

PROMISSORY NOTE

\$594,237.00

July 26, 2023
Phoenix, Arizona

Custom Valley Homes LLC, an Arizona Limited Liability Company, (Hereinafter, "Borrower"), for value received, promises and agrees to pay on or before August 1, 2024, to the order of Mona Lisa Financial LLC as to a 100% undivided interest (hereinafter, "Lender"), in lawful money of the United States of America, the sum of Five Hundred Ninty Four Thousand Two Hundred Thirty Seven dollars (\$594,237.00) ("Principal Sum"). In addition to the Principal Sum, Borrower also agrees to pay interest at the rate of 14.59% per annum (the "Note Rate") on the principal sum commencing on the date hereof. Principal and Interest on this Note shall be paid as follows:

Payments shall be made to:
MONA LISA FINANCIAL LLC
10632 N SCOTTSDALE RD UNIT B238
SCOTTSDALE, AZ 85254

or at such other address as the holder of this note may instruct in writing.

To be valid and enforceable, all correspondence and notices to Lender under this Note or under any related Loan Documents (as defined herein) must be sent in writing by U.S. certified mail to Lender in care of:

MONA LISA FINANCIAL LLC
10632 N SCOTTSDALE RD UNIT B238
SCOTTSDALE, AZ 85254

or at such other address as the holder of this note may instruct in writing.

The note shall be payable at or before maturity, with no monthly payments required, on August 1, 2024, at which time the principal balance and all accrued but unpaid interest and all other charges owing in connection with this note shall be paid in full.

Borrower shall have the right to prepay the entire remaining principal balance of this note with interest determined as follows: If prepayment is to be made prior to July 1, 2024, Borrower shall, in addition to the principal paid, pay an amount equal to the interest on the principal that would have accrued between the date of prepayment and July 1, 2024 ('Prepayment Premium'), were it not for the prepayment. Such interest shall be at the Note Rate (assuming there is no other default under this Note or the Deed of Trust securing same, in which case the Default Rate, as hereinafter defined, will apply). For the purpose of this calculation, the principal is to be assumed fully outstanding for such period. It is agreed by and among the parties that this Prepayment Premium represents the best estimate by the parties of the damage which would be suffered by Lender in having to reinvest the sum prepaid, and restores to Lender the bargain which it otherwise would be foregoing by permitting prepayment. Borrower understands and acknowledges that it is receiving a benefit by virtue of this provision in that Lender has foregone its right to prohibit prepayment altogether. After July 1, 2024, there shall be no premium paid on prepayments.

If no demand is made, all principal and interest shall be due and payable on August 1, 2024 (the "Maturity Date").

If any payment (whether by demand or maturity) of principal or interest is not received by the Servicing Agent on the day it is due, it shall thereafter bear interest at the rate of 28% per annum (the "Default Rate"), and any remaining balance of principal and interest shall also bear interest at the Default Rate. Any payment, including payments of principal at maturity, made after the due date shall be charged a late fee

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of 10% of the amount of the payment to compensate Lender for the loss of opportunity and other damages which Lender would suffer by reason of the payment having been made late. The late fee shall be paid concurrent with the Borrower's next monthly payment.

Each payment made by Borrower shall be applied first to fees and costs then to interest with the balance to reduction of principal or in such other order as the Lender may direct in its sole discretion. Interest shall be computed on the basis of a 360-day year of twelve 30-day months, and charged for the actual days elapsed.

If:

1. default is made in the payment of any payment hereof, as and when the same is or becomes due, or
2. default is made in the performance of any term, covenant, or agreement contained in this Note or the Loan Documents (as hereinafter defined),

then, without notice or demand, the following provisions shall take effect: (i) the entire Principal Sum hereof shall bear interest at the Default Rate, and (ii) Lender may declare the entire unpaid principal balance hereof and accrued interest at once due and payable. If this Note is placed in the hands of an attorney or other agent for any collection activity, including, but not limited to, foreclosure, collection suit, proceedings in bankruptcy, probate, receivership, reorganization, or other judicial proceedings for the establishment or collection of any amount called for hereunder, or any amount payable or to be payable hereunder is collected through any such proceedings, Borrower agrees to pay to Lender all attorneys' and/or agent fees and costs incurred by Lender.

Lender may accelerate the indebtedness represented by this Note without notice or demand in case of a sale or transfer, whether voluntary or involuntary, of all or any part of the Property located in Maricopa County, Arizona (or any interest therein) which serves as security for repayment of this Note and/or in the case of the voluntary creation of or filing of any liens against said Property, in each instance without the prior written consent of Lender. Lender may withhold such consent in its sole and absolute discretion.

Borrower expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit and diligence in taking any action to collect amounts called for hereunder and in the handling of securities at any time existing in connection herewith; and shall be liable for the payment of all sums owing and to be owing hereon, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder or in connection with any rights, lien, interest or property existing at any time as security for any amount called for hereunder.

The Borrower agrees to pay an effective rate of interest which is the Note Rate, plus any additional rate of interest resulting from any charges of interest or in the nature of interest paid or to be paid in connection with the loan evidenced by this Note, including, without limitation, all amounts paid by or on behalf of the Borrower to Lender as fees, points or additional earned interest pursuant to this Note or any agreement related thereto.

It is the intention of Borrower and Lender to conform strictly to applicable usury laws. Accordingly, if the transactions contemplated hereby would be usurious under applicable law (including the laws of the State of Arizona and the laws of the United States of America, whichever would allow the higher rate), then, in that event, notwithstanding anything to the contrary in any agreement entered into in connection with or as security for this Note, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under applicable law that is taken, reserved, contracted for, charged or received under this Note or under any of the other aforesaid documents received or otherwise in connection with this Note shall under no circumstances exceed the maximum amount of interest which Borrower may contract to pay and Lender may receive under applicable law, and any excess shall be credited on this Note by the holder hereof (or,

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if this Note shall have been paid in full, refunded to Borrower); and (ii) in the event that maturity of this Note is accelerated by reason of an election by the holder hereof resulting from any default hereunder or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum amount allowed as aforesaid by applicable law, and excess interest, if any, provided for in this Note or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore prepaid, shall be credited on this Note (or if this Note shall have been paid in full, refunded to Borrower).

This Note is secured by (i) that Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing of even date herewith executed by Custom Valley Homes LLC, an Arizona Limited Liability Company, in favor of Lender encumbering certain real property and improvements located in Maricopa County, Arizona ('Deed of Trust'); (ii) that Security Agreement ('Security Agreement') executed by Borrower dated of even date herewith; (iii) that Financing Statement of even date herewith; (iv) those Personal Guarantees executed by Guarantors dated of even date herewith; This Note, the Deed of Trust, Environmental Indemnity, Security Agreement and Financing Statement, if applicable to the transaction, are defined herein as the "Loan Documents."

Time is of the essence as to the obligations of the parties under this Promissory Note and all Loan Documents.

This Note has been executed and delivered in and shall be construed in accordance with and governed by the laws of the State of Arizona.

BORROWER WAIVES TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING INCLUDING COUNTERCLAIMS, WHETHER AT LAW OR EQUITY, BROUGHT BY THE LENDER OR THE BORROWER AGAINST THE OTHER ON MATTERS ARISING OUT OF OR IN ANY WAY RELATED TO OR CONNECTED WITH THE LOAN DOCUMENTS, THE LOAN OR ANY TRANSACTION CONTEMPLATED BY, OR THE RELATIONSHIP BETWEEN THE LENDER AND THE BORROWER OR ANY ACTION OR INACTION BY ANY PARTY UNDER THIS NOTE OR ANY OF THE LOAN DOCUMENTS.

IN WITNESS WHEREOF, Borrower has executed this Note on this July 26, 2023.

Custom Valley Homes LLC, an Arizona Limited Liability Company

David Widerhorn, its Manager

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