Pd 5/30/06

COPY

SECURED REGISTERED PROMISSORY NOTE

No. 022706-1747

$3,010,000.00 D1735 Ref# 5311 Minneapolis, Minnesota

February 27, 2006

FOR VALUE RECEIVED, the undersigned, PALM BEACH FINANCE HOLDINGS, INC. a Minnesota corporation (the "Company") promises to pay to the order of PBFP HOLDINGS, LLC or its assigns (the "Holder"), at the place designated at any time by the holder hereof, in lawful money of the United States of America and in immediately available funds, the principal amount of Three Million Ten Thousand Dollars and No Cents United States Dollars ($3,010,000.00) (the "Principal Amount") on the earlier of (i) the May 28, 2006 day, but in no event later than the 182nd day, after the date hereof, or (ii) the business day after the date upon which Company receives available funds from payment from the buyer on the inventory sale financed by the proceeds of this Note (such date, the "Maturity Date"), together with interest on the unpaid principal balance hereof from the date hereof until this Note is fully paid, at an annual rate of interest, calculated on the basis of actual number of days elapsed in a 360 day year, that shall be equal to Fifteen percent (15%). The proceeds of this Note will be used to purchase inventory pursuant to the purchase order attached hereto. This Note is secured pursuant to a Security Agreement dated as of November 26, 2002 made by the Company in favor of PBFP Holdings, LLC (as such agreement may be amended, restated, modified or replaced from time to time, the "Security Agreement")

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1. Prepayment. This Note may be prepaid in whole or in part at any time or from time to time, without penalty or premium. Payments hereunder shall be applied first to the payment of accrued interest and then to reduction of principal.

2. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default:" The Company shall (a) fail to make when due, whether by acceleration or otherwise, any payment of principal of, or interest on, this Note; or (b)(i) be or become insolvent, (ii) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Company or of all or a substantial part of the Company's property, (iii) commence a voluntary case under any federal or state bankruptcy, insolvency, or similar law, (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (v) admit in writing its inability to pay its debts as they come due (vi) make an assignment for the benefit of its creditors; or (vii) become an involuntary party to (or be made the subject of) any bankruptcy proceeding or any other insolvency, readjustment of debt, marshalling of assets and liabilities, or similar procedures of or relating to the Company or relating to all or a significant portion of its properties, which proceeding is not dismissed within 60 days after the commencement thereof.

3. Remedies. If any Event of Default shall occur and be continuing, the outstanding unpaid principal balance of this Note and the accrued interest thereon shall automatically become immediately due and payable. In addition, upon any Event of Default, the Holder may exercise all rights and remedies under the Security Agreement and any other instrument, document or agreement in favor of the Holder, and enforce all rights and remedies under any applicable law. No delay or failure on the part of the Holder in exercising any right or remedy hereunder, or at law or at equity, shall operate as a waiver of or preclude the exercise of any such right or remedy, and no single or partial exercise by the Holder of any such right or remedy shall preclude or estop another or further exercise thereof or exercise of any other right or remedy. No waiver by the Holder hereof shall be effective unless in writing signed by the Holder. A waiver on any one occasion shall not be construed as a waiver of any such right or remedy on any prior or

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GOVERNMENT EXHIBIT 243 08cr364(RHK/AJB)

subsequent occasion.

4. Intention of Parties. If this Note is assigned or transferred to a noteholder that is not a "United States person," within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code"), then it is the intention of the Company and such noteholder that (x) all interest accrued and paid on this Note will qualify for exemption from United States withholding tax as "portfolio interest," because this Note will be an obligation which is in "registered form," within the meaning of Sections 871(h)(2)(B) and 881(c)(2)(B) of the Code and the applicable Treasury Regulations promulgated thereunder, and (y) as such, all interest accrued and paid on this Note will be exempt from United States information reporting under Sections 6041 and 6049 of the Code and United States backup withholding under Section 3406 of the Code. The parties agree to cooperate with one another, and to execute and file such forms or other documents, or to do or refrain from doing such other acts, as may be required, to secure such exemptions from United States withholding tax, information reporting, and backup withholding. In furtherance of the foregoing, such noteholder hereby represents, warrants and covenants to the Company that (i) such noteholder is not, and will not be as long as any amounts due under this Note are outstanding, a "United States person," within the meaning of Section 7701(a)(30) of the Code; (ii) such noteholder is not, and will not be as long as any amounts due under this Note have not been paid in full, a person described in Section 881(c)(3) of the Code; and (iii) such noteholder shall have submitted an IRS Form W-8BEN (or successor form) as required by Paragraph 5 of this Note.

5. Assignment. The terms and conditions of this Note shall be binding upon and inure to the benefit of the Company and the Holder and its permitted assigns; provided, however, that if such assignment is to any noteholder that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, then such noteholder shall submit to the Company on or before the date of such assignment if such consent is otherwise obtained and such assignment is to any noteholder that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, then such noteholder shall submit to the Company on or before the date of such assignment a properly executed U.S. Internal Revenue Service ("IRS") Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (or any successor form prescribed by the IRS), certifying as to such noteholder's status for purposes of determining exemption from United States withholding tax, information reporting and backup withholding with respect to all payments to be made to such noteholder hereunder, and if an event occurs that would require a change in the exempt status of such noteholder or any of the other information provided on the most recent IRS Form W-8BEN (or successor form) previously submitted by such noteholder to the Company hereunder, such noteholder will so inform the Company in writing (or by submitting to the Company a new IRS Form W-8BEN or successor form) within 30 days after the occurrence of such event). Any attempted assignment in violation of this Section 5 shall be void and of no force and effect. Until there has been a valid assignment of this Note and of all of the rights hereunder by the Holder in accordance with this Section 5, the Company shall deem and treat the Holder as the absolute beneficial owner and holder of this Note and of all of the rights hereunder for all purposes (including, without limitation, for the purpose of receiving all payments to be made under this Note).

6. Waiver. The Company waives diligence, demand, presentment, notice of nonpayment, protest, and notice of protest all in the sole discretion of the Holder and without notice and without affecting in any manner the liability of the Company.

7. Registered Instrument. This Note is a registered instrument.

8. No Oral Modification. This Note may not be changed, modified or terminated orally.

9. Governing Law. This Note is being delivered in, and shall be governed by the laws of, the State of Minnesota.

PALM BEACH FINANCE HOLDINGS, INC.

By: _____
Its: _____

::ODMA\PCDOCS\FBDOCS1\2531544\1

PETTERSCOMPANY, INC
4400 Baker Road, Suite 200
Minnetonka, MN 55343
952-934-9918 *(phone*
952-975-2295 *(fax*

February 27, 2006

Dear Mr. Bruce Prevost:

Please wire $3,010,000.00 for Purchase Order [redacted]o Nationwide Int'l Resources.

First Regional Bank
1801 Century Park East
Los Angeles, CA 90061
ABA [redacted]

Nationwide International Resources, Inc.
ACCT. [redacted]

If you have any questions, please contact our service agent.

Sincerely

Deanna L. Munson
Vice President, Operations

Sales Confirmation

This Sales Confirmation is made by PETTERS COMPANY, INC. (the "Seller") and PALM BEACH FINANCE HOLDINGS, INC. (the "Buyer") pursuant to the Sales and Servicing Agreement between them dated as of November 26, 2002. This Sales Confirmation is in addition to, and is not in substitution for, all previous Sales Confirmations given under the Sales and Servicing Agreement.

The following inventory sale is sold by the Seller to the Buyer and constitutes Purchase and Sales Rights under the Sales and Servicing Agreement:

Inventory Seller Name: Nationwide Auto Resources

Seller Purchase Order No. [redacted]

Obligor Name: BJ's

Obligor Purchase Order No. [redacted]

Purchase Price: $3,014,720.00

By signing below, Seller represents and warrants that all Conveyed Property, as such term is defined in the Sales and Servicing Agreement with respect to the Purchase and Sale Rights listed above, is being sold, assigned, transferred and conveyed to Buyer free and clear of all liens, pledges, encumbrances, security interest, charges or other interest credited by Seller. Seller has not sold, assigned or otherwise transferred any right or interest in or to the Conveyed Property for any loan or obligation of Seller or for any other purpose.

PETTERS COMPANY, INC.

By: Donna Munson

Its: VP, Operations

Dated: 2/27/06

PALM BEACH FINANCE HOLDINGS, INC.

By: Donna Munson

Its: VP, Operations

Dated: 2/27/06

PETTERS COMPANY, INC.

4400 BAKER ROAD, SUITE 200, MINNETONKA, MN 55343
PHONE 952-934-9918 FAX 952-975-2295

PURCHASE ORDER

Selling to BJ's

TO: NATIONWIDE INT'L RESOURCES
2346 WESTWOOD BLVD.
LOS ANGELES, CA 9064

SHIP TO: WILL ADVISE

ORDERED BY:	TOM PETTERS	*PURCHASE ORDER NUMBER:*	42295
DATE:	2-21-06	*SHIP VIA:*	BEST WAY
PAYMENT TERMS:	WIRE	*F.O.B. POINT*	CA

ITEM NO.	DESCRIPTION	UNIT	QTY.	UNIT COST	TOTAL AMOUNT
KVT717DVD	KENWOOD IPOD/DVD DECK/MP3 & 7" MONITOR		3,200	$942.10	$3,014,720.00

SUBTOTAL	$3,014,720.00
Shipping charges	
Handling charges	
Insurance	
Tax rate % Tax	$0.00
TOTAL DUE	$3,014,720.00

Your receipt and acceptance of this purchase price for the inventory which is the subject of this purchase order shall be deemed acknowledgment of the following: (i) all such inventory is being held by you solely for our account and subject to our instructions, with due care; (ii) you have no further rights in such inventory and will defend title to such inventory on our behalf as well as our successors and assigns; and (iii) all such inventory shall be specifically excluded from any and all liens and security interest in favor of your creditors.

B J'S WHOLESALE CLUB

PURCHASE ORDER

P.O. PAGE 1 OF 1

PO [redacted]
ORDER DATE 02/23/06
REQUIRED DELIVERY 04/15/06

TO: PETTERS COMPANY, INC
4400 BAKER ROAD, SUITE 200
MINNETONKA, MN 55343
TEL 952-932-3200

SHIP TO: BJ'S #820 BRISTOL DISTRB CENT
42 RUNWAY RD 215-547-6980
LEVITTOWN , PA. 19057-00000

FAX REP#

FRIGHT TERMS COLLLECT PURCHASER PAYS FOB. ORGIN
LOS ANGELES, CA FREIGHT CLASS 85 0
ROUTING INSTRUCTIONS: A TO Z TRANSPORTATION

AP[redacted] PAYMENT TERMS

CD	PCT	CUTOFF	DISC	NET
2	.0	0	0	60

TRANSMITTED: FAX

LINE NO.	BJ'S SKU	DESCRIPTION	MFG STYLE NO.	UPC	UNITS ORDERED	CASE PACK	CASES ORDERED	PALLET PATTERN	COST	PER	EXTENDED COST
1		KENWOOD IPOD/DVD DECK/MP3 & 7" MONITOR	KVT717DVD		3200				$1,045 73	EA	$3,346,336 00

CONTACT BUYING OFFICE IMMEDIATELY IF THERE ARE ANY DISCREPANCIES ON THIS PURCHASE ORDER.

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
MARK WYDER 952-475-6681

B. SEND ACKNOWLEDGMENT TO. (Name and Address)

METRO GEM, INC.
PO BOX 97
EXCELSIOR, MN 55331

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do no abbreviate or combine names

1a. ORGANIZATION'S NAME
PETTERS COMPANY, INC.

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
4400 BAKER ROAD, SUITE 200	MINNETONKA	MN	55343	USA

1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
[redacted]		CORPORATION	MN	[redacted] ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
PALM BEACH FINANCE HOLDINGS, INC.

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
4400 BAKER ROAD	MINNETONKA	MN	55343	USA

4. This FINANCING STATEMENT covers the following collateral:

AS ON ATTACHED EXHIBIT A

THE COLLATERAL HAS BEEN SOLD BY SELLER TO THE BUYER. IF SELLER RECEIVES POSSESSION OF ANY COLLATERAL, SELLER HOLDS SUCH COLLATERAL IN TRUST FOR THE BUYER OR ITS ASSIGNEE.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☒ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)