

EXHIBIT A

PROMISSORY NOTE

805 Ottley Avenue LLC – The Oaks Land Acquisition Loan

Principal amount: \$400,000.00

February __, 2025

805 OTTLEY AVENUE LLC, a Colorado limited liability company (“Borrower”), unconditionally promises to pay to the order of FRUITA HOUSING AUTHORITY, a body corporate and politic (“Payee”), the principal sum of \$400,000.00. All unpaid principal is due on [_____, 20__] (“Maturity Date”). However, upon a sale of the property securing the Note (“Property”) not otherwise permitted by the Deed of Trust, any unpaid principal is immediately due and payable.

Notwithstanding anything in this Note to the contrary, payments of principal are not required under this Note except (a) upon the occurrence of the Maturity Date, or (b) upon sale of the Property if the sale occurs prior to the Maturity Date and such sale is not permitted by the Deed of Trust, and subject to the rights of any senior lienholders. If the Borrower closes on its Construction Loan (as defined in the Redevelopment Agreement between the Payee and the Borrower) prior to the Maturity Date, then the principal amount of this Note shall be forgiven by the Payee, this Note shall be cancelled by the Payee and the Payee shall take all action necessary to discharge the Deed of Trust (defined below).

Borrower shall make all payments of principal on this Note to Payee at its offices at 325 E. Aspen Avenue, Fruita, Colorado 81521, or at another place as Payee may designate to Borrower in writing. Payee shall apply all payments received under this Note first to accrued interest as of the date of payment, and then to the outstanding principal balance.

Overdue principal, whether caused by acceleration or maturity or otherwise, bears interest at a rate per annum equal to 12% (the “Default Rate”) and Borrower shall pay any overdue principal monthly or, at the option of the holder of this Note, on demand. Payee does not intend to charge interest at a rate in excess of the maximum rate of interest under usury and other laws. But if Borrower pays interest in excess of the maximum legal rate, Payee shall apply the excess first against any accrued and unpaid interest, and then to principal as additional cash collateral, unless such retention is not permitted by law, in which case the interest rate on this Note will be adjusted to the maximum permitted under law during the period when the interest rate would exceed the maximum legal rate.

Borrower may prepay this Note, in whole but not in part, at any time without premium or penalty and without the prior consent of the Payee.

The Borrower executes this Note in connection with, and the holder of this Note is entitled to the benefits of, a Deed of Trust to Public Trustee, Security Agreement, Financing Statement and Fixture Filing dated the same date as this Note (together with any amendments, “Deed of Trust”) given by Borrower for the benefit of Payee to secure this Note. Reference is

made to the Deed of Trust for a description of the encumbered Property and the rights, remedies, and obligations of the holder of this Note.

Time is of the essence for every provision of this Note. In the event of (a) any default in any payment of principal or interest when due that Borrower does not cure within five days after the due date, or (b) any default or event of default under the provisions of the Deed of Trust that Borrower does not cure within any applicable cure periods, then, at the option of the holder, the whole outstanding principal sum of this Note plus accrued interest and all other obligations of Borrower to holder, direct or indirect, absolute or contingent, now existing or arising later, become immediately due and payable without notice or demand, subject to the rights of any senior lienholders. The holder of this Note may exercise any of the rights and remedies provided in this Note and in the Deed of Trust, as they may be amended, modified, or supplemented, and under applicable law.

If Borrower fails to pay any amount due under this Note, and Payee takes any action to collect the amount due or to exercise its rights under the Deed of Trust, or if Payee brings any suit or proceeding for the recovery or for protection of the indebtedness, or to foreclose the Deed of Trust, then Borrower shall pay on demand all reasonable costs and expenses of the suit or proceeding and any appeal including, but not limited to, the fees and disbursements of Payee's attorneys and their staff. Headwaters Housing Partners or its designee may cure any default under the Note, and Payee shall accept Headwaters Housing Partners' cure as if made by the Borrower.

Borrower hereby waives presentment, notice of dishonor, notice of acceleration, and protest. Borrower hereby assents to any extension of time with respect to any payment due under this Note, to any substitution or release of collateral, and to the addition or release of any party. No waiver of any payment or other right operates as a waiver of any other payment or right.

If any provision in this Note is held invalid, illegal, or unenforceable, all other provisions of this Note remain fully enforceable.

No delay or failure of the holder of this Note in the exercise of any right or remedy is to be deemed a waiver of such right, and no exercise of any right or remedy is to be deemed a waiver of any other right or remedy that the holder may have.

This Note is a nonrecourse obligation of Borrower and Headwaters Housing Partners.

The parties shall give all notices related to this Note in writing, by hand delivery, overnight courier, or by certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

Borrower: 805 Ottley Avenue LLC
[ADDRESS]
Attention:

Payee: At the same address to which Note payments are to be made.

Notices will be deemed effective when hand delivered, or one day after timely delivery to an overnight courier for next day delivery to Borrower (as evidenced by a receipt from the overnight courier), or three days after notice is deposited with the U.S. Postal Service.

Borrower and all signers or endorsers hereby consent to venue and jurisdiction in the District Court of Mesa County, Colorado and to service of process as permitted under Colorado law in any action to enforce this Note.

Payee will not assign this Note or any interest in it without consent of Borrower.

The laws of the State of Colorado govern this Note without regard to principles of conflicts of laws.

The Borrower has executed this Promissory Note as of the day and year first written above.

BORROWER

805 Ottley Avenue LLC a Colorado limited liability
company

By: Headwaters Housing Partners, as its majority
Member

By: _____
Name:
Title: