

**CITY OF NEW ORLEANS
GENERAL FUND FUNDING PROGRAM
PROMISSORY NOTE
(GOLD SEAL LOFTS)**

US \$2,000,000.00

Date: September [___], 2025

FOR VALUE RECEIVED, the undersigned (the “**Borrower**”) promises to pay to the order of **City of New Orleans**(the “**City**” or “**Lender**”) or any future holder, the principal sum of **TWO MILLION AND 00/100 Dollars Even (\$2,000,000.00)**, together with interest thereon accruing at the Interest Rate (defined below) on the unpaid principal balance from the date hereof until fully paid in accordance with the terms of this Promissory Note (this “**Note**”) and the Loan Agreement (defined below).

1. **Defined Terms.** In addition to the defined terms found elsewhere in this Note, as used herein, the following definitions shall apply. Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Loan Agreement.

(a) **Business Day:** Any day other than a Saturday, Sunday or any other day on which Lender is not open for business.

(b) **Default Rate:** A rate of Three percent (3.0%) per annum.

(c) **Event of Default:** The occurrence and continuation beyond any applicable cure period of any default under this Note or the Loan Agreement.

(d) **Indebtedness:** the principal of, interest on, or any other amounts due at any time under the Loan (including that evidenced by this Note), the Loan Agreement, the Mortgage or any other Loan Document, late charges, default interest, and advances to protect the security of the Leasehold Mortgage under the terms of the Mortgage, reasonable attorney’s fees and court costs, and other fees and costs due and payable under the Loan Documents.

(e) **Interest Rate:** Prior to the occurrence of an Event of Default, the Interest Rate shall be 0.00% per annum and from and after the occurrence of an Event of Default, the principal amount shall bear interest at the Default Rate.

(f) **Lender:** The holder of this Note, including without limitation, initially, the City.

(g) **Loan:** the loan from the City to Borrower, as evidenced by this Note.

(h) **Loan Agreement:** The Loan Agreement between Borrower and the City dated as of the date hereof, governing the terms and conditions of the Loan, as modified, amended, or supplemented from time to time in accordance with its terms.

(i) **Maturity Date:** the earliest to occur of (i) sale or refinancing of the Project not expressly permitted in the Loan Agreement; (ii) acceleration following an Event of Default under the Loan Documents that is not cured within any applicable grace or cure period; or (iii) May 1, 2061.

(j) **Property Jurisdiction:** State of Louisiana.

Promissory Note
Gold Seal Lofts, LLC to City of New Orleans
K25 - 869; BRASS No. 7897

2. **Address for Payment.** All payments due under this Note shall be payable to the order of the City at the Office of Economic Development, 1340 Poydras Street, Suite 1800, New Orleans, LA 70112, or such other place as may be designated by written notice to Borrower from the City, or such other place as may be designated by written notice to Borrower from or on behalf of Lender.

3. **Payment of Principal and Interest.** Principal and interest shall be paid as follows:

(a) **Interest Computation.** Interest under this Note shall compound annually.

(b) **Maturity Balloon Payment; Place of Payment.** The full outstanding principal of the Loan shall be due and payable on the Maturity Date. Payments shall be made in immediately available US funds to the order of the City at the Office of Economic Development, 1340 Poydras Street, Suite 1800, New Orleans, LA 70112, or such other place as may be designated by written notice to Borrower from or on behalf of the City.

4. **Application of Payments.** If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security.** The Indebtedness is also evidenced by the Loan Agreement, and secured, among other things, by the Leasehold Mortgage, and reference is made to the Leasehold Mortgage for other rights of Lender concerning the collateral for the Indebtedness. All of the terms, covenants and conditions contained in the Loan Agreement, the Leasehold Mortgage and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

6. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest and all other amounts payable under this Note and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower. Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Late Charge.** If any amount payable under this Note or under the Leasehold Mortgage or any other Loan Document is not received by Lender within ten (10) days after the date such amount is due, counting from and including the date such amount is due, Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to five percent (5%) of such amount due. Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Paragraph represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late payment. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Paragraph 8.

8. **Default Rate.** From and after the date Lender declares an Event of Default in writing, and until the date such Event of Default is cured by Borrower and/or waived by Lender, the principal

amount of this Note shall bear interest at the Default Rate, compounded monthly. Not in limitation of the foregoing, if the unpaid principal balance and all accrued interest are not paid in full upon demand after an Event of Default, the unpaid principal balance and all accrued interest shall bear interest from the date of demand at the Default Rate. Borrower agrees that the increase in the rate of interest payable under this Note to the Default Rate represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional costs and expenses Lender will incur by reason of the Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.

9. **Prepayments.** Borrower may prepay this Note in whole or in part with or without notice to Lender and without prepayment penalty.

10. **Costs and Expenses.** Borrower shall pay on demand all reasonable expenses and costs, including reasonable fees and out-of-pocket expenses of attorneys and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding.

11. **Forbearance.** Any forbearance by Lender in exercising any right or remedy under this Note, the Leasehold Mortgage, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower's obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

12. **Waivers.** Unless expressly provided otherwise in the Loan Documents, presentment, , demand for payment, notice of nonpayment, notice of dishonor, notice of protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower, for and on behalf of itself and each Guarantor, and all endorsers and guarantors of this Note and all other third party obligors or others who may become liable for the payment of all or any part of the Indebtedness.

13. **Loan Charges.** Borrower agrees to pay an effective rate of interest equal to the sum of the interest rate provided for in this Note and any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the loan evidenced by this Note and any other fees or amounts to be paid by Borrower pursuant to any of the other Loan Documents. Neither this Note nor any of the other Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest rate permitted to be charged under applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Loan is interpreted so that any interest or other charge provided for in any Loan Document, whether considered separately or together with other charges provided for in any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of this Note. For the purpose of determining

whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the term of the Note.

14. **Commercial Purpose.** Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for agricultural, personal, family, or household purposes.

15. **Counting of Days.** Except where otherwise specifically provided, any reference in this Note to a period of “days” means calendar days, not Business Days.

16. **Governing Law.** This Note shall be governed by the law of the Property Jurisdiction.

17. **Captions.** The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

18. **Notices.** All notices, demands, and other communications required or permitted to be given by Lender to Borrower pursuant to this Note shall be given in accordance with the notice section of the Loan Agreement.

19. **Consent to Jurisdiction and Venue.** Borrower and each Guarantor each agree that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower and each Guarantor each irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waive any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

20. **Solidary Liability.** If more than one person or entity executes this note as borrower, the obligations and liabilities of each such person and entity hereunder shall be solidary and in solido.

21. **Receipt of Loan Documents.** Borrower acknowledges receipt of a copy of each of the Loan Documents.

22. **Non-Recourse Language.** Neither Borrower nor any officer, employee, member or partner of Borrower shall be personally liable for the payment of the indebtedness evidenced by this Note, the Leasehold Mortgage, the Loan Agreement or any other loan documents, and any judgment or decree in any action brought to enforce the obligation of Borrower to pay the indebtedness will be enforceable against Borrower and the officers, employees or partners of Borrower, if any, only to the extent of Borrower’s interest in the Property and any improvements thereon or any other collateral pledged, encumbered, or otherwise covered by the loan documents. Any judgment or decree will not be subject to execution, or be a lien, on the assets of the Borrower and the partners in Borrower, if any, other than Borrower’s interest in the Project and any other collateral pledged, encumbered, or otherwise covered by the loan documents

23. **Right to Cure.** Notwithstanding anything to the contrary contained in this Note or the Mortgage securing it, the Bond Owner (as defined in the Loan Agreement) and the Borrower's investor member shall have the right, but not the obligation, to cure Events of Default.

[END OF DOCUMENT - SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Borrower has signed and delivered this Note or has caused this Note to be signed and delivered by its duly authorized representative.

BORROWER:

**GOLD SEAL LOFTS, LLC,
a Louisiana limited liability company**

By: GOLD SEAL LOFTS GP, LLC
Its: Managing Member

By: _____
Name: Matthew Schwartz
Its: Authorized Representative