



March 2, 2020

Yacht Chandlers, Inc.  
c/o Timothy McMillan and James James  
750 W. Sunrise Blvd.  
Fort Lauderdale, FL 33311

Re: A) Refinance 750 W. Sunrise Blvd., Fort Lauderdale  
B) new Line of Credit

Dear Mr. McMillan and Mr. James:

BankUnited, N.A. (hereinafter "Bank") is pleased to provide you with the terms upon which the Bank will provide financing for the above referenced property. Please note that this letter is a basic outline of the general terms and conditions of the said financing and is not intended to be a comprehensive listing.

**Borrower(s):** A) & B) Yacht Chandlers, Inc.

**Guarantor(s):** A) & B) Timothy McMillan and James James

**Loan Purpose:** A) Refinance 1<sup>st</sup> mortgage on 750 W. Sunrise Blvd., Fort Lauderdale, FL  
B) Working Capital

**Loan Amount:** A) \$2,905,000.00  
B) \$55,000.00

**Collateral:** A) 1<sup>st</sup> mortgage in the amount of \$2,905,000, plus an assignment of all leases and rents, on all land and improvements located at 750 W. Sunrise Blvd., Fort Lauderdale, FL 33311 [parcel 4942-34-05-4281].  
  
1<sup>st</sup> position blanket UCC filing on corporate assets of Borrowers.  
  
B) 1<sup>st</sup> position blanket UCC filing on corporate assets of Borrowers.

**Interest Rate:** A) Fixed rate of 3.99% for the term of the loan.  
B) 275 basis points over BankUnited Prime Index, variable. Indicative rate as of this date is 7.50%.

**Fees:** A) Commitment fee: 0.50% of the loan amount (\$14,525.00).  
B) Commitment fee: \$250.00

*The following fees are to be paid upon signing this agreement:*

*\$7,387.50 representing half of the Commitment Fee (non-refundable)*

*\$2,884.00 Appraisal Fee\**

*\$1,905.50 Environmental Assessment Fee\**

*Total fees due now: \$12,177.00*

*\*Note: Appraisal/environmental fee amounts are only guaranteed for 3 business days from date of this Commitment Letter, and are subject to change. Said fees are non-refundable if third party appraisal and/or environmental assessment reports have been ordered in connection with this transaction.*

<b>Maturity:</b>	A) Ten (10) years from date of closing. B) On Demand
<b>Payment Structure and Amortization:</b>	A) Monthly payments of principal and interest based on a 25-year amortization. B) 1/48 Principal and Interest payments
<b>Prepayment Penalty:</b>	Five (5) year declining prepayment penalty (5%, 4%, 3%, 2%, 1%, respectively, beginning with year 1).

**Pre-Closing Conditions:**

1. Liquidity verification via bank of Borrowers and Principals to be found satisfactory to Bank, prior to closing. This is to include personal liquidity, retirement accounts and corporate liquidity. Verification must include but is not limited to minimum verified balance of \$200,000 held Personally/Corporate.
2. Borrower to establish their primary deposit relationship with BankUnited. All accounts are to be maintained with BankUnited N.A. during the term of the loan.
3. Automatic debit of loan payment from Borrower's BankUnited account.
4. Verification of Borrower and Guarantor's tax returns via IRS Form 4506-T prior to closing.
5. Receipt and satisfactory review of organizational documents for all corporate Borrowers/Guarantors.
6. Signed BankUnited payoff authorization.
7. Receipt and satisfactory review of UCC Termination of filing SSK Mgmt, LLC #201804562015 and Stonegate Bank #201700087655
8. Receipt and satisfactory review of most recent 2 months of Borrower's/Guarantor's bank statements.
9. Receipt and satisfactory review of current insurance certificates prior to closing to include: General Liability, Hazard, Wind, & Flood (if applicable).
10. Receipt and satisfactory review of Beneficial Ownership Certification.
11. Lender's Title Insurance in the amount of the loan request. Submission of prior owner's title policy.
12. Receipt and satisfactory review of Survey (if required by Title Company).
13. Satisfactory review by the Bank of a current appraisal prepared by an appraiser satisfactory to the Bank in an amount sufficient to support a maximum LTC/LTV of 80% based on an "as is" appraisal, whichever is less.
14. Satisfactory review by the Bank of an Environmental Questionnaire Phase I indicating no environmental contamination risk.
15. The Borrower to pay all out of pocket costs associated with the closing of this transaction, including but not limited to legal costs and third party reports.
16. All other terms and conditions as determined by BankUnited and/or its counsel.

**Standard Loan Agreement Covenants:**

- 1) Borrower to submit annual corporate tax returns (including K-1 schedules and attachments) within 30 days of filing or no later than October 31st.
- 2) Borrower to submit annual financial statements, including consolidated and consolidating information, if applicable, within 30 days of completion or no later than October 31st. Borrower shall provide Company-Prepared financial statements.

- 3) Personal Guarantors to submit personal financial statement(s) annually by October 31st. PFS must be in BankUnited form or properly certified to BankUnited.
- 4) Personal Guarantors to submit annual personal tax return(s) (including K-1 schedules and attachments) within 30 days of filing or no later than October 31st.
- 5) The Borrower and Operating Company to maintain their primary banking relationship with BankUnited for life of the loan.
- 6) Loan to be on automatic debit from a BankUnited account for life of the loan.
- 7) No secondary financing will be allowed.
- 8) No material change in ownership of Borrower during any time during the term of the loan without the consent of BankUnited.
- 9) Borrower and Guarantor will provide BankUnited with additional financial statements at Bank's request within 10 days.
- 10) No additional indebtedness in excess of \$100,000 without BankUnited's written consent.
- 11) Borrower to submit current year-to-date financials by October 31st.
- 12) Escrow of taxes and property insurance will be required.
- 13) Subordination of any current and future shareholder's debt to all outstanding loans to BankUnited for the term of the loan. Repayment of principal and/or interest is prohibited.
- 14) All BankUnited facilities to be cross-defaulted
- 15) Assignment of all rents and leases for subject property.
- 16) Hazard and Windstorm insurance to be issued by a carrier with a Best rating of A- or better and minimum financial class size of IX. Coverage to be provided in the amount of the lesser of the loan amount or the insurable value as concluded to by the Bank's approved appraiser. The insurance certificate is to list BankUnited as first mortgagee. Certificate is also to list the Borrower's name as well as the subject property address.
- 17) Liability insurance to be issued by a carrier with a Best rating of A- or better and minimum financial class size of IX. Coverage to be provided in the amount of \$1,000,000 per occurrence with a general aggregate limit of \$2,000,000. The insurance certificate is to list BankUnited as an additional insured. Certificate is also to list the Borrower's name as well as the subject property address.
- 18) Flood insurance to be issued by a carrier with a Best rating of B or better should a flood determination reveal that the property is in a flood zone. The insurance certificate is to list BankUnited as first mortgagee. Certificate is also to list the Borrower's name as well as the subject property address.

This letter provides a basic outline of the terms and conditions upon which the Bank will make the loan. This letter does not include the details of such terms and conditions which may be required by the Bank, including, but not limited to, due on sale provisions, default rate of interest prohibitions or subordinates liens, applications of insurance (hazard, improvements and liability from an "A-" rated company; flood from "B" rated company as classified by Moody's) and condemnation proceeds, assignment of leases, survey, waivers and subordinations by Guarantors, financial covenants and the form and content of financial statements, etc. Loan closing to be performed by a Bank approved attorney and Borrower(s) to pay all costs associated with this transaction including Bank attorney's fees irrespective of whether the contemplated transaction is consummated. This letter shall in no event constitute a "credit agreement" as defined in Section 687.0304, Florida Statutes.

BankUnited is very pleased to provide this financing for you. If the terms outlined herein are acceptable to you, please signify your approval where indicated below and return a copy of this letter along with a check for the loan fees to my attention. **The terms and conditions referenced herein will expire on 3/9/2020, unless otherwise extended by the Bank. In addition, the loan referenced herein must close on or before 3/31/2020, or this commitment will expire.**

Should you have any questions, please contact me at (954) 498-1183. Thank you for considering BankUnited for your financing needs.


Sincerely,



Emmanuel Bruno, VP  
Commercial Banker I  
BankUnited, N.A.

Read and agreed this 3 day of March, 2020:

For: Yacht Chandelers, Inc.

  
\_\_\_\_\_  
Timothy McMillan as its: President  
Name

Guarantors:

  
\_\_\_\_\_  
Timothy McMillan, Individually  
\_\_\_\_\_  
James James, Individually