

PROMISSORY NOTE

CHA 8th Street Development

Principal amount: \$2,000,000.00

August 22, 2023

CRAIG HOUSING AUTHORITY, a Colorado body corporate and politic (“Borrower”), unconditionally promises to pay to the order of CITY OF CRAIG, COLORADO, a home rule municipality (“Payee”), the principal sum of \$2,000,000.00 or so much as Payee has advanced under this Note, together with interest at the annual rate of 1% 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 December 31, 2024 (“Maturity Date”), which Maturity Date the Borrower may extend by up to twelve months under the Loan Agreement.

Notwithstanding anything in this Note to the contrary, payments of principal and interest are not required under this Note except that all interest and principal is due on the Maturity Date.

Borrower shall make all payments of principal and interest on this Note to Payee at its offices at 300 W. 4th Street, Craig, CO 81625, 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.

Time is of the essence for every provision of this Note. In the event of any default in any payment of principal or interest when due that Borrower does not cure within five days after the due date, 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. The holder of this Note may exercise any of the rights and remedies provided in this Note, as it may be amended, modified, or supplemented, and under applicable law.

If Borrower fails to pay any amount due under this Note, or if Payee brings any suit or proceeding for the recovery or for protection of the indebtedness, 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 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. 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.

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: Craig Housing Authority
300 W. 4th Street
Craig, CO 81625
Attention: Executive Director

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 Colorado's Fourteenth Judicial District Court and to service of process as permitted under Colorado law in any action to enforce this Note.

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

BORROWER

Craig Housing Authority

By: _____
Name: Peter Brixius
Title: Executive Director