

PROMISSORY NOTE

Amount: \$1,297,941.73

Date: May 8, 2024

WHEREAS, **KCAP Emerald Ridge, LLC**, (“Ridge”), whose corporate address is 1211 S. White Chapel Blvd, Southlake, Texas, is a defendant in a lawsuit brought by Raymon Louis Martinez Soto (“Plaintiff”) in the Circuit Court of Shelby County Tennessee for the Thirteenth Judicial District at Memphis, No. CT-2147-23 (the “State Lawsuit”);

WHEREAS, the State Lawsuit also names **KCAP RE Fund III LLC, MFDJ Emerald Ridge LLC and Capstone Real Estate Services Inc.** as defendants (the “State Defendants”);

WHEREAS, **KeyCity Capital, LLC** (“KCAP”), a Wyoming limited liability company, located at 1211 S. White Chapel Blvd, Southlake, Texas, is a defendant in a lawsuit brought by Plaintiff in the United States District Court for the Western District of Tennessee, No. 2:24-cv-02079 (“Federal Lawsuit”);

WHEREAS, the Federal Lawsuit also names **Ridge, KCAP RE Fund III, LLC, KeyCity Property Management, LLC, KeyCity Staffing, LLC, KeyCity Fund Management, LLC, KeyCity Staffing, LLC, and Capstone Real Estate Services Inc.** as defendants (the “Federal Defendants”);

WHEREAS, pursuant to a settlement agreement by and between Plaintiff and Ridge, KCAP, and the State and Federal Defendants, Plaintiff, among other things, has agreed to dismiss the State Lawsuit and the Federal Lawsuit with prejudice as to each of the State Defendants and Federal Defendants respectively (the “Settlement”);

WHEREAS, pursuant to the Settlement, Ridge and KCAP have agreed to be co-makers of this Promissory Note.

FOR VALUE RECEIVED, each of the undersigned **KCAP Emerald Ridge, LLC and KeyCity Capital, LLC** (hereinafter, each a “Maker” and collectively, the “Maker”), promises to pay to Raymon Louis Martinez Soto, (hereinafter “Holder”), the principal sum of **ONE MILLION TWO HUNDRED NINETY-SEVEN THOUSAND NINE HUNDRED FORTY-ONE and 73/100 DOLLARS (\$1,297,941.73)**, payable as follows:

Maker shall pay **ONE HUNDRED NINETEEN (119)** monthly payments of **TEN THOUSAND EIGHT HUNDRED SIXTEEN and 18/100 DOLLARS (\$10,816.18)** each, the first payment due on June 15, 2024, and thereafter due on the 15th of each succeeding month, and a final payment in the amount of **TEN THOUSAND EIGHT HUNDRED SIXTEEN and 31/100 DOLLARS (\$10,816.31)** due on May 15, 2034 (the “Final Maturity Date”). The payments shall be made electronically to the following account:

Bank: Commercial Bank and Trust
Account Name: Patterson Bray PLLC IOLTA Attorney Trust Account
Account Number: 7038127
Routing Number: 084301107

Prepayment. Maker shall have the right to prepay this Note at any time prior to maturity without penalty.

Default and Acceleration. If any payment due herein is not made on the date when due, Maker shall have thirty (30) days thereafter to make such payment. If any payment is not made when due or within thirty (30) days following such due date, Holder have the right to accelerate the Final Maturity Date and declare the outstanding balance on this Promissory Note to be immediately due and collectible following written notice to Maker. Holder may pursue any available remedy by proceeding at law or in equity to collect payment on this Promissory Note or to enforce performance of any provision of this Promissory Note.

Unsecured. This Promissory Note is unsecured.

Setoff for Lien Payment. Should any provider, lienholder, or other entity contemplated by paragraph 4.10 of the Settlement Agreement and Release that the form of this Note is attached to be successful in pursuing and collecting funds from the Makers, which Plaintiff agrees to indemnify, protect, and hold harmless from, and should Plaintiff be unable to reimburse or make whole the Maker that said funds were collected from, then Ridge or KCAP, whichever said funds were paid by, is entitled to a setoff of any amounts owed under this Note in an amount equal to the amount collected by the provider, lienholder, or other entity, plus any costs or expenses, including attorney's fees, incurred by Ridge or KCAP arising out of any action, claim, lien or demand to collect funds owed to the provider, lienholder, or other entity described in paragraph 4.10 of the Settlement Agreement.

Joint and Several Liability. This Promissory Note shall be the joint and several obligation of each Maker. Each Maker does expressly agree, jointly and severally, that in the event of default as specified herein, the whole of the indebtedness hereof shall become immediately due and payable, and Holder may proceed to collect the full amount remaining due under this Promissory Note from either or both Makers.

No Assignment. Holder may not assign, delegate or otherwise transfer this Promissory Note or any of its respective rights or obligations hereunder without the prior written consent of Maker.

Modification. This Promissory Note may not be changed orally, but only by an agreement in writing, signed by the party against whom or from which any waiver, change, modification or discharge is sought.

Governing Law. This Note shall be deemed to be entered into in the State of Texas and shall be governed by and construed in accordance with the laws of the State of Texas, without reference

to conflicts of laws or principles.

Venue. Any action commenced in respect to this Promissory Note shall be brought in Dallas County, Texas.

Notice. All notices, requests, demands or other communications which are required or may be given under this Promissory Note shall be in writing and shall be deemed to have been duly given when received via email or via a nationally recognized overnight carrier.

To Maker: **KCAP EMERALD RIDGE LLC**
1211 South White Chapel Blvd, Southlake,
Texas 76092
david.worley@keycitycapital.com

And

KEYCITY CAPITAL LLC
1211 South White Chapel Blvd, Southlake,
Texas 76092
david.worley@keycitycapital.com

To Holder:

or to such other address as either Maker or Noteholder shall provide by like notice to the other.

IN WITNESS WHEREOF, the Makers, intending to be legally bound hereby, have caused this Promissory Note to be duly executed as of the day and year first above written.

KCAP EMERALD RIDGE, LLC



By: Shiloh Boone Lasater
Authorized Person

KEYCITY CAPITAL, LLC



By: Shiloh Boone Lasater
Chief Financial Officer

July 15, 2025

VIA EMAIL

KCAP Emerald Ridge, LLC
1211 South White Chapel Blvd,
Southlake, Texas 76092
david.worley@keycitycapital.com

KeyCity Capital, LLC
1211 South White Chapel Blvd,
Southlake, Texas 76092
david.worley@keycitycapital.com

Re: Acceleration of Promissory Note

Mr. David Worley:

I am writing on behalf of Ramon Luis Martinez Soto regarding the Promissory Note dated May 8, 2024, enclosed herewith. This letter is to advise you of your default under the terms of the Promissory Note. On June 15, 2025, your payment of \$10,816.18 was due. More than 30 days have elapsed since June 15, 2025. The section of the Promissory Note entitled **Default and Acceleration** states:

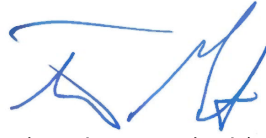
If any payment due herein is not made on the date when due, Maker shall have thirty (30) days thereafter to make such payment. If any payment is not made when due or within thirty (30) days following such due date, Holder have (sic) the right to accelerate the Final Maturity Date and declare the outstanding balance on this Promissory Note to be immediately due and collectible following written notice to Maker. Holder may pursue any available remedy by proceeding at law or in equity to collect payment on this Promissory Note or to enforce performance of any provision of this Promissory Note.

As of the date of this letter, the outstanding balance of **\$1,168,147.57** is immediately due and collectible. I am demanding that you remit payment for the outstanding balance in full immediately.

Mr. Soto reserves all his rights and remedies available under the law, whether by contract, statute, regulation, or equitable relief. This reservation of rights shall not be construed as a waiver of any rights or remedies Mr. Soto has now or in the future.

Sincerely,

PATTERSON BRAY PLLC



Timothy M. Ginski
tginski@pattersonbray.com

Enclosure.

Cc: Patrick O'Neal (poneal@grsm.com)
James Embrey (jembrey@grsm.com)
Austin Rainey (arainey@pattersonbray.com)
Chris Patterson (cpatterson@pattersonbray.com)

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KCAP EMERALD RIDGE, LLC



By: Shiloh Boone Lasater
Authorized Person

KEYCITY CAPITAL, LLC



By: Shiloh Boone Lasater
Chief Financial Officer