

From: [Bryan Pankhurst](#)
To: [Jessica Heinz](#)
Cc: [Sally Walsh](#)
Subject: FW: P21-025 Due Diligence: Felony Convictions, Lawsuits and Fraud
Date: Tuesday, November 30, 2021 11:22:01 AM
Attachments: [13-27-puigiuese-reamer.pdf](#)
[article1-arlin-crisco.pdf](#)
[article3-palm-beach-post.pdf](#)
[article2-sun-sentinel.pdf](#)
[Exhibit D - Selection Committee Results.pdf](#)
[land-america-reamer.pdf](#)
[23-18-45-241.pdf](#)
[502012CF011556AXXMB 23.pdf](#)
[image001.png](#)

Jessica,

Please add the email and attachments to Ordinance 21-18 (P21-025). Thank you!



Bryan Pankhurst
Assistant City Clerk
City of Port St. Lucie
121 S.W. Port St. Lucie Blvd.
Port St. Lucie, Florida 34984-5099
772.871.7341 office | 772.203.8802 cell
BPankhurst@CityofPSL.com

From: Brandon Dolan <BDolan@cityofpsl.com>
Sent: Tuesday, November 30, 2021 10:06 AM
To: David Pickett <David.Pickett@cityofpsl.com>; Jolien Caraballo <Jolien.Caraballo@cityofpsl.com>; Shannon Martin <Mayor@cityofpsl.com>; Stephanie Morgan <Stephanie.Morgan@cityofpsl.com>; Russ Blackburn <rblackburn@cityofpsl.com>; James Stokes <jstokes@cityofpsl.com>
Cc: Christina Flores <CFlores@cityofpsl.com>; MaryAnn Verillo <DeliaM@cityofpsl.com>; Diana Sanchez <DSanchez@cityofpsl.com>; Bryan Pankhurst <BPankhurst@cityofpsl.com>
Subject: FW: P21-025 Due Diligence: Felony Convictions, Lawsuits and Fraud

Good Morning,

The Council Office received the email below with the 9 attachments from Mr. Eric Romano regarding P&Z item P21-025, River Place.

Sally, please enter this into the record.

Thank you,

Brandon Dolan
Executive Assistant
Office of the Mayor & City Council
City of Port St. Lucie



121 S.W. Port St. Lucie Blvd
Port St. Lucie, Florida 34984-5099
772.871.5159 Office
bdolan@cityofpsl.com
www.cityofpsl.com

From: emr <emr7676@gmail.com>
Sent: Monday, November 29, 2021 11:09 PM
To: David Pickett <David.Pickett@cityofpsl.com>; Brandon Dolan <BDolan@cityofpsl.com>
Subject: P21-025 Due Diligence: Felony Convictions, Lawsuits and Fraud

Dear Councilman Pickett-

I am writing to submit a number of documents to provide background on the applicant for Comprehensive Plan Amendment P21-025. My neighbors in River Place strongly oppose P21-025 and our public records research uncovered troubling criminal, legal and professional shortcomings that should automatically disqualify the applicant from your consideration.

Land America, LLC is listed as an applicant. They are buying this parcel of land and will make a profit by rezoning it to residential. Land America has presented their residential plan multiple times at River Place POA meetings, to vocal opposition. The company is based 70 miles away in Delray Beach and 2020 SunBiz records list the principal officers as Anthony Pugliese and Joseph Reamer.

According to the Anthony Pugliese Wikipedia article, in 2012 charges were filed against Pugliese for creating fake companies and using phony billings to steal from Frederick DeLuca. Pugliese was eventually found guilty and sentenced to 6 months in jail along with 10 years of probation. His business manager Joseph Reamer pleaded no contest and was sentenced to a four-year probation term. In January 2018, a Palm Beach Circuit Judge ordered Pugliese to pay \$23 million to the estate of former business partner Frederick DeLuca. (see attached articles)

In 2018, the City of Delray Beach invited bids to develop land at 600 Atlantic Ave in a large development project. Six companies submitted proposals, including Land America, which is based in that city. The selection committee ranked the proposals, and Land America was ranked dead last by every single committee member, and not even included in the final tally. Delray City Commissioner Ryan Balston said: "Land America, not only scored poorly – but they should have been discarded for not following the Request For Proposal requirements." (source: betterdelray.org) If Land America isn't good enough for their own hometown, they aren't good enough for Port St. Lucie.

Land America sent out a survey, to which only a small fraction of River Place residents responded, with a cover letter designed to manufacture support for their residential plan. The letter paints a worst-case picture of commercial development using scare tactics which obviously violate our PUD: “commercial use will be a roadway for deliveries, with dumpsters and back entrances, and security lighting 24 hours a day.” (May 3, 2021 letter from Pugliese) Most residents of our community refused to respond, knowing that our written answers would be used against us in the Comprehensive Plan Amendment Application. The applicant has consistently misrepresented the PUD restrictions on commercial development and publicly threatened to violate our PUD without our consent and/or divorce this land from our POA.

Our POA board has been made aware of all of this, and voted against this proposal multiple times. That is, UNTIL Land America offered \$125,000 and a golf cart for the board to approve their plan. From that point on, the loud protestations of the residents fell on deaf ears. Land America is paying for the lawyer who represents our POA! River Place has not held a vote of the membership on this issue, because we would vote against it. We have no representation and the City Council is the last firewall. Your voters oppose P21-025. We collected approximately 200 signatures to stop P21-025. We urge you to Vote NO. The residents of your community need your help to keep this developer and this project out of Port St. Lucie. Please review the attached documents which represent a sample of the lawsuits and newspaper articles. The public comment file for P21-025 is absolutely filled to the brim with opposition emails from my neighbors.

Kind regards,
Eric Romano
River Place

STATE OF FLORIDA

OFFICE OF THE GOVERNOR EXECUTIVE ORDER NUMBER 13-27

WHEREAS, the Honorable DAVID ARONBERG, State Attorney for the Fifteenth Judicial Circuit of Florida, has advised Governor RICK SCOTT that Anthony Vincent Pugliese, III and Joseph Robert Reamer have been charged with Money Laundering, Organized Scheme to Defraud, and Grand Theft; and

WHEREAS, the Honorable DAVID ARONBERG has also advised the Governor that one of the defendants once retained for counsel a volunteer for the State Attorney's Office who consults on executive issues, and has served on the transition committee for the State Attorney; and

WHEREAS, the Honorable DAVID ARONBERG, to avoid any appearance of conflict of interest or impropriety, has voluntarily disqualified himself and has requested the executive assignment of another State Attorney with respect to the investigation and prosecution of this case and all related matters; and

WHEREAS, the Honorable STEPHEN RUSSELL, State Attorney for the Twentieth Judicial Circuit of Florida, has agreed to accept an executive assignment in this matter; and

WHEREAS, it is in the best interest of the State of Florida and of the ends of justice that the Honorable STEPHEN RUSSELL discharge the duties of the Honorable DAVID ARONBERG, pursuant to Section 27.14, Florida Statutes;

NOW, THEREFORE, I, RICK SCOTT, Governor of Florida, in obedience to my solemn constitutional duty to “take care that the laws be faithfully executed,” and pursuant to the Constitution and laws of the State of Florida, issue the following Executive Order, effective immediately:

Section 1.

The Honorable STEPHEN RUSSELL, State Attorney for the Twentieth Judicial Circuit of Florida, referred to as the “Assigned State Attorney,” is assigned to discharge the duties of the Honorable DAVID ARONBERG, State Attorney for the Fifteenth Judicial Circuit of Florida, as they relate to the investigation, prosecution, and all matters related to Anthony Vincent Pugliese, III and Joseph Robert Reamer.

Section 2.

The Assigned State Attorney or one or more Assistant State Attorneys and Investigators, who have been designated by the Assigned State Attorney, shall proceed immediately to the Fifteenth Judicial Circuit of Florida, and are vested with the authority to perform the duties prescribed herein.

Section 3.

All residents of the Fifteenth Judicial Circuit are requested, and all public officials are directed, to cooperate and render whatever assistance is necessary to the Assigned State Attorney, so that justice may be served.

Section 4.

The period of this Executive Assignment shall be for one (1) year, to and including February 6, 2014.

Section 5.

The Assigned State Attorney shall notify the Governor on or before January 6, 2014,
if additional time is required.



IN TESTIMONY WHEREOF, I have
hereunto set my hand and have caused the
Great Seal of the State of Florida to be
affixed at Tallahassee, this 6th day of
February, 2013.

RICK SCOTT, GOVERNOR

ATTEST:

SECRETARY OF STATE

2013 FEB - 5 AM 11:39
STATE OF FLORIDA
TALLAHASSEE

IN THE CIRCUIT COURT OF THE
NINETEENTH JUDICIAL CIRCUIT IN AND FOR
ST. LUCIE COUNTY, FLORIDA

CASE NO: 56200 9 CA 003367

NATIONAL CITY BANK, successor
in interest to Fidelity Federal Bank & Trust,

JUDGE F. SWELD McMANUS

Plaintiff(s)

v.

ANTHONY V. PUGLIESE, III and
THE GROVE COMMUNITY ASSOCIATION,
INC., a Florida Non-Profit Corporation,

Defendant.

2009 APR 30 PM 5:19
ST. LUCIE COUNTY
CLERK OF CIRCUIT COURT

**COMPLAINT
Count I**

Plaintiff, National City Bank, successor in interest to Fidelity Federal Bank & Trust, by and through its undersigned counsel, sues Defendants, Anthony V. Pugliese, III and The Grove Community Association, Inc. and states as follows:

1. This is an action to foreclose a Mortgage on real property located in St. Lucie County, Florida, more particularly described as follows:

Lot 254, of the Subdivision of White City, as per plat thereof on file in Plat Book 1, Page 23, of the Public Records of St. Lucie County, Florida, LESS the East 30 feet, LESS the North 33.5 feet, LESS the West 78 feet and LESS the South 120 feet.

The Real Property or its address is commonly known as Northeast corner of U.S. 1 and Sunshine Blvd., Ft. Pierce, FL. The Real Property tax identification number is 3403-502-0338-000-5 (hereinafter the "Mortgaged Property").

P-1-7
(241-17)

2. Plaintiff, National City Bank ("National City") is the successor in interest to Fidelity Federal Bank and Trust and is a national bank authorized to do business in St. Lucie County, Florida.

3. Defendant, Anthony V. Pugliese, III is a resident of Palm Beach County, Florida and is over 18 years of age.

4. On or about March 22, 2005, Defendant, Anthony V. Pugliese, III, executed and delivered to Plaintiff a Promissory Note in the principal amount of \$552,500.00 (Note). A copy of the Note is attached hereto as Exhibit "A" and the terms thereof are incorporated herein.

5. To secure payment of the Promissory Note, on or about March 22, 2005, Defendant, Anthony V. Pugliese, III, executed and delivered to Plaintiff a Mortgage which mortgaged the Real Property described therein. The Mortgage was recorded in Official Record Book 2195, Page 1062, Official Records of St. Lucie County, Florida. A copy of the Mortgage is attached hereto as Exhibit "B" and the terms thereof are incorporated herein.

6. To secure payment of the Promissory Note, on or about March 22, 2005, Defendant, Anthony V. Pugliese, III, executed and delivered to Plaintiff an Assignment of Rents. The Assignment of Rents was recoded in Official Record Book 2195, Page 1069, Official Records of St. Lucie County, Florida. A copy of the Assignment of Rents is attached hereto as Exhibit "C" and the terms thereof are incorporated herein.

7. On or about May 8, 2008, Defendant, Anthony V. Pugliese, III executed and delivered to Plaintiff a Promissory Note Modification Agreement with an effective date of March 22, 2008 in the principal amount of \$552,500.00 (Note Modification

Agreement). A copy of Note Modification Agreement is attached hereto as Exhibit "D" and the terms thereof are incorporated herein.

8. On or about August 15, 2008, Defendant, Anthony V. Pugliese, III, executed and delivered to Plaintiff a Promissory Note Modification Agreement with an effective date of June 22, 2008 in the principal amount of \$552,500.00 (Second Note Modification Agreement). A copy of the Second Note Modification Agreement is attached hereto as Exhibit "E" and the terms thereof are incorporated herein.

9. Defendant, Anthony V. Pugliese, III, is in default under the terms of Second Note Modification Agreement and Mortgage because he failed to make the required payments due December 22, 2008 and each month thereafter through the present time.

10. As a result of Defendant, Anthony V. Pugliese, III's default under the Second Note Modification Agreement and Mortgage, Plaintiff has elected to accelerate and declare to be due the full unpaid balance of the Second Note Modification Agreement and Mortgage.

11. Demand has been made upon Defendant, Anthony V. Pugliese, III, to pay all amounts due under the Second Note Modification Agreement and Mortgage. Despite demand, said Defendant has failed to pay the total amount due and owing.

12. All sums due and owing under the Second Note Modification Agreement and Mortgage are due and payable.

13. Despite demand, Defendant, Anthony V. Pugliese, III, has failed to pay the amounts due under the Second Note Modification Agreement and Mortgage.

14. Defendant, Anthony V. Pugliese, III, owes Plaintiff the principal sum of \$552,500.00, plus interest in the amount of \$11,050.00, through March 22, 2009, late charges of \$677.72, plus interest thereafter as set forth in the Promissory Note, plus attorney fees, court costs, title search expenses and such other charges and expenses which may be incurred incident to the enforcement of the obligations under the Note, Note Modification Agreements and Mortgage.

15. Plaintiff may be required during the pendency of this action to make advancement of payments for real estate taxes, lienors, insurance or for such other purposes as are described in the Mortgage, which advances are also secured by the Mortgage and for which the Defendant is also liable.

16. The Mortgaged Property is owned by Defendant, Anthony V. Pugliese, III.

17. Plaintiff owns and holds the Note, Note Modification Agreements, and Mortgage. If the Note and/or Note Modification Agreements cannot be located, Plaintiff alternatively asserts that Plaintiff was entitled to enforce the Note and/or Note Modification Agreements when loss of possession occurred. The loss of possession was not the result of a transfer by Plaintiff or unlawful seizure. Plaintiff cannot reasonably obtain possession of the Note and/or Note Modification Agreements because the Note and/or Note Modification Agreements have either been destroyed or their whereabouts cannot be determined. Neither the Note and/or the Note Modification Agreements nor the rights of Plaintiff therein have been endorsed, sold, assigned, transferred, hypothecated, pledged or otherwise disposed of, in whole or in part, in any manner whatsoever, no person, firm or corporation other than Plaintiff has any right,

title, claim, equity or interest in, to or respecting the Note and/or Note Modification Agreements or the proceeds thereof.

18. All conditions precedent to bring this cause of action have been performed or have occurred.

19. Plaintiff is obligated to pay its undersigned attorneys a reasonable fee for their services.

20. Plaintiff's collateral is inadequate, is being wasted or is being dissipated.

21. Plaintiff, through this foreclosure complaint, demands that all rents and income earned from the Mortgaged Property be paid to Plaintiff from Defendant, Anthony V. Pugliese, III.

22. Plaintiff hereby pursuant to Fla. Stat. §697.07 makes demand to receive all rents derived from the Mortgaged Property and is entitled to said rents.

23. Defendant, The Grove Community Association, Inc., may claim some right, title or interest in the Mortgaged Property by reason of any unpaid assessments, recorded or unrecorded, but any such right, title or interest in the Mortgaged Property is inferior to that of Plaintiff and should be foreclosed.

WHEREFORE, Plaintiff, National City Bank, successor in interest to Fidelity Federal Bank & Trust, demands a judgment foreclosing the previously identified Mortgage, Note, and Note Modification Agreements against Defendant, Anthony V. Pugliese, III and further demands:

- (a) An accounting of the sums due to the Plaintiff under the foregoing loan documents, including interest, late charges, attorney fees, costs and such other sums as may be due, and if the sum is not paid within the time set by this court, that the real property and collateral subject to the loan documentation be sold to satisfy Plaintiff's claim and if the proceeds of the sale are insufficient to pay Plaintiff's claim, that a deficiency judgment be

entered against the Defendant, Anthony V. Pugliese, III, and that the estate of each Defendant and each person claiming under or against said Defendant since the filing of the Notice of Lis Pendens herein be foreclosed;

- (b) Further, that this Court enter an order requiring Defendant, Anthony V. Pugliese, III, to deposit the rents from the property into the Registry of the Court and otherwise be governed in accordance with Fla. Stat. §697.07. The Defendants are receiving these rents and are refusing to apply them toward the indebtedness to Plaintiff.
- (c) Further, that this Court appoint a Receiver to take possession of the property and secure it and collect the rents from the property and take such other steps as may be necessary to preserve the property during the pendency of this case, as well as following judgment through foreclosure sale; and
- (d) Further, for such other just and equitable relief as this Court deems proper.

Count II

Plaintiff, National City Bank, successor in interest to Fidelity Federal Bank & Trust, by and through its undersigned counsel, sues Defendant, Anthony V. Pugliese, III and states as follows:

24. This is an action for damages which exceeds \$15,000.00, exclusive of interest, costs and attorney fees.

25. Plaintiff realleges and reincorporates herein paragraphs 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 17, 18, 19 and 20 as though fully set forth herein.

WHEREFORE, Plaintiff, National City Bank, successor in interest to Fidelity Federal Bank & Trust, demands a Judgment for damages, costs, interest, attorney fees, and for such other just relief as this Court may deem proper, against Defendant, Anthony V. Pugliese, III.

Dated: This 28th day of April, 2009.

JONES, FOSTER, JOHNSTON & STUBBS, P.A.
Attorneys for National City Bank
505 S. Flagler Drive, Ste. 1200
West Palm Beach, FL 33401
Telephone: (561) 650-0438
Facsimile: (561) 650-0412

By: Michael T. Kranz
Michael T. Kranz
Florida Bar No: 351180

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PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Case No.	Secretary	Office	Branch
\$562,500.00	03-22-2005	09-22-2007	420837-2				

Reference to the shaded area on the Lender's use only and do not limit the applicability of this document to any particular loan or loans. Any item above containing *** has been treated due to text length limitations.

Borrower: Anthony V. Pugliese, II
101 Pringle Court Way
Delray Beach, FL 33444

Lender: Fidelity Federal Bank & Trust
205 Ocala Street
West Palm Beach, FL 33461

Principal Amount: \$562,500.00 **Initial Rate:** 6.000% **Date of Note:** March 22, 2005

PROMISE TO PAY: Anthony V. Pugliese, II ("Borrower") promises to pay to Fidelity Federal Bank & Trust ("Lender"), or order, in lawful money of the United States of America, the principal amount of Five Hundred Fifty-two Thousand Five Hundred & 00/100 Dollars (\$562,500.00), together with interest on the unpaid principal balance from March 22, 2005, until paid in full.

PAYMENT: Borrower will pay this loan in one principal payment of \$562,500.00 plus interest on September 22, 2007. This payment due on September 22, 2007, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 22, 2006, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest then to principal then to any unpaid collection costs and then to any late charges. The annual interest rate for this Note is computed on a 360/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE: The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the prime rate as published in The Wall Street Journal. When a range of rates has been published, the higher of the rates will be used (the "Index"). The index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will bill Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each time the index changes. Borrower understands that Lender may make loans based on other rates as well. The index currently is 6.500% per annum. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate of 0.500 percentage points over the Index, adjusted if necessary for any weekend and business day differences described below, resulting in an initial rate of 7.000% per annum. Notwithstanding the foregoing, the variable interest rate or rates provided for in this Note will be subject to the following minimum and maximum rates. **NOTICE:** Under no circumstances will the effective rate of interest on this Note be less than 6.000% per annum or more than the maximum rate allowed by applicable law.

PREPAYMENT: Borrower may prepay without penalty all or a portion of the amount owed under this Note. Early payments will not, unless agreed to by Lender in writing, reduce Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to void Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amounts owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is rendered with other conditions or limitations or is full satisfaction of a disputed amount must be mailed or delivered to: Fidelity Federal Bank & Trust, 205 Ocala Street West Palm Beach, FL 33461.

LATE CHARGE: If a payment is 10 days or more late, Borrower will be charged 2.000% of the unpaid portion of the regularly scheduled payment or \$1.00, whichever is greater.

INTEREST AFTER DEFAULT: Upon default, including failure to pay upon first maturity, Lender, at its option, may, if permitted under applicable law, increase the variable interest rate on this Note to 18.000% per annum, if and to the extent that the increase does not cause the interest rate to exceed the maximum rate permitted by applicable law.

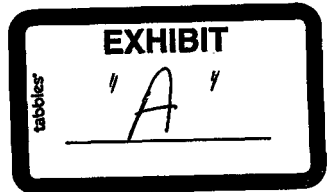
DEFAULT: Each of the following shall constitute an event of default ("Event of Default") under this Note:

- Payment Default:** Borrower fails to make one payment when due under this Note.
- Other Defaults:** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.
- Default in Favor of Third Parties:** Borrower or any Guarantor defaults under any loan, extension of credit, security agreement, purchase or sale agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's ability to repay this loan or perform Borrower's obligations under this Note or any of the related documents.
- Fraud Statements:** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or in the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.
- Death or Insolvency:** The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.
- Creditor or Foreclosure Proceedings:** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or enforceability of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the dispute at foreclosure proceedings and deposits with Lender money or a surety bond for the creditor at foreclosure proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the claim.
- Events Affecting Guarantor:** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or becomes or ceases the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.
- Adverse Change:** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.
- Cure Provisions:** If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS: Upon default, Lender may decline the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and the Borrower will pay this amount.

ATTORNEY'S FEES; EXPENSES: Lender may file or pay someone else to help collect the Note if Borrower does not pay. Borrower will pay Lender the amount of those costs and expenses, which include, subject to any limits under applicable law, Lender's reasonable attorney's fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorney's fees and legal expenses for bankruptcy proceedings (including efforts to notify or locate any unknown stay or transferee), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other costs provided by law.

JURY WAIVER: Lender and Borrower hereby waive the right to a jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.



1-17

PROMISSORY NOTE
(Continued)

Loan No: 420537-2

Page 2

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not precluded by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been executed by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Palm Beach County, State of Florida.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment or Borrower's bank and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other accounts). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to change or assign all sums owing on the indebtedness against any kind of such accounts.

EARNERMENT. Borrower consents to the issuance of a continuing writ of garnishment or attachment against Borrower's disposable earnings, in accordance with Section 222.17, Florida Statutes, in order to satisfy, in whole or in part, any money judgment entered in favor of Lender.

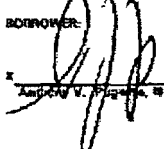
EXTENSION OPTION. Providing the Borrower is not in default of the loan covenants and covenants, Lender shall grant an option to extend the Loan an additional six (6) months upon satisfactory review of the then current financial condition of the Borrower and receipt of a .50% fee.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, the fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to collect, fee, charge, collect, fine, reserve or reserve (collectively referred to herein as "charge or charges"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or amount charged for this loan, instead of anything stated in the contrary, is applied first to reduce the principal balance of this loan, and when the principal has been paid in full, is refunded to Borrower. Lender may delay or refuse enforcing any of its rights or remedies under this Note without acting them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may amend or extend (immediately and for any length of time) this loan or release any party or guarantor or co-borrower, or assign, fail to assign upon or perfect Lender's security interest in the collateral, and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

x _____
Andrew V. Pignone, Jr.

Florida Documentary Stamp Tax

Florida documentary stamp tax in the amount required by law has been paid with respect to this Note on the Mortgage and Assignment of Benefits securing this Note.

Renaissance Title of the Palm Beaches
209 North Seacrest Blvd., Suite
Boynton Beach, Florida 33435

WHEN RECORDED MAIL TO:
Fidelity Federal Bank & Trust
205 Datura Street
West Palm Beach, FL 33401

EDWIN M. FRY, Jr., CLERK OF THE CIRCUIT COURT
SAINT LUCIE COUNTY
FILE # 2585676 03/24/2005 at 02:03 PM
OR BOOK 2195 PAGE 1062 - 1068 Doc Type: MTG
RECORDING: \$61.00

M DOC STAMP COLLECTION: \$1933.75
INTANGIBLE TAX: \$1105.00

This Mortgage prepared by:

Name: Jennifer Sebrall, Loan Closing Administrator, AVP
Company: FIDELITY FEDERAL BANK & TRUST
Address: 205 Datura Street, West Palm Beach, FL 33401

Loan # 420531-2

**MORTGAGE
FUTURE ADVANCES**

MAXIMUM LIEN. The total amount of indebtedness secured by this Mortgage may decrease or increase from time to time, but the maximum amount of principal indebtedness which may be outstanding at any one time shall not exceed \$1,105,000.00, plus interest, and amounts expended or advanced by Lender for the payment of taxes, levies or insurance on the Property, and interest on such amounts.

THIS MORTGAGE dated March 22, 2005, is made and executed between Anthony V. Pugliese, III, a married man, whose address is 101 Pineapple Grove Way, Delray Beach, FL 33444 (referred to below as "Grantor") and Fidelity Federal Bank & Trust, whose address is 205 Datura Street, West Palm Beach, FL 33401 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in St. Lucie County, State of Florida:

Lot 254, of the Subdivision of White City, as per plat thereof on file in Plat Book 1, Page 23, of the Public Records of St. Lucie County, Florida, LESS the East 30 feet, LESS the North 33.5 feet, LESS the West 78 feet and LESS the South 120 feet.

The Real Property or its address is commonly known as Northeast corner of U.S. 1 and Sunshine Blvd., Ft. Pierce, FL. The Real Property tax identification number is 3403-602-0338-000-6

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

FUTURE ADVANCES. In addition to the Note, this Mortgage secures all future advances made by Lender to Grantor whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified in the Note, all future amounts Lender in its discretion may loan to Grantor within twenty (20) years of the date of this Mortgage, together with all interest thereon; however, in no event shall such future advances (excluding interest) exceed in the aggregate \$552,500.00.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE IN THE ORIGINAL PRINCIPAL AMOUNT OF \$552,500.00, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property;

EXHIBIT

"B"

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and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses (which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Subsequent Liens. Grantor shall not allow any subsequent liens or mortgages on all or any portion of the Property without the prior written consent of Lender.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Florida law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in this contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of

any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all intangible personal property taxes, documentary stamp taxes, fees, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax, including without limitation an intangible personal property tax, upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Real and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all

**MORTGAGE
(Continued)**

Loan No: 420537-2

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such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-In-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage or any related document.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender personally, or by Lender's agents or attorneys, may enter into and upon all or any part of the Property, and may exclude Grantor, Grantor's agents and servants wholly from the Property. Lender may use, operate, manage and control the Property. Lender shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Property and every part thereof, all of which shall for all purposes constitute property of Grantor. After deducting the expenses of conducting the business thereof, and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other property charges upon the Property or any part thereof, as well as just and reasonable compensation for the services of Lender, Lender shall apply such monies first to the payment of the principal of the Note, and the interest thereon, when and as the same shall become payable and second to the payment of any other sums required to be paid by Grantor under this Mortgage.

Appoint Receiver. In the event of a suit being instituted to foreclose this Mortgage, Lender shall be entitled to apply at any time pending such foreclosure suit to the court having jurisdiction thereof for the appointment of a receiver of any or all of the Property, and of all rents, incomes, profits, issues and revenues thereof, from whatsoever source. The parties agree that the court shall forthwith appoint such receiver with the usual powers and duties of receivers in like cases. Such appointment shall be made by the court as a matter of strict right to Lender and without notice to Grantor, and without reference to the adequacy or inadequacy of the value of the Property, or to Grantor's solvency or any other party defendant to such suit. Grantor hereby specifically waives the right to object to the appointment of a receiver and agrees that such appointment shall be made as an admitted equity and as a matter of absolute right to Lender, and consents to the appointment of any officer or employee of Lender as receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the

Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not effect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

BORROWER FINANCIAL REPORTING REQUIREMENTS. Borrower covenants and agrees with Lender that, while this Agreement is in effect, Borrower shall furnish Lender at least annually and within one-hundred twenty (120) days of Borrower's fiscal year end, a signed and dated tax return and a signed and dated financial statement with supporting bank/brokerage statements.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Florida.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Palm Beach County, State of Florida.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make this offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under

the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Anthony V. Pugliese, III and includes all co-signers and co-makers signing the Note.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means Anthony V. Pugliese, III.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, Indebtedness includes the future advances set forth in the Future Advances provision of this Mortgage, together with all interest thereon.

Lender. The word "Lender" means Fidelity Federal Bank & Trust, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated March 22, 2005, in the original principal amount of \$552,500.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

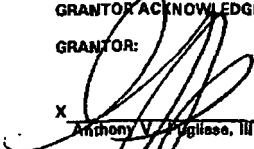
Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.



Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X 
Anthony V. Pugliese, III

WITNESSES:

X 
Print Name: Joyce A. Brown
X 
Print Name: Kerry D. Sabier

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Florida
COUNTY OF Palm Beach

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) SS
)

The foregoing instrument was acknowledged before me this 21st day of March, 2005
by Anthony V. Pugliese, III, who is personally known to me or who has produced SS-identification
and did / did not take an oath.



Joyce A. Briggs
(Signature of Person Taking Acknowledgment)
Joyce A. Briggs
(Name of Acknowledger Typed, Printed or Stamped)

(Title or Rank)

(Serial Number, if any)

[Handwritten mark]

WHEN RECORDED MAIL TO:
Fidelity Federal Bank & Trust
205 Datura Street
West Palm Beach, FL 33401

This ASSIGNMENT OF RENTS prepared by:

Name: Jennifer Sabra, Loan Closing Administrator, AVP
Company: FIDELITY FEDERAL BANK & TRUST
Address: 205 Datura Street, West Palm Beach, FL 33401



000000000420537-2011603222005

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS dated March 22, 2005, is made and executed between Anthony V. Pugliese, III, a married man, whose address is 101 Pineapple Grove Way, Delray Beach, FL 33444 (referred to below as "Grantor") and Fidelity Federal Bank & Trust, whose address is 205 Datura Street, West Palm Beach, FL 33401 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in St. Lucie County, State of Florida:

Lot 254, of the Subdivision of White City, as per plat thereof on file in Plat Book 1, Page 23, of the Public Records of St. Lucie County, Florida, LESS the East 30 feet, LESS the North 33.5 feet, LESS the West 78 feet and LESS the South 120 feet.

The Property or its address is commonly known as Northeast corner of U.S. 1 and Sunshine Blvd., Ft. Pierce, FL. The Property tax identification number is 3403-502-0338-000-5

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have its right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of Florida and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's

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ASSIGNMENT OF RENTS
(Continued)

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name, to rent and manage the Property, including the collection and application of Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

FULL PERFORMANCE. If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default on Other Payments. Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to perform Grantor's obligations under this Assignment or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against the Rents or any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Cure Provisions. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Assignment within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. In the event of a suit being instituted to foreclose this Assignment, Lender shall be entitled to apply at any time pending such foreclosure suit to the court having jurisdiction thereof for the appointment of a receiver of any or all of the Property,

**ASSIGNMENT OF RENTS
(Continued)**

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and of all rents, incomes, profits, issues and revenues thereof, from whatsoever source. The parties agree that the court shall forthwith appoint such receiver with the usual powers and duties of receivers in like cases. Such appointment shall be made by the court as a matter of strict right to Lender and without notice to Grantor, and without reference to the adequacy or inadequacy of the value of the Property, or to Grantor's solvency or any other party defendant to such suit. Grantor hereby specifically waives the right to object to the appointment of a receiver and agrees that such appointment shall be made as an admitted equity and as a matter of absolute right to Lender, and consents to the appointment of any officer or employee of Lender as receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment:

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Caption Headings. Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

Governing Law. This Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Assignment has been accepted by Lender in the State of Florida.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Palm Beach County, State of Florida.

Merger. There shall be no merger of the interest or estate created by this assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The notices given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the address shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving written notice to the other parties, specifying the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Assignment.

Waive Jury. All parties to this Assignment hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

WAIVER OF RIGHT OF REDEMPTION. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

ASSIGNMENT OF RENTS (Continued)

Loan No: 420537-2

Page 4

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America.

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.
Borrower. The word "Borrower" means Anthony V. Pugliese, III.
Default. The word "Default" means the Default set forth in this Assignment in the section titled "Default".
Event of Default. The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.
Grantor. The word "Grantor" means Anthony V. Pugliese, III.
Guaranty. The word "Guaranty" means the guaranty from guarantor, indorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.
Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment.
Lender. The word "Lender" means Fidelity Federal Bank & Trust, its successors and assigns.
Note. The word "Note" means the promissory note dated March 22, 2006, in the original principal amount of \$552,500.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.
Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.
Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.
Rents. The word "Rents" means all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, leases, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT. THIS DOCUMENT IS EXECUTED ON MARCH 22, 2006.

GRANTOR: [Signature]
X Anthony V. Pugliese, III
WITNESSES:
X [Signature] Joyce A. Briggs
X [Signature] James A. Briggs
X [Signature] Kerry D. Seiser

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Florida)
COUNTY OF Palm Beach)
21ST day of March, 2005

The foregoing instrument was acknowledged before me this 21ST day of March, 2005 by Anthony V. Pugliese, III, who is personally known to me or who has produced an identification and did / did not take an oath.



[Signature] Joyce A. Briggs
[Signature] James A. Briggs
(Name of Acknowledger Typed, Printed or Stamped)
(Title or Rank)
(Serial Number, if any)

Obligor #5755488055
Obligation # 9004023918

PROMISSORY NOTE MODIFICATION AGREEMENT (FL)

THIS PROMISSORY NOTE MODIFICATION AGREEMENT ("Modification") is dated as of May 8, 2008, 2008 but is effective as of March 22, 2008 by and between Anthony V. Pugliese, III ("Borrower" or, if more than one (1), collectively "Borrower") and NATIONAL CITY BANK, a national banking association ("Bank").

BANK INCLUDES PREDECESSORS. The term "Bank" shall include all entities which were merged into, or whose name was changed to, National City Bank or a predecessor thereof, including but not limited to Fidelity Federal Bank & Trust.

WHEREAS, Bank agreed to lend to Borrower a principal amount not to exceed Five Hundred Fifty Two Thousand Five Hundred and 00/100 Dollars (\$552,500.00) ("Loan"), which Loan was evidenced by a certain promissory note dated March 22, 2005, (as extended, amended or otherwise modified to date, the "Note") (the Note and any other instrument or document given in connection with or to secure the Loan being collectively referred to as "Loan Documents").

WHEREAS, the parties hereto desire to modify the Note as hereinafter provided.

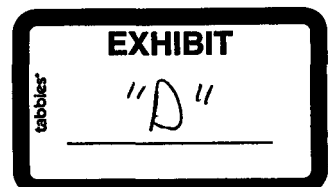
NOW, THEREFORE, in consideration of the foregoing promises and the covenants contained herein, the parties hereto agree as follows:

1. Liability of Borrower. Borrower hereby ratifies and reconfirms Borrower's obligations and all liability to Bank under the terms and conditions of the Loan Documents and acknowledges that Borrower has no defenses to or rights of set-off against Borrower's obligations and all liability to Bank thereunder. Borrower further acknowledges that Bank has performed all of Bank's obligations under the Loan Documents.

2. Modification. (a) The principal amount outstanding under the Note as of the effective date of this Modification is Five Hundred Fifty Two Thousand Five Hundred and 00/100 Dollars (\$552,500.00). The current principal amount outstanding under the Note as of April 28, 2008 is Five Hundred Fifty Two Thousand Five Hundred and 00/100 Dollars (\$552,500.00). The Note is hereby modified to provide that the Maturity Date has been extended from March 22, 2008 to June 22, 2008.

(b) The next payment is due May 22, 2008 and monthly thereafter as set forth in the Note. Payments prior to the first scheduled payment above have been made as evidenced by the books and records of Bank.

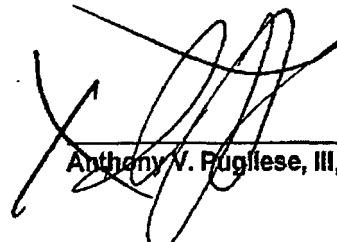
(c) The outstanding principal balance of the Note as of the date hereof is \$552,500.00. This Modification constitutes a renewal of that principal balance, without adding any obligors and without increasing the outstanding principal balance of the Note. Florida documentary stamp tax and non-recurring intangibles tax were paid with respect to the Note on a mortgage dated March 22, 2005 and recorded in Official Records Book 2195, Page 1062, of the Public Records of St. Lucie County, Florida. Because this Modification constitutes a renewal of the Note for the outstanding balance thereof without increasing the outstanding principal and without adding any obligors, it is exempt from Florida



documentary stamp and nonrecurring intangible taxes pursuant to F.S. 201.09 and F.S. 199.145. The Note is attached to this Modification.

3. Ratification of Loan Documents. The Loan Documents are in all respects ratified and confirmed by the parties hereto, and each of the Note and this Modification shall be read, taken and construed as one and the same instrument. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Note. In the event of any conflict between the terms and provisions of this Modification and the terms and provisions of the Note, the terms and provisions of this Modification shall control.

IN WITNESS WHEREOF, the undersigned have caused this Modification to be executed as of the day and year first above written.



Anthony V. Pugliese, III, individually

NATIONAL CITY BANK, A NATIONAL BANKING
ASSOCIATION

By: 

Print: Rhonda Kirkendall

Its: Vice President

Obligor # 5755488055
Obligation # 9004023918

PROMISSORY NOTE MODIFICATION AGREEMENT (FL)

THIS PROMISSORY NOTE MODIFICATION AGREEMENT ("Modification") is dated as of August 15, 2008 but is effective as of June 22, 2008 by and between Anthony V. Pugliese, III ("Borrower" or, if more than one (1), collectively "Borrower") and NATIONAL CITY BANK, a national banking association ("Bank").

BANK INCLUDES PREDECESSORS. The term "Bank" shall include all entities which were merged into, or whose name was changed to, National City Bank or a predecessor thereof, including but not limited to Fidelity Federal Bank & Trust.

WHEREAS, Bank agreed to lend to Borrower a principal amount not to exceed Five Hundred Fifty Two Thousand Five Hundred and 00/100 Dollars (\$552,500.00) ("Loan"), which Loan was evidenced by a certain promissory note dated March 22, 2005, (as extended, amended or otherwise modified to date, the "Note") (the Note and any other instrument or document given in connection with or to secure the Loan being collectively referred to as "Loan Documents").

WHEREAS, the parties hereto desire to modify the Note as hereinafter provided.

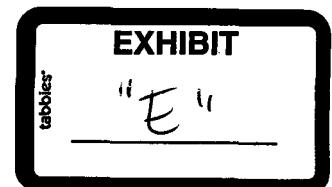
NOW, THEREFORE, in consideration of the foregoing promises and the covenants contained herein, the parties hereto agree as follows:

1. Liability of Borrower. Borrower hereby ratifies and reconfirms Borrower's obligations and all liability to Bank under the terms and conditions of the Loan Documents and acknowledges that Borrower has no defenses to or rights of set-off against Borrower's obligations and all liability to Bank thereunder. Borrower further acknowledges that Bank has performed all of Bank's obligations under the Loan Documents.

2. Modification. (a) The principal amount outstanding under the Note as of the effective date of this Modification is Five Hundred Fifty Two Thousand Five Hundred and 00/100 Dollars (\$552,500.00). The current principal amount outstanding under the Note as of August 7, 2008 is Five Hundred Fifty Two Thousand Five Hundred and 00/100 Dollars (\$552,500.00). The Note is hereby modified to provide that the Maturity Date has been extended from June 22, 2008 to June 22, 2009.

(b) The next payment is due August 22, 2008 and monthly thereafter as set forth in the Note. Payments prior to the first scheduled payment above have been made as evidenced by the books and records of Bank.

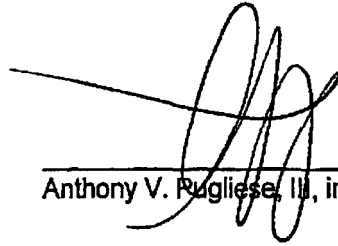
(c) The outstanding principal balance of the Note as of the date hereof is \$552,500.00. This Modification constitutes a renewal of that principal balance, without adding any obligors and without increasing the outstanding principal balance of the Note. Florida documentary stamp tax and non-recurring intangibles tax were paid with respect to the Note on a mortgage dated March 22, 2005 and recorded in Official Records Book 2195, Page 1062, of the Public Records of St. Lucie County, Florida. Because this Modification constitutes a renewal of the Note for the outstanding balance thereof without increasing the outstanding principal and without adding any obligors, it is exempt from Florida



documentary stamp and nonrecurring intangible taxes pursuant to F.S. 201.09 and F.S. 199.145. The Note is attached to this Modification.

3. Ratification of Loan Documents. The Loan Documents are in all respects ratified and confirmed by the parties hereto, and each of the Note and this Modification shall be read, taken and construed as one and the same instrument. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Note. In the event of any conflict between the terms and provisions of this Modification and the terms and provisions of the Note, the terms and provisions of this Modification shall control.

IN WITNESS WHEREOF, the undersigned have caused this Modification to be executed as of the day and year first above written.



Anthony V. Pugliese, III, individually

NATIONAL CITY BANK, A NATIONAL BANKING ASSOCIATION

By: 

Stephen Wursta, Jr.
Its: Vice President

[Multi-Million-Dollar Verdict Hits Florida Developer for His Scheme to Defraud Subway Founder in Massive Land Project](#)

By Arlin Crisco - Feb 13, 2017

West Palm Beach, FL—Jurors Friday cleared Subway founder Fred DeLuca of responsibility for the alleged breach of a massive land development agreement, and they handed down a to-be-trebled \$2.9 million verdict against his partners, a Florida real estate developer and his business manager, for their role in a scheme to defraud DeLuca.

The jury, in Florida's 15th Circuit, needed about 8 hours to find real estate developer Anthony Pugliese and his business manager, Joseph Reamer, liable to the estate of DeLuca, his company, and a land development firm on counts ranging from fraud to civil theft. The claims stemmed from Pugliese and Reamer's role in a conspiracy to fraudulently bill DeLuca through dummy corporations as part of the Destiny land development project on more than 25,000 acres in north central Florida.

The jury's award will be trebled under Florida law, according to Holland & Knight's Richard Hutchison, who represents the FD Destiny, DeLuca's company in the development, and DeLuca-affiliated parties. Hutchison said the treble damages, along with interest and attorney fees, will push the final award past \$10 million.

Friday's verdict, which contained 47 questions, aims to resolve the web of breach and fraud claims stemming from the failed development. While jurors found DeLuca had breached his portion of the contract, they concluded Pugliese's fraud and prior breach insulated DeLuca from liability.

DeLuca, as the project's primary financial backer, teamed with Pugliese on the project in 2005, intended to become an eco-friendly, mixed-use community near Ocala. However, the partnership, and the development, fell apart amid claims that DeLuca failed to make payments as agreed, while Pugliese mismanaged the property and fraudulently billed DeLuca more than a \$1 million through a series of dummy corporations and phony invoices.

Pugliese and Reamer pleaded guilty to felony fraud charges in 2015. DeLuca died that same year, leaving his estate, through his FD Destiny Corporation, to carry on its claims against Pugliese, whose breach of contract claims were filed through his AVP Destiny firm.

Friday's verdict wrapped a month-long trial in which the parties traded broadsides over who was responsible for the project's failure. AVP Destiny's attorneys argue DeLuca caused the development's collapse by breaching the contract 34 times through his refusal to pay on the project.

During Thursday's closing arguments, Edmond Lindsay & Hoffler's Tricia CK Hoffler, representing AVP Destiny, told jurors DeLuca refusal to fund the project and his various demands that were not contemplated by the operating agreement, including the mid-project demand of a budget, were designed to squeeze Pugliese out of the development so DeLuca could reap all of its profits.

She reminded jurors DeLuca initially funded the project despite its lack of a budget, and she contended his later insistence on a budget before he continued funding was merely a stalling tactic. "Fred DeLuca knew this: that if he stalled, if those workers weren't paid, and if he created the massive confusion with. . . months of failing to fund, he would bring Anthony Pugliese to his knees financially," Hoffler said. "And, that's exactly what he did."

Hoffler told jurors Pugliese set up his fraudulent billing scheme only after realizing DeLuca was trying to push him from the development and was a risk to stop funding again at any time. Hoffler noted Pugliese and Reamer had served jail time and repaid \$1.2 million as part of their no contest pleas for the fraud. "Anthony Pugliese and Joe Reamer made a mistake," she said. "But, we're asking you to hold Fred DeLuca accountable for all of his manipulations, financial manipulations, delays designed to destroy this project, which he did."

AVP Destiny's attorneys did not request a specific amount in damages during Thursday's closings. However, Gary, Williams, Parenti, Watson & Gary's Willie Gary argued evidence showed the development would have been worth more than a billion dollars, and his clients should be receive an award with that in mind. "They breached and they breached and they breached. And, Fred DeLuca knew he was breaching," Gary said. "That's the way he does business. He brings you to your knees."

By contrast, FD Destiny attorneys argued DeLuca did not breach the contract but merely temporarily withheld payment when the project was running without a budget, and they claimed Pugliese bore responsibility for a percentage of the project's costs. During Thursday's closing arguments, Holland & Knight's Richard Hutchison reminded jurors a host of people involved in the development testified that Pugliese was responsible for 25% of the project's costs after initial funding. "The only two people who testified that it wasn't (a 75-25 split) were Joseph Reamer and Anthony Pugliese, [with] not one [supporting] document," Hutchison said. "So you have to believe those two, or you have to find for FD Destiny on the breach of contract [claims]."

Hutchison argued Pugliese knew he was ill-suited for such a complex development project and capped his mismanagement with fraud. Hutchison told jurors Pugliese had not managed a development bigger than 20 acres before taking on the Destiny project, and he made numerous missteps during the project, including his failure to perform due diligence that ultimately led the partnership to buy protected wetlands that could not be developed. "It had so many wetlands, it would send its [state-administered environmental development] credits somewhere and just stay preserved and be a conservation area forever. It was a sender of building credits not a receiver," Hutchison said. "They bought the wrong property."

Hutchison walked jurors through evidence of Pugliese's phony billing scheme and alleged misappropriation of funds that Hutchison said topped \$2.9 million. "This wasn't a mistake. Somebody sat down, somebody drew this up, thought about [it], using imagination, used artistic creativity, came up with this whole idea of fake companies," Hutchison said. "This was an organized scheme to defraud."

<https://blog.cvn.com/multi-million-dollar-verdict-hits-florida-developer-for-his-scheme-to-defraud-subway-founder-in-massive-land-project>

Delray developer Pugliese takes plea deal on fraud, theft charges

By **MARC FREEMAN** SUN SENTINEL | AUG 27, 2015 AT 7:30 PM

Delray Beach-based developer Anthony Pugliese III is likely to spend at least six months behind bars under a plea deal that resolves longstanding fraud charges stemming from an aborted Florida building venture with a Subway restaurant chain co-founder.

Rather than stand trial beginning Sept. 11, Pugliese, 68, is to be sentenced Nov. 25, based on terms presented this week to [Palm Beach County](#) Circuit Judge Glenn Kelley.

In the complicated case, Pugliese and his business manager, Joseph Reamer, 57, were accused of using fake companies and phony billings to steal more than \$1 million from Subway's Frederick DeLuca.

The criminal charges from 2012 concerned their partnership in an aborted, 41,000-acre, green community project south of Orlando. These allegations emerged about three years after Pugliese and DeLuca began suing each other for \$5 billion in civil court, in cases still pending without a trial date.

An attorney for Pugliese told the Sun Sentinel on Thursday the developer decided to "accept a compromise" from prosecutors so his family would have peace of mind knowing he'll be able to serve the sentence and come home for cancer treatments.

"It is with his family in mind that he has decided not to spend any more time, stress or hardship defending against the criminal charges," Edgar Belaval Jr., litigation manager for Pugliese, said in a statement.

Rick Hutchison, DeLuca's attorney from the firm Holland & Knight, told the Sun Sentinel that DeLuca is "is pleased that justice was served" and thanked former and current prosecutors in the case.

"After years of false denials of their theft from Fred DeLuca, and repeated false attacks on Mr. DeLuca and his attorneys ... [Pugliese and Reamer] finally accepted responsibility for their crimes," Hutchison said. "Anthony Pugliese will serve significant jail time, followed by probation, and must pay over \$1 million in restitution to Mr. DeLuca."

On Wednesday, Reamer pleaded no contest to a single felony charge of conspiracy to commit organized scheme to defraud over \$50,000.

Such a plea accepts the penalty for a crime without admitting guilt, although Judge Kelley formally declared Reamer guilty and sentenced him to four years probation. He'll be allowed to request an end to the probation after two years.

James D. Miller, a Southwest Florida special prosecutor assigned to the case, agreed to drop 18 charges against Reamer, and 17 charges against Pugliese, in exchange for the plea agreements. One of the dropped charges was a count of money laundering over \$100,000.

Also appearing before Kelley Wednesday, Pugliese pleaded no contest to the same conspiracy charge as Reamer, as well as one count of grand theft over \$20,000.

Pugliese's plea deal calls for an 18-month state prison sentence, which will be reduced to a six-month jail sentence as long as Pugliese pays back DeLuca within the next 90 days. Pugliese, according to the terms negotiated by defense attorney Douglas Duncan, also will be sentenced to 10 years of probation.

Had the cases gone to trial, both defendants faced up to 290 years in prison if convicted on all charges. Pugliese and DeLuca began as friends, agreeing in 2009 to build an environmentally friendly development called Destiny. Planned for 64-square miles of Osceola and Indian River counties, it quickly fell apart and the lawsuits followed.

In October 2012, the [Palm Beach County](#) State Attorney's Office announced charges against Pugliese and Reamer. They were accused of creating bogus companies and using phony vendor invoices to funnel money from DeLuca for a variety of personal luxury expenses, including an \$11,000 "moat chilling machine" for Pugliese's oceanfront mansion in Gulf Stream. It was intended to cool the pond to keep the fish alive, according to an arrest report.

Among other fraudulent purchases, from 2008 to 2009, were a \$150,000 sound system for the mansion, \$41,000 for construction at a Pugliese-owned self-storage building, and landscaping and pest control activities at Pugliese's home, authorities said.

In sworn statements in the civil cases, Pugliese and Reamer admitted to creating the phantom companies and fake invoices — but only in an effort to protect the Destiny project in case DeLuca pulled his financial support. The defendants insisted the funds in question were spent only on legitimate development expenses.

Pugliese's legal team has called him a victim of a scheme by DeLuca to cut him out of the massive development and reap all of the financial rewards.

Belaval, Pugliese's representative, said this week's plea deal "will not deter his civil case" against DeLuca.

Pugliese's civil attorneys have accused DeLuca's lawyers of using influence with former State Attorney Michael McAuliffe to spark the criminal investigation.

The charges against Pugliese and Reamer were filed by McAuliffe's successor, Peter Antonacci, who ran the office until Dave Aronberg took over in January 2013. Aronberg cited conflicts of interest and handed the case off; Pugliese was a donor to Aronberg's election campaign.

DeLuca's attorneys have won civil sanctions against Pugliese at least five times since the civil litigation started, exceeding \$500,000, to cover legal fees and other costs, records show. DeLuca accused Pugliese of "bad faith litigation."

Developer Pugliese must pay \$23.1M in failed eco-city project

By [Jane Musgrave](#) Posted Apr 10, 2019 at 6:35 PM Updated Apr 11, 2019 at 9:20 AM

The decision by the 4th District Court of Appeal brings an end to the decade-long legal battle between Anthony Pugliese and the late Subway chain founder.

WEST PALM BEACH — A failed plan to team up with [Subway founder Fred DeLuca](#) to build an eco-city in Central Florida will cost [Delray Beach developer Anthony Pugliese \\$23.1 million](#), an appeals court ruled Wednesday.

The decision by the 4th District Court of Appeal brings an end to the decade-long legal battle between Pugliese and the sandwich tycoon, who died of leukemia in 2015 at age 67, said attorney Rick Hutchison, who represents DeLuca's widow, Elisabeth.

"We believe that the opinion is definitive and the end of the litigation concerning the \$23 million final judgment," Hutchison said in a statement.

Attorney Bruce Rogow, who represented Pugliese in the appeal, didn't return a phone call for comment.

The appellate decision offers Pugliese little ability to ask the Florida Supreme Court to weigh in because the judges didn't explain their reasons for rejecting Pugliese's request for a new trial.

"We affirm ... without further comment," the judges wrote.

During a five-week trial in 2017, Pugliese admitted he sent DeLuca \$2.9 million in phony invoices. The 72-year-old politically connected developer even told the jury he was convicted of charges of grand theft and conspiracy to commit organized scheme to defraud and served four months of a six-month jail sentence. He denied prosecutors' claims that he used some of the money for personal items, including [a moat chiller to protect fish swimming outside his Gulf Stream mansion](#).

He said he crafted the phony invoices, including designing logos for fake companies, to keep his "dream" project afloat. The plan to build a city called Destiny on 41,000 acres near Yeehaw Junction was threatened when DeLuca reneged on his promise to bankroll the project, he said.

The jury found Pugliese breached the contract with DeLuca and awarded the Subway founder's widow \$2.9 million. Because jurors also found that Pugliese committed civil theft, the damages were tripled. With interest and attorneys fees, the judgment ballooned to \$23.1 million.

2018 RFP EVALUATION FORM - SW 600-800 W. Atlantic Avenue

	Development Team Experience	Project Concept	Community Inclusion	Financial Structure	Fiscal Impact	Total
Possible Scoring	80	100	80	80	60	400
BH3, LLC	57	68	52	60	33	270
Jones New Urban Delray, LLC	71	77	69	69	40	326
Kayne Anderson Real Estate	65	58	66	69	45	303
Prime Investors and Developers, LLC	69	68	60	70	45	312
Uptown Delray, LLC	52	52	41	65	43	253

2018 RFP EVALUATION FORM - SW 600-800 W. Atlantic Avenue

	Development Team Experience	Project Concept	Community Inclusion	Financial Structure	Fiscal Impact	Total
Possible Scoring	20	25	20	20	15	100
BH3, LLC	15	18	12	15	5	65
Jones New Urban Delray, LLC	15	20	18	15	10	78
Kayne Anderson Real Estate	15	10	18	15	10	68
Land America, LLC	10	8	12	15	10	55
Prime Investors and Developers, LLC	17	15	16	15	10	73
Uptown Delray, LLC	15	10	12	15	10	62

Evaluator Comments:

Name:

Anthea Gianniotes

Anthea Gianniotes 1/10/19

2018 RFP EVALUATION FORM - SW 600-800 W. Atlantic Avenue

	Development Team Experience	Project Concept	Community Inclusion	Financial Structure	Fiscal Impact	Total
Possible Scoring	20	25	20	20	15	100
BH3, LLC	15	20	15	10	11	71
Jones New Urban Delray, LLC	20	22	18	19	12	91
Kayne Anderson Real Estate	19	23	20	19	12	93
Land America, LLC	9	12	12	9	12	54
Prime Investors and Developers, LLC	20	23	19	20	13	95
Uptown Delray, LLC	12	12	9	15	11	59

Evaluator Comments:

Name:

Joan Goodrich *Joan K. Goodrich 1/10/19*

2018 RFP EVALUATION FORM - SW 600-800 W. Atlantic Avenue

	Development Team Experience	Project Concept	Community Inclusion	Financial Structure	Fiscal Impact	Total
Possible Scoring	20	25	20	20	15	100
BH3, LLC	12	15	15	15	2	59
Jones New Urban Delray, LLC	16	20	18	15	10	79
Kayne Anderson Real Estate	16	15	18	15	10	74
Land America, LLC	10	10	13	15	10	58
Prime Investors and Developers, LLC	17	18	15	15	10	75
Uptown Delray, LLC	10	15	10	15	10	60

Evaluator Comments:

Name:

Renee Jadusingh

2018 RFP EVALUATION FORM - SW 600-800 W. Atlantic Avenue

	Development Team Experience	Project Concept	Community Inclusion	Financial Structure	Fiscal Impact	Total
Possible Scoring	20	25	20	20	15	100
BH3, LLC	15	15	10	20	15	75
Jones New Urban Delray, LLC	20	15	15	20	8	78
Kayne Anderson Real Estate	15	10	10	20	13	68
Land America, LLC	10	10	10	20	12	62
Prime Investors and Developers, LLC	15	12	10	20	12	69
Uptown Delray, LLC	15	15	10	20	12	72

Evaluator Comments:

Name:

Tim Stillings  1-10-19

APPLICATION FOR COMPREHENSIVE PLAN AMENDMENT

CITY OF PORT ST. LUCIE

Planning & Zoning Department
121 SW Port St. Lucie Boulevard
Port St. Lucie, Florida 34984
(772) 871-5213

FOR OFFICE USE ONLY

Planning Dept _____
Fee (Nonrefundable)\$ _____
Receipt # _____

Refer to "Fee Schedule" for application fee. Make checks payable to the 'City of Port St. Lucie.' Fee is nonrefundable unless application is withdrawn prior to advertising for the Planning and Zoning Board meeting. **All** items on this application should be addressed, otherwise it can not be processed. Attach proof of ownership; two copies of deed. Please type or print clearly in **BLACK** ink.

PRIMARY CONTACT EMAIL ADDRESS: Mhouston@hjadstudio.com OR Erika@hjadstudio.com

PROPERTY OWNER

Name: KTLC RIVER PLACE, LLC
Address: 2055 US Highway 1, Vero Beach, FL 32960
Telephone No.: _____

IF PROPERTY IS IN MULTIPLE OR CORPORATE OWNERSHIP, PLEASE PROVIDE ONE CONTACT PERSON.

Name: Alejandro Zurita Land America, LLC
Address: Pugliese Corporate Center
101 Pugliese's Way, Suite 200, Delray Beach, Florida 33444
Telephone No.: 561-441-4203

AGENT OF OWNER (if any)

Name: HJA Design Studio - Michael Houston
Address: 50 E. Ocean Blvd., Suite 101, Stuart,
Florida 34994
Telephone No.: 772-678-7200

PROPERTY INFORMATION

TRACT "N", RIVER PLACE ON THE ST. LUCIE, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 39, PAGE 29, PUBLIC RECORDS OF SAINT LUCIE COUNTY, FLORIDA, LESS AND EXCEPT THAT PORTION KNOWN AS WINDY RIVER WAY, AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED IN O. R. BOOK 1386, PAGE 1794, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA.

Boundary Description (attach map)
Property Tax I.D. Number 3416-675-0034-000-7
Current Land Use CG & RL Proposed Land Use RL
Current Zoning PUD Acreage of Property 19.75

Reason for Comprehensive Plan Amendment: To convert aprox. 15.4 acres of General Commercial (CG) land use on the parcel "N" Tract of the River Place PUD to a Low Density Residential (RL) landuse to match the existing pattern of single family development already found within the community. The commercial parcel has remained vaccant since the orignail approval.

 Michael Houston 1.27.21
Signature of Owner Hand Print Name Date

2020 FLORIDA PROFIT CORPORATION ANNUAL REPORT

DOCUMENT# P04000151431

Entity Name: LAND AMERICA REALTY, INC.

Current Principal Place of Business:

101 PUGLIESE'S WAY
2ND FLOOR
DELRAY BEACH, FL 33444

Current Mailing Address:

101 PUGLIESE'S WAY
2ND FLOOR
DELRAY BEACH, FL 33444 US

FEI Number: NOT APPLICABLE

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

121947, LLC
101 PINEAPPLE GROVE WAY
2ND FLOOR
DELRAY BEACH, FL 33444 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: J REAMER AS AUTHORIZED REPRESENTATIVE OF 121947, LLC 06/15/2020
Electronic Signature of Registered Agent Date

Officer/Director Detail :

Title	P/D	Title	VP/D
Name	PUGLIESE, ANTHONY V III	Name	PUGLIESE, LAURA K
Address	101 PUGLIESE'S WAY 2ND FLOOR	Address	101 PUGLIESE'S WAY 2ND FLOOR
City-State-Zip:	DELRAY BEACH FL 33444	City-State-Zip:	DELRAY BEACH FL 33444

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: ANTHONY V PUGLIESE III PD 06/15/2020
Electronic Signature of Signing Officer/Director Detail Date