

**AMENDED AND RESTATED PROMISSORY NOTE
CITY OF GAINESVILLE – PHALANX DEFENSE SYSTEMS, LLC**

AMOUNT: \$ 300,000.00

FOR VALUE RECEIVED, the undersigned, Phalanx Defense Systems, LLC, whose address is 4352 NE 40th Terrace, Gainesville, Florida 32609 ("BORROWER"), jointly and severally promise(s) to pay to the City of Gainesville, a Florida municipal corporation, whose mailing address is Post Office Box 490, Station 58, Gainesville, Florida 32627 ("CITY"), the principal sum written above pursuant to the terms and conditions of this Promissory Note ("Note").

RECITALS

WHEREAS, on September 7, 2016, the BORROWER executed and provided a mortgage ("Mortgage") to secure to the CITY the repayment of a loan in the total principal sum of \$635,000 to purchase certain property as described in the Mortgage; and

WHEREAS, on September 7, 2016, the BORROWER also executed a Promissory Note ("Original Note") to evidence the debt to the CITY as secured by the Mortgage; and

WHEREAS, the Original Note provided certain terms whereby the CITY could forgive up to \$535,000 of the \$635,000 owed to the CITY by BORROWER; and

WHEREAS, on February 15, 2018, the City Commission of the CITY approved the forgiveness of \$335,000 due to BORROWER's qualified actual expenditures for repair, remediation, and improvements to the subject property; and

WHEREAS, the CITY and BORROWER desire to amend and restate the Original Note to reflect to portion of BORROWER's debt that is forgiven by the CITY.

1. MATURITY DATE / FORGIVENESS:

Unless otherwise prepaid in accordance with the terms of this Note or forgiven in accordance with the terms of this section, the entire principal balance of this Note, together with all accrued and unpaid interest, shall be due and payable on September 7, 2026, which is 10 years from the date of Closing, ("Maturity Date"), which shall be the date that is 10 years from the date the Original Note and Mortgage were executed.

As a financial incentive to encourage the BORROWER to invest in the Property that is the subject this Note and Mortgage by creating jobs, the CITY will, no earlier than the Maturity Date, forgive that portion of the loan for which the BORROWER has satisfied the requirements set forth in this Section 1. If the BORROWER elects to prepay and satisfy this Note in accordance with Section 5 below, no portion of the loan shall be forgiven and the entire principal balance shall be due and payable. The maximum total amount of the loan eligible for forgiveness is \$200,000, as set forth in the cap amounts specified in this section, regardless of BORROWER's number of qualified jobs actually

created and retained. The CITY shall be the sole determiner of whether the requirements have been met based on the documents provided by the BORROWER set forth below.

Qualified New Full-time Job Creation and Retention

Tier 1 -salary at least 115% of Average Annual Alachua County Wage	\$3,000 per position
Tier 2 - salary at least 150% of Average Annual Alachua County Wage	\$6,000 per position
Tier 3 - hire is a resident of the City's Enterprise Zone or is an honorably discharged U.S. veteran, and the salary is at least \$25,000	\$6,000 per position
Tier 4 -salary at least 200% of Average Annual Alachua County Wage	\$9,000 per position
Tier 5 - hire is a resident of the City's Enterprise Zone and is an honorably discharged U.S. veteran, and the salary is at least \$25,000	\$9,000 per position
	Cap of \$200,000 maximum forgiveness

Average Annual Alachua County Wage shall be determined at the time of the hire by reference to the annual publication issued by Enterprise Florida titled "State of Florida Incentives, Average Wage Requirements, Average Annual County Wage Data". All jobs shall be net new full-time positions created and retained for a period of one (1) year. These net new full-time positions shall be in addition to the filled, full-time positions that the BORROWER has on the date it moves its business operations onto the Property.

BORROWER shall, on the date of Closing, report to the City its then current filled full-time positions. At the end of BORROWER's fiscal year each year thereafter, BORROWER shall report its net full-time positions to the CITY. To obtain loan forgiveness for each position, BORROWER shall provide the following documentation to the CITY: proof of meeting the salary level and retention period must be documented by BORROWER's payroll records; proof of residency in the CITY's Enterprise Zone must be documented by deed or lease/rental agreement in the name of the employee; proof of honorably discharged veteran status must be documented by a DD-219 or other official VA or US Military documentation.

Each party agrees that that they undertake duties of good faith and fair dealing in the performance of their obligations and the exercise of their rights hereunder.

2. INTEREST:

Interest on this Note shall be payable at a fixed per annum rate of **zero percent (0%)**; except that if BORROWER fails to pay this Note as required upon the Maturity Date, this

Note shall be payable at a fixed per annum interest rate of **ten percent (10%)** from the Maturity Date until it is paid in full by BORROWER. Interest calculations shall be based on a 360-day year and charged on the basis of actual days elapsed.

3. SECURITY:

In addition to the protections given to the CITY under this Note, this Note is secured by a mortgage agreement ("Mortgage") executed by BORROWER on September 7, 2016, as mortgagor, to CITY, as mortgagee, encumbering property in Alachua County, Florida, as more specifically described in the Mortgage.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Mortgage that are to be kept and performed by BORROWER and any guarantors of the Note, are made hereby a part of this Note to the same extent and with the same force and effect as if they were set forth fully herein, and BORROWER covenants and agrees to keep and perform them or cause them to be kept and performed strictly in accordance with their terms. This Note and the Mortgage may be assumed with the written consent of the CITY.

4. PREPAYMENT:

BORROWER may prepay this Note in full or in part, at any time before the Maturity Date with no penalty.

5. DEFAULT:

If BORROWER fails to pay principal and/or interest on the date on which it falls due or fails to perform any of the agreements, conditions, covenants, provisions, or stipulations contained in this Note and Mortgage, then the CITY, at its option and without notice to BORROWER, may declare immediately due and payable the entire unpaid balance of principal with interest from the date of such default. In such case, the CITY may bring about any actions not prohibited by applicable law and recover all costs and expenses associated with such actions, including but not limited to interest on any judgment obtained by the CITY and reasonable attorneys' fees including attorneys' fees on appeal.

6. WAIVERS:

(a) BORROWER and any co-signors, endorsers, sureties, or guarantors waive and release any rights to presentment for payment, demand, notice of demand, notice of nonpayment or dishonor, protest, notice of protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note, and each agree that each shall have unconditional liability without regard to the liability of any other party, and that they shall not be affected in any manner by any extension of time, renewal, waiver, or modification granted or consented to by the CITY. BORROWER and any co-signors, endorsers, sureties, or guarantors consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by the CITY with respect to the payment or other provisions of this Note, and to the release of any collateral or any part thereof, with or without substitution, and they agree that additional borrowers, endorsers, guarantors, or sureties may become parties hereto without notice to them or affecting their liability hereunder.

(b) The CITY shall not be deemed by any act of omission or commission to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by the CITY, and then only to the extent specifically set forth in writing. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event.

7. NOTICES:

All notices required under or in connection with this Note shall be delivered or sent by certified or registered mail, return receipt requested, postage prepaid, to the addresses set forth above, or to such other address as any party may designate from time to time by notice to the others in the manner set forth herein. All notices shall be deemed to have been given or made either at the time of delivery thereof to an officer or employee or on the third business day following the time of mailing in the aforesaid manner.

8. COSTS AND EXPENSES:

BORROWER shall pay the cost of any revenue tax or other stamps now or hereafter required by law at any time to be affixed to this Note.

9. NO PARTNERSHIP OR JOINT VENTURE:

Nothing contained in this note or elsewhere shall be construed as creating a partnership or joint venture between the CITY and BORROWER or between the CITY and any other person or as causing the holder of this Note to be responsible in any way for the debts or obligations of BORROWER or any other person.

10. BORROWER COVENANTS:

BORROWER covenants that to the best of its knowledge all information BORROWER provided to the CITY regarding this Note and Mortgage, as well as the Request for Proposals and reuse/redevelopment of the former U.S. Army Reserve Property, is true and accurate. In the event a court of competent jurisdiction determines that BORROWER fraudulently provided material false information which resulted in damage to the CITY, the face amount of this Note shall immediately become due and payable.

11. RESPONSIBILITY OF PERSONS UNDER THIS NOTE:

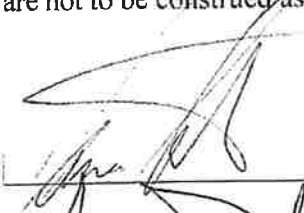
If more than one person signs this Note, each is personally and severally liable to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note is also obligated to do these things. The CITY may enforce its rights under this Note against each BORROWER individually or against all BORROWERS together and may enforce its rights against any of them in any order. This means that any BORROWER may be required to pay all of the amounts owed under this Note.

12. GOVERNING LAW:


This Note shall be governed by and construed in accordance with the laws of the State of Florida, notwithstanding any Florida conflict of law provision to the contrary. In the event of any legal action under this Note, venue shall be in Alachua County, Florida.

13. **HEADINGS:**

Headings at the beginning of each numbered section of this Note are intended solely for convenience of reference and are not to be construed as being a part of the Note.



(SEAL)
- Borrower



(SEAL)
- Borrower

STATE OF FLORIDA
COUNTY OF ALACHUA

The foregoing was acknowledged before me this 11th day of April,
2019, by James G Coats, who is/are personally known to me or who
has/have produced _____ as identification, and who did not take an oath.



Print Name: Timothy D Shaeffer

Notary Public State of Florida

My Commission expires: _____

My Commission number: _____

