

FUTURE ADVANCE PROMISSORY NOTE

Pompano Beach, Florida

\$250,000.00

February ____, 2024

FOR VALUE RECEIVED the undersigned, SONATA APARTMENTS, LTD., a Florida limited partnership (the “Maker”) with offices at 2100 Hollywood Boulevard, Hollywood, FL 33020, promises to pay to the order of the CITY OF POMpano BEACH, a Florida municipal corporation (the “Lender”), at 100 West Atlantic Boulevard, 4th Floor, Pompano Beach, FL 33060 or such other location or address as the Lender may direct from time to time, the principal sum of **Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00)** (the “Promissory Note”).

This Promissory Note is secured by that certain Mortgage and Security Agreement recorded February 4, 2022 as Instrument No. 117916602, Official Records of Broward County, Florida (the “Mortgage”) as affected by that certain Notice and Receipt of Future Advance Agreement executed on or about even date herewith by Maker and Lender (“Notice of Future Advance”), relating to real property located in Pompano Beach, Florida and more particularly described in the Mortgage (the “Property”). This Promissory Note is a future advance made pursuant to Section 11 of the Mortgage.

This Promissory Note shall bear one percent (1%) interest and the outstanding principal balance shall become due and payable on the first day of the month following the thirty-third (33rd) calendar year after the Maker receives a certificate of occupancy (“Maturity Date”) for the construction of a 121 Unit mixed-use, mixed-income housing development (“Project”), whether temporary or final, as defined in the Development Agreement recorded on June 11, 2021, by and between Maker and Lender. Unless accelerated pursuant to the terms and conditions hereof, there shall be no payments of principal and interest due until the Maturity Date. If the Project remains affordable, as defined in the Development Agreement, until the expiration of the Compliance Period (as such term is defined in the Declaration of Restrictions), the Lender, in its sole and absolute discretion, may elect to forgive the entire principal balance of the Loan and any accrued but unpaid interest due under this Future Advance Promissory Note and the parties shall execute any documents requested by Borrower to evidence such forgiveness.

At the option of the Lender, all sums advanced and all other sums due under this Promissory Note shall become immediately due and payable, without notice or demand, upon the occurrence of any one or more of the following Events of Default: (a) the Maker's failure to promptly pay in full any payment of principal or default interest due under this Promissory Note within ten (10) days following the date on which such payment is due; (b) Maker's failure to comply with the terms, conditions and covenants agreed to in the Development Agreement entered into by Maker and Lender, or (c) any uncured breach, following the giving of notice and the expiration of any applicable cure period, by the Maker of any of the terms, covenants or conditions set forth in the Mortgage. Upon the occurrence of any of the foregoing events (each, an “Event of Default”), and in addition to any other remedies provided in the Mortgage, the amount disbursed under the Promissory Note, together with default interest at the rate provided in this Promissory

Note, and all unpaid fees, charges and other obligations of the Maker due under the Promissory Note or under the Mortgage, shall, at Lender's option, be immediately due and payable.

No delay or omission on the part of the Lender in the exercise of any right under this Promissory Note shall operate as a waiver of such right or of any other right under this Promissory Note. A waiver by the Lender of any right or remedy on any one occasion shall not be construed as a bar to, or waiver of, any such right or remedy as to any future occasion.

The Maker agrees that in the event each and every of the terms and conditions of this Promissory Note or any instrument which secures or collateralizes the payment of the sums is not duly performed, complied with, or abided by, subject to applicable notice and cure periods set forth in the Mortgage, the whole of the indebtedness then outstanding shall, at the option of the Lender, become immediately due and payable. If this Promissory Note becomes in default and is placed in the hands of an attorney for collection, the Maker agrees to pay all and singular the costs, charges, and expenses incurred by the Lender in the enforcement of its rights, including, but not limited to reasonable attorneys' fees and costs, at trial or on appeal.

The Maker and all persons becoming obligated or liable for the payment in this Promissory Note, do jointly and severally waive demand, notice of non-payment, protest, notice of dishonor and presentment.

The Maker does not intend or expect to pay, nor does the Lender intend or expect to charge, collect or accept, any interest greater than the highest legal rate of interest which may be charged under any applicable law. Should the acceleration of any charges made in this Promissory Note result in the computation or earning of interest in excess of such legal rate, any and all such excess shall be and the same is waived by the Lender, and any such excess shall be credited by the Lender to the outstanding balance.

Each Maker, endorser, or any other person, firm or corporation liable for the payment of the loan evidenced by this Promissory Note, consents to any renewals, extensions, modifications, releases of security or any indulgence shown to or any dealings between the Lender and any party obligated under this Promissory Note, without notice, and jointly and severally agree that they shall remain liable notwithstanding any such renewals, extensions, modifications or indulgences, until the debt evidenced is fully paid.

Upon the occurrence of any Event of Default, all sums outstanding under this Promissory Note shall immediately bear interest at the highest legal rate of interest which may be charged under Florida law ("Default Interest Rate") per annum from the date of disbursement, without notice to the Maker or any guarantor or endorser of this Promissory Note, and without any affirmative action or declaration on the part of the Lender.

This Promissory Note shall be construed and enforced according to the laws of the State of Florida, excluding all principles of choice of laws, conflict of laws or comity. Any action pursuant to a dispute under this Promissory Note must be brought in Broward County and no other venue. All meetings to resolve said dispute, including voluntary arbitration, mediation, or other alternative dispute resolution mechanism, will take place in this venue.

The terms of this Promissory Note may not be orally changed.

The prevailing party in any action to enforce this Promissory Note, shall recover from the non-prevailing party all and singular the costs, charges and expenses, including but not limited to, reasonable attorney's fees, including but not limited to all trial, appellate, and bankruptcy

litigation, including litigation for the amount as well as entitlement to such, costs, charges, and expenses, because of the failure on the part of the non-prevailing party to perform, comply with, and abide by, each and every of the stipulations, agreements, conditions and covenants of this Promissory Note, whether or not suit is brought, and the fees and costs shall bear interest from that date at the maximum rate permitted by law.

Notwithstanding anything to the contrary herein or in the Mortgage, this Promissory Note is a non-recourse obligation of the Maker and its partners and neither Maker nor its partners have personal liability for repayment of the loan evidenced by this Promissory Note. Lender's sole recourse shall be to the collateral which secures said loan.

THE MAKER OF THIS PROMISSORY NOTE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS PROMISSORY NOTE, OR THE FINANCING CONTEMPLATED, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR THE ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER EXTENDING THE LOAN EVIDENCED BY THIS PROMISSORY NOTE.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Maker has set its hand and seal the day and year first above written.

MAKER:

SONATA APARTMENTS, LTD., a Florida
limited partnership

By: Cornerstone Sonata, LLC, a Florida limited
liability company, its managing general
partner



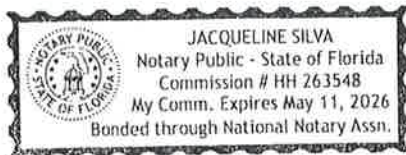
By: _____
Leon J. Wolfe, Vice President

ACKNOWLEDGMENT

STATE OF Florida
COUNTY OF Miami Dade

The foregoing instrument was acknowledged before me, by means of ☒ physical presence
or ☐ online notarization, this 6 day of February, 2024, by Leon J.
Wolfe, as Vice President of Cornerstone Sonata, LLC, a Florida limited liability company,
Managing General Partner of SONATA APARTMENTS, LTD, a Florida limited partnership, on
behalf of the limited partnership, who is personally known to me, or who has produced
_____, as identification.

NOTARY'S SEAL:



NOTARY PUBLIC, STATE OF _____
(Signature of Notary Taking Acknowledgement)

Jacqueline Silva

(Name of Acknowledger Typed, Printed or Stamped)

HH 263548

Commission Number