

**IF THIS FORM IS USED IN A CONSUMER CREDIT TRANSACTION, CONSULT LEGAL COUNSEL.**

**THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.**

**PROMISSORY NOTE**

Principal: U.S. \$149,000.00

Saguache County, CO  
Date: August 10, 2021

1. FOR VALUE RECEIVED, Ridgeback Holdings LLC, a Colorado limited liability company, and Terry Ferrari, individually (collectively "Borrower"), promise to pay POTCH, LLC (Note Holder) or order, the principal sum of One Hundred Forty Nine Thousand Dollars (\$149,000.00), plus interest accruing until paid in full as follows. Principal and interest shall be payable at: Potch, LLC, P.O. Box 6992, Snowmass Village, CO 81615, or such other place as Note Holder may designate.

- (a) Interest on the principal balance will not begin to accrue until electrical power is installed at the Property, as defined in the parties Revised Contract for Purchase and Sale dated May 29, 2021 ("Interest Start Date");
- (b) Beginning on the Interest Start Date, and continuing for six (6) months, interest on the unpaid principal balance will be earned at the rate of eight percent (8%) per annum and Borrower shall make interest-only payments of \$993.00 per month and applied first to interest;
- (c) Borrower shall make payment of \$50,000.00 on or before six (6) months following the Interest Start Date;
- (d) Beginning twelve (12) months following the Interest Start Date, and continuing for six (6) months, interest on the unpaid principal balance will be earned at the rate of eight percent (8%) per annum and Borrower shall make interest-only payments of \$660.00 per month and applied first to interest;
- (e) Borrower shall make payment of \$50,000.00 on or before twelve (12) months following the Interest Start Date.
- (f) Beginning eighteen (18) months following the Interest Start Date, and continuing until the principal balance is paid in full, interest on the unpaid principal balance will be earned at the rate of eight percent (8%) per annum and Borrower shall make interest-only payments of \$327.00 per month and applied first to interest;
- (g) Borrower shall make payment of \$49,000.00 on or before eighteen (18) months following the Interest Start Date;
- (h) Full payment of the balance of this Promissory Note ("Balloon Payment") shall be due and payable on or before eighteen (18) months following the Interest Start Date, when all then-accrued and unpaid interest and all outstanding principal shall be due and payable in full.
- (i) This Promissory Note may be prepaid in whole or in part at any time without premium or penalty of percent of the outstanding balance of the loan. All prepayments shall be applied first to interest, then to principal payments in the order of their maturity.

2. Borrower shall pay to Note Holder a late charge of 12% of any payment not received by Note Holder within 5 days after the payment is due.

3. Payments received for application to this Note shall be applied first to the payment of late charges, if any, second to the payment of accrued interest at the default rate specified below, if any, third to accrued interest first specified above, and the balance applied in reduction of the principal amount hereof.

4. If any payment required by this Note is not paid when due, or if any default under any Deed of Trust securing this Note occurs, Note Holder may accelerate the debt upon thirty (30) days written notice to Borrower, during which time Borrower has the absolute right to cure any default. Should Borrower not cure any default within the said thirty (30) days, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of Note Holder (Acceleration); and the indebtedness shall bear interest at the rate of 20% per annum from the date of default. **If Note Holder is required to take any action to enforce the terms of this Promissory Note or the Deed of Trust, Note Holder shall be entitled to collect and shall have judgment for all reasonable costs and expenses of collection and/or suit, whether or not formal legal proceedings are commenced, including, but not limited to reasonable attorneys' fees.**

5. Borrower may prepay the principal amount outstanding under this Note, in whole or in part, at any time without penalty. Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the due date of any subsequent payments or change the amount of such payments, but monthly interest payments shall be reduced in an amount proportionate to any prepayment of principal against the entire principal sum due hereunder.

6. Borrower and all other makers, sureties, guarantors, and endorsers hereby waive presentment, notice of dishonor and protest, and they hereby agree to any extensions of time of payment and partial payments before, at, or after maturity. This Note shall be the joint and several obligation of Borrower and all other makers, sureties, guarantors and endorsers, and their successors and assigns.

7. Any notice to Borrower provided for in this Note shall be in writing and shall be given and be effective upon (a) delivery to Borrower or (b) by mailing such notice by first class U.S. mail, addressed to Borrower at Borrower's address stated below, or to such other address as Borrower may designate by notice to Note Holder. Any notice to Note Holder shall be in writing and shall be given and be effective upon (a) delivery to Note Holder or (b) by mailing such notice by first class U.S. mail, to Note Holder at the address stated in the first paragraph of this Note, or to such other address as Note Holder may designate by notice to Borrower.

8. The indebtedness evidenced by this Note is secured by a Deed of Trust and until released said Deed of Trust contains additional rights of Note Holder. Such rights may cause Acceleration of the indebtedness evidenced by this Note. Reference is made to said Deed of Trust for such additional terms. Said Deed of Trust grants rights in the following legally described property located in Saguache County, Colorado:


TRACT 128 AS SHOWN ON THE PLAT OF AREA 420 PHASE II, TOWN OF MOFFAT, COUNTY OF SAGUACHE STATE OF COLORADO FILED ON FEBRUARY 24, 2021 AT RECEPTION NUMBER 392512 IN THE OFFICE OF THE SAGUACHE COUNTY CLERK AND RECORDER.

Moffat, CO 81143, together with its appurtenances (the "Property").

9. As further security, and in addition to the terms provided by the Deed of Trust, Borrower grants to Note Holder a security interest in all equipment, farm equipment, inventory, fixtures, accounts receivable, and personal property belonging to Borrower, whether or not located at or on the Property identified below. Borrower expressly authorizes Note Holder to complete and file a Colorado UCC financing statement with the Colorado Secretary of State for the collateral referenced in this paragraph.

(CAUTION: SIGN ORIGINAL NOTE ONLY/RETAIN COPY)

Ridgeback Holdings LLC, a Colorado limited liability company



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By: Terry Ferrari  
Its: Manager



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Terry Ferrari, individually

KEEP THIS NOTE IN A SAFE PLACE. THE ORIGINAL OF THIS NOTE MUST BE EXHIBITED TO THE PUBLIC TRUSTEE IN ORDER TO RELEASE A DEED OF TRUST SECURING THIS NOTE.