

EXHIBIT C

MORTGAGE NOTE

\$2,233,635.00

Key West, Florida  
March 7th, 1990

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630040

FOR VALUE RECEIVED, the undersigned, promises to pay to THE CITY OF KEY WEST, FLORIDA, a municipality, acting pursuant to Chapter 125, Florida Statutes (hereinafter "LENDER"), or order, in the manner hereinafter specified, the principal sum of TWO MILLION TWO HUNDRED THIRTY THREE THOUSAND SIX HUNDRED THIRTY FIVE AND NO/100 DOLLARS (\$2,233,635.00) (payable as specifically provided below) with interest from date at the rate of ZERO PERCENT (0.00%) per annum on the balance from time to time remaining unpaid. In the event of an uncorrected "Substantive Violation", as that term is defined in that certain Owner-Grantee Agreement (hereinafter "AGREEMENT"), dated August 21, 1989 and made and entered into by and between the City of Key West, the Housing Authority of the City of Key West and the undersigned, the Note shall bear interest at a rate of two percent (2%) over the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the initial Grant Funds are received as provided in the AGREEMENT. The said principal and interest shall be payable in lawful money of the United States of America at 525 Angela Street, Key West, Florida 33040, or at such place as may hereafter be designated by written notice from the holder to the maker hereof, on the date and in the manner following:

The Note shall be nonrecourse and shall be construed and interpreted accordingly.

The term of the Note shall be twenty-five (25) years, which term shall begin to run on the date on which the first unit is available for occupancy as provided in the AGREEMENT.

The amount applied to the reduction of the principal shall be equal to the sum of the Base Rent and Additional Rent as defined in the AGREEMENT, (hereinafter "RENT"). The RENT shall be paid pursuant to that certain Ground Lease Agreement dated October 12, 1989, made and entered into by and between The Housing Authority of the City of Key West and the undersigned (the "Ground Lease").

The SIX HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$650,000.00) lump sum rental payment to be made by the undersigned under the Ground Lease shall only be applied to the reduction of the principal sum if the entire TWO MILLION TWO HUNDRED THIRTY THREE THOUSAND SIX HUNDRED THIRTY FIVE AND NO/100 DOLLARS (\$2,233,635.00) is required to be repaid hereunder.

If, at the expiration of the term of the Note or at payoff of the outstanding balance, whichever is sooner, the undersigned has fully complied with all the terms and conditions of the AGREEMENT, the Fourth Mortgage securing payment of this Note, and all applicable HDG Regulations and provided the undersigned has not committed a Substantive Violation which it has failed to timely cure. Then the following outstanding principal balance, which shall be a balloon payment as it shall include the outstanding amount due and owing hereunder, shall be due and owing in the total sum of ONE MILLION ONE HUNDRED SIXTEEN THOUSAND EIGHT HUNDRED EIGHTEEN AND NO/100 DOLLARS (\$1,116,818.00) with credit being given of expiration or payoff.

All payments shall be first, applied to repayment of all sums, with interest, advanced by Lender under the Fourth (4th) Mortgage given by the undersigned as security for this Note, second, applied to the payment of accrued interest, and third, the balance remaining shall be applied to the payment of the principal sum.

This note may be prepaid, in whole or in part, before maturity without penalty.

This note with interest is secured by a fourth (4th) mortgage of even date herewith made by the maker hereof in favor of the said payee, and shall be construed and enforced according to the laws of the State of Florida, on real estate and all buildings and other improvements now or hereafter erected on the real estate, to wit:

See "Exhibit A" attached hereto.

TOGETHER with all tenements, hereditaments, easements, fixtures and appurtenances thereto pertaining or belonging, including but not limited to, all fixtures, apparatus, equipment or articles now or hereafter located therein or thereon used to supply heat, gas, air cooling, air conditioning, water, light, power, sanitation, sprinkler protection, waste removal, refrigeration, and ventilation, including (without restricting the foregoing), all other fixtures, apparatus, equipment, furniture, furnishings and articles owned by the undersigned and used or useful in connection with the operation of the buildings and related facilities and amenities now or hereafter located upon said Premises, it being understood that the enumeration of any specific articles of property shall in nowise result in or be held to exclude any items of property not specifically mentioned. As to any of the property aforesaid which does not form a part and parcel of real estate, this Note is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which the undersigned, as a Debtor, hereby grants to LENDER as a secured party (as said term is defined in the Uniform Commercial Code of), securing said indebtedness and obligations; and

TOGETHER with rents, issues, and profits from the Secured Premises, and leases of the Secured Premises, or of any portion thereof, now or hereafter entered into, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of such terms, including, further, the right, upon the happening of an event of default, to receive and collect the rents thereunder; and

TOGETHER with rights to the proceeds of any fire or hazard insurance policy covering the Secured Premises, or any part thereof, of any award in eminent domain proceedings for a taking or for loss of value of the Secured Premises, or any part thereof.

If default be made in the payment of any of the sums or interest mentioned herein or in said fourth (4th) mortgage, or in the performance of any of the agreements contained herein or in said fourth (4th) mortgage, then the entire principal sum and accrued interest shall at the option of the holder hereof become at once due and collectible without notice, time being of the essence. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

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A default by the undersigned under the first, second or third mortgages and any other mortgage, lien or encumbrance superior in right to the Mortgage securing the monies due under this Note, shall constitute a default under this Note which shall cause the entire unpaid principal balance, any and all accrued interest and any other monies owed to Lender, thereunder to become due immediately and payable.

Each person liable hereon whether maker or endorser, hereby waives presentment, protest, notice, notice of protest and notice of dishonor and agrees to pay all costs, including a reasonable attorney's fees, whether suit be brought or not, it, after maturity of this Note or default hereunder, or under said fourth (4th) mortgage, counsel shall be employed to collect this Note or to protect the security of said fourth (4th) mortgage.

Whenever used herein the terms "holder", "maker" and "payee" shall be construed in the singular or plural as the context may require or admit.

IN WITNESS WHEREOF, the undersigned intending to be legally bound hereby, has duly executed this Note, and caused it to be attested to as of the date and year first written above.

Signed, sealed and delivered in the presence of:

CREATIVE CHOICE MANAGEMENT, INC., a Florida corporation

*[Signature]*  
By: Dilip S. Barot  
Its: President

Attest: *[Signature]*  
Name: Naimisha BAROT  
Title: Secretary



EXHIBIT C (Continued)

EXHIBIT A

In the City of Key West, Monroe County, Florida, and being known as part of Lots 5, 6, 9 and 10, Tract 3, according to Charles W. Tift's map, and being more particularly described as follows:

BEGIN at the intersection of the Northeasterly Right-of-Way Line of Fort Street and the Southeasterly Right-of-Way Line of Petronia Street; thence in a Northeasterly direction along the said Southeasterly Right-of-Way Line of Petronia Street for 291.88 feet to the Southwesterly Right-of-Way Line of Emma Street; thence at a right angle and in a Southeasterly direction along the said Southwesterly Right-of-Way Line of Emma Street for 246.68 feet; thence at a right angle and in a Southwesterly direction for 108.84 feet; thence at a right angle and in a Southeasterly direction for 25.18 feet; thence at a right angle and in a Southwesterly direction for 183.04 feet to the said Northeasterly Right-of-Way Line of Fort Street; thence at a right angle and in a Northwesterly direction along the said Northeasterly Right-of-Way Line of Fort Street for 271.86 feet to the Point of Beginning. Containing 76,609.91 Square feet, more or less.

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COPY

Recorded in Official Records Book  
In Monroe County, Florida  
Record # 1742  
DORIS L. KOLHAGE  
Clerk Circuit Court

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