

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **April 3, 2024**

SAFE AND GREEN DEVELOPMENT CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-41581

(Commission File Number)

87-1375590

(I.R.S. Employer
Identification Number)

**990 Biscayne Blvd
#501, Office 12
Miami, FL 33132**

(Address of Principal Executive Offices, Zip Code)

Registrant's telephone number, including area code: 904-496-0027

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001	SGD	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry Into a Material Definitive Agreement.

On April 3, 2024, LV Peninsula Holding, LLC (“LV Holding”), a Texas limited liability company and wholly owned affiliate of Safe and Green Development Corporation (the “Company”), entered into a Modification and Extension Agreement, effective as of April 1, 2024 (the “Extension Agreement”), to extend to April 1, 2025 the maturity date of the promissory note, in the principal amount of \$5,000,000 (the “LV Note”), issued by LV Holding pursuant to a Loan Agreement, dated March 30, 2023. As consideration for the Extension Agreement, LV Holding agreed to pay an extension fee of \$50,000.00. Additionally, the Extension Agreement provides for the LV Note’s interest rate to be increased to a fixed rate of 17.00%.

In addition, pursuant to a loan agreement dated April 3, 2024 (the “2nd Lien Loan Agreement”), LV Holding issued a promissory note, in the principal amount of \$1,000,000 (the “2nd Lien Note”), secured by a revised Deed of Trust and Security Agreement, dated April 3, 2024 (the “Revised Deed of Trust”) on the Company’s Lake Travis project site in Lago Vista, Texas, a Modification to Real Estate Mortgage, dated April 3, 2024 (“Mortgage Modification”), to the mortgage, dated March 30, 2023, on the Company’s McLean site in Durant, Oklahoma. The 2nd Lien Note is subordinate to the LV Note. The 2nd Lien Note requires monthly installments of interest only, is due in full on April 1, 2025, bears interest at fixed rate of 17.00% and may be prepaid by LV Holding at any time without interest or penalty. LV Holding’s obligations under the 2nd Lien Note have been guaranteed by the Company pursuant to a Guaranty, dated April 3, 2024 (the “Guaranty”).

The foregoing description of the Extension Agreement, the 2nd Lien Loan Agreement, the 2nd Lien Note, Revised Deed of Trust, Mortgage Modification and the Guaranty are qualified in their entirety by reference to the full text of such agreements, copies of which are attached hereto as Exhibit 10.1, 10.2, 10.3, 10.4, 10.5, and 10.6, respectively, and each of which is incorporated herein in its entirety by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 above of this Current Report on Form 8-K is incorporated by reference in this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit Number	Exhibit Description
10.1	Extension Agreement, effective April 1, 2024, between LV Peninsula Holding LLC and Austerra Stable Growth Fund, LP
10.2	Loan Agreement, dated April 3, 2024, between LV Peninsula Holding LLC and Austerra Stable Growth Fund, LP
10.3	Promissory Note, issued by LV Peninsula Holding LLC, dated April 3, 2024
10.4	Deed of Trust and Security Agreement, dated April 3, 2024
10.5	Modification to Real Estate Mortgage, dated April 3, 2024
10.6	Guaranty, dated April 3, 2024, as executed by the Company
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 9, 2024

Safe and Green Development Corporation

By: /s/ Nicolai Brune

Name: Nicolai Brune

Title: Chief Financial Officer

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Modification and Extension Agreement

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

Effective Date: April 1, 2024

Holder of Note and Lien: AUSTERRA STABLE GROWTH FUND, LP

Holder's Mailing Address: c/o Stallion Funding, LLC
10119 Lake Creek Pkwy., Ste. 202
Austin, Texas 78729

Obligor: LV PENINSULA HOLDING, LLC, a Texas limited liability company

Obligor's Mailing Address: 990 Biscayne Blvd., Suite 501
Miami, Florida 33132

Note Date: March 30, 2023

Original principal amount: \$5,000,000.00

Borrower: LV PENINSULA HOLDING, LLC, a Texas limited liability company

Lender: AUSTERRA STABLE GROWTH FUND, LP

Unpaid Principal on Note: \$5,000,000.00

Lien Documents:

General Warranty Deed recorded in Document No. 2023034846, Official Public Records of Travis County, Texas.

Deed of Trust and Security Agreement recorded in Document No. 2023034847, Official Public Records of Travis County, Texas.

Property (including any improvements):

Tract I:

Being that certain tract of land stated to contain 59.3712 acres, more or less, out of the K. BALDWIN SURVEY NO. 600, ABST 90, Travis County, Texas; and out of a portion of Lot 1, AMENDED PLAT OF THE COVE AT LAGO VISTA, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 87, Page 174C, Plat Records of Travis County, Texas. Said 59.3712 acre tract being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

Tract II: Addressed in extension document, dated of even date, and recorded contemporaneously with this document in the Official Public Records of Bryan County, Oklahoma.

Together with all personal property described in the above-referenced deed of trust.

Maturity Date of Note: April 1, 2025

Modified Terms: Interest rate is changed to a fixed Seventeen and 00/100 Percent (17.00%) effective date of this document.

Extension Fee: As consideration for this Modification and Extension Agreement, Obligor agrees to pay Stallion Funding, LLC an extension fee of FIFTY-THOUSAND and 00/100 DOLLARS (\$50,000.00), the receipt of which is hereby acknowledged.

Additional Modified Terms: None

Obligor's Covenants and Warranties

The Note is secured by liens against the Property. Whether Obligor is primarily liable on the Note or not, Obligor nevertheless agrees to pay the Note and comply with the obligations expressed in the Lien Documents.

For value received, Obligor renews the Note and promises to pay to the order of Holder of Note and Lien, according to the Modified Terms, the Unpaid Principal and Interest on Note. All unpaid amounts are due by the Maturity Date of Note. Obligor also extends the liens described in the Lien Documents.

The Note and the Lien Documents continue as written, except as provided in this agreement.

As a material inducement to Mortgagee to execute this agreement, Obligor warrants to Holder of Note and Lien that the Note and the Lien Documents, as modified, are valid and enforceable and represents that they are not subject to rights of offset, rescission, or other claims.

When the context requires, singular nouns and pronouns include the plural.

OBLIGOR:

LV PENINSULA HOLDING, LLC,
a Texas limited liability company

By: /s/ Nicolai Brune
NICOLAI BRUNE,
CFO and Authorized Agent

THE STATE OF Florida

COUNTY OF Seminole

This instrument was acknowledged before me on the 2nd day of April, 2024, by NICOLAI BRUNE, CFO and Authorized Agent, of LV PENINSULA HOLDING, LLC, a Texas limited liability company, on behalf of said limited liability company.

/s/ Deanna Faye Davis
Notary Public, State of Florida

HOLDER:

AUSTERRA STABLE GROWTH FUND, LP,
a Texas limited partnership

By: AUSTERRA WEALTH MANAGEMENT, LLC
a Texas limited liability company

Its: General Partner

By: /s/ Mark C. Holland
MARK C. HOLLAND, Managing Member

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 3rd day of April, 2024 by MARK C. HOLLAND, Managing Member of AUSTERRA WEALTH MANAGEMENT, LLC, a Texas limited liability company, it being the General Partner of AUSTERRA STABLE GROWTH FUND, LP, a Texas limited partnership, on behalf of said entities.

/s/ Megan Haerst
Notary Public, State of Texas

PREPARED BY:

Law Office of Ben Williams, PLLC
10119 Lake Creek Pkwy, Ste 201
Austin, TX 78729

AFTER RECORDING RETURN TO:

Stallion Funding, LLC
10119 Lake Creek Pkwy, Ste 202
Austin, TX 78729

**WRITTEN LOAN AGREEMENT
(2nd Lien)**

DEBTOR OR OBLIGOR: LV PENINSULA HOLDING, LLC,
a Texas limited liability company

LENDER: AUSTERRA STABLE GROWTH FUND, LP

(Collectively called the “Parties”)

The Lender has agreed to loan Debtor or Obligor:

Amount: \$1,000,000.00

Note Date: April 3, 2024

and the parties agree to incorporate the terms of all the loan documents connected with such loan as a part of this Loan Agreement.

The following notice is being provided in compliance with §26.02 of the Texas Business and Commerce Code, which provides that certain “loan agreements” must be in writing to be enforceable. As used in the notice, the term “loan agreement” means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust, or other documents, or commitments, or any combination of these actions or documents, executed in connection with the loan from Lender.

NOTICE

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

This notice shall be deemed to be a part of each document which is executed by any Debtor or Obligor and which comprises a part of the Loan Agreement.

The term “Debtor or Obligor” means any individual or entity which (i) is primarily obligated to pay the Note or (ii) otherwise is or becomes obligated to pay the loan (for example, as cosigner or guarantor) or (iii) has pledged any property as security for the loan.

The undersigned Debtor or Obligor acknowledges receipt of a copy of this notice and agrees that all documents comprising the Loan Agreement are subject to the provision of §26.02 of the Texas Business and Commerce Code.

Dated to be effective the date of the Note referenced above.

DEBTOR OR OBLIGOR:

LV PENINSULA HOLDING, LLC
a Texas limited liability company

By: /s/ Nicolai Brune
Nicolai Brune, CFO and Authorized Agent

LENDER:

AUSTERRA STABLE GROWTH FUND, LP

By: /s/ Mark C. Holland
Its: President of the General Partner

**Promissory Note
(2nd Lien)**

Date: April 3, 2024

Borrower: LV PENINSULA HOLDING, LLC, a Texas limited liability company

Borrower's Mailing Address: 990 Biscayne Blvd., Ste 501
Miami, Florida 33132

Lender: AUSTERRA STABLE GROWTH FUND, LP

Payee and Place for Payment: c/o Stallion Funding, LLC
10119 Lake Creek Parkway, Ste 202
Austin, Texas 78729

Principal Amount: \$1,000,000.00

Annual Interest Rate: Seventeen and 00/100 percent (17.00%) per annum from date advanced

Maturity Date: April 1, 2025

Annual Interest Rate on Matured, Unpaid Amounts:

Matured or accelerated unpaid, and past due, principal and interest shall bear interest from date of maturity or acceleration until paid at the highest non- usurious rate allowed by state or federal law, or if no such rate is established, at a rate per annum equal to eighteen percent (18.00%) per annum

Terms of Payment (principal and interest):

Interest only shall be due and payable in monthly installments of FOURTEEN THOUSAND ONE HUNDRED SIXTY-SIX and 67/100 Dollars, commencing on June 1, 2024, and continuing regularly thereafter on the same date of each month until April 1, 2025, when the entire amount hereof, principal and interest then remaining unpaid, shall be due and payable. Payments will be applied first to accrued interest and the remainder to reduction of the Principal Amount.

Borrower may prepay this note in any amount at any time before the Maturity Date without penalty or premium.

If any installment becomes overdue for more than 10 days, at Lender's option a late payment charge of 5% may be charged in order to defray the expense of handling the delinquent payment.

Security for Payment:

This note is secured by a second lien deed of trust from LV PENINSULA HOLDING, LLC, a Texas limited liability company, to BENJAMIN K. WILLIAMS or BENJAMIN H. HA, Trustee, which covers the following real property:

Being that certain tract of land stated to contain 59.3712 acres, more or less, out of the K. BALDWIN SURVEY NO. 600, ABST 90, Travis County, Texas; and out of a portion of Lot 1, AMENDED PLAT OF THE COVE AT LAGO VISTA, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 87, Page 174C, Plat Records of Travis County, Texas. Said 59.3712 acre tract being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

Promise to Pay

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. If any amount is not paid either when due under the Terms of Payment or on acceleration of maturity, Borrower promises to pay any unpaid amount plus interest from the date the payment was due to the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts.

Defaults and Remedies

If Borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due.

Waivers

Borrower waives, to the extent permitted by law, all (1) demand for payment, (2) presentation for payment, (3) notice of intention to accelerate maturity, (4) notice of acceleration of maturity, (5) protest, (6) notice of protest, (7) rights under sections 51.003, 51.004, and 51.005 of the Texas Property Code, and (8) rights under section 17.001 and chapter 43 of the Texas Civil Practice and Remedies Code and rule 31 of the Texas Rules of Civil Procedure.

Attorney's Fees

Borrower also promises to pay reasonable attorney's fees and court and other costs if an attorney is retained to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

Usury Savings

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

Other Clauses

Each Borrower is responsible for all obligations represented by this note.

When the context requires, singular nouns and pronouns include the plural.

LV PENINSULA HOLDING, LLC,
a Texas limited liability company

By: /s/ Nicolai Brune
NICOLAI BRUNE, CFO and
Authorized Agent

Space Above This Line For Recording Data

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Deed of Trust
(2nd Lien)

Terms

Date: April 3, 2024

Grantor: LV PENINSULA HOLDING, LLC, a Texas limited liability company

Grantor's Mailing Address: 990 Biscayne Blvd., Ste 501
Miami, Florida 33132

Trustee: BENJAMIN K. WILLIAMS or BENJAMIN H. HA

Trustee's Mailing Address: 10119 Lake Creek Parkway, Ste 201
Austin, Texas 78729

Lender: AUSTERRA STABLE GROWTH FUND, LP

Lender's Mailing Address: c/o Stallion Funding, LLC
10119 Lake Creek Parkway, Ste 202
Austin, Texas 78729

Obligation

Note

Date: of even date hereof

Original principal amount: \$1,000,000.00

Borrower: LV PENINSULA HOLDING, LLC,
a Texas limited liability company

Lender: AUSTERRA STABLE GROWTH FUND, LP

Maturity date: April 1, 2025

Property (including any improvements):

Being that certain tract of land stated to contain 59.3712 acres, more or less, out of the K. BALDWIN SURVEY NO. 600, ABST 90, Travis County, Texas; and out of a portion of Lot 1, AMENDED PLAT OF THE COVE AT LAGO VISTA, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 87, Page 174C, Plat Records of Travis County, Texas. Said 59.3712 acre tract being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

Prior Lien:

The lien created by this deed of trust will be subordinate to the lien securing payment of a note in the original principal amount of FIVE MILLION AND 00/100 DOLLARS (\$5,000,000.00), which is dated March 30, 2023, executed by LV PENINSULA HOLDING, LLC, a Texas limited liability company, payable to the order of AUSTERRA STABLE GROWTH FUND, LP, and more fully described in a deed of trust and security agreement, of even date, recorded in Document No. 2023034847, in the Official Public Records of Travis County, Texas; and in a Real Estate Mortgage with Power of Sale, recorded in Document No. 1-2023-753693, Book 1627 Page 759, Page 0759-0766, Official Public Records of Bryan County, Oklahoma. Said Lien further described in modification and extension agreements, recorded contemporaneously with this document in both the Official Public Records of Travis County, Texas and Bryan County, Oklahoma.

Other Exceptions to Conveyance and Warranty:

Subject to the easements, assessments, restrictions, mineral interests and covenants of record against the herein described property, to the extent the same are valid and subsisting against the property.

For value received and to secure payment of the Obligation, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantor's expense.

Clauses and Covenants

A. Grantor's Obligations

Grantor agrees to—

1. keep the Property in good repair and condition;

2. pay all taxes and assessments on the Property before delinquency, not authorize a taxing entity to transfer its tax lien on the Property to anyone other than Lender, and not request a deferral of the collection of taxes pursuant to section 33.06 of the Texas Tax Code;

3. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;

4. maintain all insurance coverages with respect to the Property, revenues generated by the Property, and operations on the Property that Lender reasonably requires ("Required Insurance Coverages"), issued by insurers and written on policy forms acceptable to Lender, and as to property loss, that are payable to Lender under policies containing standard mortgagee clauses, and deliver evidence of the Required Insurance Coverages in a form acceptable to Lender at least ten days before the expiration of the Required Insurance Coverages;

5. obey all laws, ordinances, and restrictive covenants applicable to the Property;

6. keep any buildings occupied as required by the Required Insurance Coverages;

7. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments; and

8. notify Lender of any change of address.

B. Lender's Rights

1. Lender or Lender's mortgage servicer may appoint in writing one or more substitute trustees, succeeding to all rights and responsibilities of Trustee. Such written appointments need not be filed in the Official Public Records of the county where the property is located or in any other public or governmental records in order to be effective. All rights, remedies and duties of Trustee under this Deed of Trust may be exercised or performed by one or more trustees acting alone or together.

- a. Lender, at its option and with or without cause, may from time to time, by power of attorney or otherwise, remove or substitute any trustee, add one or more trustees, or appoint a successor trustee to any Trustee without the necessity of any formality other than a designation by Lender in writing. Without any further act or conveyance of the Property the substitute, additional or successor trustee shall become vested with the title, rights, remedies, powers and duties conferred upon Trustee herein and by Applicable Law.
- b. Neither the Trustee named herein nor any Trustee who may act hereunder shall in any way be disqualified from acting as such Trustee for the reason that he may now be, may become or at any applicable time may be a manager, director, an officer, an employee, a shareholder, an agent, or an attorney of Lender or may be otherwise related to Lender.
- c. Trustee shall not be liable if acting upon any notice, request, consent, demand, statement or other document believed by Trustee to be correct. Trustee shall not be liable for any act or omission unless such act or omission is willful.

2. If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.

3. Lender may apply any proceeds received under the property insurance policies covering the Property either to reduce the Obligation or to repair or replace damaged or destroyed improvements covered by the policy. If the Property is Grantor's primary residence and Lender reasonably determines that repairs to the improvements are economically feasible, Lender will make the property insurance proceeds available to Grantor for repairs.

4. Notwithstanding the terms of the Note to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantor with respect to the Obligation or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to amounts due and payable to Lender with respect to the Obligation, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.

5. If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

6. COLLATERAL PROTECTION INSURANCE NOTICE

In accordance with the provisions of section 307.052(a) of the Texas Finance Code, the Lender hereby notifies the Grantor as follows:

(A) the Grantor is required to:

- (i)** keep the collateral insured against damage in the amount the Lender specifies;
- (ii)** purchase the insurance from an insurer that is authorized to do business in the state of Texas or an eligible surplus lines insurer; and
- (iii)** name the Lender as the person to be paid under the policy in the event of a loss;

(B) the Grantor must, if required by the Lender, deliver to the Lender a copy of the policy and proof of the payment of premiums; and

(C) if the Grantor fails to meet any requirement listed in Paragraph (A) or (B), the Lender may obtain collateral protection insurance on behalf of the Grantor at the Grantor's expense.

7. If there is a default on the Obligation or if Grantor fails to perform any of Grantor's obligations and the default continues after any required notice of the default and the time allowed to cure, Lender may—

- a. declare the unpaid principal balance and earned interest on the Obligation immediately due;
- b. exercise Lender's rights with respect to rent under the Texas Property Code as then in effect;
- c. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and
- d. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

8. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

C. Trustee's Rights and Duties

If directed by Lender to foreclose this lien, Trustee will—

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;
2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;
3. from the proceeds of the sale, pay, in this order—
 - a. expenses of foreclosure, including a reasonable commission to Trustee;
 - b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - c. any amounts required by law to be paid before payment to Grantor; and
 - d. to Grantor, any balance; and
4. be indemnified, held harmless, and defended by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

D. General Provisions

1. If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any trustee's deed conveying the Property will be presumed to be true.
3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien will remain superior to liens later created even if the time of payment of all or part of the Obligation is extended or part of the Property is released.
5. If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.

6. Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.

7. Grantor assigns to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Grantor warrants the validity and enforceability of the assignment. Grantor may as Lender's licensee collect rent and other income and receipts as long as Grantor is not in default with respect to the Obligation or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the Obligation and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due with respect to the Obligation and the deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the Obligation or performance of this deed of trust, Lender may terminate Grantor's license to collect rent and other income and then as Grantor's agent may rent the Property and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Lender's rights and remedies and then to Grantor's obligations with respect to the Obligation and this deed of trust in the order determined by Lender. Lender is not required to act under this paragraph, and acting under this paragraph does not waive any of Lender's other rights or remedies. If Grantor becomes a voluntary or involuntary debtor in bankruptcy, Lender's filing a proof of claim in bankruptcy will be deemed equivalent to the appointment of a receiver under Texas law.

8. Interest on the debt secured by this deed of trust will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.

9. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

10. Grantor may not sell, transfer, or otherwise dispose of any Property, whether voluntarily or by operation of law, without the prior written consent of Lender. If granted, consent may be conditioned upon (a) the grantee's integrity, reputation, character, creditworthiness, and management ability being satisfactory to Lender; and (b) the grantee's executing, before such sale, transfer, or other disposition, a written assumption agreement containing any terms Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, a transfer fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Grantor may not cause or permit any Property to be encumbered by any liens, security interests, or encumbrances other than the liens securing the Obligation and the liens securing ad valorem taxes not yet due and payable without the prior written consent of Lender. If granted, consent may be conditioned upon Grantor's executing, before granting such lien, a written modification agreement containing any terms Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, an approval fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Grantor may not grant any lien, security interest, or other encumbrance (a "Subordinate Instrument") covering the Property that is subordinate to the liens created by this deed of trust without the prior written consent of Lender. If granted, consent may be conditioned upon the Subordinate Instrument's containing express covenants to the effect that—

- a. the Subordinate Instrument is unconditionally subordinate to this deed of trust;
- b. if any action is instituted to foreclose or otherwise enforce the Subordinate Instrument, no action may be taken that would terminate any occupancy or tenancy without the prior written consent of Lender, and that consent, if granted, may be conditioned in any manner Lender determines;
- c. rents, if collected by or for the holder of the Subordinate Instrument, will be applied first to the payment of the Obligation then due and to expenses incurred in the ownership, operation, and maintenance of the Property in any order Lender may determine, before being applied to any indebtedness secured by the Subordinate Instrument;
- d. written notice of default under the Subordinate Instrument and written notice of the commencement of any action to foreclose or otherwise enforce the Subordinate Instrument must be given to Lender concurrently with or immediately after the occurrence of any such default or commencement; and
- e. in the event of the bankruptcy of Grantor, all amounts due on or with respect to the Obligation and this deed of trust will be payable in full before any payments on the indebtedness secured by the Subordinate Instrument.

Grantor may not cause or permit any of the following events to occur without the prior written consent of Lender: if Grantor is (a) a corporation, the dissolution of the corporation or the sale, pledge, encumbrance, or assignment of any shares of its stock; (b) a limited liability company, the dissolution of the company or the sale, pledge, encumbrance, or assignment of any of its membership interests; (c) a general partnership or joint venture, the dissolution of the partnership or venture or the sale, pledge, encumbrance, or assignment of any of its partnership or joint venture interests, or the withdrawal from or admission into it of any general partner or joint venturer; or (d) a limited partnership, (i) the dissolution of the partnership, (ii) the sale, pledge, encumbrance, or assignment of any of its general partnership interests, or the withdrawal from or admission into it of any general partner, (iii) the sale, pledge, encumbrance, or assignment of a controlling portion of its limited partnership interests, or (iv) the withdrawal from or admission into it of any controlling limited partner or partners. If granted, consent may be conditioned upon (a) the integrity, reputation, character, creditworthiness, and management ability of the person succeeding to the ownership interest in Grantor (or security interest in such ownership) being satisfactory to Lender; and (b) the execution, before such event, by the person succeeding to the interest of Grantor in the Property or ownership interest in Grantor (or security interest in such ownership) of a written modification or assumption agreement containing such terms as Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, a transfer fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

11. When the context requires, singular nouns and pronouns include the plural.
12. The term *Note* includes all extensions, modifications, and renewals of the Note and all amounts secured by this deed of trust.
13. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.
14. If Grantor and Borrower are not the same person, the term *Grantor* includes Borrower.
15. Grantor and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.
16. Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.
17. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.
18. The term *Lender* includes any mortgage servicer for Lender.
19. Grantor represents that this deed of trust and the Note are given for the following purposes:

The Note represents ONE MILLION and 00/100 DOLLARS (\$1,000,000.00) in cash that Lender shall advance to Grantor for closing costs and interest carry for interest payments on the Prior Lien. Disbursement of cash for interest carry shall be governed by the Escrow Agreement executed on the Prior Lien.

Grantor warrants to Lender and agrees that the proceeds of the Note will be used primarily for business or commercial purposes and not primarily for personal, family, or household purposes.

Grantor warrants to Lender that the Property will not be used as the Grantor's residence during the term of the Obligation.

20. As used in this section: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Grantor shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Grantor shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Grantor has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Grantor learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

21. **Venue.** Debtor agrees that this Loan shall be deemed to have been made in the State of Texas at Lender's mailing address indicated at the beginning of this Deed of Trust and shall be governed by, and construed in accordance with, the laws of the State of Texas and is performable in Williamson County, Texas. In any litigation in connection with or to enforce this Deed of Trust, the Note, or any Loan Documents, Grantors, and any guarantors irrevocably consent to and confer personal jurisdiction on the courts of the State of Texas or the United States courts located within the State of Texas. Nothing contained herein shall, however, prevent Lender from bringing any action or exercising any rights within any other state or jurisdiction or from obtaining personal jurisdiction by any other means available under applicable law

22. The lien created by this deed of trust will be subordinate to the lien securing payment of a note in the original principal amount of FIVE MILLION AND 00/100 DOLLARS (\$5,000,000.00), which is dated March 30, 2023, executed by LV PENINSULA HOLDING, LLC, a Texas limited liability company, payable to the order of AUSTERRA STABLE GROWTH FUND, LP, and more fully described in a deed of trust and security agreement, of even date, recorded in Document No. 2023034847, in the Official Public Records of Travis County, Texas; and in a Real Estate Mortgage with Power of Sale, recorded in Document No. 1-2023-753693, Book 1627 Page 759, Page 0759-0766, Official Public Records of Bryan County, Oklahoma. Said Lien further described in modification and extension agreements, recorded contemporaneously with this document in both the Official Public Records of Travis County, Texas and Bryan County, Oklahoma. If default occurs in payment of any part of principal or interest of the notes referenced herein or in observance of any covenants of the deed of trusts securing it, the entire debt secured by this deed of trust will immediately become payable at the option of Lender.

LV PENINSULA HOLDING, LLC,
a Texas limited liability company

By: /s/ Nicolai Brune
NICOLAI BRUNE, CFO and
Authorized Agent

THE STATE OF FLORIDA

COUNTY OF MIAMI DADE

This instrument was acknowledged before me on the 3rd day of April, 2024, by NICOLAI BRUNE, CFO and Authorized Agent, of LV PENINSULA HOLDING, LLC, a Texas limited liability company, on behalf of said limited liability company.

/s/ Marjorie Chavez
Notary Public, State of Florida

PREPARED BY:

Law Office of Ben Williams, PLLC
10119 Lake Creek Parkway, Ste 201
Austin, Texas 78729

This instrument was prepared by and after recording should be returned to:

Robert J. Getchell, Esq.
GableGotwals
110 N. Elgin Ave., Suite 200
Tulsa, Oklahoma 74120
(918) 595-4800

**MODIFICATION TO REAL ESTATE MORTGAGE
(WITH POWER OF SALE)**

This Modification to Real Estate Mortgage (the "**Mortgage Modification**") is made effective as of April 1, 2024, by and between LV PENINSULA HOLDING, LLC, a Texas limited liability company ("**LV**" or "**Mortgagor**") and AUSTERRA STABLE GROWTH FUND, LP ("**Austerra**" or "**Mortgagee**").

RECITALS

A. LV and Austerra entered into that certain Loan Agreement dated March 30, 2023 (the "**Loan Agreement**"), whereby Mortgagee agreed to make a loan to Mortgagor.

B. On the same date as the Loan Agreement, Mortgagor made, executed and delivered to Mortgagee that certain Real Estate Mortgage (the "**Mortgage**") encumbering certain property located in Bryan County, Oklahoma, described on Exhibit A attached hereto and by this reference made a part hereof (such property and all other property described in the Mortgage referred to herein as the "**Property**"), said Mortgage having been filed on April 11, 2023, and recorded in Book 1627, beginning at Page 759, in the records of the County Clerk of Bryan County, Oklahoma. The Mortgage was given to secure the repayment of certain indebtedness and obligations more particularly described therein.

C. Pursuant to that certain Loan Modification Agreement of even date herewith (the "**Loan Modification Agreement**"), the maturity date of the Secured Obligations was extended from April 1, 2024, to April 1, 2025, unless accelerated prior to such time.

D. Mortgagors now desire to ratify all the terms and conditions of the Mortgage in all respects, and the parties desire to amend certain terms and provisions of the Mortgage as hereinafter set forth.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagors and Mortgagee, for themselves and their successors and assigns, hereby covenant and agree as follows:

1. The above Recitals are incorporated herein by reference.

2. All capitalized terms used but not otherwise defined in this Mortgage Modification shall have the meanings assigned to such terms in the Mortgage.

3. It is agreed that the term "Loan Agreement" as used in the Mortgage, as of the date hereof, means the Loan Agreement as it was modified by the Loan Modification Agreement.

4. Mortgagors hereby confirm, reaffirm and restate that (a) the representations and warranties made by them in the Mortgage are true and correct on and as of the date hereof (except to the extent such representations and warranties relate solely to a specific earlier date) and (b) no Event of Default has occurred and is continuing on the date hereof, except as has been specifically waived.

5. Except as expressly amended by this Mortgage Modification, the Mortgage is in all respects ratified and confirmed, and each Mortgagor hereby repeats, restates and incorporates herein by reference all of the terms, provisions, conditions, covenants, grants, conveyances, warranties and agreements set forth and contained therein as if the same were set forth herein in full and agrees that the lien and priority of the Mortgage are hereby preserved, maintained, ratified and confirmed in all respects.

Signature page follows

IN WITNESS WHEREOF, the Mortgagor and Mortgagee have executed and delivered this Mortgage Modification as of the date and year first above written.

MORTGAGOR:

LV PENINSULA HOLDING, LLC,
a Texas limited liability company

By: /s/ Nicolai Brune
Name: Nicolai Brune
Title: Chief Financial Officer and Authorized Agent

STATE OF FLORIDA)
) ss.
COUNTY OF MIAMI DADE)

The foregoing instrument was acknowledged before me this 5th day of April, 2024, by Nicolai Brune, Chief Financial Officer and Authorized Agent of LV Peninsula Holding, LLC, a Texas limited liability company, for the uses and purposes therein set forth.

 /s/ Susana Perla-Maniera
Notary Public

My commission expires: 9/12/2027
[SEAL]

SIGNATURE PAGE
MORTGAGE MODIFICATION – BRYAN COUNTY

MORTGAGEE:

AUSTERRA STABLE GROWTH FUND, LP

A Texas limited liability company

Its: General Partner

By: /s/ Mark C. Holland

Name: Mark C. Holland

Title: Managing Member

STATE OF FLORIDA)
) ss.
COUNTY OF MIAMI DADE)

The foregoing instrument was acknowledged before me this 5th day of April, 2024, by MARK C. HOLLAND of AUSTERRA WEALTH MANAGEMENT, LLC, a Texas limited liability company, it being the General Partner of AUSTERRA STABLE GROWTH FUND, LP, a Texas limited liability partnership, for the uses and purposes therein set forth.

/s/ Megan Haerst

Notary Public

My commission expires: 02/19/2027
[SEAL]

SIGNATURE PAGE
MORTGAGE MODIFICATION-GRADY COUNTY

EXHIBIT A
TO
MODIFICATION TO REAL ESTATE MORTGAGE
(Legal Description)

Tract 1: All that part of Lots 1 and 2 lying North and East of the Railroad Right- of-way in Section 4, Township 7 South, Range 9 East of the Indian Base and Meridian, Bryan County, State of Oklahoma, according to the U.S. Government Survey thereof.

Tract 2: The S/2 SE/4 SE/4 and all of that part of the SW/4 SE/4 lying North and East of the A&C Railroad Right-of-Way in Section 33, Township 6 South, Range 9 East of the Indian Base and Meridian, Bryan County, State of Oklahoma, according to the U.S. Government Survey thereof, LESS AND EXCEPT a roadway and utility easement reserved over the North 80 feet of the West 60 feet of the SW/4 of the SE/4 of Section 33, Township 6 South, Range 9 East.

Tract 3: The N/2 SE/4 SE/4 of Section 33, Township 6 South, Range 9 East of the Indian Base and Meridian, Bryan County, State of Oklahoma, according to the U.S. Government Survey thereof;

Together with all buildings, structures and improvements of every nature thereon, and all fixtures, machinery, appliances, equipment, furniture and personal property of every nature located in or on, or attached to or used or intended to be used in connection with the operation of such property, including all additions, accessions, improvements and replacements of or to any of the foregoing, and the proceeds thereof, and all appurtenances thereto belonging, and all rents, royalties, issues, profits and other benefits therefrom (all of which is hereinafter collectively referred to as the "Property").

EXHIBIT A

Guaranty

Date: April 3, 2024

Guarantor: SAFE AND GREEN DEVELOPMENT CORP., a Delaware corporation f/k/a
SGB DEVELOPMENT CORP., a Delaware corporation

Guarantor's Mailing Address: 990 Biscayne Blvd., Suite 501
Miami, Florida 33132

Borrower: LV PENINSULA HOLDING, LLC, a Texas limited liability company

Borrower's Mailing Address: 990 Biscayne Blvd., Suite 501
Miami, Florida 33132

Lender: AUSTERRA STABLE GROWTH FUND, LP

Payee and Place for Payment: c/o Stalvion Funding, LLC
10119 Lake Creek Parkway, Ste 202
Austin, Texas 78729

Guaranteed Indebtedness: The debt evidenced by the note of even date, in the original principal amount of \$1,000,000.00, executed by Borrower and payable to the order of Lender, the obligations under the deed of trust executed in connection with the note and any other document executed by Borrower evidencing or securing the note (collectively, the "Loan Documents"), plus all interest, penalties, expenses, attorney's fees, and other collection costs as provided in the Loan Documents.

1. Guarantor agrees to pay, when due or declared due, the Guaranteed Indebtedness to Lender at Lender's Mailing Address.

2. Guarantor waives (a) diligence in preserving liability of any person on the Guaranteed Indebtedness and in collecting or bringing suit to collect the Guaranteed Indebtedness; (b) all rights of Guarantor under chapter 34 of the Texas Business and Commerce Code and rule 31 of the Texas Rules of Civil Procedure, section 17.001 of the Texas Civil Practice and Remedies Code, and sections 51.003, 51.004, and 51.005 of the Texas Property Code; (c) protest; (d) notice of extensions, increases, renewals, or rearrangements of the Guaranteed Indebtedness; and (e) notice of acceptance of this guaranty, of creation of the Guaranteed Indebtedness, of failure to pay the Guaranteed Indebtedness as it matures, of any other default, of adverse change in Borrower's financial condition, of release or substitution of collateral, of intent to accelerate, of acceleration, and of subordination of Lender's rights in any collateral, and every other notice of every kind. Guarantor's obligations under this guaranty will not be altered nor will Lender be liable to Guarantor because of any action or inaction of Lender in regard to a matter waived or of which notice is waived by Guarantor in the preceding sentence.

3. Guarantor agrees to pay reasonable attorney's fees and other collection costs if this guaranty is placed in the hands of an attorney for collection. If any party retains an attorney to enforce this guaranty, the party prevailing in litigation is entitled to recover reasonable attorney's fees and court and other costs.

4. This guaranty is an absolute, irrevocable, unconditional, and continuing guaranty of payment and performance and not of collection.

5. Lender need not resort to Borrower or any other person or proceed against collateral before pursuing its rights against Guarantor or any other guarantor. Lender's action or inaction with respect to any right of Lender under the law or any agreement will not alter the obligation of Guarantor hereunder. Lender may pursue any remedy against Borrower or any collateral or under any other guaranty without altering the obligations of Guarantor hereunder and without liability to Guarantor, even though Lender's pursuit of such remedy may result in Guarantor's loss of rights of subrogation or to proceed against others for reimbursement of contribution or any other right.

6. Guarantor will remain liable for the Guaranteed Indebtedness even though the Guaranteed Indebtedness may be unenforceable against or uncollectible from Borrower or any other person because of incapacity, lack of power or authority, discharge, or any other reason.

7. Guarantor consents and acknowledges that Guarantor's obligations will not be released by (a) the renewal, extension, or modification of the Guaranteed Indebtedness or any of the Loan Documents; (b) the insolvency, bankruptcy, liquidation, or dissolution of Borrower or any other obligor; (c) the failure of Lender to properly obtain, perfect, or preserve any security interest or lien in any collateral for the Guaranteed Indebtedness; (d) the release, substitution, or addition of any collateral for the Guaranteed Indebtedness; or (e) the failure of Lender to exercise diligence, commercial reasonableness, or reasonable care in the preservation, enforcement, or sale of any of the collateral.

8. Lender need not notify Guarantor that Lender has sued Borrower, but if Lender gives written notice to Guarantor that it has sued Borrower, Guarantor will be bound by any judgment or decree, to the extent permitted by law.

9. Lender may sue any guarantor without impairing Lender's rights against any other guarantor, with or without making Borrower a party. Lender may settle with Borrower or any other guarantor for such amounts as it may elect or may release Borrower or any guarantor or any collateral securing the Guaranteed Indebtedness without impairing Lender's right to collect the Guaranteed Indebtedness from Guarantor.

10. This guaranty binds Guarantor and Guarantor's heirs, successors, and assigns, and it benefits and may be enforced by Lender and Lender's successors in interest. When the context requires, singular nouns and pronouns include the plural. This guaranty will be construed under the laws of the state of Texas, without regard to choice-of-law rules of any jurisdiction. The provisions of this guaranty are severable. If a court of competent jurisdiction finds that any provision of this guaranty is unenforceable, then the remaining provisions will remain in effect without the unenforceable parts.

11. FINAL AGREEMENT: THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

/s/ Paul Galvin

PAUL GALVIN, President
