

**FUTURE ADVANCE PROMISSORY NOTE
(CAPTIVA COVE III)**

Pompano Beach, Florida

\$250,000

February ____, 2024

FOR VALUE RECEIVED the undersigned, Captiva Cove III Associates, Ltd., a Florida Limited Partnership (hereinafter referred to as the "Borrower") with offices at 2100 Hollywood Blvd., Hollywood, Florida 33020, promises to pay to the order of the City of Pompano Beach, a Florida political subdivision of the State of Florida ("Lender"), at 100 W. Atlantic Boulevard, Pompano Beach, Florida 33060 or such other location or address as Lender may direct from time to time, the principal sum of Two Hundred Fifty Thousand Dollars (\$250,000) (the "Loan"), or so much thereof as shall be advanced pursuant to the Notice and Receipt of Future Advance Agreement executed on or about even date by Borrower and Lender (the "Notice of Future Advance"), together with interest as provided. Capitalized terms used but not defined shall have the respective meanings given to them in the Mortgage (as hereinafter defined).

1. **Interest Rate.** The principal amount of this Note shall bear simple interest at 1% per annum (the "Interest Rate"). Interest shall be computed on the basis of a three hundred and sixty-five (365) day year and charged for the actual number of days elapsed. Interest shall accrue on the original principal balance only and there shall be no accrual of interest upon interest. Interest will be charged beginning on the date of this Note and continuing until the full amount of principal has been paid.

2. **Payment of Principal and Interest; Loan Forgiveness.** The Borrower will make interest payments every quarter, following issuance of a certificate of occupancy for the Project as described in that certain Development Agreement recorded March 20, 2023 as Instrument No. 118742914, Official Records of Broward County ("Development Agreement"), and pay any other charges described below that may be owed under this Note. Borrower shall pay, in full, the unpaid principal, any accrued and unpaid interest, and all other amounts due and owing, upon the first to occur of the following: (i) Thirty-three (33) years following the issuance of the last certificate of occupancy for the Project as defined in the Development Agreement ("Maturity Date"); (ii) upon acceleration of the Loan by an Event of Default; or (iii) upon the sale, transfer, conveyance, or refinancing of the Property or Project, unless such sale, transfer, conveyance, or refinancing is (A) approved by Lender, in its sole and absolute discretion, (B) a Permitted Transfer (as such term is defined in the Mortgage), or (C) the conversion of the loan from a construction loan to a permanent loan. Notwithstanding the foregoing, if Lender consents to a sale, transfer, conveyance, or refinancing of the Property or the Project, Lender has the right to require a partial prepayment of the Loan in an amount subject to Lender's sole and absolute discretion, but Lender shall not have the right to require a partial prepayment if a refinancing occurs that is contemplated by any Senior Loan Documents (as such term is defined in the Mortgage). 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.

3. **Application of Payments.** Except as otherwise specified, each payment or prepayment, if any, made under this Note shall be applied to pay late charges, accrued and unpaid interest, principal, escrows (if any), and any other fees, costs and expenses which Borrower is obligated to pay under this Note, in such order as Lender may elect from time to time in its sole discretion.

4. **Tender of Payment.** All payments made pursuant to this Note shall be made no later than 2:00 P.M. (Eastern Time) on the day when due, in lawful money of the United States, in immediately available funds. All sums payable to Lender that are due on a day on which Lender is not open for business shall be paid on the next succeeding business day and such extended time shall be included in the computation of interest (if any).

5. **Late Charge.** In the event that any installment of principal or interest required to be made by Borrower under this Note shall not be received by Lender within five (5) days after its due date, Borrower shall pay to Lender, on demand, a late charge of five percent (5%) of such delinquent payment. The foregoing right is in addition to, and not in limitation of, any other rights that Lender may have upon Borrower's failure to make timely payment of any amount due hereunder.

6. **Prepayment.** The Loan may be prepaid, in whole or in part, at any time without premium or penalty, provided that Borrower delivers to Lender evidence that Senior Lenders have consented to the prepayment if such consent is required under the Senior Loan Subordination Agreements. Any prepayment shall include accrued and unpaid interest to the date of prepayment (if any) and all other sums due and payable hereunder.

7. **Security for the Note.** This Note is a future advance made pursuant to Section 11 of that certain Mortgage and Security Agreement and Assignment of Leases, Rents, and Profits recorded March 20, 2023, as Instrument No. 118742913, Official Records of Broward County, Florida ("Mortgage"). As security for the payment of the monies owing under this Note, Borrower has delivered or has caused to be delivered to Lender the following (each a "Loan Document" and collectively with this Note, the Mortgage and any other guaranty, document, certificate, or instrument executed by Borrower or any other obligated party in connection with the Loan, together with all amendments, modifications, renewals or extensions thereof, the "Loan Documents"): the Notice and Future Advance encumbering Borrower's fee simple interest in certain real property and the improvements thereon in Broward County, Florida, as more fully described in the Mortgage (the "Property").

8. **Default Rate.** If an Event of Default (as defined in Section 9) occurs, the interest rate will rise to maximum percent permitted by Florida law (the "Default Rate").

The interest will accrue on the unpaid principal. The interest will accrue on the unpaid principal at the Default Rate from the occurrence of an Event of Default and until it is cured to Lender's satisfaction.

9. **Events of Default.** Each of the following shall constitute an event of default hereunder (an "Event of Default"): (a) the failure of Borrower to pay any amount of principal or interest hereunder on its due date; or (b) the occurrence of any other default in any term, covenant, or condition hereunder or any Event of Default under the Development Agreement, the Mortgage, or any other Loan Document, after giving effect to all applicable notice and/or cure periods.

10. **Remedies.** If an Event of Default exists, Lender may exercise any right, power, or remedy permitted by law or as set forth herein or in the Development Agreement, the Mortgage, or any other Loan Document including, without limitation, the right to declare the entire unpaid principal amount hereof and all interest accrued hereon, and all other sums secured by the Mortgage or any other Loan Document, to be, and such principal, interest, and other sums shall thereupon become, immediately due and payable.

11. **Miscellaneous.**

11.1. Disclosure of Financial Information. Lender is authorized to disclose any financial or other information about Borrower to any regulatory body or agency having jurisdiction over Lender and to any present, future or prospective participant or successor in interest in any loan or other financial accommodation made by Lender to Borrower. The information provided may include, without limitation, amounts, terms, balances, payment history, return item history and any financial or other information about Borrower.

11.2. Integration. This Note and the other Loan Documents constitute the sole agreement of the parties with respect to the transaction contemplated hereby and supersede all oral negotiations and prior writings with respect thereto.

11.3. Attorneys' Fees and Expenses. If Lender retains the services of counsel by reason of a claim of a default or an Event of Default or under any of the other Loan Documents, or on account of any matter involving this Note, or for examination of matters subject to Lender's approval under the Loan Documents, all costs of suit and all reasonable attorneys' fees and such other reasonable expenses so incurred by Lender shall be paid by Borrower, on demand, and shall be deemed part of the obligations evidenced hereby.

11.4. No Implied Waiver. Lender shall not be deemed to have modified or waived any of its rights or remedies unless such modification or waiver is in writing and signed by Lender, and then only to the extent specifically set forth therein. A waiver in one event shall not be construed as continuing or as a waiver of or bar to such right or remedy in a subsequent event. After any acceleration of, or the

entry of any judgment on, this Note, the acceptance by Lender of any payments by or on behalf of Borrower on account of the indebtedness evidenced by this Note shall not cure or be deemed to cure any Event of Default or reinstate or be deemed to reinstate the terms of this Note absent an express written agreement duly executed by Lender and Borrower.

11.5. Waiver. Borrower, jointly and severally, waives demand, notice, presentment, protest, demand for payment, notice of dishonor, notice of protest and diligence of collection of this Note. Borrower consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the release of any collateral, with or without substitution. Borrower agrees that makers, endorsers, guarantors and sureties may be added or released without notice and without affecting Borrower's liability hereunder. The liability of Borrower shall not be affected by the failure of Lender to perfect or otherwise obtain or maintain the priority or validity of any security interest in any collateral. The liability of Borrower shall be absolute and unconditional and without regard to the liability of any other party hereto.

11.6. No Usurious Amounts. It is the intent of Lender and Borrower to comply at all times with applicable usury laws. In the event that any charge, interest, or late charge is above the maximum rate permitted by law, then the excess amounts over the lawful rate shall be applied by Lender to reduce the principal sum of the Loan or any other amounts due Lender, and any excess thereafter shall be refunded to Borrower. To determine if the interest rate under this Note exceeds the applicable usury laws, the interest charges shall be spread over the term of this Loan up until the Maturity Date. To charge the maximum rate permitted by law, Lender may take advantage of the rate of interest permitted by other laws of the United States or the State of Florida.

11.7. Partial Invalidity. The invalidity or unenforceability of any one or more provisions of this Note shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

11.8. Binding Effect. The covenants, conditions, waivers, releases, and agreements contained in this Note shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors, and assigns; provided, however, that this Note cannot be assigned by Borrower without the prior written consent of Lender, and any such assignment or attempted assignment by Borrower shall be void and of no effect with respect to Lender.

11.9. Modifications. This Note may not be supplemented, extended, modified, or terminated except by an agreement in writing signed by the party

against whom enforcement of any such waiver, change, modification, or discharge is sought.

11.10. Sales or Participations. Lender may from time to time pledge, sell or assign, in whole or in part, or grant participations in, the Loan, this Note and/or the obligations evidenced hereby. The holder of any such sale, assignment or participation, if the applicable agreement between Lender and such holder so provides, shall be: (a) entitled to all of the rights, obligations and benefits of Lender; and (b) deemed to hold and may exercise the rights of setoff or banker's lien with respect to any and all obligations of such holder to Borrower, in each case as fully as though Borrower were directly indebted to such holder. Lender may in its discretion give notice to Borrower of such sale, assignment or participation; however, the failure to give such notice shall not affect any of Lender's or such holder's rights hereunder.

11.11. Jurisdiction and Venue. Borrower irrevocably appoints each and every owner, member, and/or officer of Borrower as its attorneys upon whom may be served, by regular or certified mail at the address set forth below, any notice, process, or pleading in any action or proceeding against it arising out of or in connection with this Note or any other Loan Document; Borrower consents that any action or proceeding against it be commenced in the state courts of the Seventeenth Judicial Circuit in and for Broward County, Florida by service of process on any such owner, member, and/or officer; and Borrower agrees that such state courts shall have jurisdiction with respect to the subject matter, the person of Borrower, and all collateral securing the obligations of Borrower. Borrower further agrees not to assert any defense to any action or proceeding initiated by Lender based upon improper venue or inconvenient forum. Notwithstanding the above, if any claim arising from, related to, or in connection with this Note or any other Loan Document must be litigated in federal court, the exclusive venue for any such lawsuit shall be in the United States District Court or United States Bankruptcy Court for the Southern District of Florida.

11.12. Notices. All notices and communications under this Note shall be in writing and shall be given by either (a) hand-delivery, (b) first class mail (postage prepaid), or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in the Mortgage. Notice shall be deemed to have been given and received: (i) if by hand delivery, upon delivery; (ii) if by mail, three (3) calendar days after the date first deposited in the United States mail; and (iii) if by overnight courier, on the date scheduled for delivery. A party may change its address by giving written notice to the other party as specified in this Section 11.12.

11.13. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Florida without reference to conflict of laws principles.

11.14. Joint and Several Liability. If Borrower consists of more than one person or entity, the word "Borrower" shall mean each of them and their liability shall be joint and several.

11.15. Continuing Enforcement. If, after receipt of any payment of all or any part of this Note, Lender is compelled or agrees, for settlement purposes, to surrender such payment to any person or entity for any reason (including, without limitation, a determination that such payment is void or voidable as a preference or fraudulent conveyance, an impermissible setoff, or a diversion of trust funds), then this Note and the other Loan Documents shall continue in full force and effect or be reinstated, as the case may be, and Borrower shall be liable for, and shall indemnify, defend, and hold harmless Lender with respect to, the full amount so surrendered. The provisions of this Section 11.15 shall survive the cancellation or termination of this Note and shall remain effective notwithstanding the payment of the obligations evidenced hereby, the release of any security interest, lien, or encumbrance securing this Note or any other action which Lender may have taken in reliance upon its receipt of such payment. Any cancellation, release, or other such action shall be deemed to have been conditioned upon any payment of the obligations evidenced hereby having become final and irrevocable.

11.16. Waiver of Jury Trial. **BORROWER AND LENDER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION, OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY LENDER OR BORROWER, ON OR WITH RESPECT TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. LENDER AND BORROWER EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY, AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING. IF A PARTY FAILS TO WITHDRAW A REQUEST FOR A JURY TRIAL IN A LAWSUIT ARISING OUT OF THIS NOTE AFTER WRITTEN NOTICE BY THE OTHER PARTY OF VIOLATION OF THIS SECTION 11.16, THE PARTY MAKING THE REQUEST FOR JURY TRIAL SHALL BE LIABLE FOR THE REASONABLE ATTORNEYS' FEES AND COSTS OF THE OTHER PARTY IN CONTESTING THE REQUEST FOR JURY TRIAL, AND SUCH AMOUNTS SHALL BE AWARDED BY THE COURT IN ADJUDICATING THE MOTION. FURTHER, BORROWER WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION, OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL, OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION 11.16 IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION 11.16 WERE NOT A PART OF THIS NOTE.**

11.17. Subordination. The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment of any amounts then due and payable in connection with the Senior Loans (as defined in the Development Agreement).

11.18. Non-Recourse. Notwithstanding anything to the contrary contained in this Note or in any of the other Loan Documents, the Loan evidenced shall be a non-recourse obligation of the Borrower, and Lender's recourse shall be limited to the collateral pledged to the repayment of the Loan under the Loan Documents.

11.19. Assignment. Subject to Lender's consent, such consent not to be unreasonably withheld, conditioned or delayed, and the terms of this Note, Borrower shall have the right to assign its rights and obligations under this Note and the other Loan Documents, so long as (i) there is not a Change of Control as defined in the Mortgage, and (ii) the assignee or transferee agrees to be bound by the terms and conditions set forth in this Note.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Note as of the day and year first above written.

BORROWER:

CAPTIVA COVE III ASSOCIATES, LTD., a
Florida limited partnership

By: Cornerstone Captiva Cove III, LLC, a
Florida limited liability company, its sole general
partner

A handwritten signature in blue ink, appearing to read 'LJW', is written above the signature line.

By: _____
Name: Leon J. Wolfe
Title: Vice President

