

PROMISSORY NOTE
IndiBuild Fruita / FHA CMF Loan

Principal amount: \$170,000.00

August __, 2023

INDIBUILD FRUITA LLLP, a Colorado limited liability limited partnership (“Borrower”), unconditionally promises to pay to the order of FRUITA HOUSING AUTHORITY, a body corporate and politic (“Payee”), the principal sum of \$170,000.00, or so much as Payee has advanced under this Note, together with interest at the annual rate of 1.00%, compounded annually from the date of this Note. Interest accrues daily, compounds annually, is payable in arrears at maturity, and will be calculated on the basis of a 365-day year and the actual number of days elapsed. All unpaid principal and accrued interest are due on July 31, 2063 (“Maturity Date”). However, upon a sale of the property securing the Note (“Property”) not otherwise permitted by the Deed of Trust, any unpaid principal and interest are immediately due and payable.

Notwithstanding anything in this Note to the contrary, payments of principal and interest are not required under this Note except (a) all interest and principal is due on the Maturity Date or 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; (b) Borrower shall make annual payments of principal and accrued interest, with the first annual payment due on December 31, 2024, to the extent of available Cash Flow (as defined in Section 5.1.1 of the Amended and Restated Agreement of Limited Liability Limited Partnership of Borrower (“Partnership Agreement”)) in the order and priority set forth in Section 5.1.1 of the Partnership Agreement.

As used in this Note, the term “Senior Loan” means, collectively:

- (i) the loan in the original principal amount of up to \$13,200,000 evidenced by a Promissory Note (“First Bank Note”) payable by Borrower to First Bank of Wyoming, a Division of Glacier Bank (“First Bank”);
- (ii) a loan in the original principal amount of up to \$3,400,000 evidenced by a Promissory Note (“CHFA SIMPLE Note”) to Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado (“CHFA”);
- (iii) a loan in the original principal amount of up to \$1,000,000 evidenced by a Promissory Note (“CHFA HOF Note”) to CHFA;
- (iv) a loan in the original principal amount of up to \$825,000 evidenced by a Promissory Note (“CHFA CMF Note”) to CHFA; and
- (v) a loan in the original principal amount of up to \$4,000,000 evidenced by a Promissory Note (“CDOH HDG Note”) to the State of Colorado, by and through the Department of Local Affairs, for the benefit of the Division of Housing (“CDOH”).

First Bank, CHFA, and CDOH are collectively the “Senior Lender.”

The Borrower may refinance, sell, or modify the Senior Loan without the consent of the Payee or any subsequent holder of this Note. Payee shall subordinate the Deed of Trust (defined below) securing this Note so that the deeds of trust securing loans obtained to refinance the Senior Loan continue to have priority over the Deed of Trust securing this Note, regardless of whether the refinanced, sold, or modified Senior Loan have different principal amounts, interest rates, maturities, or terms than the original Senior Loans.

Borrower shall make all payments of principal and interest 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 five percentage points above the otherwise applicable rate from the due date until paid and Borrower shall pay any overdue principal monthly or, at the option of the holder of this Note, on demand.

Borrower may prepay this Note, either in whole or in part, at any time without premium or penalty and without the prior consent of the Payee.

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.

The Borrower executes this Note in connection with, and the holder of this Note is entitled to the benefits of, a Subordinate 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. Borrower's Limited Partner (as defined in the Partnership Agreement) or its designee may cure any default under the Note, and Payee shall accept the Limited Partner's cure as if made by the Borrower.

Notwithstanding anything to the contrary set forth in this Note, until the end of the Compliance Period (as defined in Section 42 of the Internal Revenue Code of 1986, as amended) for all buildings located within the Property, Payee will not (i) exercise any other rights or remedies it may have under this Note, including but not limited to, accelerating the loan made under the Note, collecting rents, appointing (or seeking appointment of) a receiver or collecting or attempting to collect any default interest, or (ii) join with any other creditor in commencing any bankruptcy reorganization, arrangement, insolvency or liquidation proceedings with respect to 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.

Notwithstanding any other provision contain in the Loan Documents, the Loan evidenced by this Note is a nonrecourse obligation of Borrower and its general partner.

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:

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| Borrower: | IndiBuild Fruita LLLP |
| | 4884 Briar Ridge Ct. |
| | Boulder, CO 80301 |
| | Attention: Kim Pardoe |

With a copy to: NEF Assignment Corporation
10 South Riverside Plaza, Ste. 1700
Chicago, IL 60606
Attn: Vice President – Asset Management

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.

The indebtedness evidenced by this Note loan (“Subordinate Loan”), this Note, the Deed of Trust, and all documents securing or evidencing this Subordinate Loan are and shall be subject and subordinate to the right of payment in full of the Senior Loan.

Payee will not assign this Note or any interest in it without consent of Borrower and Borrower’s Limited Partner, as defined in the Partnership Agreement.

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

IndiBuild Fruita LLLP, a Colorado limited liability
limited partnership

By: IndiBuild Fruita GP LLC, a Colorado limited
liability company, as its General Partner

By: indibuild llc, a Colorado limited liability company,
as its Manager

By: _____
Name: Kimberley A. Coughlin
Title: Principal