

Promissory Note

Loan Number: 9594798110

Date: July 28, 2020

Lender: Colorado Lending Source, Ltd.

Borrower: Core Versatility LLC

Loan Amount: \$20,325.00

1. PROMISE TO PAY:

Lender is making a loan ("Loan") evidenced by this Promissory Note under Section 7(a)(36) of the Small Business Act, as amended, for SBA to guarantee 100% of a Paycheck Protection Program ("PPP") loan in the amount specified above to:

Borrower:

Core Versatility LLC
9100 E FLORIDA AVE
Denver, CO 80231

In return for the Loan, Borrower promises to pay to the order of the Lender the amount of Loan including interest on the unpaid principal balance, and all other amounts required by this Note. Under the PPP, certain amounts may be forgiven by the Lender under the direction of the Administrator of the SBA so long as the requirements of the PPP for forgiveness are satisfied. Until an amount is forgiven, the principal amount owed is as set forth in the preceding paragraph and interest accrues thereon. **Forgiveness does not occur automatically. Borrower must submit a request for forgiveness and all required documentation, and forgiveness will not occur unless and until the request for forgiveness is approved. Borrower should submit the request for approval timely in accordance with the rules of the PPP to avoid unnecessary delay.**

2. DEFINITIONS:

"Application" shall mean the SBA Form 2483 together with all supporting documentation submitted to Lender as the application for the Loan.

"Covered Period" shall mean the twenty-four (24) week period starting on the Disbursement Date.

"Disbursement Date" means the date on which the Loan is disbursed by Lender.

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this loan signed by Borrower, including, without limitation, the Application.

"Maturity Date" means the date that is five (5) years from the Note Date.

"Payroll Costs" shall have the meaning set forth in the CARES Act and Section 2(f) of the SBA's PPP rules, as the same may be amended, modified, supplemented or interpreted by the SBA from time to time.

"PPP" means the Paycheck Protection Program set forth in the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), as may be amended, modified or supplemented from time to time, and the rules and regulations promulgated thereunder.

"SBA" means the Small Business Administration, an Agency of the United States of America.

3. INTEREST RATE, REPAYMENT AND MATURITY:

The interest rate shall be a fixed rate of one percent (1%).

All principal and interest payments are deferred for a period not to exceed the Covered Period together with the amount of time the Borrower applies for loan forgiveness, which shall not exceed 10 months from the end of the Covered Period, the time the Lender approves the borrower's loan forgiveness application, which shall not exceed sixty (60) days, and the time SBA approves the borrower's loan forgiveness application and remits the loan forgiveness amount to the Lender, which shall not exceed ninety (90) days. In the event the Borrower does not apply for loan forgiveness within 10 months from the end of the Covered Period, the Borrower will begin principal and interest payments in the following month. Your Lender must notify you of remittance by SBA of the loan forgiveness amount or notify you that SBA determined that no loan forgiveness is allowed, and the date your first payment is due. Interest will continue to accrue over this period. The balance of the loan, including accrued interest, will be amortized over the remaining term of the loan. Monthly payments are due on the first business day of each month, beginning on the first payment of principal and interest date and continuing until the Maturity Date, when all remaining unpaid amounts will be due. Borrower must pay at the place and by the method the Lender designates. The monthly payment includes the monthly principal and interest installment (P & I amount). Regular monthly payments will be applied in the following order: (a) accrued interest, (b) principal, and (c) additional principal.

4. RIGHT TO PREPAY:

Notwithstanding any provision in this Note to the contrary, Borrower may prepay this Note at any time without penalty. Borrower may prepay 20 percent or less of the unpaid principal balance at any time without notice. If Borrower prepays more than 20 percent and the Loan has been sold on the secondary market, Borrower must:

- A. Give Lender written notice;
- B. Pay all accrued interest then unpaid; and
- C. If the prepayment is received less than 21 days from the date Lender receives the

written notice from Borrower, pay an amount equal to 21 days' interest from the date Lender receives the notice, less any interest accrued during the 21 days and paid under subparagraph b., above.

If Borrower does not prepay the amount specified in its notice within 30 days from the date Lender receives the notice, Borrower must give Lender a new written notice and comply with subparagraphs B and C above.

5. USE OF PROCEEDS:

Proceeds of the Loan must be (a) paid or disbursed by Borrower within the Covered Period of the Loan and (b) used solely for the following purposes (the "Permitted Purposes"):

- A. Payroll Costs;
- B. costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;
- C. mortgage interest payments (but not mortgage prepayments or principal payments);
- D. rent payments;
- E. utility payments; in each case of C through E, to the extent the same were incurred in connection with agreements in effect before February 15, 2020;
- F. interest payments on any other debt obligations that were incurred before February 15, 2020; and/or
- G. refinancing an SBA EIDL loan made between January 31, 2020 and April 3, 2020.

6. LOAN FORGIVENESS:

The principal amount of the Loan may be forgiven, in whole or in part, in accordance with the CARES Act, as may be amended from time to time and modified or supplemented pursuant to any regulatory or administrative regulations, guidance, or interpretations issued by the SBA from time to time (collectively, the "Forgiveness Guidelines"). Any such forgiveness shall be conditioned upon Borrower providing to Lender in a timely manner all documentation required under the Forgiveness Guidelines or otherwise requested by Lender supporting Borrower's request for loan forgiveness, including documentation to determine whether the forgiven amount must be reduced in accordance with the Forgiveness Guidelines. The final amount of loan forgiveness, if any, shall be determined by Lender in Lender's discretion in accordance with, and to the extent not expressly prohibited by, the Forgiveness Guidelines. Not more than forty percent (40%) of the amount forgiven shall be attributable to non-Payroll Costs.

7. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note or if Borrower: (a) fails to use the Loan for Permitted Purposes; (b) fails to do anything required by this Note; (c) defaults on any other loan with Lender; (d) does not preserve or account to Lender's satisfaction for the proceeds of the Loan; (e) does not

disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or the SBA; (f) makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or the SBA; or (g) makes an assignment for the benefit of creditors.

8. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may: a) require immediate payment of all amounts owing under this Note; b) collect all amounts owing from any borrower; or c) file suit and obtain judgement.

9. NON-RE COURSE:

Lender and SBA shall have no recourse against any individual shareholder, member, or partner of Borrower for non-payment of the loan, except to the extent that such a shareholder, member or partner uses the loan proceeds for an unauthorized purpose.

10. BORROWER CERTIFICATIONS:

Borrower Certifies to the following: (a) Borrower acknowledges that if Borrower defaults on the loan, SBA may be required to pay Lender under the SBA guarantee, and SBA may then seek recovery on the loan (to the extent any balance remains after loan forgiveness); (b) Borrower will keep books and records in a manner satisfactory to Lender, furnish financial statements required by Lender, and allow Lender and SBA to inspect and audit books, records and papers relating to Borrower's financial or business condition; (c) Borrower will not, without Lender's consent, change its ownership structure, make any distribution of company assets that would adversely affect its financial condition, or transfer (including pledging) or dispose of any assets, except in the ordinary course of business; and (d) the authorized representative has the power and authority to sign on behalf of the borrower, and once executed, the loan documents will be duly binding and enforceable against the Borrower .

11. SUCCESSOR AND ASSIGNS:

Under this Note, Borrower includes its successor, and the Lender includes its successor and assigns.

12. SBA PROVISION(S):

When SBA is the holder, the Note will be interpreted and enforced under federal law, including SBA regulations. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

13. GENERAL PROVISIONS:

A. To the extent there is more than one Borrower on this Note, all such Borrowers are jointly and severally liable.

B. If the Borrower is an entity, the signatory to this Note is an authorized representative of the Borrower and all conditions precedent to the effectiveness of Borrower's signature have occurred. Lender may rely upon Borrower's signature for all purposes.

B. Borrower waives all suretyship defenses.

C. Borrower must sign all documents necessary at any time to comply with the Loan Documents or the statutes and regulations applicable to the PPP.

D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.

E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.

F. If any part of this Note is unenforceable, all other parts remain in effect.

G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor.

H. Borrower shall initial one of the boxes below and a failure to initial one of the boxes shall be interpreted and construed as Borrower's representation that no agent or broker was involved in arranging the Loan or preparing an application for the Loan.

Borrower acknowledges and agrees [initial one]:

No agent or broker was involved in arranging the Loan or preparing an application for the Loan; OR

An agent or broker arranged the Loan or assisted in the preparation of the Loan.

Borrower shall not be charged for any fee of agent or broker, nor shall Borrower or Lender pay any such fee out of proceeds of the Loan. Borrower shall indemnify and hold harmless Lender for any loss, costs or expenses Lender incurs as a result of any misrepresentation by Borrower under this Section 13.

14. BORROWER'S NAME(S) AND SIGNATURE(S):

By Signing below, each individual or entity becomes obligated under the Note as Borrower:

BORROWER: Core Versatility LLC

BY: _____
NAME: MARIA ONISEMO
TITLE: Owner

