISCELLANEOUS

- 1. Commitment Modifications: This Commitment may not be modified except by written agreement signed by the Borrowers and the Bank.
- 2. Assignment of Commitment: This Commitment may not be assigned without the prior written consent of the Bank.
- 3. Third Party Beneficiary Rights: No person who is not a party to this Commitment shall have or enjoy any rights hereunder and all third party beneficiary rights are expressly negated. Without limiting the generality of the foregoing, no one other than the Borrowers shall have any rights to obtain or compel the closing of the Credit Facilities.
- 4. Representation of Facts: This Commitment is issued in reliance upon the accuracy and completeness of all information furnished by or for each Borrower and Guarantors and is subject to the continued accuracy and completeness of all such information. The Bank shall have the option to terminate this commitment upon written notice to the Borrowers if there shall have been any material misrepresentation or misstatement or any material error of fact contained in any of the above or if at any time there shall have been a material adverse change in the state of facts indicated therein or in the financial condition of the Borrowers and the Guarantors.
- 5. Confidentiality: This Commitment is confidential and, except for disclosure on a confidential basis to Borrowers' financial advisors, accountants, attorneys and other professional advisors retained by Borrowers for use in connection with the proposed

financing or as may be required by law, may not be disclosed in whole or in part by the Borrowers or any such financial advisors, accountants, attorneys or other professional advisor to any other person or entity without Bank's prior written consent. If this Commitment is delivered to a financial advisor or person other than the Borrowers, by receipt and use by such advisor or other person in connection with the proposed transaction, such advisor or other person agrees to be bound by the confidentiality terms set forth above.

[Signature Page Follows]

Hydro-Dyne Engineering, Inc.
May 2, 2014
Page 8

We at BB&T sincerely appreciate this opportunity to help meet your financial requirements. Please do not hesitate to contact me if you have any questions regarding this commitment. If you agree with the terms and conditions generally outlined in this letter, please sign the acceptance line set forth below and return this letter along with a check for \$10,500 covering the commitment fee to my attention. As stated above, this commitment must be accepted by the Borrowers and Guarantors on or before May 9, 2014.

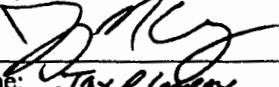
Very truly yours,

BRANCH BANKING AND TRUST COMPANY

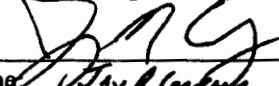

Jason Costello
Commercial Banker

We accept the terms and conditions of the commitment outlined in this letter.

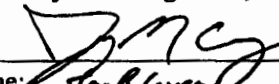
Ageis, LLC

By: 
Name: Jay R. Conroy
Title: President / Member

Hydro Dyne Engineering, Inc.

By: 
Name: Jay R. Conroy
Title: President

Hydro-Dyne Management, Inc.

By: 
Name: Jay R. Conroy
Title: President

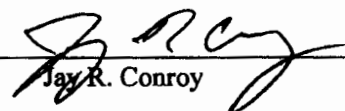
By: 
Jay R. Conroy

EXHIBIT B

FORM OF LOAN AGREEMENT

AGENDA VERSION

LOAN AGREEMENT

among

HYDRO-DYNE ENGINEERING, INC.,

SQUARED MARTELLO LLC

and

PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(D/B/A PINELLAS COUNTY ECONOMIC DEVELOPMENT AUTHORITY)

DATED AS OF
June 1, 2014

THE RIGHTS AND THE INTEREST OF
PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
IN THIS LOAN AGREEMENT (EXCEPT UNASSIGNED ISSUER'S RIGHTS)
HAVE BEEN ASSIGNED TO
BRANCH BANKING AND TRUST COMPANY

TABLE OF CONTENTS

(This Table of Contents is not a part of the Loan Agreement but is for convenience of reference only.)

	<u>Page</u>
ARTICLE I DEFINITIONS	3
Section 1.1. Use of Defined Terms	3
Section 1.2. Definitions	3
Section 1.3. Interpretation	9
Section 1.4. Captions and Headings	9
ARTICLE II REPRESENTATIONS AND TAX COMPLIANCE	10
Section 2.1. Representations of the Issuer	10
Section 2.2. Representations and Covenants of the Borrower	11
Section 2.3. Tax Representations, Warranties and Covenants of the Borrower	13
Section 2.4. Additional Tax Covenants of the Borrower	14
ARTICLE III FINANCING OF THE PROJECT; ISSUANCE OF BOND	16
Section 3.1. Agreement to Finance the Project	16
Section 3.2. Issuance of the Bond; Loan of Proceeds	16
Section 3.3. Grant of Security Interest	16
Section 3.4. Representations and Warranties	16
Section 3.5. Covenants and Rights Concerning Collateral	17
ARTICLE IV LOAN BY ISSUER; REPAYMENT OF THE LOAN; LOAN PAYMENTS AND ADDITIONAL PAYMENTS	17
Section 4.1. Loan Repayment; Delivery of Note	17
Section 4.2. Additional Payments	18
Section 4.3. Place of Payments	18
Section 4.4. Obligations Unconditional	18
Section 4.5. Assignment of Certain Bond Documents	19
Section 4.6. No Liability of Issuer; No Charge Against Issuer's Credit	19
ARTICLE V ADDITIONAL AGREEMENTS AND COVENANTS	19
Section 5.1. Indemnification	19
Section 5.2. Inspection	20
Section 5.3. Notice to the Issuer and the Bank	20
Section 5.4. Post-Closing Environmental Assessments	21
Section 5.5. Automatic Payment Procedure	21
ARTICLE VI PAYMENT	21
Section 6.1. Payment	21

Section 6.2.	Optional and Mandatory Prepayment.....	24
Section 6.3.	Project Fund; Custody and Application of Note Proceeds	24
Section 6.4.	Use of Project Fund	25
Section 6.5.	Investment of Moneys in Project Fund	25
ARTICLE VII EVENTS OF DEFAULT AND REMEDIES		25
Section 7.1.	Default	25
Section 7.2.	Remedies on Default.....	25
ARTICLE VIII MISCELLANEOUS		27
Section 8.1.	Usury Laws	27
Section 8.2.	The Issuer's or Bank's Consent	27
Section 8.3.	Miscellaneous.....	28
Section 8.4.	Notices	28
Section 8.5.	Successors and Assigns	29
Section 8.6.	Modification or Termination	29
Section 8.7.	Costs and Expenses.....	29
Section 8.8.	Further Assurances	30
Section 8.9.	No Assignment.....	30
Section 8.10.	Forum.....	30
Section 8.11.	Interpretation	30
Section 8.12.	No Partnership, etc.....	30
Section 8.13.	Records	31
Section 8.14.	Entire Agreement	31
Section 8.15.	Capital Requirements	31
Exhibit A	Form of Promissory Note	
Exhibit B	Form of Requisition for Project Fund	

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made and entered into as of June 1, 2014 by PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (D/B/A PINELLAS COUNTY ECONOMIC DEVELOPMENT AUTHORITY), a public body corporate and politic of the State of Florida (the "Issuer"), HYDRO-DYNE ENGINEERING, INC., a Florida corporation, and SQUARED MARTELLO LLC, a Florida limited liability company, and any lawful successors and assigns thereof permitted by this Agreement (each individually and collectively, the "Borrower"):

WITNESSETH:

WHEREAS, pursuant to the provisions of the laws of the State of Florida, the Issuer may issue industrial development revenue bonds as a conduit to provide funds for the making of loans to finance and refinance the acquisition, construction and equipping of a "manufacturing plant" such as the facility owned and operated by the Borrower as described herein; and

WHEREAS, at the request of the Borrower, the Issuer proposes to issue the Bond (as hereinafter defined) and to loan the proceeds thereof to the Borrower pursuant to this Agreement to be applied to financing the Project (as hereinafter defined) and paying the costs of issuance; and

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the Issuer and the Borrower agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Use of Defined Terms. In addition to the words and terms defined elsewhere in this Agreement or by reference to another document, the words and terms set forth in Section 1.2 hereof shall have the meanings set forth therein unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, or which are otherwise defined terms under the other Bond Documents (as hereinafter defined) shall have the meanings assigned to them in such Bond Documents.

Section 1.2. Definitions. As used herein:

"Act" means, collectively, the Constitution of the State, Chapter 159, Parts II and III, Florida Statutes, as amended, and other applicable provisions of law.

"Additional Payments" means the amounts required to be paid by the Borrower pursuant to the provisions of Section 4.2 hereof.

"Advance" means the funding by the Bank, on the Purchase Date, of the Loan, which shall be deemed to be payment of the purchase price for the Bond by the Bank and which shall be deposited into the account with the Bank as required by Section 3.2 of the Bond Purchase Agreement.

"Agreement" means this Loan Agreement, as amended or supplemented from time to time.

"Assignment" means the Assignment of Loan Agreement, Promissory Note, and Other Collateral dated of even date herewith, among the Issuer, the Bank and the Borrower.

"Bank" means Branch Banking and Trust Company and its successors and assigns as the lender and as the registered owner of the Bond or any successor as holder of the Bond.

"Bank Counsel" means Moore & Van Allen PLLC, or another attorney or firm of attorneys satisfactory to the Bank and nationally recognized as experienced in matters relating to the tax exemption of interest on bonds of states and political subdivisions thereof.

"Bond" means the Issuer's \$_____ principal amount Industrial Development Revenue Bond (Hydro-Dyne Engineering Project), Series 2014.

"Bond Counsel" means Bryant Miller Olive P.A., or another attorney or firm of attorneys satisfactory to the Bank and approved by the Issuer and nationally recognized as experienced in matters relating to the tax exemption of interest on bonds of states and political subdivisions thereof.

"Bond Documents" means the Resolution, the Commitment Letter, the Bond, the Bond Purchase Agreement, the Guaranty Agreement, this Agreement, the Note, each Requisition, the Assignment, the Mortgage, the Environmental Agreement, the Security Agreement and the Related Documents under the Guaranty Agreement.

"Bond Indebtedness" means any and all indebtedness of the Borrower evidenced, governed or secured by or arising under any of the Bond Documents.

"Bond Purchase Agreement" means the Bond Purchase Agreement among the Issuer, the Borrower and the Bank describing the sale of the Bond.

"Bond Service Charges" means all principal and interest and other payments of any nature due on the Bond.

"Business Day" means any day other than a Saturday, Sunday or day on which the office of the Bank at the Notice Address is lawfully closed.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings thereunder.

"Collateral" means all Property covered by the Mortgage and the Security Agreement.

"Commitment Letter" means the Commitment Letter dated May 2, 2014 of the Bank to the Borrower.

"Date of Taxability" shall mean the earliest date as of which interest on the Bond shall have been determined to be includable in the gross income of the Bank as a result of a Determination of Taxability.

"Default" and "Event of Default" means the event described as a "Default" in Section 7.1 hereof.

"Default Rate" shall mean the greater of (i) a fluctuating interest rate equal to 2.00% per annum above the Prime Rate in effect from time to time and (ii) 6.00% per annum.

"Determination of Taxability" shall mean and shall be deemed to have occurred on the first to occur of the following:

- (i) on that date when any Borrower files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

- (ii) on the date when the Bank notifies the Issuer and any Borrower that it has received a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within 180 days after receipt by the Issuer and any Borrower of such notification from the Bank, the Issuer or any Borrower shall deliver to the Bank (A) a final ruling or determination letter issued to or on behalf of any Borrower by the Commissioner or any District Director of Internal Revenue (or any other governmental official exercising the same or a substantially similar function from time to time) or (B) a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

- (iii) on the date when the Issuer or any Borrower shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other

government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Issuer or any Borrower, or upon any review or audit of the Issuer or any Borrower or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Issuer or any Borrower shall receive notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank the interest on the Bond paid to the Bank due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under clauses (iii) or (iv) above unless the Issuer and any Borrower have been afforded the opportunity, at the expense of any Borrower, to contest any such assessment; and provided further that no Determination of Taxability shall occur until such contest, if made, has been finally determined; and provided further that upon demand from the Bank, any Borrower shall immediately reimburse the Bank for any payments the Bank shall be obligated to make as a result of the Determination of Taxability during any such contest.

"Environmental Agreement" means the Environmental Indemnity Agreement dated of even date herewith among the Borrower, the Guarantors and the Bank.

"Event of Taxability" shall mean a change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Issuer or any Borrower, or the failure to take any action by the Issuer or any Borrower, or the making by the Issuer or any Borrower of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bond) which has the effect of causing interest paid or payable on the Bond to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes.

"Financial Statements" means a balance sheet, income statement or statement of revenues, statements of cash flow and amount and sources of contingent liabilities, and a reconciliation of changes in equity or fund balance, and, unless the Bank otherwise consents, consolidated and consolidating statements if the reporting party is a holding company or a parent of a subsidiary entity.

"Fiscal Year" means such one-year period selected by the Borrower as its fiscal year.

"GAAP" means generally accepted accounting principles, as in effect from time to time, consistently applied.

"Guarantor" means, individually and collectively, Jay R. Conroy and Hydro-Dyne Management, Inc., a Florida corporation, jointly and severally.

"Guaranty Agreement" means the Guaranty Agreement among the Bank, the Borrower and the Guarantors dated as of June 1, 2014, containing certain covenants and agreements related to the Bond and the distribution of the proceeds thereof to the Borrower.

"Interest Rate" shall mean 3.15% per annum, subject to adjustment pursuant to Section 6.1 hereof.

"Issuer's Fees and Expenses" means those reasonable fees and expenses, if any, payable to or incurred by the Issuer with respect to the issuance of the Bond, including any reasonable fees and expenses of counsel to the Issuer, and further including any fees or expenses incurred by the Issuer as a result of any reporting requirements imposed upon the Issuer or any state or federal investigations, post issuance inquiries or audits involving the Bond.

"Loan" means the loan by the Issuer to the Borrower of proceeds received from the sale of the Bond to the Bank.

"Loan Payments" means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Note and of Section 4.1 hereof.

"Mortgage" means the Mortgage and Security Agreement dated as of June 1, 2014 from the Squared Martello LLC to the Bank related to real property in Pinellas County, Florida.

"Note" means the promissory note of the Borrower, dated as of even date herewith, in the form attached hereto as Exhibit A, and in the aggregate principal amount not to exceed \$_____, evidencing the obligation of the Borrower to make Loan Payments.

"Notice Address" means:

(a) As to the Issuer: Pinellas County Economic Development Authority
13805 58th Street North, Suite 1-200
Clearwater, Florida 33760
Attn: Executive Director

With a copy to: Pinellas County, Florida
315 Court Street, 6th Floor
Clearwater, Florida 33756
Attn: County Attorney's Office

(b) As to the Borrower: Hydro-Dyne Engineering, Inc. and Squared Martello LLC
4750 118th Avenue North
Clearwater, Florida 33762
Attn: Jay R. Conroy

With a copy to: Broad and Cassel
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801
Attn: Joseph Stanton, Esq.

(c) As to the Bank: Branch Banking and Trust Company
360 Central Avenue
St. Petersburg, Florida 33701
Attn: Jason Costello

With a copy to: Moore and VanAllen
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202
Attn: J. Richard Hazlett, Esq.

or such additional or different address, notice of which is given under Section 8.4 hereof.

"Person" or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and individuals.

"Prime Rate" shall mean the interest rate announced by Branch Banking and Trust Company from time to time as its prime rate. Any change in the Prime Rate shall be effective as of the date such change is announced by Branch Banking and Trust Company.

"Project" means (i) the acquisition of approximately 9 acres of land and the acquisition, renovation and equipping of an approximate 107,500 square foot building thereon, located at the following address: 4750 118th Avenue North, Clearwater, Florida, within the city limits of the city of Pinellas Park, Pinellas County, Florida.

"Project Costs" or "Costs of the Project" means any item of cost or expense described within the definition of "Cost" set forth in Section 159.27(2), Florida Statutes, and incurred with respect to the financing of the Project.

"Project Fund" is the Project Fund as defined and described in Section 6.3 hereof.

"Property" means, collectively, the land described on Exhibit A to the Mortgage.

"Purchase Date" means June 27, 2014.

"Requisition" means a certificate requesting funds from the Bank from the Project Fund for the payment of Project Costs, in the form attached hereto as Exhibit B.

"Resolution" means the Resolution adopted by the Issuer on June 24, 2014 authorizing the issuance of the Bond, the financing of the Project and the transaction contemplated hereby.

"Security Agreement" means the Security Agreement between the Bank and the Borrower dated as of the date hereof.

"State" means the State of Florida.

"Tax Certificate of Borrower" means the Borrower's Tax Certificate executed and delivered by the Borrower in connection with the issuance of the Bond.

"Taxable Interest Rate" shall mean 4.25% per annum.

"Unassigned Issuer's Rights" means all of the rights of the Issuer to receive Issuer's Fees and Expenses and any other Additional Payments under Section 4.2 hereof, to be held harmless and indemnified under Section 5.2 hereof, to be reimbursed for attorney's fees and expenses under Section 8.7 hereof, to give or withhold consent to assignments, amendments, changes, modifications, alterations and termination of this Agreement under Sections 8.2, 8.6 or 8.9 hereof, and to receive notice hereunder.

Section 1.3. Interpretation. Any reference herein to the Issuer or to any officer or employee thereof includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof," "hereby," "herein," "hereto," "hereunder," "hereinafter" and similar terms refer to this Agreement; and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of the Bond. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.4. Captions and Headings. The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

ARTICLE II REPRESENTATIONS AND TAX COMPLIANCE

Section 2.1. Representations of the Issuer. The Issuer represents that: (a) it is a "local agency" within the meaning of the Act; (b) in reliance upon the advice of Bond Counsel, it has duly accomplished all prerequisites necessary to be accomplished by it prior to the issuance and delivery of the Bond, and has duly executed and delivered the Bond Documents to which it is a party; (c) to its knowledge it is not in violation of or in conflict with any provisions of the laws of the State which would impair its ability to carry out its obligations contained in the Bond Documents to which it is a party; (d) in reliance upon the advice of Bond Counsel, it is empowered to enter into the transactions contemplated by the Bond Documents to which it is a party; (e) it has duly authorized the execution, delivery and performance of the Bond Documents to which it is a party; and (f) it will do all things in its power in order to maintain its existence or assure the assumption of its obligations specifically set forth under the Resolution and the Bond Documents to which it is a party.

The Issuer has duly authorized (i) the issuance and sale of the Bond; (ii) the loan of the proceeds of the Bond to the Borrower to finance the Project, as provided herein; (iii) the pledge of the Note, endorsed without recourse to the Bank as security for the Bond; and (iv) the taking of any and all action as may be required on the part of the Issuer's staff and officers to consummate the transactions contemplated hereby.

To the knowledge of the Issuer, there is no action, suit, proceeding or investigation at law or in equity or before or by any court, public board or body pending or threatened against or affecting the Issuer, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect any of the transactions contemplated by the parties to this Agreement, or which, in any way, would adversely affect the validity of any of the Bond Documents or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in consummation of the transactions contemplated by the parties to this Agreement.

To the knowledge of the Issuer, the execution and delivery of and performance by the Issuer of the Bond and the other Bond Documents to which it is a party and the other agreements and instruments contemplated hereby in compliance with the provisions hereof and the endorsement and pledge of the Note as aforesaid will not conflict with, or constitute on the part of the Issuer a breach of or a default under, any existing law, administrative regulation, decree, court order or any provision of any legislative act or constitutional or other proceeding applicable to or establishing or relating to the establishment of the Issuer or its affairs or resolutions or any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or by which it is or may be bound.

To its best knowledge, all requirements and conditions specified in the Act, the bylaws or other organizational documents of the Issuer and all other laws and regulations applicable to the adoption of the Resolution, the execution, delivery and issuance of the Bond and the

execution and delivery of the other Bond Documents to which the Issuer is a party, have been fulfilled.

The Issuer shall not alter, amend or repeal the Resolution, or, without the prior written consent of the Bank, agree to any alteration or amendment of this Agreement, or knowingly take any action impairing any authority, right or benefit given or conferred by the Resolution or the Bond Documents.

The Bond and the other Bond Documents to which the Issuer is a party are legal, valid and binding special revenue obligations of the Issuer.

All of the above representations and warranties shall survive the making of this Agreement and the issuance of the Bond.

Section 2.2. Representations and Covenants of the Borrower. The Borrower represents and covenants that:

(a) Hydro-Dyne Engineering, Inc. is duly organized and validly existing as a corporation under the laws of the State and Squared Martello LLC is duly organized and validly existing as a limited liability company under the laws of the State.

(b) The Borrower has full power and authority to conduct its business as presently conducted to manufacture its products, to finance the Project, to issue and execute the Note and to enter into the Bond Documents to which it is a party and all other documents and instruments required to be executed and delivered by the Borrower in connection with this Agreement and the financing contemplated hereby and to perform all duties and obligations of the Borrower under the Bond Documents to which it is a party and under such other documents. Such execution and performance have been duly authorized by all necessary approvals.

(c) The Bond Documents to which it is a party and any other documents and instruments required to be executed and delivered by the Borrower in connection with this Agreement or the financing contemplated hereby, when executed and delivered, will constitute the duly authorized, legal, valid and binding obligations of the Borrower and will be enforceable against the Borrower in accordance with their respective terms (except to the extent that enforceability may be affected or limited by applicable bankruptcy, insolvency and other similar debtor relief laws affecting the enforcement of creditors' rights or the availability of equitable remedies).

(d) The execution, delivery and performance of the Bond Documents to which it is a party and of any other documents or instruments to be executed and delivered by the Borrower pursuant to this Agreement, will not (i) to the best of the Borrower's knowledge violate any provisions of law, including any federal tax or securities laws or State securities laws or any

applicable rule, regulation, order, writ, injunction or decree of any court or governmental authority, or (ii) conflict with, be inconsistent with, or result in any breach or default of any of the terms, covenants, conditions or provisions of the organizational documents of the Borrower or any indenture, mortgage, deed of trust, instrument, document, agreement or contract to which the Borrower is a party or to or by which the Borrower or its properties may be subject or bound.

(e) The Borrower has no knowledge of any condition, circumstance, event, agreement, document, instrument, restriction, litigation or proceeding (or threatened litigation or proceeding or basis therefor) which could adversely affect the validity of the Bond Documents to which it is a party, or which could adversely affect the ability of the Borrower to finance the Project as contemplated hereby, or which could have a material adverse affect on the ability of the Borrower to perform its obligations under the Bond Documents to which it is a party, or which would constitute an event of default under any of the Bond Documents, or which would constitute such an event of default with the giving of notice or lapse of time or both.

(f) To the best of the Borrower's knowledge, the use and occupancy of the Project does not violate or conflict with any applicable law, statute, ordinance, rule, regulation, order or decree of any kind, including without limitation, zoning, building, environmental, land use, noise abatement, occupational health and safety, or other laws, or any building permit or license, or any condition, grant, easement, covenant, condition or restriction, whether or not recorded.

(g) All historical financial statements of the Borrower submitted by the Borrower to the Issuer or the Bank in connection with the transaction contemplated by this Agreement were true and correct as of the date thereof in all material respects and fairly presented the respective financial conditions and results of operations of the Borrower.

(h) All materials submitted to the Bank by or on behalf of the Borrower with respect to the Project, its financial condition or its operations at any time in connection with or in furtherance of any of the Bond Documents fully and fairly stated, in all material respects, the matters with which they purported to deal, and neither misstated any material fact nor, separate or in the aggregate, failed to state any material fact necessary to make the statements made therein not misleading.

(i) Proceeds of the Bond will be used only to finance the Project and pay the costs of issuance of the Bond. The Project is located within Pinellas County, Florida.

(j) The Borrower shall not make any amendment to its organizational documents which could reasonably be expected to adversely affect the Borrower's ability to comply with the provisions of the Bond Documents without the prior written consent of the Bank, which consent will not be unreasonably withheld.

(k) The Borrower shall not permit the entry of any monetary judgment or the assessment against, the filing of any tax lien against or the issuance of any writ of garnishment or attachment against any property of or debts due the Borrower which could reasonably be expected to adversely affect the Borrower's ability to comply with the provisions of the Bond Documents, that is not discharged or stayed within thirty (30) days of entry.

(l) The Borrower shall not permit any material default or event of default to occur in the performance of any obligation (whether payment or otherwise) under any loan, contract or agreement of Borrower and no event has occurred and is continuing under the provisions of any such agreement with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(m) The Borrower shall not create, assume or permit to exist any mortgage, security deed, deed of trust, pledge, lien, charge or other encumbrance upon any of its assets, whether now owned or hereafter acquired, other than (i) pursuant to the Bond Documents; (ii) liens for taxes not then due and payable or being contested in good faith; (iii) liens occurring by law for employee benefits; or (iv) such matters approved by the Bank in writing.

Section 2.3. Tax Representations, Warranties and Covenants of the Borrower. Notwithstanding anything herein to the contrary, the Borrower, for the benefit of the Issuer and the Bank, hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all reasonable actions that may be required of it and of the Issuer for the interest on the Bond to be and remain excluded from the gross income of the Bank for federal income tax purposes, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not knowingly make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The Borrower acknowledges that the continued exclusion of interest on the Bond from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The Borrower hereby acknowledges sole responsibility as between the Issuer and the Borrower to take all reasonable actions, at its expense, that are necessary to comply with these requirements. The Borrower hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Bond or other funds of the Borrower to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Bond to be an arbitrage Bond for purposes of Sections 103(b)(2) and 148 of the Code. The Borrower further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Sections 103(b)(2) and 148 of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the Borrower covenants and agrees:

(1) to pay to the United States of America at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Bond, plus any income attributable to such excess (the "Rebate Amount");

(2) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code; and

(3) to comply with all representations and restrictions contained in the Tax Certificate of Borrower delivered in connection with the issuance of the Bond.

The Borrower understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

All representations and warranties of the Borrower set forth in the Tax Certificate of Borrower executed in connection with the issuance of the Bond are and will remain true and correct and are incorporated herein by this reference the same as if fully set forth herein.

Section 2.4. Additional Tax Covenants of the Borrower. For so long as the Bond remains outstanding, the Borrower hereby covenants as follows:

(a) It will comply with, and timely make or cause to be made all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service;

(b) **[It will not divert any substantial part of its income for a purpose or purposes other than those for which it is organized and operated;]**

(c) [reserved];

(d) It will not cause the Bond to be treated as "federally guaranteed" obligations for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149 of the

Code. For purposes of this paragraph, the Bond shall be treated as "federally guaranteed" if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Bond will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b)(3) of the Code;

(e) The net proceeds of the Bond and any investment earnings thereon shall be applied solely for the purposes set forth in this Agreement and in the Bond Purchase Agreement and no amount of net proceeds of the Bond in excess of two percent (2%) of the proceeds of the Bond will be expended to pay the costs of issuing such issue of the Bond, as required by Section 147(g) of the Code.

(f) It will not use or invest the proceeds of the Bond in a manner that will violate the provisions of Section 149(d)(3) or (4) of the Code;

(g) The average maturity of the Bond will not exceed one hundred twenty percent (120%) of the reasonably expected economic life of any property the cost of which was financed or refinanced with the net proceeds of the Bond, taking into account the respective cost of each item comprising such property which was financed with the net proceeds of the Bond. For purposes of the preceding sentence, the reasonably expected economic life of each item of property shall be determined as of the later of (i) the date on which the Bond is issued or (ii) the date(s) on which such item of property is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of such property, except that, in the event twenty-five percent (25%) or more of the proceeds of the Bond have been expended for land, such land shall be treated as having an economic life of thirty (30) years and shall be taken into account for purposes of determining the reasonably expected economic life of such property;

(h) No amount of the proceeds of the Bond will be used, directly or indirectly, to provide any airplane, sky-box or other private luxury box, facility primarily used for gambling, store the principal business of which is the sale of alcoholic beverages for consumption off premises or health club facility;

(i) It will comply with the information reporting requirements of Section 149(e)(2) of the Code;

(j) No other governmental obligations shall be sold within fifteen (15) days of the Bond pursuant to the same plan of financing as the Bond that are reasonably expected to be paid from the same source of funds as the Bond;

(k) The information to be furnished by the Borrower and used by the Issuer in preparing the certification pursuant to Section 148 of the Code and information statement (Form 8038) pursuant to Section 149(e) of the Code will be accurate and complete as of the date of the issuance of the Bond; and

(l) It will require, in connection with any lease or grant by the Borrower of the use of any portion of the property financed by the Bond that the lessee, sublessee, manager or other user of any portion of the property financed by the Bond shall not violate the covenants set forth in this section and use that portion of the property financed by the Bond in any manner which would violate the covenants set forth in this section;

The terms "debt service," "gross proceeds," "net proceeds," "proceeds," and "yield" have the respective meanings assigned to them for purposes of Section 148 of the Code.

ARTICLE III FINANCING OF THE PROJECT; ISSUANCE OF BOND

Section 3.1. Agreement to Finance the Project. The Borrower shall do all things legally and reasonably within its power that are necessary to acquire and to finance the Project.

Section 3.2. Issuance of the Bond; Loan of Proceeds. To provide funds to make the Loan for the purposes of assisting in the financing Project, the Issuer will issue, sell and deliver the Bond to the Bank in exchange for the Advance and hereby agrees to loan the entire proceeds therefrom upon the terms and conditions herein provided to the Borrower. Pursuant to the Bond Purchase Agreement, the Bank will make the Advance to the Issuer, which Advance the Issuer will immediately loan to the Borrower hereunder. The Advance shall be deemed loaned by the Issuer to the Borrower immediately upon funding of such Advance by the Bank. Proceeds of the Advance in the amount of \$_____ shall be funded by the Bank through the deposit into the Project Fund as defined and described in Section 6.3 hereof and thereafter requisitioned for the Project Costs until expended.

Section 3.3. Grant of Security Interest. To secure the payment, performance and observance of the Note and the Bond, Borrower grants, and hereby collaterally assigns, mortgages, and pledges, to the Bank all of the Collateral, and grants to the Bank a continuing security interest in, and a lien upon, and a right of set off against, all of the Collateral.

Section 3.4. Representations and Warranties. Borrower represents and warrants to the Issuer and Bank;

(a) Title to and transfer of Collateral. Borrower has rights in or the power to transfer the Collateral and its title to the Collateral is free of all adverse claims, liens, security interests and restrictions on transfer or pledge except as created by this Agreement, the Mortgage, the Security Agreement and any other applicable Bond Document related to the Bond.

(b) Legal Name. Borrower's exact legal names are as set forth in the first paragraph of this Agreement.

Section 3.5. Covenants and Rights Concerning Collateral.

(a) Inspection. The Issuer or Bank may inspect any Collateral at any time during regular business hours upon reasonable notice.

(b) Limitations on Obligations Concerning Maintenance of Collateral.

(i) Risk of Loss. Borrower has the risk of loss of the Collateral unless the Collateral is in the possession of the Bank and such loss is due to the negligence or malfeasance of the Bank.

(ii) No Collection Obligation. Issuer and Bank have no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral.

(c) Insurance. Borrower shall obtain and keep in force such insurance on the Collateral as is normal and customary in the Borrower's business or as the Issuer or Bank may require, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such insurance companies as the Issuer or Bank may approve. The Issuer shall have no duty to monitor such insurance. By signing this Agreement, the Bank hereby acknowledges that it has initially reviewed and approved the insurance that the Borrower has in place for the purpose of closing the transactions contemplated by this Agreement, provided that the Bank shall reserve the right to review insurance requirements with the Borrower in the future during the term of this Agreement.

ARTICLE IV

LOAN BY ISSUER; REPAYMENT OF THE LOAN; LOAN PAYMENTS AND ADDITIONAL PAYMENTS

Section 4.1. Loan Repayment; Delivery of Note. Upon the terms and conditions of this Agreement, the Bond Purchase Agreement and the Guaranty Agreement, the Issuer will loan (the "Loan") the Borrower the proceeds from the sale of the Bond, including all amounts advanced by the Bank to the Issuer by the Advance pursuant to the Bond Purchase Agreement. The Borrower and the Issuer agree that all amounts advanced by the Bank to the Issuer through the Advance pursuant to the Bond Purchase Agreement shall be simultaneously deemed loaned

by the Issuer to the Borrower, so that the amount of the Loan shall equal the amount of the Advance by the Bank. In consideration of and in repayment of the Loan, the Borrower shall make, as Loan Payments, payments sufficient in time and amount to pay when due all Bond Service Charges, all as more particularly provided in the Bond and in the Note. All such Loan Payments shall be paid to the Bank as assignee of the Issuer in accordance with the terms of the Note.

Upon payment in full of the Bond Service Charges on the Bond, whether at maturity or by prepayment or otherwise, and other amounts due hereunder and under the Bond Purchase Agreement, the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Bank to the Borrower, and shall be canceled by the Borrower.

On or before the date the Loan is made, the Borrower will pay to the Bank a total commitment fee of \$10,000, receipt of which is acknowledged by the Bank by its execution of this Agreement.

Section 4.2. Additional Payments. The Borrower shall pay to the Issuer, as Additional Payments hereunder, the Issuer's Fees and Expenses and shall reimburse or pay the Issuer for any and all reasonable costs, expenses and liabilities paid or incurred by the Issuer in satisfaction of any obligation of the Borrower hereunder not performed by the Borrower in accordance with the terms hereof, it being understood that the Issuer shall have no liability or responsibility for undertaking any obligation of the Borrower. The Borrower shall also prepay or reimburse the Issuer and the Bank for any and all reasonable expenses paid or to be paid by the Issuer or the Bank and requested by the Borrower, or required by this Agreement or the Bond Purchase Agreement or incurred in enforcing the provisions of the Bond Documents, or incurred in defending any action or proceedings with respect to the Project or the Bond Documents, or arising out of or based upon any other document relating to the issuance of the Bond, which are not otherwise required to be paid by the Borrower hereunder. To the extent not exempt pursuant to Section 159.15(1), Florida Statutes, the Borrower also agrees to pay, whether to the Issuer or the Bank or otherwise, any tax or other governmental imposition imposed upon or with respect to this Agreement or the Note, including, but not limited to, the excise tax on documents imposed by Chapter 201, Florida Statutes.

Section 4.3. Place of Payments. The Borrower shall make all Loan Payments directly to the Bank at its office designated in writing, and all Additional Payments due to the Issuer or the Bank shall be made directly to the Issuer or the Bank, as the case may be, at their Notice Addresses.

Section 4.4. Obligations Unconditional. The obligations of the Borrower to make Loan Payments and Additional Payments shall be absolute and unconditional, and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off,

recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Bank or any other Person, unless otherwise ordered by a court or arbitrator with subject matter and in personam jurisdiction.

Section 4.5. Assignment of Certain Bond Documents. To secure the payment of Bond Service Charges, the Issuer shall assign to the Bank, by the Assignment, its rights under and interest in this Agreement (except for the Unassigned Issuer's Rights), the Note and other agreements as provided therein. The Borrower hereby agrees and consents to that assignment, and the Borrower and the Issuer agree that except for the Unassigned Issuer's Rights, the Bank shall have the sole and exclusive right to receive notices, give consents, direct remedial actions and exercise all other discretionary rights and powers of the Issuer hereunder.

Section 4.6. No Liability of Issuer; No Charge Against Issuer's Credit. Any obligation of the Issuer created by, arising out of, or entered into in contemplation of this Agreement, including the Bond, shall not impose a debt or pecuniary liability upon the Issuer, the State or any political subdivision thereof or constitute a charge upon the general credit or taxing powers of any of the foregoing. Any such obligation shall be payable solely out of the revenues and any other moneys derived hereunder from or by the Borrower.

The principal of, premium, if any, and interest on the Bond shall be payable solely from the funds pledged for their payment in accordance with the herewith.

ARTICLE V ADDITIONAL AGREEMENTS AND COVENANTS

Section 5.1. Indemnification. The Borrower releases the Issuer and the Bank and their respective officers, directors, employees, and agents (herein collectively called the "Indemnified Parties") from, and agrees that the Indemnified Parties shall not be liable for, and the Borrower indemnifies the Indemnified Parties against, all liabilities, claims, costs and expenses imposed upon or asserted against any of them on account of: (a) any loss or damage to property or injury to or death of or loss by any Person that may be occasioned by any cause whatsoever pertaining to the construction, maintenance, operation and use of the Project unless arising through the negligence or misconduct of an Indemnified Party seeking indemnification hereunder; (b) any act or omission or breach or default on the part of the Borrower in the performance of any covenant or agreement of the Borrower under any Bond Document or any related document, or arising from any act or failure to act by the Borrower, or any of its agents, contractors, servants, employees or licensees; (c) the authorization, issuance and sale of the Bond (except for federal or state securities law violations caused by an Indemnified Party seeking indemnification hereunder), (d) the provision by or on behalf of the Borrower of any information furnished by the Borrower in connection therewith concerning the Property or Project or the Borrower (including, without limitation, any information furnished by the Borrower for inclusion in any certifications made by the Issuer under, or as a basis for

preparation of, any information statements furnished by the Issuer and any information or certification obtained from the Borrower) to assure exclusion of the interest on the Bond from gross income of the Bank for federal income tax purposes; (e) the Borrower's failure to comply with any requirements of this Agreement pertaining to compliance with the Code to assure said exclusion of the interest on the Bond for federal income tax purposes; and (f) any claim, action or proceeding with respect to the matters set forth in (a), (b), (c), (d) or (e) above brought thereon.

The Borrower indemnifies the Issuer, and its officers, directors, employees and agents for, and to hold the Issuer harmless against, all liabilities, claims, costs and expenses incurred without negligence or bad faith on the part of the Issuer, or its officers, directors, employees or agents, on account of any action taken or omitted to be taken by the Issuer without negligence or bad faith on the part of the Issuer, respectively, in accordance with the terms of any Bond Document or any action taken at the request of or with the consent of the Borrower, including the costs and expenses of the Issuer in defending itself against any such claim, action or proceedings brought in connection with the exercise or performance of any of its powers or duties under any Bond Document.

In case any action or proceeding is brought against any Indemnified Party in respect of which indemnity may be sought hereunder, the party seeking indemnity promptly shall give notice of that action or proceeding to the Borrower, and the Borrower upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the Borrower from any of its obligations under this Section unless, and only to the extent that, that failure prejudices the defense of the action or proceeding by the Borrower. The Borrower shall not be liable for any settlement made without its consent.

The indemnification set forth above is intended to and shall be enforceable by each of the Indemnified Parties to the full extent permitted by law, and shall survive the payment in full of the Note and the Bond.

Section 5.2. Inspection. The Issuer or the Bank may enter upon the Project to inspect the Project and any materials at any reasonable time and with reasonable notice.

Section 5.3. Notice to the Issuer and the Bank. The Borrower shall promptly notify the Issuer and the Bank in writing of any of the following events, specifying in each case the action the Borrower has taken or will take with respect thereto: (a) any material violation of any law or governmental requirement; (b) any material litigation, arbitration or governmental investigation or proceeding instituted or threatened against the Borrower, the Project or the Bond, or any material development therein; (c) any actual or threatened condemnation of any material portion of the Project, any negotiations with respect to any such taking, or any loss of or substantial damage to the Project; (d) any material labor controversy pending or threatened against the Borrower or any material development in any labor controversy; (e) any notice

received by the Borrower with respect to the cancellation, alteration or non-renewal of any insurance coverage maintained with respect to the Borrower or the Project.

Section 5.4. Post-Closing Environmental Assessments. The Issuer or the Bank may, at their sole option, but only upon reasonable suspicion that an adverse environmental condition exists with respect to the Project, and at the Borrower's expense, require an environmental assessment or updated assessment of the Project by an engineering firm, and of a scope and in form and content satisfactory to the Issuer or the Bank, complying with any guidelines hereinafter established by the Issuer or the Bank's established guidelines, showing that there is no evidence of any hazardous or toxic substances which have been generated, treated, stored, released or disposed of in the Project, and such additional evidence as may be required by the Issuer; however, the Issuer shall have no duty to investigate or require such assessment. The Borrower agrees at its sole expense to provide such environmental assessments when requested by the Issuer or the Bank. If any environmental assessment indicates the past or present use, handling, storage, transportation or disposal of hazardous or toxic materials which is unremedied by Borrower, such shall constitute a Default by the Borrower under the Bond Documents.

Section 5.5. Automatic Payment Procedure. The Borrower hereby authorizes the Bank to automatically deduct from the Borrower's account with the Bank, or any other account with the Bank or another financial institution designated by Borrower, the amount of any payment due under the Bond, the Note or other Bond Documents. If the funds in the account are insufficient to cover any payment, neither the Issuer nor the Bank shall be obligated to advance funds to cover the payment. At any time and for any reason, the Borrower or the Bank may voluntarily terminate the automatic payments provided for herein by written notice delivered to the other.

ARTICLE VI PAYMENT

Section 6.1. Payment. The Borrower shall make all payments required under the Note (which shall include all payments required under the Bond) as and when the same become due and shall promptly pay to the Bank all other amounts necessary to pay principal of and interest on the Note, including any other payments required by the Note, as and when the same become due. Payments shall be made in lawful money of the United States of America at the office of the Bank in St. Petersburg, Florida or at such other place as the Bank may direct in writing. Any amount at any time paid to the Bank as the payment of principal of or interest on the Note as the same become due shall be credited against the Borrower's obligation hereunder and under the Bond as of the date such obligation is due (but subject to collection of any instrument, draft, check or order for payment received by the Bank). Except as otherwise provided herein, if such amount should be sufficient to pay at the times required the principal of and interest on the Note then remaining unpaid accrued and to accrue through final payment

of the Note, the Borrower shall not be obligated to make any further payments hereunder or under the Bond but only if the same constitutes payment of the Note. The Note shall bear interest at the same interest rate as the Bond.

The Bond shall bear interest from the date hereof to the Date of Taxability at the Interest Rate (calculated on the basis of the actual number of days elapsed over a 360-day year), subject to further adjustment as hereinafter provided.

Upon the occurrence of a Determination of Taxability, then, from and after the Date of Taxability, the interest rate used to calculate interest on the Bond shall be the Taxable Interest Rate. After a Determination of Taxability and upon demand of the Bank, the Borrower shall pay from its funds, as obligor under the Issuer's Bond, to the Bank such additional amount as shall be necessary to provide that interest on the Bond shall have been payable at the Taxable Interest Rate from the Date of Taxability.

Upon a Determination of Taxability, the Borrower shall also pay from its funds, as obligor under the Issuer's Bond, to the Bank upon demand of the Bank any interest, penalties or other charges assessed against or payable by the Bank and attributable to such Determination of Taxability and all reasonable administrative, out of pocket and other expenses incurred by the Bank which are attributable to such event, including, without limitation, the costs incurred by the Bank to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of this bond or any transfer or assignment of the Bond.

If at any time after the date hereof there should be any decline in the maximum marginal rate of federal income tax applicable to the taxable income of the Bank, its successors or assigns ("BB&T Tax Rate"), then the Interest Rate in effect hereunder from time to time as herein provided, for so long as there shall not have occurred a Determination of Taxability, shall be adjusted, effective as of the effective date of any such change in the BB&T Tax Rate, by multiplying the Interest Rate by a fraction, the denominator of which is one hundred percent (100%) minus the BB&T Tax Rate in effect upon the date hereof, and the numerator of which is one hundred percent (100%) minus the BB&T Tax Rate after giving effect to such change.

The Borrower shall make reasonable arrangements satisfactory to the Issuer and the Bank for the payment of their reasonable expenses, including reasonable legal expenses, incurred in connection with any Event of Taxability.

Notwithstanding any other provision herein, the obligations of the Borrower pursuant to this section shall continue following the expiration of the term of this Agreement.

The Bank shall, if requested by the Borrower, have an attorney in fact, qualified to practice before the Internal Revenue Service, designated by the Borrower for the purpose of appealing or challenging any Event of Taxability; provided, however, the Borrower provides indemnity reasonably satisfactory to the Bank to indemnify it against any additional tax

liability, penalties or interest that may result from any such appeal. All legal fees, costs and expenses of such appeal shall be paid by the Borrower. In the event a final judgment or order shall have been entered within 180 days of the Event of Taxability finding, as a final determination, that no Event of Taxability has indeed occurred, the Bank shall reimburse to the Borrower all supplemental interest that has been paid on the Note plus accrued interest thereon, and no additional supplemental interest shall be payable unless and until an Event of Taxability shall subsequently occur. Notwithstanding anything in this subsection to the contrary, the right of the Borrower to challenge any Event of Taxability shall terminate if no such final judgment or order shall have been entered within 180 days after the occurrence of the Event of Taxability, unless the Bank shall otherwise agree, and after the expiration of such 180-day period without the entry of a final judgment or order, the Note shall immediately bear interest at the Taxable Interest Rate. In addition, unless the Borrower shall otherwise provide reasonable indemnification to the Bank, the right of the Borrower to challenge any Event of Taxability shall terminate if the exercise of such right would cause any tax return of the Bank to be inaccurate or would delay the timely filing thereof or would in the Bank's opinion result in an adverse impact on its tax returns.

So long as any portion of the principal amount of the Bond or interest thereon remains unpaid, if (i) any law, rule, regulation or executive order is or has been enacted or promulgated by any public body or governmental agency which changes the basis of taxation of payments to any holder or former holder of principal or interest payable pursuant to the Bond, including without limitation the imposition of any excise tax or surcharge thereon, but excluding changes in the rates of tax applicable to the overall net income of any holder or former holder, or (ii) as a result of action by any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, any holder or former holder of the Bond by reason of the ownership of, borrowing money to invest in, or receiving principal or interest from the Bond, the Borrower agrees to reimburse on demand for, and does hereby indemnify each such holder and former holder against, any loss, cost, charge or expense with respect to any such change, payment or loss of deduction.

Notwithstanding the foregoing, from and after the occurrence of an Event of Default, until such time as that Event of Default has been remedied or otherwise waived by the Bank, the Bond shall bear interest at the Default Rate. To the extent permitted by law, interest shall accrue on any overdue payment of interest or principal at the Default Rate. In addition, the Borrower agrees to pay from its funds, as obligor under the Issuer's Bond, the Bank a late fee on any payments past due for ten (10) or more days in an amount equal to five percent (5%) of the amount of payment past due. When any payment is past due for ten (10) or more days, subsequent payments shall first be applied to past due balances. This provision for late charges shall not be deemed to extend the time for payment or be a "grace period" or "cure period" that gives the Borrower a right to cure such default. Imposition of late charges is not contingent upon the giving of any notice or lapse of any cure period.

Section 6.2. Optional and Mandatory Prepayment.

(a) The Borrower may prepay the Loan in whole or in part on any Business Day. All prepayments shall be made in immediately available funds and with accrued interest to the date of prepayment and that any prepayment of the Note in part shall be applied to unpaid installments of principal in inverse order of maturity or otherwise as consented to by the Bank. To exercise the option granted in subsection (a) of this Section, the Borrower shall give written notice to the Issuer and the Bank which shall specify therein (i) the date of the intended prepayment of the Note, which shall not be less than 7 days but not more than 30 days from the date the notice is mailed and (ii) the principal amount of the Note to be prepaid when given such notice shall be irrevocable by the Borrower. Notwithstanding the foregoing, if the Borrower chooses to prepay the Loan on or before July 1, 2019, from the proceeds of a loan from a party other than the Bank, the Borrower shall, at the time of such prepayment, pay to the Bank all amounts due hereunder as of the date of such prepayment, plus an additional fee or redemption premium equal to 1% of the principal amount of the Loan being prepaid on such date.

(b) The Bond shall be subject to mandatory redemption in whole in the event of a Determination of Taxability, and the Borrower shall, on a date selected by the Borrower within 45 days after the date of Determination of Taxability pay to or for the account of the Bank the entire principal amount of the Note, if any, outstanding at the date of payment hereunder, plus accrued interest thereon to the date of such payment, plus all other amounts otherwise due under the Note and the Bond. Notwithstanding the foregoing, if the Bond is required to be prepaid on or before July 1, 2019, pursuant to the provisions of this Section 6.2(b), from the proceeds of a loan from a party other than the Bank, the Borrower shall, at the time of such prepayment, pay to the Bank all amounts due hereunder as of the date of such prepayment, plus an additional fee or redemption premium equal to 1% of the principal amount of the Bond being prepaid on such date.

(c) The Bank shall have the right, upon at least 120 days' prior written notice to the Issuer and the Borrower, to require that the Bond be redeemed in full on any date specified in such notice occurring on or after June 27, 2024, on which date the Bond shall be due and payable in full and the Note shall correspondingly be due and payable in full.

Section 6.3. Project Fund; Custody and Application of Note Proceeds. There is hereby established with the Bank, an account designated "Hydro-Dyne Engineering Project Fund" (the "Project Fund"), separate and apart from other funds of the Borrower and the Bank. Proceeds received by the Borrower from the loan through the Issuer from the Advance, except \$_____ of the initial Advance which shall be paid directly to _____ and the closing costs of \$_____, shall be deposited into the Project Fund to be used in the manner hereinafter provided for payment of the Project Costs. There is hereby granted, in favor of the Bank, a lien and security interest in all moneys and investments in the Project Fund to secure repayment of the Bond.

Section 6.4. Use of Project Fund. The funds held in the Project Fund shall be applied as directed by the Borrower in a Requisition of the Borrower to the Bank, exclusively to payment, or to reimbursement of the Borrower for payment of the Project Cost. All Requisitions shall be subject to the approval of the Bank and the requirements of the Guaranty Agreement before any funds to pay such Requisition shall be disbursed from the Project Fund.

Section 6.5. Investment of Moneys in Project Fund. Any moneys held in the Project Fund shall be invested and reinvested by the Bank at the written direction of the Borrower (or, if oral, promptly confirmed in writing) in any investment permitted under Florida law. All interest accruing thereon and all profits and gain realized therefrom shall be credited to the Project Fund, and any loss resulting from such investments shall be charged to the Project Fund.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Default. The occurrence of the following shall be a default under this Loan Agreement ("Default"): an event of default under the Guaranty Agreement or any of the other Bond Documents taking into account any grace or cure period which may be applicable. **[Note. The Issuer is only comfortable with this change if language is added to the Guaranty Agreement to the effect that Section 6.01 thereof cannot be amended or otherwise modified with the Issuer's written consent.]**

Section 7.2. Remedies on Default. In addition to the remedies provided under the Bond Documents, including, but not limited to Section 6.02 of the Credit Agreement, whenever an Event of Default shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) The Issuer and the Bank may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Borrower; and

(b) The Issuer or the Bank may pursue all other remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Agreement, or the Note or to force the performance and observance of any other obligation or agreement of the Borrower under those instruments or to enforce the security interest in the Collateral (including those available under the Florida Uniform Commercial Code) and further including, at the option of the Bank, declaring all amounts owing under the Note and Bond immediately due and payable.

(c) Upon any Event of Default, Issuer or Bank shall have the right (but not the obligation) to pursue any of the following remedies separately, successively or concurrently:

(d) File suit and obtain judgment and, in conjunction with any action, Issuer or Bank may seek any ancillary remedies provided by law or at equity, including levy of attachment and garnishment.

(e) Without taking possession, sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC.

(f) No delay or omission by Issuer or Bank to exercise any right or remedy accruing upon any Event of Default shall (a) impair any right or remedy, (b) waive any default or operate as an acquiescence to the Event or Default, or (c) affect any subsequent default of the same or of a different nature.

(g) Bank shall give Borrower notice of any private or public sale as may be required by the UCC.

(h) Issuer and Bank have no obligation to attempt to satisfy the Note or Bond by collecting them from any other person liable for them and Issuer or Bank may release, modify or waive any collateral provided by any other person to secure any of the obligations under the Note or Bond, all without affecting Issuer or Bank's rights against Borrower. Borrower waives any right it may have to require Issuer or Bank to pursue any third person for the Note or Bond.

(i) Issuer or Bank may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

(j) Issuer or Bank may sell the Collateral without giving any warranties as to the Collateral and may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

(k) If Issuer or Bank sells any of the Collateral upon credit, Borrower will be credited only with payments actually made by the purchaser, received by Issuer or Bank and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Issuer or Bank may resell the Collateral and Borrower shall be credited with the proceeds of the sale as and when received, less expenses.

(l) In the event Issuer or Bank purchases any of the Collateral being sold, Issuer or Bank may pay for the Collateral by crediting some or all of the Note or Bond of the Borrower.

ARTICLE VIII MISCELLANEOUS

Section 8.1. Usury Laws. The Borrower and the Issuer intend to conform to and contract in strict compliance with applicable usury law from time to time in effect. All agreements between the Issuer and the Borrower (or any other party liable with respect to any Bond Indebtedness under the Bond Documents) are hereby limited by the provisions of this Section which shall override and control all such agreements, whether now existing or hereafter arising. In no way, nor in any event or contingency (including but not limited to prepayment, default, demand for payment, or acceleration of the maturity of any obligation), shall the interest taken, reserved, contracted for, charged, chargeable, or received under this Agreement, the Note, any of the other Bond Documents, or otherwise, exceed the maximum amount permitted under applicable law ("Maximum Amount"). If, from any possible construction of any document, interest would otherwise be payable in excess of the Maximum Amount, any such construction shall be subject to the provisions of this Section and such document shall ipso facto be automatically reformed and the interest payable shall be automatically reduced to the Maximum Amount, without the necessity of execution of any amendment or new document. If the Bank or the Issuer shall ever receive anything of value which is characterized as interest under applicable law and which would apart from this provision be in excess of the Maximum Amount, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Bond Indebtedness in the inverse order of its maturity and not to the payment of interest, or be refunded to the Borrower or the other payor thereof, at the election of the Bank in its sole discretion or as required by applicable law. The right to accelerate maturity of the Note or any other Bond Indebtedness does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and neither the Issuer nor the Bank intends to charge or receive any unearned interest in the event of acceleration. All interest paid or agreed to be paid by the Borrower shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of such Bond Indebtedness so that the amount of interest on account of such Bond Indebtedness does not exceed the Maximum Amount. As used in this Section, the term "applicable law" shall mean the laws of the State or the federal laws of the United States applicable to this transaction, whichever laws allow the greater interest, as such laws now exist or may be changed or amended or come into effect in the future.

Section 8.2. The Issuer's or Bank's Consent. Except where otherwise expressly provided in the Bond Documents, in any instance where the approval, consent or the exercise of judgment of the Issuer or the Bank is required, the granting or denial of such approval or consent and the exercise of such judgment shall be (a) within the discretion of the Issuer or the Bank; (b) deemed to have been given only by a specific writing intended for the purpose given and executed by the Bank or the Issuer; and (c) except as expressly stated otherwise in the Bond Documents, free from any limitation or requirement of reasonableness. Notwithstanding any approvals or consents by the Issuer or the Bank, neither the Bank nor the Issuer have any

obligation or responsibility whatsoever for the adequacy, form or content of any matter incident to the Project. Any inspection or audit of the Project or the books and records of the Borrower, or the procuring of documents and financial and other information, by or on behalf of the Bank or the Issuer shall be for the Issuer's and Bank's protection only, and shall not constitute any assumption of responsibility to the Borrower or anyone else with regard to the condition, construction, maintenance or operation of the Project, or relieve the Borrower of any of the Borrower's obligations. Neither the Issuer nor the Bank has any duty to supervise or inspect the Project nor any duty of care to the Borrower or any other person to protect against, or inform the Borrower or any other person of, the existence of negligent, faulty, inadequate or defective design or operation of the Project. Neither the Issuer nor the Bank shall be liable or responsible for any defect in the Project, the performance or default of the Borrower, the Borrower's architect, engineer, contractor, or any other party, or for any failure to operate, protect or insure the Project, or for the payment of costs of labor, materials, or services supplied for the previous construction of the Project, or for the performance of any obligation of the Borrower whatsoever. The Bank's failure to inspect shall not constitute a waiver of any of the Bank's rights under the Bond Documents or at law or in equity.

Section 8.3. Miscellaneous. This Agreement may be executed in several counterparts, all of which are identical, and all of which counterparts together shall constitute one and the same instrument. The Bond Documents are for the sole benefit of the Bank, the Issuer and the Borrower and are not for the benefit of any third party. A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Agreement to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. Time shall be of the essence with respect to the Borrower's obligations under the Bond Documents. This Agreement, and its validity, enforcement and interpretation, shall be governed by the laws of the State (without regard to any conflict of laws principles) and applicable United States federal law.

Section 8.4. Notices. Unless specifically provided otherwise, any notice for purposes of this agreement or any other Bond Document shall be given in writing or by telex or by facsimile (fax) transmission and shall be addressed or delivered to the Notice Address. If sent by prepaid, registered or certified mail (return receipt requested), the notice shall be deemed effective when the receipt is signed or when the attempted initial delivery is refused or cannot be made because of a change of address of which the sending party has not been notified; if transmitted by telex, the notice shall be effective when transmitted (answerback confirmed); and if transmitted by facsimile or personal delivery, the notice shall be effective when received. No notice of change of address shall be effective except upon actual receipt, and service of a notice required by any applicable statute shall be considered complete when the requirements of that statute are met. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in any Bond Document or to require giving of notice or demand to or upon any person in any situation or for any reason.

Section 8.5. Successors and Assigns. This Agreement shall be binding upon the Borrower, and the Borrower's heirs, devisees, representatives, successors and assigns, and shall inure to the benefit of the Issuer and its successors and assigns, provided, however, that the Borrower shall not assign or encumber any interest of the Borrower hereunder without the prior written consent of the Issuer and the Bank. The Bank may sell or offer to sell the Loan or interests in the Loan to one or more assignees or participants as provided for and restricted by the terms of the Bond Purchase Agreement. The Bank may disseminate any information it has pertaining to the Loan, the Project, the Borrower, to any actual or prospective assignee or participant.

Section 8.6. Modification or Termination. The Bond Documents may only be modified or terminated by a written instrument or instruments intended for that purpose and executed by the party against which enforcement thereof is asserted. This Agreement shall continue in full force and effect until the Bond is paid in full; and all representations and warranties and all provisions herein for indemnity of the Bank or the Issuer (and any other provisions herein specified to survive) shall survive payment in full of the Bond Indebtedness and any release or termination of this Agreement or of any other Bond Documents. This Agreement may not be modified except with the prior written consent of the Bank.

Section 8.7. Costs and Expenses. Without limitation of any Bond Document and to the extent not prohibited by applicable laws, the Borrower shall pay when due, and reimburse to the Bank or the Issuer on demand, and indemnify the Bank and the Issuer from, all out-of-pocket fees, costs, and expenses paid or incurred by the Bank or the Issuer in connection with the negotiation, preparation and execution of this Agreement and the other Bond Documents (and any amendments, approvals, consents, waivers and releases requested, required, proposed or done from time to time), or in connection with the disbursement, administration or collection of the Loan or the enforcement of the obligations or the exercise of any right or remedy of the Bank or the Issuer (including costs of arbitration) including (a) fees and expenses of the Bank's and the Issuer's counsel and Bond Counsel; (b) appraisal, re-appraisal and survey costs; (c) judgment and tax lien searches for the Borrower; (d) fees and costs of environmental investigations and site assessments; (e) recordation taxes, documentary taxes, transfer taxes and mortgage taxes, and (f) filing and recording fees. The Borrower shall pay all reasonable costs and expenses incurred by the Bank and the Issuer, including attorneys' fees, if the obligations or any part thereof are sought to be collected by or through an attorney at law, whether or not involving probate, arbitration, appellate, administrative or bankruptcy proceedings. The Borrower shall pay all reasonable costs and expenses of complying with the Bond Documents. The Borrower's obligations under this Section shall survive the delivery of the Bond Documents, the making of any draws under the Advance the payment in full of the obligations, the release or determination of the Bond Documents, the conveyance in lieu of foreclosure, any bankruptcy or other debtor relief proceeding, and any other event whatsoever.

Section 8.8. Further Assurances. The Borrower will, on request of the Issuer or the Bank, (a) promptly correct any defect, error or omission in any Bond Document; (b) execute, acknowledge, deliver, procure, record or file such further instruments and do such further acts deemed necessary, desirable or proper by the Bank or the Issuer to carry out the purposes of the Bond Documents and to identify and subject to the liens and security interest of the Bond Documents any property intended to be covered thereby, including any renewals, additions, substitutions, replacements, or appurtenances to the Property; (c) execute, acknowledge, deliver, procure, file or record any document or instrument deemed necessary, desirable, or proper by the Issuer to protect the liens or the security interest under the Bond Documents against the rights or interests of third persons; and (d) provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts deemed necessary, desirable or proper by the Issuer to comply with the requirements of any agency having jurisdiction over the Issuer.

Section 8.9. No Assignment. The Borrower shall not assign, transfer or encumber its rights or obligations under any Bond Document or any proceeds of the Loan without the prior written consent of the Issuer and the Bank.

Section 8.10. Forum. The Borrower hereby irrevocably submits generally and unconditionally for itself and in respect of its property to the jurisdiction of the appropriate State court presiding over Pinellas County matters, or any United States federal court, sitting in the State, over any suit, action or proceeding arising out of or relating to this Loan Agreement or the Bond Indebtedness. The Borrower hereby irrevocably waives, to the fullest extent permitted by law, any objection that the Borrower may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Nothing herein shall affect the right of the Issuer or the Bank to serve process in any manner permitted by law or limit the right of the Issuer or the Bank to bring proceedings against the Borrower in any other court or jurisdiction.

Section 8.11. Interpretation. References to "Dollars," "\$," "money," "payments" or other similar financial or monetary terms are references to lawful money of the United States of America. References to Articles, Sections, and Exhibits are, unless specified otherwise, references to articles, sections and exhibits of this Agreement. Words of any gender shall include each other gender. Words in the singular shall include the plural and words in the plural shall include the singular. The words "herein," "hereof," "hereunder" and other similar compounds of the word "here" shall refer to the entire Agreement and not to any particular provision or section. The words "include" and "including" shall be interpreted as if followed by the words "without limitation". Captions and headings in the Bond Documents are for convenience only and shall not affect the construction of the Bond Documents.

Section 8.12. No Partnership, etc. The relationship between the Issuer, the Bank and the Borrower are solely those of lender and borrower. Neither the Issuer nor the Bank has any fiduciary or other special relationship with or duty to the Borrower and none is created by the

Bond Documents. Nothing contained in the Bond Documents, and no action taken or omitted pursuant to the Bond Documents, is intended or shall be construed to create any partnership, joint venture, association, or special relationship between the Borrower, the Bank and the Issuer or in any way make the Issuer or the Bank a co-principal with the Borrower with reference to the Project, the Property or otherwise. In no event shall the Issuer's or Bank's rights and interests under the Bond Documents be construed to give the Issuer or the Bank the right to control, or be deemed to indicate that the Issuer or the Bank is in control of, the business, properties, management or operations of the Borrower.

Section 8.13. Records. The unpaid amount of the Loan set forth on the books and records of the Bank maintained in the ordinary course of its business shall be presumptive evidence of the amount thereof owing and unpaid unless proven otherwise by the Borrower, but failure to record any such amount on the books and records shall not limit or affect the obligations of the Borrower under the Bond Documents to make payments on the Loan when due.

Section 8.14. Entire Agreement. The Bond Documents constitute the entire understanding and agreement between the Borrower and the Issuer with respect to the transactions arising in connection with the Loan and supersede all prior written or oral understandings and agreements between the Borrower and the Issuer with respect to the matters addressed in the Bond Documents. The Bank has not made any commitments to extend the term of the Loan past its stated maturity date or to provide the Borrower with financing except as set forth in the Bond Documents. Except as incorporated in writing in the Bond Documents, there are not, and were not, and no persons are or were authorized by the Bank to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the matters addressed in the Bond Documents.

Section 8.15 Capital Requirements. If the Bank determines that any change in law or regulatory requirement affecting the Bank or the Bank's holding company regarding capital requirements has or would have the effect of reducing the rate of return on the Bank's capital or on the capital of the Bank's holding company as a consequence of purchasing or holding the Bond to a level below that which the Bank or the Bank's holding company could have achieved but for such change in law or regulatory requirement (taking into consideration the Bank or the Bank's policies with respect to capital adequacy), then from time to time, on demand of the Bank, the Borrower will pay to the Bank such additional amount or amounts as will compensate the Bank or the Bank's holding company for any such reduction suffered.

THE WRITTEN BOND DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be duly executed in their respective names, all as of the date hereinbefore written.

(SEAL)

PINELLAS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

ATTEST:

By: _____
Name: Mike Meidel
Title: Executive Director

By: _____
Name: Karen Williams Seel
Title: Chair

HYDRO-DYNE ENGINEERING, INC.

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: Jay R. Conroy
Title: President

SQUARED MARTELLO LLC

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: Jay R. Conroy
Title: Manager

[Signature Page | Loan Agreement]

EXHIBIT A

FORM OF PROMISSORY NOTE

Hydro-Dyne Engineering, Inc., a corporation formed and existing under the laws of the State of Florida, and Squared Martello LLC, a limited liability company formed and existing under the laws of the State of Florida, and any lawful successors and assigns thereof permitted by the Agreement (as hereinafter defined) (each, individually and collectively, the "Borrower"), for value received, jointly and severally, promise to pay to the order of Pinellas County, Florida (the "Issuer"), and its successors and assigns, including Branch Banking and Trust Company (the "Bank"), the principal sum of _____ Million and 00/100 Dollars (\$_____) loaned to the Borrower pursuant to the Agreement (hereinafter defined) or such lesser principal amount as may be outstanding hereunder and to pay interest on the unpaid balance of such principal sum from and after the date hereof as hereinafter provided until the payment of such principal sum has been made and in addition to pay all Additional Payments (as defined in the Agreement). The maturity date of this Note is June 27, 2034 (the "Maturity Date").

Principal and accrued interest hereon shall be paid monthly in equal installments of \$_____, on the 27th day of each month, beginning on July 27, 2014, and continuing on the 27th day of each month thereafter in equal monthly installments of \$_____, provided that all remaining principal, together with all accrued and unpaid interest thereon, shall be unconditionally due and payable on the Maturity Date or such early date as may be required by the Bond Documents (as defined in the Agreement).

This Note has been executed and delivered by the Borrower pursuant to a certain Loan Agreement (the "Agreement") dated as of June 1, 2014, between the Issuer and the Borrower, and is subject to all terms and conditions of the Agreement. Terms used herein shall have the meanings ascribed thereto in the Agreement. Under the Agreement, the Issuer has agreed to loan the Borrower the principal proceeds received from the sale of the Issuer's Industrial Development Revenue Bond (Hydro-Dyne Engineering Project), Series 2014 (the "Bond") to assist in the financing of the Project, and the Borrower has agreed to repay such loan by making payments ("Loan Payments") at the times and in the amounts set forth in the Loan Agreement, the Bond and this Note for application to the payment of the principal of and interest on the Bond as and when due, or as otherwise provided in the Agreement, and in addition to pay all Additional Payments as and when due under the Agreement.

To the extent that principal of or interest on the Bond shall be paid, there shall be credited against unpaid principal of or interest on this Note, as the case may be, an amount equal to the principal of or interest on such Bond so paid. The principal of and interest on this Note are payable in immediately available funds of any coin or currency of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

The Bond has been issued, concurrently with the execution and delivery of this Note, pursuant to a Resolution of the Issuer adopted June 24, 2014 (the "Resolution").

To provide funds sufficient to pay the principal and interest on and any other payments due under the Bond as and when due, the Borrower hereby agrees to and shall make Loan Payments pursuant to this Note on the same date and in the same amount as the principal and interest and any other payment due on the Bond on such date. In addition, the Borrower agrees to pay in immediately available funds all other amounts the Issuer may be required to pay pursuant to the Bond or the Agreement.

All Loan Payments shall be payable in lawful money of the United States of America and shall be made to the Issuer or its assigns at its designated office.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution, postponement or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Bank or any other person.

This Note is subject to optional prepayment, subject to Section 6.2(a) of the Agreement, upon the same terms and conditions, on the same date or dates and at the same prepayment prices, as the Bond is subject to optional prepayment, and not otherwise, and the Borrower hereby agrees that it will make Loan Payments hereunder in an amount equal to the Bond Service Charges on the Bond due and payable on each such prepayment date; provided, that all prepayments shall be made in immediately available funds and with accrued interest to the date of prepayment and that any prepayment of the Note in part shall be applied to unpaid installments of principal in inverse order of maturity or otherwise as consented to by the holder of the Bond. To exercise the option to prepay this Note, the Borrower shall give written notice to the Bank which shall specify therein (i) the date of the intended prepayment of the Note, which shall not be less than 7 days nor more than 30 days from the date the notice is mailed and (ii) the principal amount of the Note to be prepaid. Notwithstanding the foregoing, if the Borrower chooses to prepay this Note before June 27, 2019, from the proceeds of a loan from a party other than the Bank, the Borrower shall, at the time of such prepayment, pay to the Bank all amounts due hereunder and under the Agreement as of the date of such prepayment, plus an additional fee or redemption premium equal to 1% of the principal amount of this Note being prepaid on such date.

In the event of a Determination of Taxability, the Bond is subject to mandatory redemption in whole, and the Borrower shall, on a date selected by the Borrower within 45 days after the date of a Determination of Taxability, pay to or for the account of the Bank the entire principal amount of this Note, if any, outstanding at the date of payment hereunder, plus accrued interest thereon to the date of such payment, plus all other amounts otherwise due under this Note and the Bond. Notwithstanding the foregoing, if the Bond is required to be prepaid on or before July 1, 2019, pursuant to the provisions of this Section 6.2(b) of the

Agreement, from the proceeds of a loan from a party other than the Bank, the Borrower shall, at the time of such prepayment, pay to the Bank all amounts due hereunder as of the date of such prepayment, plus an additional fee or redemption premium equal to 1% of the principal amount of the Bond being prepaid on such date.

The holder of the Bond shall have the right, upon at least 120 days' prior written notice to the Issuer and the Borrower to require that the Bond be redeemed in whole on any date on or after June 27, 2024, on which date the Bond shall be due and payable in full and this Note shall correspondingly be due and payable in full.

Whenever the principal of the Bond then outstanding, and the interest accrued thereon, shall have been declared to be immediately due and payable pursuant to the Agreement, the unpaid principal amount of and accrued interest on this Note shall, without further notice or demand, also be due and payable on the date on which the principal of and interest on the Bond shall have been declared to be due and payable.

Upon the occurrence of an Event of Default under the Agreement, the holder hereof may at its option declare the entire principal balance hereof and all accrued interest thereon to be due and payable. Interest shall accrue on any overdue payment of interest and any due and unpaid portion of the principal at a rate per annum equal to the Default Rate or the maximum interest rate allowed by law, whichever is lower.

The Borrower hereby promises to pay all costs of collection including reasonable attorneys' fees and disbursements, without regard to any statutory presumption, in the case of default under this Note or the Agreement.

To the extent permitted by law, the Borrower waives demand, protest and notice of maturity, nonpayment or other notices necessary to hold the Borrower liable hereunder, except as required by the Bond Documents.

In no event shall the interest rate hereunder exceed the maximum rate permitted by law and in the event any interest otherwise payable hereunder should exceed said maximum legal rate the excess shall be applied as a reduction of the principal hereof.

The enforcement and interpretation of this Note shall be governed by the Laws of the State of Florida.

This Note is subject to all terms and conditions of the Agreement, and by the purchase and acceptance of this Note, the owner hereof signifies consent to all of the provisions of the aforementioned document.

All of the rights, remedies, powers and privileges (together, "Rights") of the Issuer provided for in this Note and in any other Bond Document are cumulative of each other and of any and all other Rights at law or in equity. The resort to any Right shall not prevent the

concurrent or subsequent employment of any other appropriate Right. No single or partial exercise of any Right shall exhaust it, or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by the Issuer to exercise, nor delay in exercising any Right, including but not limited to the right to accelerate the maturity of this Note, shall be construed as a waiver of any Default or as a waiver of the Right. Without limiting the generality of the foregoing provisions, the acceptance by the Issuer from time to time of any payment under this Note which is past due or which is less than the payment in full of all amounts due and payable at the time of such payment shall not: i) constitute a waiver of or impair or extinguish the right of the holder hereof to accelerate the maturity of this Note or to exercise any other Right at the time or at any subsequent time, or nullify any prior exercise of any such Right, or ii) constitute a waiver of the requirement of punctual payment and performance or a novation in any respect.

If the Issuer retains an attorney in connection with any Default or at the Maturity Date or to collect, enforce or defend this Note or any other Bond Document in any lawsuit, at trial, or in any appellate, probate, reorganization, bankruptcy or other proceeding, or if the Borrower sues the Issuer in connection with this Note or any other Bond Document and does not prevail, then the Borrower agrees to pay to the Issuer, in addition to principal, interest and any other sums owing to the Issuer under the Bond Documents, all reasonable costs and expenses incurred by the Issuer in trying to collect this Bond or in any such suit or proceeding, including without limitation reasonable attorneys' fees, paralegals' fees and costs.

In no event (including but not limited to prepayment, default, demand for payment, or acceleration of maturity) shall the interest taken, reserved, contracted for, charged or received under this Note or under any of the other Bond Documents or otherwise, exceed the maximum nonusurious amount permitted by applicable law (the "Maximum Amount"). If, from any possible construction of any document, interest would otherwise be payable in excess of the Maximum Amount, then ipso facto, such document shall be reformed and the interest payable reduced to the Maximum Amount, without necessity of execution of any amendment or new document. If the holder hereof ever receives interest in an amount which apart from this provision would exceed the Maximum Amount, the excess shall, without penalty, be refunded to the Borrower, or at the option of the Borrower, be applied to the unpaid principal of this Note in inverse order of maturity of installments and not to the payment of interest. All interest paid or agreed to be paid to the Issuer shall be spread throughout the full term (including any renewal or extension) of the debt so that the amount of interest does not exceed the Maximum Amount.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name
as of _____, 2014.

HYDRO-DYNE ENGINEERING, INC.

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: Jay R. Conroy
Title: President

SQUARED MARTELLO LLC

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: Jay R. Conroy
Title: Manager

[Signature Page | Promissory Note]

Assigned without recourse, to Branch Banking and Trust Company this 27th Day of June, 2014.

(SEAL)

PINELLAS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

ATTEST:

By: _____

Name: Mike Meidel

Title: Executive Director

By: _____

Name: Karen Williams Seel

Title: Chair

[Signature Page | Assignment to Promissory Note]

EXHIBIT B

PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT REVENUE BONDS
(HYDRO-DYNE ENGINEERING PROJECT), SERIES 2014

REQUISITION FOR BOND PROCEEDS

Amount Requested: See attached Exhibit A

Total Disbursements to Date: \$_____

1. Each obligation or payment for which a disbursement is hereby requested is a payment or obligation which is due for the Project Costs or the costs of issuance.

2. Hydro-Dyne Engineering, Inc. and Squared Martello LLC (collectively, the "Borrower") hereby certify that:

(a) each obligation for which disbursement is sought has been properly incurred, is a proper part of the use of the Bond proceeds and is in compliance with the tax covenants in the Borrower's Tax Certificate dated as of June 1, 2014 for the above captioned Bond and has not been the basis of any previous disbursement;

(b) no Event of Default has occurred and is continuing and there exists no event or condition which, with the giving of notice or the passage of time would constitute an Event of Default;

(c) no item for which disbursement is sought represents any portion of an obligation which the Borrower is, as of the date hereof, entitled to retain under any retained percentage agreement;

(d) there has not been served upon the Borrower any lien, notice of any lien, right to lien or attachment upon or claim affecting the right to receive payment of, any moneys payable to any of the persons or firms named in this requisition, which has not been released or will not be released simultaneously with the payment of such obligation; and

[Remainder of Page Intentionally Left Blank]

3. [This is the final draw other than for remaining costs.]

This ____ day of _____, 20__.

HYDRO-DYNE ENGINEERING, INC.

By: _____

Name: Jay R. Conroy

Title: President

SQUARED MARTELLO LLC

By: _____

Name: Jay R. Conroy

Title: Manager

APPROVED BY:

BRANCH BANKING AND TRUST COMPANY

By: _____

Name: _____

Title: _____

[Signature Page | Requisition]

EXHIBIT C

FORM OF BONDS

No. R-1

ANY HOLDER SHALL, PRIOR TO BECOMING A HOLDER, EXECUTE A PURCHASER'S CERTIFICATE IN THE FORM ON FILE WITH THE ISSUER CERTIFYING, AMONG OTHER THINGS, THAT SUCH HOLDER IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT REVENUE BONDS
(HYDRO-DYNE ENGINEERING PROJECT),
SERIES 2014

<u>Date</u>	<u>Maturity Date</u>	<u>Principal Amount</u>
June 27, 2014	June 27, 2034	\$ _____

Pinellas County Industrial Development Authority (d/b/a Pinellas County Economic Development Authority), a political subdivision of the State of Florida (the "Issuer"), for value received, hereby promises to pay to Branch Banking and Trust Company (together with its successors and assigns as registered owner hereof, the "Bank"), but solely from the sources as hereafter provided and not otherwise, the principal sum of \$ _____ or such lesser amount as shall be outstanding hereunder, and to pay interest on the principal sum outstanding hereunder from the date hereof, but solely from the sources as hereafter provided and not otherwise, at the rate per annum set forth below until payment of such principal sum in full.

This Bond shall bear interest from the date hereof to the Date of Taxability (as hereinafter defined) at the Interest Rate (calculated on the basis of the actual number of days elapsed over a 360-day year), subject to further adjustment as hereinafter provided.

The Bank shall have the right, upon at least 120 days' prior written notice to the Issuer and the Borrower (as hereinafter defined), to require that this Bond be redeemed in full on any date specified in such notice occurring on or after June 27, 2024, on which date this Bond shall be due and payable in full.

This Bond shall be subject to mandatory redemption in whole in the event of a Determination of Taxability, and the Borrower shall, on a date selected by the Borrower within 45 days after the date of a Determination of Taxability, pay to or for the account of the Bank the entire principal amount of the Note, if any, outstanding at the date of payment hereunder, plus accrued interest thereon to the date of such payment, plus all other amounts otherwise due under the Note and this Bond. Notwithstanding the foregoing, if this Bond is required to be prepaid on or before July 1, 2019, pursuant to the provisions of this Section 6.2(b) of the

Agreement (as hereinafter defined), from the proceeds of a loan from a party other than the Bank, the Issuer shall, at the time of such prepayment, pay to the Bank, but solely from the sources as hereafter provided and not otherwise, all amounts due hereunder as of the date of such prepayment, plus an additional fee or redemption premium equal to 1% of the principal amount of this Bond being prepaid on such date.

Capitalized undefined terms used herein shall be as defined in the Loan Agreement, dated as of June 1, 2014, between Hydro-Dyne Engineering, Inc., a Florida corporation, and Squared Martello LLC, a Florida limited liability company, and any lawful successors and assigns thereof permitted by the Agreement (each individually and collectively, the "Borrower") and the Issuer (the "Agreement").

Upon the occurrence of a Determination of Taxability, then, from and after the Date of Taxability, the interest rate used to calculate interest on this Bond shall be the Taxable Interest Rate. After a Determination of Taxability and upon demand of the Bank, the Borrower, on behalf of the Issuer, shall pay to the Bank such additional amount as shall be necessary to provide that interest on this Bond shall have been payable at the Taxable Interest Rate from the Date of Taxability.

Upon a Determination of Taxability, the Issuer, solely from funds provided by the Borrower, shall also pay to the Bank upon demand of the Bank any interest, penalties or other charges assessed against or payable by the Bank and attributable to such Determination of Taxability and all reasonable administrative, out of pocket and other expenses incurred by the Bank which are attributable to such event, including, without limitation, the costs incurred by the Bank to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of this Bond or any transfer or assignment of this Bond.

If at any time after the date hereof there should be any decline in the maximum marginal rate of federal income tax applicable to the taxable income of the Bank, its successors or assigns ("BB&T Tax Rate"), then the Interest Rate in effect hereunder from time to time as herein provided, for so long as there shall not have occurred a Determination of Taxability, shall be adjusted, effective as of the effective date of any such change in the BB&T Tax Rate, by multiplying the Interest Rate by a fraction, the denominator of which is one hundred percent (100%) minus the BB&T Tax Rate in effect upon the date hereof, and the numerator of which is one hundred percent (100%) minus the BB&T Tax Rate after giving effect to such change.

The Issuer, solely from funds provided by the Borrower, shall make reasonable arrangements satisfactory to the Bank for the payment of its reasonable expenses, including reasonable legal expenses, incurred in connection with any Event of Taxability. The Borrower has also agreed under the terms of the Agreement to pay for the reasonable expenses of the Issuer.

So long as any portion of the principal amount of this Bond or interest thereon remains unpaid, if (i) any law, rule, regulation or executive order is or has been enacted or promulgated by any public body or governmental agency which changes the basis of taxation of payments of principal or interest payable pursuant to this Bond, including without limitation the imposition of any excise tax or surcharge thereon, but excluding changes in the rates of tax applicable to the overall net income of the Bank, or (ii) as a result of action by any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Bank by reason of the ownership of, borrowing money to invest in, or receiving principal or interest from this Bond, the Borrower, on behalf of the Issuer, agrees to reimburse on demand for, and does hereby indemnify the Bank against any loss, cost, charge or expense with respect to any such change, payment or loss of deduction.

Principal and accrued interest hereon shall be paid monthly in equal installments of \$_____, on the 27th day of each month, beginning on July 27, 2014, and continuing on the 27th day of each month thereafter in equal monthly installments of \$_____, provided that all remaining principal, together with all accrued and unpaid interest thereon, shall be unconditionally due and payable on July 1, 2034 (the "Maturity Date") or such earlier date as may be required pursuant to the Bond Documents.

The principal of and interest on this Bond is payable in any coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, at such place as the registered owner hereof may designate to the Issuer upon notice to the Borrower.

Notwithstanding the foregoing, from and after the occurrence of an Event of Default, until such time as Event of Default has been remedied or otherwise waived by the Bank, this Bond shall bear interest at the Default Rate. To the extent permitted by law, interest shall accrue on any overdue payment of interest or principal at the Default Rate. In addition, the Issuer, solely from funds provided by the Borrower, agrees to pay the Bank a late fee on any payments past due for ten (10) or more days in an amount equal to five percent (5%) of the amount of payment past due. When any payment is past due for ten (10) or more days, subsequent payments shall first be applied to past due balances. This provision for late charges shall not be deemed to extend the time for payment or be a "grace period" or "cure period" that gives the Borrower a right to cure such default. Imposition of late charges is not contingent upon the giving of any notice or lapse of any cure period.

All payments of principal of and interest on this Bond shall be made to the Bank at its address as it has been provided in the Bond Purchase Agreement in lawful money of the United States of America.

The principal of and interest on this Bond may be prepaid at the option of the Issuer upon the direction of the Borrower at any time and in whole or in part, subject to Section 6.2(a) of the Agreement. Principal prepayments made at the option of the Issuer upon the direction of

the Borrower shall be applied to the remaining principal payments in the inverse order of their due dates. Notice of any call/or redemption shall be given by the Borrower on behalf of the Issuer, in writing at least seven (7) days prior to the redemption date. This Bond is required to be prepaid, without premium, at such times as required by Sections 6.2(b) and (c) of the Agreement. Notwithstanding the foregoing, if the Issuer, upon the direction of the Borrower, chooses to prepay the Loan on or before June 27, 2019, from the proceeds of a loan from a party other than the Bank, the Issuer shall, at the time of such prepayment, but solely from moneys provided therefore by the Borrower and not otherwise, pay to the Bank all amounts due hereunder as of the date of such prepayment, plus an additional fee or redemption premium equal to 1% of the principal amount of the Bond being prepaid on such date.

This Bond shall never constitute an indebtedness of the Issuer within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of Pinellas County, Florida or a charge against its general credit. Neither the full faith and credit nor taxing power of the Issuer is pledged to the payment of the principal of or interest on this Bond. The Issuer has no taxing power. The owner of this Bond shall not have the right to compel any exercise of the ad valorem taxing power of the Issuer or the State of Florida or of any political subdivision of said State to pay this Bond or the interest thereon. This Bond is not a debt of the State of Florida or of any political subdivision of such State nor of the Issuer, other than as a conduit issuer acting on behalf of the Borrower, and neither said State nor any such political subdivision thereof shall be liable hereon.

This Bond is issued pursuant to and in full compliance with the Act and a Resolution adopted by the Issuer on June 24, 2014 (the "Resolution"). Pursuant to law and the proceedings under which this Bond is issued, this Bond is payable solely out of revenues and receipts derived from the Note and the Agreement, pursuant to which the Issuer has loaned money to the Borrower to (i) finance the Project and (ii) pay a portion of the expenses incurred in connection with the issuance of this Bond. Pursuant to the Agreement, the Borrower has agreed to make payments directly to the Bank in such amounts and at such times as are required to provide for timely payment of the principal of and interest on this Bond and other amounts payable on this Bond. As evidence of its indebtedness under the Agreement, the Borrower has executed and delivered to the Issuer its Promissory Note ("Note"), dated June 27, 2014 (the Agreement and the Note are referred to herein as the "Assigned Documents").

Pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") dated as of June 1, 2014, among the Issuer, the Borrower and the Bank, this Bond shall be purchased by the Bank.

Pursuant to an Assignment of Loan Agreement, Promissory Note and Other Collateral, the Issuer has assigned the Issuer's rights under the Assigned Documents, including all its rights, title and interest to receive the Note and the repayments on the Loan (subject to the reservation of certain rights of the Issuer, including all its rights to notices, consent rights, payment of certain expenses and indemnity), to the Bank.

This Bond is secured by a certain Mortgage and Security Agreement which is dated as of June 1, 2014 from the Borrower to the Bank (the "Mortgage") and a Security Agreement dated as of June 1, 2014 from the Borrower to the Bank (the "Security Agreement").

Reference is made to the Agreement, the Mortgage, the Security Agreement, the Bond Purchase Agreement, the Bank Credit Agreement (as defined in the Agreement) and the Resolution for a more complete statement of the provisions thereof and of the rights of the Issuer and the Bank. This Bond is subject to all terms and conditions of the Agreement, the Bond Purchase Agreement and the Resolution, and by the purchase and acceptance of this Bond, the registered owner hereof signifies assent to all of the provisions of the aforementioned documents.

This Bond is transferable by the registered owner, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered bond will be issued to the transferee in exchange therefor. The Issuer may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal and interest due hereon and for all other purposes, and the Issuer shall not be affected by any notice to the contrary.

No recourse under or upon any obligation, covenant or agreement contained in the Resolution or in this Bond, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Resolution, shall be had against any officer or member, as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver thereof or for or to the owner of this Bond or otherwise, of any sum that may be due and unpaid by the Issuer upon this Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer or member, as such, to respond by reason of any act or omission on his part or otherwise for the payment for or to the Issuer or for or to the owner of this Bond or otherwise, of any sum that may remain due and unpaid upon this Bond, is hereby expressly waived and released as a condition of and consideration for the execution and the issuance of this Bond.

All of the rights, remedies, powers and privileges (together, "Rights") of the Bank provided for in this Bond and in any other Bond Documents are cumulative of each other and of any and all other Rights at law or in equity. The resort to any Right shall not prevent the concurrent or subsequent employment of any other appropriate Right. No single or partial exercise of any Right shall exhaust it, or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by the Bank to exercise, nor delay in exercising any Right, including but not limited to the right to accelerate the maturity of this Bond, shall be construed as a waiver of any Default or as a waiver of the

Right. Without limiting the generality of the foregoing provisions, the acceptance by the Bank from time to time of any payment under this Bond which is past due or which is less than the payment in full of all amounts due and payable at the time of such payment shall not (i) constitute a waiver of or impair or extinguish the right of the Bank to accelerate the maturity of this Bond or to exercise any other Right at the time or at any subsequent time, or nullify any prior exercise of any such Right, or (ii) constitute a waiver of the requirement of punctual payment and performance or a novation in any respect.

THIS BOND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER OR PINELLAS COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR PINELLAS COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT. THE FULL FAITH AND CREDIT OF THE ISSUER OR PINELLAS COUNTY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND. THE OWNER OF THIS BOND SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE AD VALOREM TAXING POWER OF THE STATE OF FLORIDA OR OF ANY POLITICAL SUBDIVISION OF SAID STATE TO PAY THIS BOND OR THE INTEREST THEREON. THIS BOND IS NOT A DEBT OF THE STATE OF FLORIDA, PINELLAS COUNTY OR OF ANY POLITICAL SUBDIVISION OF SUCH STATE NOR OF THE ISSUER OTHER THAN AS A CONDUIT ISSUER ON BEHALF OF THE BORROWER, AND NEITHER SAID STATE NOR ANY SUCH POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE HEREON (PROVIDED, HOWEVER THAT THE ISSUER IS OBLIGATED TO MAKE THE PAYMENTS FROM THE FUNDS OF THE BORROWER). THIS BOND AND ALL PAYMENTS TO BE MADE BY THE ISSUER HEREUNDER OF ANY NATURE WHATSOEVER ARE PAYABLE SOLELY FROM THE SOURCES PROVIDED THEREFOR IN THE HEREINAFTER DESCRIBED RESOLUTION (I.E., PAYMENTS MADE BY THE BORROWER OR DERIVED FROM THE EXERCISE OF REMEDIAL RIGHTS AGAINST THE BORROWER AND THE SECURITY PROVIDED FOR THIS BOND AND NOT ANY OTHER FUNDS OF THE ISSUER). THE ISSUER HAS NO TAXING POWER.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the Issuer that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner and by the appropriate parties as required by law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed in its name and on its behalf by its Chair and its Executive Director this 27th Day of June, 2014.

PINELLAS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Name: Karen Williams Seel
Title: Chair

ATTEST:

By: _____
Name: Mike Meidel
Title: Executive Director

[Signature Page | Bond]

j:\wdox\docs\clients\25086\015\closing\00888255.doc

EXHIBIT D

FORM OF ASSIGNMENT

PREPARED BY/RETURN TO:
BRYANT MILLER OLIVE P.A.
ONE TAMPA CITY CENTER, SUITE 2700
TAMPA, FLORIDA 33602

[Space above this line reserved for recording]

ASSIGNMENT OF LOAN AGREEMENT,
PROMISSORY NOTE AND OTHER COLLATERAL

This Assignment of Loan Agreement, Promissory Note and Other Collateral (this "Assignment") is dated as of June 1, 2014 and is made by Pinellas County Industrial Development Authority (d/b/a Pinellas County Economic Development Authority) (the "Issuer"), a public body corporate and politic of the State of Florida. Capitalized terms used herein and not otherwise defined shall be as defined in the Loan Agreement dated as of June 1, 2014 (the "Agreement") between the Issuer and Hydro-Dyne Engineering, Inc., a Florida corporation, and Squared Martello LLC, a Florida limited liability company, and any lawful successors and assigns thereof permitted under such Loan Agreement (each individually and collectively, the "Borrower"). For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer does hereby, without recourse, give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto Branch Banking and Trust Company and its successors and assigns as registered owners of the hereinafter described Bond (the "Bank") all right, title and interest of the Issuer in and to the Agreement and the Note (collectively, the "Assigned Documents"), it being the intent and purpose hereof that the assignment and transfer to the Bank of the payments and other sums due and to become due and such rights of the Issuer under the Assigned Documents shall be effective and operative immediately and the Bank shall have the right to collect and receive said payments and other sums for application in accordance with the provisions hereof and to exercise all other rights and powers of the Issuer under the Assigned Documents (except for Unassigned Issuer's Rights) at all times during the period from and after the date of this Assignment until the Bond shall have been fully paid and discharged. The Issuer specifically reserves from this assignment the Unassigned Issuer's Rights.

This Assignment is made in connection with the issuance by the Issuer of its Industrial Development Revenue Bond (Hydro-Dyne Engineering Project), Series 2014, in the principal

amount of \$_____ (the "Bond"). The Bond is issued pursuant to a Resolution adopted by the Issuer on June 24, 2014 (the "Resolution"). Proceeds of the Bond have been loaned by the Issuer to the Borrower pursuant to the Agreement. As evidence of the Loan, the Borrower has issued its Promissory Note, dated June 1, 2014 (the "Note"). This Assignment is given in order to secure the payment of the principal of and interest on the Bond and the Note.

The Bank may take or release other security, may release any party primarily or secondarily liable for any indebtedness secured hereby, may grant extensions, renewals or waivers with respect to such indebtedness, and may apply any other security therefor held by it to the satisfaction of such indebtedness without prejudice to any of its rights hereunder. It is further agreed that nothing herein contained and no act done or omitted by the Bank pursuant to the powers and rights granted to it hereunder shall be deemed to be a waiver by the Bank of its rights and remedies under the Bond or any Assigned Document, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by the Bank under the terms thereof. The right of the Bank to collect said indebtedness and to enforce any other security therefor held by it may be exercised by the Bank either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

Neither this Assignment nor any action or inaction on the part of the Bank shall, without its written consent, constitute an assumption on its part of any obligation of the Issuer (without intending to imply that the Issuer has any obligation), nor shall the Bank have any obligation to present to or file with the Issuer any claim, or to take any other action with respect to the Issuer to collect or enforce the payment of any amounts which have been assigned to the Bank or to which it may be entitled under this Assignment at any time or times. No action or inaction on the part of the Bank shall adversely affect or limit in any way the rights of the Bank under this Assignment or under the Assigned Documents.

The Issuer represents and warrants that it has duly executed and delivered the Assigned Documents and has not assigned or encumbered the Assigned Documents except pursuant to this Assignment. The Issuer covenants that so long as this Assignment shall remain in effect, it will not, without the prior written approval of the Bank, assign or encumber to anyone other than the Bank (or at the direction of the Bank), in whole or in part any of the Loan Payments, moneys, claims and rights hereby assigned, and it will not amend, modify or cancel the Assigned Documents, give any consent or waiver or make any acceptance or rejection thereunder or take or omit to take any action which might result in an alteration or impairment of the Assigned Documents or this Assignment or any of the rights created by any of such instruments.

The Issuer, at the Borrower's expense, will execute and deliver all such instruments and take all such action as the Bank may from time to time reasonably request, in order to obtain the full benefits of this Assignment and of the rights and powers hereby created.

The Borrower hereby acknowledges receipt of an executed copy of, and consents to the execution of this Assignment. The Borrower agrees that it will be bound by the terms and provisions hereof, and it will pay or cause to be paid directly to the Bank, all Loan Payments, regardless of any right of set-off or counterclaim or other defense which the Borrower may have against the Bank or the Issuer, it being the intent hereof that the Borrower shall be absolutely and unconditionally obligated to pay all such sums under the Assigned Documents.

This Assignment shall be governed by and construed in accordance with the laws of the State of Florida.

Upon payment in full of the principal, interest and all other indebtedness evidenced by or amounts due under the Agreement, this Assignment shall cease, terminate and be of no further effect; provided, however, that the affidavit, certificate, letter or statement of the Bank or any officer, agent or attorney of the Bank showing any part of the principal, interest or other indebtedness being unpaid shall constitute conclusive evidence of the validity, effectiveness, and continuing force of this Assignment and any person may, and is hereby authorized to, rely thereon.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer, the Bank and the Borrower have caused this Assignment to be executed as of June 1, 2014.

BRANCH BANKING AND TRUST COMPANY

By: _____
Name:
Title:

HYDRO-DYNE ENGINEERING, INC.

By: _____
Name: Jay R. Conroy
Title: President

SQUARED MARTELLO LLC

By: _____
Name: Jay R. Conroy
Title: Manager

PINELLAS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY d/b/a
PINELLAS COUNTY ECONOMIC
DEVELOPMENT AUTHORITY

ATTEST

By: _____
Name: Mike Meidel
Title: Executive Director

By: _____
Name: Karen Williams Seel
Title: Chair

[SEAL]

[Signature Page | Assignment of Loan Agreement, Promissory Note and Other Collateral]

STATE OF FLORIDA)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by _____, as _____ of Branch Banking and Trust Company and _____ is personally known to me or _____ has produced _____ as identification.

Notary Public State Florida at Large
Print Name: _____

My Commission Expires: _____

STATE OF FLORIDA)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014 by Jay R. Conroy, as President of Hydro-Dyne Engineering, Inc., a Florida corporation, on behalf of the corporation, and as Manager of Squared Martello LLC, a Florida limited liability company, on behalf of the company, and he is _____ personally known to me or _____ has produced _____ as identification.

Notary Public State Florida at Large
Print Name: _____

My Commission Expires: _____

STATE OF FLORIDA)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by Karen Williams Seel, as Chair of Pinellas County Industrial Development Authority (d/b/a Pinellas County Economic Development Authority, and she is _____ personally known to me or _____ has produced _____ as identification.

Notary Public State Florida at Large
Print Name: _____

My Commission Expires: _____

EXHIBIT E

FORM OF BOND PURCHASE AGREEMENT

BOND PURCHASE AGREEMENT

\$ _____

PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT REVENUE BOND
(HYDRO-DYNE ENGINEERING PROJECT), SERIES 2014

June 1, 2014

The undersigned, BRANCH BANKING AND TRUST COMPANY (together with its successors and assigns as holder of the hereinafter described Bond, the "Bank"), PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (D/B/A PINELLAS COUNTY ECONOMIC DEVELOPMENT AUTHORITY), a public body corporate and politic of the State of Florida (the "Issuer"), HYDRO-DYNE ENGINEERING, INC., a Florida corporation, and SQUARED MARTELLO LLC, a Florida limited liability company, and any lawful successors and assigns thereof permitted hereunder (each individually and collectively, the "Borrower"), hereby enter into this Bond Purchase Agreement (this "Bond Purchase Agreement").

ARTICLE 1 - INTRODUCTORY STATEMENT

Pursuant to a Resolution adopted by the Issuer on June 24, 2014 (the "Resolution"), the Issuer has authorized the execution and delivery of its Industrial Development Revenue Bond (Hydro-Dyne Engineering Project), Series 2014, in the principal amount up to \$6,000,000 (the "Bond").

The Bond will be issued pursuant to the Resolution and will be sold to the Bank. The proceeds of the Bond will be used by the Issuer to make a loan (the "Loan") to the Borrower to enable the Borrower (i) to finance the Project (as defined in the hereinafter defined Agreement) and (ii) to pay costs of issuing the Bond.

The Loan will be made pursuant to a Loan Agreement dated as of June 1, 2014 between the Issuer and the Borrower (the "Agreement"). The Borrower's obligation to repay the Loan will be evidenced by the Borrower's Promissory Note dated June 27, 2014 in favor of the Issuer (collectively, the "Note"), and will be secured pursuant to certain other collateral instruments.

The Issuer will assign certain of its rights, including its right to Loan Repayments (as defined in the Agreement), but excluding the Unassigned Issuer's Rights (as defined in the

Agreement), under the Agreement, the Note and other security documents to the Bank. The Bond will be payable solely from payments made by the Borrower pursuant to the Agreement and the Note, and will be secured by, among other things, an Assignment of Loan Agreement, Promissory Note and Other Collateral to be dated as of June 1, 2014 (the "Assignment"), from the Issuer to the Bank.

Upon the satisfaction of the terms and conditions set forth in this Bond Purchase Agreement, the Bank shall purchase the Bond from the Issuer through the Advance (as hereinafter defined) in the aggregate amount not to exceed \$_____, which Advance shall be loaned by the Issuer to the Borrower pursuant to the Agreement, and shall be used by the Bank at the direction of the Borrower to finance the Project (subject to the terms hereof). The principal amount of the Bond and the Note shall be deemed equal to the amount of the Advance. Pursuant to the Resolution, the Bond and the Note, the aggregate principal amount of the Bond secured by the Note will be \$_____.

ARTICLE 2 - DEFINITIONS

Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement. In addition to the words and phrases defined elsewhere herein, the following words and phrases shall have the following meanings herein:

(a) Advance: The initial payment by the Bank of \$_____ to purchase the Bond which is loaned by the Issuer to the Borrower shall be funded by the Advance made by the Bank pursuant to the Agreement. The Advance represents the purchase price of the Bond being issued by the Issuer and purchased by the Bank, the proceeds of which are being loaned by the Issuer to the Borrower. The Requisition for the proceeds of the Advance deposited within the Project Fund is in the form attached to the Agreement as Exhibit B.

(b) Bond: The Issuer's \$_____ Industrial Development Revenue Bond (Hydro-Dyne Engineering Project), Series 2014.

(c) Closing Date: June 27, 2014.

(d) Commitment Letter: The Commitment Letter between the Bank and the Borrower signed on behalf of the Borrower on May 2, 2014.

(e) Loan: The Loan by the Issuer to the Borrower, in the principal amount equal to the initial par amount of the Bonds.

(f) Chair: The Chair or Vice-Chair of the Issuer.

ARTICLE 3 - PURCHASE, SALE AND DELIVERY OF BONDS; ADVANCE

Section 3.1 On the basis of the representations and agreements contained herein, but subject to the terms and conditions herein set forth, the Bank hereby agrees to purchase from the Issuer and the Issuer hereby agrees to sell to the Bank the Bond, dated the date hereof, maturing on the date, bearing interest at the rate, and having such other details as set forth in the Bond, for a purchase price equal to \$_____. This Bond Purchase Agreement imposes continuing duties upon, and grants continuing rights to, the parties which shall survive the initial delivery of the Bond, and which shall continue to and including the date the Bond are paid in full.

Section 3.2 The purchase price of the Bond by the Bank shall be paid by the deposit by the Bank of the Advance, in the aggregate principal amount of \$_____, which shall be used to finance the Project and pay the costs of issuance.

ARTICLE 4 - CONDITIONS TO ADVANCE

Section 4.1. In General. The Borrower shall spend the proceeds of the Advance which are loaned hereunder to the Borrower for payment of the costs and expenses of the Project and the costs of issuance and for no other purpose.

Section 4.2. Conditions to Advance. The following are conditions precedent to the Bank's obligation to make the Advance hereunder:

(a) General: (i) there shall then exist no material Default or any event which, with the giving of notice or the lapse of time, or both, could become a material Default; (ii) the representations and warranties of the Issuer and the Borrower made in the Bond Documents shall be true and correct; and (iii) the Borrower must have satisfied the conditions required under the Bond Documents.

(b) Fees and Expenses. The Bank shall have received any required commitment fee and the Borrower shall have paid, or, to the satisfaction of the Bank and the Issuer, made provision for the payment all other fees, costs and expenses then required to be paid pursuant to this Bond Purchase Agreement and any other Bond Documents.

(c) Financial Statements. The Bank shall have received and approved the financial statements of the Borrower. The Bank acknowledges that it has received and approved the financial statements of the Borrower.

(d) Authorization. The Bank shall have received and approved evidence the Bank requires of the existence, good standing, authority and capacity of the Issuer and the Borrower to execute, deliver, and perform the applicable Bond Documents, including but not limited to:

(1) For the Issuer: a copy of the Resolution, certified by the Issuer as having been adopted and as being in full force and effect;

(2) For the Borrower: (i) copies of its articles of incorporation and by-laws (or articles of organization and operating agreement), and all amendments thereto, a certificate of incumbency of all of its officers who will be authorized to execute or attest any of the Bond Documents, and a copy of resolutions approving the Bond Documents to be executed and delivered by the Borrower, and authorizing the transactions contemplated in this Bond Purchase Agreement; (ii) certificates of existence, good standing and qualification to do business in the State, issued by the appropriate governmental officials; and (iii) certification that the Borrower has all licenses and other governmental approvals required to conduct its business; and

(3) All certificates, resolutions, and consents reasonably required by the Bank applicable to the foregoing.

(e) Bond Documents. The Borrower, the Issuer and each other person or entity required by the Bank shall have duly executed, acknowledged and/or sworn to as required, recorded or filed, and delivered to the Bank all Bond Documents then required by the Bank, all in form and content satisfactory to the Bank.

(f) Opinions of Borrower's Counsel. The Bank shall have received, including, but not limited to, a written opinion, addressed to Bank, Bond Counsel and the Issuer, from the Borrower's attorney, dated the date of this Bond Purchase Agreement, in substantially the form attached hereto as Exhibit A.

(g) Insurance Policies. The Bank shall have received and approved the insurance policies initially required by the Bank, pursuant to the Bond Documents, together with evidence satisfactory to the Bank that all premiums therefor have been paid and that the policies are in full force and effect.

(h) Bond Counsel Opinion. The Bank and Borrower each shall have received a reliance letter, authorizing the Bank and Borrower, respectively, to rely upon the approving opinion of Bryant Miller Olive P.A., bond counsel, in form and substance acceptable to the Bank and Borrower, and their respective counsel, and addressing such matters as are required by the Bank, including that the Bond have been duly authorized, executed and delivered by the Issuer,

and constitute valid and binding special revenue obligations of the Issuer enforceable in accordance with their terms and the interest on the Bond is excluded from the gross income of the Bank for federal income tax purposes, in substantially the forms attached hereto as Exhibit B.

(i) Issuer Counsel Opinion. The opinion of the attorney for the Issuer in form and substance as attached hereto as Exhibit C.

ARTICLE 5 – REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE ISSUER

Section 5.1 The Issuer hereby represents, warrants and agrees as follows:

- (a) The Issuer is a public body corporate and politic of the State of Florida;
- (b) Under the provisions of the Act, the Issuer is authorized to enter into the transactions contemplated by this Bond Purchase Agreement and the Bond Documents to which it is a party and to carry out its obligations hereunder and thereunder. The Issuer has been duly authorized to execute and deliver this Bond Purchase Agreement and the Bond Documents to which it is a party;
- (c) To the knowledge of the Issuer, the execution and delivery of the Bond and the other Bond Documents to which the Issuer is a party and the adoption of the Resolution, and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject, nor will any such execution, delivery, enactment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets or under the terms of any such law, regulation or instrument; and
- (d) As of the date hereof, there is no action, suit, proceeding, inquiry or formal investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the officials of the Issuer executing this Bond Purchase Agreement, threatened against the Issuer, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bond, or contesting or affecting as to the Issuer the validity or enforceability of the Act in any respect relating to authorization for the issuance of the Bond, or contesting the tax-exempt status of interest on the Bond, or contesting the powers of the Issuer or any authority for the issuance of the Bond, the adoption of the Resolution, or the execution

and delivery by the Issuer of the other Bond Documents to which the Issuer is a party. For the purposes of this section any litigation or other proceeding is considered "pending" only if the Issuer has received service of process valid under Florida law with respect thereto.

ARTICLE 6 - REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BORROWER

Section 6.1 By its acceptance hereof, the Borrower hereby represents and warrants to the Bank and the Issuer that as of the date hereof **[Note. To be matched to L.A.]**:

(a) Squared Martello LLC, is a Florida limited liability company with full power and authority to own the Project and lease the Project to Hydro-Dyne Engineering, Inc. Hydro-Dyne Engineering, Inc., is a Florida corporation with full power and authority to operate the Project as a manufacturing facility.

(b) The Borrower has full power and authority to execute and deliver the Bond Documents to which the Borrower is a party.

(c) The execution, delivery and performance by the Borrower of the Bond Documents to which the Borrower is a party have each been authorized by all necessary action on the part of the Borrower and when executed and delivered by the Borrower and the other parties thereto the Bond Documents to which the Borrower is a party will be in full force and effect and will constitute legal, valid, binding and enforceable obligations of the Borrower, except that the enforceability of such Bond Documents is subject to applicable bankruptcy, reorganization, insolvency and other similar laws affecting creditors' rights and to general principles of equity.

(d) To the knowledge of the Borrower, the consummation of the transactions contemplated by the Bond Documents to which the Borrower is a party will not result in the breach of the provisions of the articles of incorporation or articles of organization of the Borrower, as amended, or any indenture, indebtedness, agreement, instrument, judgment, or any lien, decree, order, statute, resolution, rule, regulation, plan or other restriction to which the Borrower is a party or by which it or its property is subject or bound.

(e) To the knowledge of the Borrower, the Borrower is not in material violation of its articles of incorporation or by-laws, or articles of organization and operating agreement, and the Borrower is not in violation of any material provision of any indenture, agreement, instrument, or any lien, judgment, decree, order, statute, resolution, rule, regulation, plan or other restriction to which it is a party or by which it or its property is subject or bound, which violation will have any material adverse effect on the financing contemplated hereby, nor will

any such violation result in any material adverse change in the operations, properties, assets, liabilities or condition (financial or otherwise) of the Borrower.

(f) There is no pending, or to the best of the Borrower's knowledge threatened, action, suit, proceeding, inquiry or investigation before or by any court, public board or body against the Borrower, nor, to the knowledge of the Borrower, is there any basis therefor, which would materially adversely affect the transactions contemplated by the Bond Documents or which would materially adversely affect the Bond or the operation of the Project or which might result in any material adverse change in the operations, properties, assets, liabilities or condition (financial or other) of the Borrower. For purposes of this paragraph, any litigation or other proceeding is considered to be "pending" only if the Borrower has received service of process valid under Florida law with respect thereto.

(g) To the Borrower's knowledge, no legislation, ordinance, rule or regulation has been enacted by any governmental body, department or agency of the State nor has any decision been rendered by any court of competent jurisdiction in the State which would materially adversely affect the transactions contemplated by the Bond Documents.

(h) To the Borrower's knowledge, all approvals, consents or orders (other than the Resolution) of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Borrower of its duties and obligations under the Bond Documents to which the Borrower is a party have been obtained and are in full force and effect.

(i) Any certificate signed after the date hereof by any authorized officer or officers of the Borrower, and delivered to the Bank shall be deemed a representation and warranty by the Borrower to the Bank and the Issuer as to the truth in all material respects of the statements contained in the certificate.

(j) There is no default on the part of the Borrower pursuant to the Commitment Letter and all obligations of the Borrower required thereby to have been satisfied as of the date hereof have been satisfied or waived by the Bank.

(k) All material representations and material warranties of the Borrower in the Bond Documents are true and correct.

ARTICLE 7 - REPRESENTATIONS AND WARRANTIES OF THE BANK

Section 7.1 The Bank represents that it is duly authorized to execute and deliver this Bond Purchase Agreement, and that upon execution and delivery of this Bond Purchase

Agreement by the other parties hereto, this Bond Purchase Agreement shall constitute a legal, valid and binding agreement of the Bank enforceable in accordance with its terms.

Section 7.2 The Bank certifies to the Issuer that it has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of and can bear the economic risk of its ownership of the Bond; and that it has not requested the preparation of any offering memorandum or statement in connection with the sale of the Bond.

Section 7.3 The Bank further represents that it is not acting as a broker or other intermediary, and is purchasing the Bond for its own account and not with a present view to a resale or other distribution to the public. The Bank understands that the Bond may not be transferred except to a bank, savings association, insurance company or other "accredited investor" as described in accordance with the restrictions set forth in the Bond.

Section 7.4 The Bank is a North Carolina banking corporation.

Section 7.5 The Bank, by its execution and delivery of this Bond Purchase Agreement, acknowledges the conditions in the Bond Documents have been satisfied by the Borrower.

ARTICLE 8 - GENERAL TERMS

Section 8.1 The following shall be applicable throughout the period of this Bond Purchase Agreement or thereafter as provided herein:

(a) Borrower and Issuer not Bank's Agent. Nothing in this Bond Purchase Agreement or any other of the Bond Documents shall be construed to make the Borrower or the Issuer the Bank's agent for any purpose whatsoever, or the Borrower or the Issuer and the Bank partners, or joint or co-venturers.

(b) Inspections. All inspections rendered by or on behalf of the Bank shall be rendered solely for the protection and benefit of the Bank. Neither the Borrower nor the Issuer nor other third persons shall be entitled to rely upon such inspections for any purpose.

(c) Bank Not Obligated to Insure Proper Disbursement of Funds to Third Parties. Nothing contained in this Bond Purchase Agreement or any of the Bond Documents shall impose upon the Bank or the Issuer any obligation to oversee the proper use or application of any funds made available to the Borrower pursuant to this Agreement.

(d) Indemnification from Third Party Claims. The Borrower shall indemnify the Issuer and the Bank from any liability, claims or losses resulting from the transaction contemplated hereby, or from the condition of the Project, whether related to the quality of construction or otherwise, and whether arising during or after the term of this Bond Purchase Agreement, provided the foregoing do not arise out of the gross negligence or malfeasance of the Issuer or the Bank. This provision shall survive the payment of the Bond and shall continue in full force and effect so long as the possibility of such liability, claims or losses exists.

(e) Rights of Subcontractors, Laborers and Materialmen. In no event shall this Bond Purchase Agreement be construed to make the Bank, the Issuer or any agent, officer or employee thereof liable to any contractor, subcontractors, laborers, materialmen, craftsmen, or others for labor, materials, or services delivered to the Land or goods fabricated or delivered for incorporation therein, or for debts or claims accruing or arising to such persons or parties against the Borrower. It is distinctly understood and agreed that there is no relation of any type whatsoever, contractual or otherwise, either express or implied, between the Issuer, the Bank, or any of their agents, officers or employees and any contractor, any materialman, subcontractor, craftsman, laborer or any other person or entity supplying any labor, materials or services to the Refinanced Project or fabricating or delivering goods to be incorporated therein. No such persons or entities are intended to be third party beneficiaries of this Bond Purchase Agreement or any document or instrument related to the Bond.

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

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

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

(i) Governing Law. The laws of the State of Florida shall govern the interpretation and enforcement of this Bond Purchase Agreement.

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

(k) Prior Agreement. To the extent necessary, this Bond Purchase Agreement shall be deemed to be an amendment to the Commitment Letter and in the event of conflict between the terms of this Bond Purchase Agreement and of the Commitment Letter of any such prior agreement, the terms of this Bond Purchase Agreement shall govern.

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

(m) Fees and Expenses. The Borrower agrees to pay all reasonable costs incurred in connection with the issuance of the Bond, including but not limited to expenses and fees of the Issuer and its counsel, expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bond, the fees and disbursements of Bank Counsel and Bond Counsel, the fees and disbursements of the Bank and its counsel, the expenses and costs for photocopying and delivering the Bond Documents and all other agreements and documents contemplated hereby. The Borrower further agrees to pay all reasonable fees and expenses incurred in connection with any audit or other governmental inquiry concerning the Bond, including the fees and expenses of Bond Counsel to the Issuer and counsel for the Issuer.

(n) Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(o) Attorney's Fees. In the event of any proceeding brought pursuant to any Bond Document by the Issuer, the Bank or the Borrower, against any of the foregoing, the prevailing party shall be entitled to recover its attorneys' fees and costs, including in connection with any appeal; provided, however, that the Borrower is responsible for any attorney's fees due from the Issuer regarding any proceeding by any entity, unless such payment is due to gross negligence or willful misconduct of the Issuer.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer, the Bank and the Borrower have caused this Bond Purchase Agreement to be duly executed in their respective names, all as of the date hereinbefore written.

BRANCH BANKING AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

HYDRO-DYNE ENGINEERING, INC.

By: _____
Name: Jay R. Conroy
Title: President

SQUARED MARTELLO LLC

By: _____
Name: Jay R. Conroy
Title: Manager

(SEAL)

PINELLAS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY d/b/a
PINELLAS COUNTY ECONOMIC
DEVELOPMENT AUTHORITY

Attest:

By: _____
Name: Mike Meidel
Title: Executive Director

By: _____
Name: Karen Williams Seel
Title: Chair

EXHIBIT A

FORM OF BORROWER'S COUNSEL OPINION

EXHIBIT B

FORMS OF BOND COUNSEL OPINION AND RELIANCE LETTER

EXHIBIT C

FORM OF ISSUER'S COUNSEL OPINION

EXHIBIT F

FORM OF MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT

This MEMORANDUM OF AGREEMENT (this "Memorandum of Agreement"), dated as of June 1, 2014, between PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (d/b/a Pinellas County Economic Development Authority), a public body corporate and politic of the State of Florida (the "Issuer") and HYDRO-DYNE ENGINEERING, INC., a Florida corporation, and SQUARED MARTELLO LLC, a Florida limited liability company, and any lawful successors and assigns thereof permitted by this Memorandum of Agreement (each individually and collectively, the "Borrower").

SECTION 1. The matters of mutual inducement and reliance which resulted in the execution of this Memorandum of Agreement are as follows:

(a) The Issuer is a public body corporate and politic of the State of Florida (the "State") and an industrial development authority created pursuant to Section 159.45, Florida Statutes, and authorized pursuant to the Constitution of the State, Chapter 159, Parts II and III, Florida Statutes, as amended, and other applicable provisions of law (the "Act") to provide for the issuance of and to issue and sell its industrial development revenue bonds for the purpose of paying all or any part of the cost of any "project" as defined in the Act.

(b) In order to improve the economic base of Pinellas County (the "County") and to preserve manufacturing in the State, to promote the economic growth of the County and the State, to increase purchasing power and opportunities for gainful employment, and to advance and improve the economic prosperity and the general welfare of the State and its people, it is desirable that the Issuer issue and sell its Industrial Development Revenue Bond (Hydro-Dyne Engineering Project), Series 2014, in the aggregate principal amount of not to exceed \$6,000,000 (the "Bond").

(c) The Issuer intends to loan the proceeds from the sale of the Bond (the "Loan") to the Borrower to, to the extent of such proceeds: (i) finance the acquisition of approximately 9 acres of land and the acquisition, renovation and equipping of an approximate 107,500 square foot building thereon, located at the following address: 4750 118th Avenue North, Clearwater, Florida, within the city limits of the city of Pinellas Park, Pinellas County, Florida (the "Project"), and (ii) pay the costs of issuance of the Bond.

(d) The Loan is to be payable by the Borrower in installments sufficient to pay the principal of, interest and costs due on the Bond when and as the same become due.

(e) The Borrower has requested that the Issuer enter into this Memorandum of Agreement for the purpose of declaring the Issuer's intention to provide financing to pay the costs of the Project.

(f) The Issuer, by resolution duly passed and adopted, has made certain findings and determinations and has approved and authorized the execution and delivery of this Memorandum of Agreement.

(g) The Borrower represents that Bond proceeds will not be used to finance any costs for the Project incurred prior to sixty (60) days before the date of this Memorandum of Agreement, except to the extent allowed by federal tax law.

SECTION 2. The Issuer will cooperate with the Borrower and its agents in the Borrower's efforts to place the Bond with an institutional purchaser for the Bond, and if purchase arrangements satisfactory to the Borrower can be made by the Borrower and its agents, the Issuer will authorize the issuance and sale of the Bond, and will issue and sell the Bond to such purchaser of the Bond as may be designated by the Borrower all upon such terms and conditions as shall be approved by the Borrower and authorized by law; provided, however, the Issuer will approve the sale of the Bond solely to institutional investors which will at no time cause the Bond to be offered for sale to the public. The Bond will be payable solely from the revenues and proceeds derived by the Issuer from the loan payments by the Borrower, and will not constitute a debt, liability or obligation of the Issuer, or of the State or of any other political subdivision thereof. The Issuer shall not be obligated to pay the same nor interest, premium (if any) or costs thereon except from the revenues and proceeds pledged therefore, and neither the faith and credit nor the taxing power of the Issuer or of the State or of any other political subdivision thereof will be pledged to the payment of the principal of, interest or costs due pursuant to or under such Bond.

From the date hereof, until the sale of the Bond, the Borrower will, within ten (10) days after its occurrence, notify the Issuer of any material change, whether or not adverse, in the business, operations or financial condition of the Borrower. In the event the Issuer shall, at any time prior to the sale of the Bond, determine in its sole discretion that there has been a material adverse change in the business, operations or financial condition based upon financial statements or notices provided by the Borrower in accordance herewith, the obligation of the Issuer to issue and sell the Bond shall, at the option of the Issuer, be terminated.

SECTION 3. The Issuer will, at the proper time, and subject in all respects to the prior advice, consent and approval of the Borrower, submit applications, adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for the authorization, sale and issuance of the Bond and the financing, improving, constructing and equipping of the Project, all as shall be authorized by law mutually satisfactory to the Issuer and the Borrower.

SECTION 4. The Bond issued shall be in such aggregate principal amount, shall bear interest at such rate or rates, shall be payable at such times and places, shall be in such form and denomination, shall be sold in such manner and at such time or times, shall have such

provisions for redemption, shall be executed, and shall be secured, all as shall be authorized by the Act and all on terms mutually satisfactory to the Issuer and the Borrower.

SECTION 5. The Issuer will use and apply the proceeds of the issuance and sale of the Bond, or cause such proceeds to be used and applied, to the extent of such proceeds, to pay the cost of the Project, and will loan such Bond proceeds to the Borrower for the Project pursuant to a financing agreement requiring the Borrower to make payment for the account of the Issuer in installments sufficient to pay all of the interest, principal, and other costs due under and pursuant to the Bond when and as the same become due and payable, to operate, repair and maintain the Project at the Borrower's own expense, to pay all other costs incurred by the Issuer in connection with the financing of the Project which are not paid out of the Bond proceeds or otherwise for so long as the Bond remains outstanding, and for the conveyance to the Borrower of all rights, title and interest of the Issuer in and to the Project when all of the obligations of the Borrower under the financing agreement have been performed and satisfied.

SECTION 6. The Borrower hereby agrees to improve, renovate and equip the Project, it being understood and agreed that the Borrower shall provide all services incident to the equipping of the Project (including, without limitation, the preparation of plans, specifications and contract documents, the award of contracts, the inspection and supervision of work performed, the employment of engineers, architects, building and other contractors) and that the Borrower shall pay all costs of the Project, subject to reimbursement by the Issuer upon the issuance and sale of the Bond and the use and application of the proceeds thereof as provided above, the Issuer shall have no responsibility for the provision of the aforesaid services. It is expected that the cost of the Project financed with the proceeds of the Bond will not exceed Six Million Dollars (\$6,000,000). The Borrower agrees that to the extent that the proceeds derived from the sale of the Bond are not sufficient to complete the Project, the Borrower, as the owner of the Project, will be responsible for supplying all additional funds which are necessary for the completion of the Project. So long as this Memorandum of Agreement is in effect all risk of loss to the Project will be borne by the Borrower.

SECTION 7. At or prior to the time of issuance and sale of the Bond, the following conditions precedent shall have been satisfied:

(a) The Borrower shall have satisfactorily completed all procedures established by the Issuer for the review and approval of revenue bond issues.

(b) The Issuer shall have duly passed and adopted a resolution making all findings required by law and authorizing the issuance and sale of the Bond and the execution and delivery of the financing agreement and such other agreements, instruments and documents as may be required to be specifically authorized. It is an express condition of this Memorandum of Agreement that the Bond be sold only in the manner and to a purchaser or purchasers approved by the Issuer.

(c) The Borrower shall have authorized the execution, delivery and performance of the financing agreement, and approved the issuance and sale of the Bond, and authorized or approved such other agreements, instruments and documents for which specific authorization or approval may be required.

(d) The Borrower shall have provided a satisfactory opinion of its counsel with respect to the due authorization, execution and delivery of the financing agreement, and related agreements, instruments and documents, their legality, validity, binding effect and enforceability in accordance with their respective terms, and the absence of any violation of law, rule, regulation, judgment, decree or order of any court or other agency of government and agreements, or other instruments to which the Borrower is a party or by which it or any of its property, is or may be bound and to such other matters as may be reasonably requested.

(e) The Borrower and the Issuer shall have executed and delivered such non-arbitrage certificates and representations, as may be required to comply with Section 148 of the Internal Revenue Code of 1986, as amended, or any similar successor provisions and the regulations, rulings and interpretative court decisions thereunder.

(f) Bryant Miller Olive P.A., as bond counsel, shall have delivered its opinion with respect to the validity of the Bond, and to the income tax status of the interest on the Bond.

(g) The Borrower shall have provided such other or additional representations, warranties, covenants, agreements, certificates, financial statements, and other proofs as may be required by the Issuer or by Bryant Miller Olive P.A., as bond counsel.

SECTION 8. In the event that the Bond is not issued and sold and the transactions contemplated hereby are not closed within a timely basis for any reason whatsoever and whether or not as a result of any failure to find one or more purchasers for the Bond, any default or failure of performance by the Issuer, the inability of the Issuer to issue and sell the Bond or the failure or inability of the Issuer and the Borrower to agree to the terms and conditions of the agreements, instruments and other documents provided for herein or contemplated hereby, the Borrower agrees unless waived in the sole discretion of the Issuer that:

(a) The Borrower will (i) pay all its costs and expenses, including any fees due any attorneys, financial agents or others employed by the Borrower, (ii) pay the reasonable fees and expenses of bond counsel (as described in the Fee Letter from bond counsel to the Borrower, dated May 22, 2014), and (iii) reimburse the Issuer for all reasonable out-of-pocket costs and expenses, including reasonable fees and expenses of the Issuer's Counsel, which the Issuer may have incurred in connection with this Memorandum of Agreement or the bond issue.

(b) The Borrower will indemnify and hold the Issuer, and the Issuer's members, officers, employees and agents, harmless against any liabilities, allegations or claims of loss or

damage (including attorneys' fees and expenses) pertaining to the Project, the Bond, or any transaction contemplated hereunder, or arising out of or predicated upon this Memorandum of Agreement, any action or non-action taken or omitted in reliance upon this Memorandum of Agreement, or any default or failure of performance hereunder.

SECTION 9. No covenant or agreement contained in this Memorandum of Agreement or the Bond, the trust agreement, the financing agreement, or in any other instrument relating to the Bond or the Project, shall be deemed to be a covenant or agreement or any member, officer, employee or agent of the Issuer in an individual capacity, and neither the members of any other officer of the Issuer executing the Bond or any such agreements or instruments shall be liable personally thereon or be subject to any personal liability or accountability by reason thereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement and affixed their respective seals, as of the date first written above.

(SEAL)

PINELLAS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY d/b/a
PINELLAS COUNTY ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Name: Mike Meidel
Title: Executive Director

HYDRO-DYNE ENGINEERING, INC.

By: _____
Name: Jay R. Conroy
Title: President

SQUARED MARTELLO LLC

By: _____
Name: Jay R. Conroy
Title: Manager

[Signature Page | Memorandum of Agreement]