



GUNNISON VALLEY REGIONAL HOUSING AUTHORITY
BOARD OF DIRECTORS MEETING
Mt. Crested Butte Town Hall / Zoom
911 Gothic Road, Mt. Crested Butte, CO
Town Council Chambers
Thursday, November 13, 2025
2:30pm

Join Zoom Meeting

<https://zoom.us/j/94162271245?pwd=MmdVSS9RclBnbGZ3VVI0a0xuaVFRZz09>

Meeting ID: 941 6227 1245 Passcode: 554114 Call: 1 312 626 6799 US (Chicago)

1. Call to Order, Roll Call, Introductions **2:30pm**

2. Public Comments

Limit to 5 minutes per item; no formal action will be taken at the meeting

3. Action Items

- a. Review and Approve of Minutes from the October 9, 2025 Board Meeting
- b. Discussion and Board Action for motion to authorize Interim Executive Director, Melissa LaMonica to pay out 100% accrued sick time to staff at year end. Accrued vacation time is considered earned income and must be paid out in full upon separation of employment. According to the GVRHA Handbook, employees separated upon voluntary termination, retirement or layoff, accrued sick leave is paid out at a rate of 33.3% of the accrued balance. The reason for the separation of employment for GVRHA staff does not fit in any of these categories. Four options to consider in the payout of the staff's accrued sick time are:
 1. *Pay sick time to all employee at the rate of 33.3% of accrued balance to all employees in their last GVRHA paycheck*
 2. *Pay sick time to all employee at the rate of 100% of accrued balance to all employees in their last GVRHA paycheck*
 3. *Pay 100% of employee's accrued sick time to Gunnison County for any GVRHA employee who continue in their role at the County Housing Authority and have the current sick time balance loaded into their accrued sick time account upon start of employment with the County. Pay sick time out at the rate of 33.3% of accrued balance to any employees not continuing in their role at the County Housing Authority.*

4. *Pay 100% of employee's accrued sick time to Gunnison County for any GVRHA employee who continues in their role at the County Housing Authority and have the current sick time balance loaded into their accrued sick time account upon start of employment with the County. Pay sick time out at the rate of 100% of accrued balance to any employees not continuing in their role at the County Housing Authority.*
- c. Review and Discuss the Memo provided by Dufford Waldec Law as an update on the status of the GVRHA transition to the Gunnison County Housing Authority. *Please see attached memo regarding the status update. Attorneys David Reed and Taylor McGaughey will be in attendance to respond to questions or comments as necessary.*
- d. Discussion and Board Action for motion to sign Resolution No. 2025-002 to delegate signatory authority to Michael H. Higuera for assigning partnership interests. *In the October 9, 2025 GVRHA Board Meeting, the board made a motion to grant authority to board member Mike Higuera to execute all documents on behalf of Gunnison Valley Regional Housing Authority (GVRHA) related to the transfer and assignment of GVRHA's partnership interests in Anthracite Place Apartments, LLC; Anthracite Place (Manager), LLC; MCGC, LLC; Rural Housing of Gunnison, LP; TWG Crested Butte, LLLP; and Redden Properties to the Gunnison County Housing Authority (GCHA). This motion carried unanimously, and a resolution will be necessary to submit with paperwork to the partnerships to document the signatory authority.*
- e. Discussion and Board Action for motion to sign Resolution No. 2025-003 to delegate signatory authority to Michael H. Higuera for assigning the Delta loan portfolio. *In the October 9, 2025 GVRHA Board Meeting, the board made a motion to grant authority to board member Mike Higuera to execute all documents on behalf of Gunnison Valley Regional Housing Authority (GVRHA) related to the transfer and assignment of GVRHA's interest in the Delta Housing Authority's Single-Family Owner-Occupied Housing Rehabilitation Program loan portfolio to the Gunnison County Housing Authority (GCHA) said transfer to include all Program Income to be earned after the loans have been reassigned and transferred to GCHA. This motion carried unanimously, and a resolution will be necessary to submit with paperwork to CHFA to document the signatory authority.*
- f. Discussion and Board Action for motion to sign Resolution No. 2025-004 for transfer of GVHeat program and assets to the Gunnison County Housing Authority. *The GVHeat program is being transferred to operate under the Gunnison County Housing Authority and has tangible and intangible assets including restricted funds and reserves that must be transferred with it.*
- g. Discussion and Board Action for motion to sign Resolution No. 2025-005 to make a one-time donation of furniture, fixtures, supplies and equipment to the Gunnison County Housing Authority. *Once the property interests, loan program, GVHeat program assets and interests and general assignments are executed, and a cash reconciliation is conducted to distribute the operating cash funds according to the current IGA, the remaining furniture, fixtures, supplies and equipment must be accounted for. The recommendation is that the GVRHA Board of Directors make a one-time donation of these items in the interest of ease*

of tarnation, and in an effort to maintain continuity for staff, and effect this transfer timely by year end.

- h. Discuss Valley Housing Fund request that the promissory note for \$100,000 for the benefit of GVRHA and from TWG Crested Butte LLP be assigned to the Valley Housing Fund. See attached letter from Lauren Koelliker, Executive Director of Valley Housing Fund outlining this request, along with provided support documentation and the referenced note. As mentioned in Ms. Koelliker's letter and evidenced in the structure of the other LIHTC properties in the GVRHA holdings (Anthracite Place and Garden Walk), it is common for grants received by the investment partnership during development to be reflected in long-term Notes for the Housing Authority partner. These notes generally accrue interest over the life of the Note, and said funds help the housing authority exercise the right of first refusal on the property upon expiration of the tax credits to acquire the property and preserve the affordability component of the property. This particular \$100,000 note is a 40-year note with 0% percent interest.

4. Administrative Updates

- a) Financial Update
- b) Property Management Update
- c) Homeownership Update
- d) GV Heat Update
- e) Executive Director Update – no update outside of financials and agenda items

5. New Business

- a. Discuss a new date for the December board meeting, as Melissa LaMonica, Interim Executive Director will be out of town at a training session the week of December 8-12.
- b. Western Spaces has recently provided the draft addendum for review. Once it has been reviewed, it will be forwarded to partners for their review and input, and it will be presented and discussed at our December GVRHA board meeting.

6. Adjourn Meeting



GUNNISON VALLEY REGIONAL HOUSING AUTHORITY
BOARD OF DIRECTORS MEETING
Blackstock Government Center/ Zoom
221 N. Wisconsin St., Gunnison, CO
Planning Commission Room
Thursday, October 9, 2025
2:30pm

MEETING MINUTES

Join Zoom Meeting

<https://zoom.us/j/94162271245?pwd=MmdVSS9RclBnbGZ3VVI0a0xuaVFRZz09>

Meeting ID: 941 6227 1245 Passcode: 554114 Call: 1 312 626 6799 US (Chicago)

1. Call to Order, Roll Call, Introductions

2:30pm

Board Members in person: Gabi Prochaska, Wade Baker, Valeda Scribner, Chris Haver, Laura Puckett Daniels, Mike Higuera

Board Members Remote: Michelle Phelps, Scott Frazier

Board Member not in attendance: Steve Morris

Staff and Others in person: Melissa LaMonica, Cari Anderson, Skyler Matthias, Jessica Morris, Mel Yemma (Community Development Director-Town of Crested Butte)

Staff and Others Remote: Barb Carroll, Taylor McGaughey (GVRHA legal associate), Kaitlyn Archambault (Planner-Town of Crested Butte), Lauren Koelliker (VHF)

2. Public Comments

Limit to 5 minutes per item; no formal action will be taken at the meeting

No Public Comment

3. Action Items

a. *Review and Approve of Minutes from September 11, 2025.*

Prochaska motion to approve the minutes, Higuera 2nds, motion carries unanimously with 3 abstention – Chris Haver, Wade Baker, Valeda Scribner did not attend prior meeting.

4. Administrative Updates

a) *Executive Director – Transition Update*

b) *Financial Update*

c) *Property Management Update – Inspections went great at MountainView & Anthracite*

d) *Homeownership Update*

5. New Business

- a. *Discussion and possible Board Motion to provide signatory authority to board member Mike Higuera for the execution of documents related to the transfer or assignment of GVRHA's partnership interests.*
 - i. Recommended motion: I hereby move to grant authority to board member Mike Higuera to execute all documents on behalf of Gunnison Valley Regional Housing Authority (GVRHA) related to the transfer and assignment of GVRHA's partnership interests in Anthracite Place Apartments, LLC; Anthracite Place (Manager), LLC; MCGC, LLC; Rural Housing of Gunnison, LP; TWG Crested Butte, LLLP; and Redden Properties to the Gunnison County Housing Authority (GCHA).

Baker makes motion, Haver 2nds; motion carried unanimously

- b. *Discussion and possible Board Motion to provide signatory authority to board member Mike Higuera for the execution of documents related to the transfer or assignment of the Delta Loan Program to the Gunnison County Housing Authority.*
 - i. Recommended motion: I hereby move to grant authority to board member Mike Higuera to execute all documents on behalf of Gunnison Valley Regional Housing Authority (GVRHA) related to the transfer and assignment of GVRHA's interest in the Delta Housing Authority's Single-Family Owner-Occupied Housing Rehabilitation Program loan portfolio to the Gunnison County Housing Authority (GCHA) said transfer to include all Program Income to be earned after the loans have been reassigned and transferred to GCHA.

Scribner makes motion, Prochaska 2nds; motion carries unanimously

- c. *Discussion and possible Board Motion to provide signatory authority to board member Mike Higuera for the execution of documents related to the transfer or assignment of the Delta Loan Program to the Gunnison County Housing Authority.*
 - i. Recommended motion: I hereby move to grant authority to board member Mike Higuera to execute all documents on behalf of Gunnison Valley Regional Housing Authority (GVRHA) related to the transfer and assignment of GVRHA's interest in the Delta Housing Authority's Single-Family Owner-Occupied Housing Rehabilitation Program loan portfolio to the Gunnison County Housing Authority (GCHA) said transfer to include all Program Income to be earned after the loans have been reassigned and transferred to GCHA.

Scribner makes motion, Prochaska 2nds; motion carries unanimously

6. Adjourn Meeting @3:51

November 13, 2025

Partners

Barbara R. Butler
Shelly S. Dackonish
William S. DeFord
Nathan A. Keever
Michael A. Kuzminski
Christopher G. McAnany*
Annie D. Murphy*~
Lauren F. O'Dell*
John R. Pierce+

Of Counsel

Michael R. Houston
J. David Reed

Associates

Rachel Awalt
Scott D. Goebel
Madeleine P. Mayfield
Arie R. Mielkus
Taylor J. McGaughey
William T. Raley*
Austin Williams

Retired Partners

William H.T. Frey
Richard H. Krohn
Laird T. Milburn

D. J. Dufford
(1919-1998)

William G. Waldeck
(1923-2009)

+ Also admitted in Oregon

* Also admitted in Utah

~ Also admitted in Wisconsin

GVRHA Executive Board
307 N. Wisconsin St.,
Gunnison, CO 81230

Re: GVRHA transfer to GCHA update

Dear GVRHA Executive Board:

Since the Executive Board approved the concept of GVRHA transferring and assigning its assets and obligations to GCHA, the Transition Committee has been working diligently towards effectuating the transfer. The transfer requires five phases.

First, an understanding of GVRHA's interest in the low-income housing developments must be determined. Shown below are depictions of GVRHA's interest in the low-income housing developments it is a partner in.

Second, an understanding of what limitations are imposed on GVRHA with regards to its abilities to assign its rights and obligations under the various agreements GVRHA entered. The Transition Committee has completed this review. Listed below are the restrictions placed on GVRHA's ability to assign, and the documents required to effectuate these assignments.

Third, GVRHA's partners must be contacted to inform them of the transition and in some cases request consent to transfer. The Transition Committee has made the initial contacts. Gunnison County has approved these consent documents, which have been sent to the Partners. In addition to these consent documents, some of the related assignment documents have been drafted for GVRHA's partners. A list of these documents are provided below for each partner.

Fourth, once GVRHA's partners consent to the assignments the assignment documents will be finalized. Upon the finalization of these documents Mike H. Higuera will sign the assignment documents transferring GVRHA's assets and obligation to GCHA.

Finally, GCHA will assume GVRHA's assets and obligations. The Transition Committee has drafted an Agreement for Transfer and Assumption to ensure that there is clear understanding between GVRHA and GCHA with regards

GVRHA Executive Board

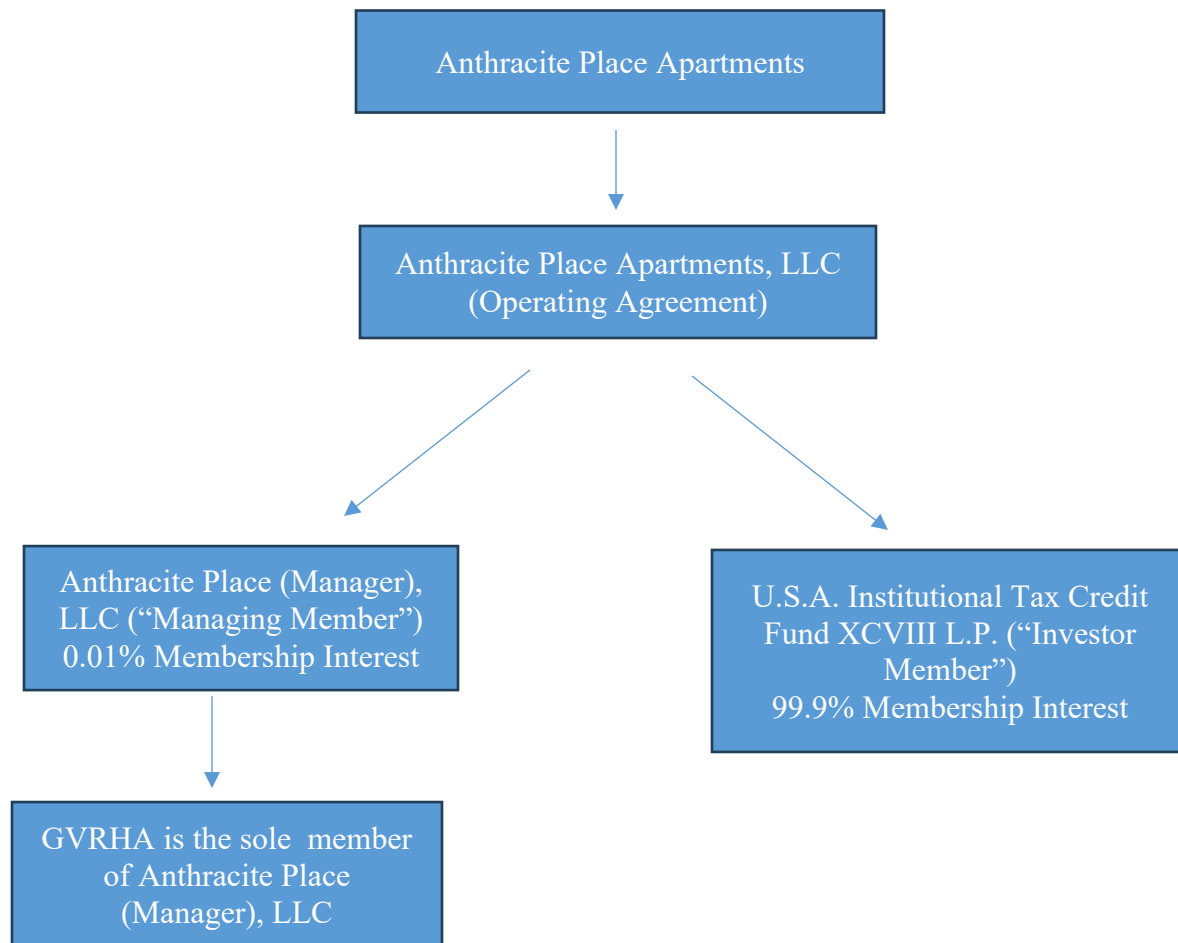
November 11, 2025

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to the transfer. The Transition Committee and GCHA are in discussing about finalizing this Agreement.

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Anthracite Place Apartments



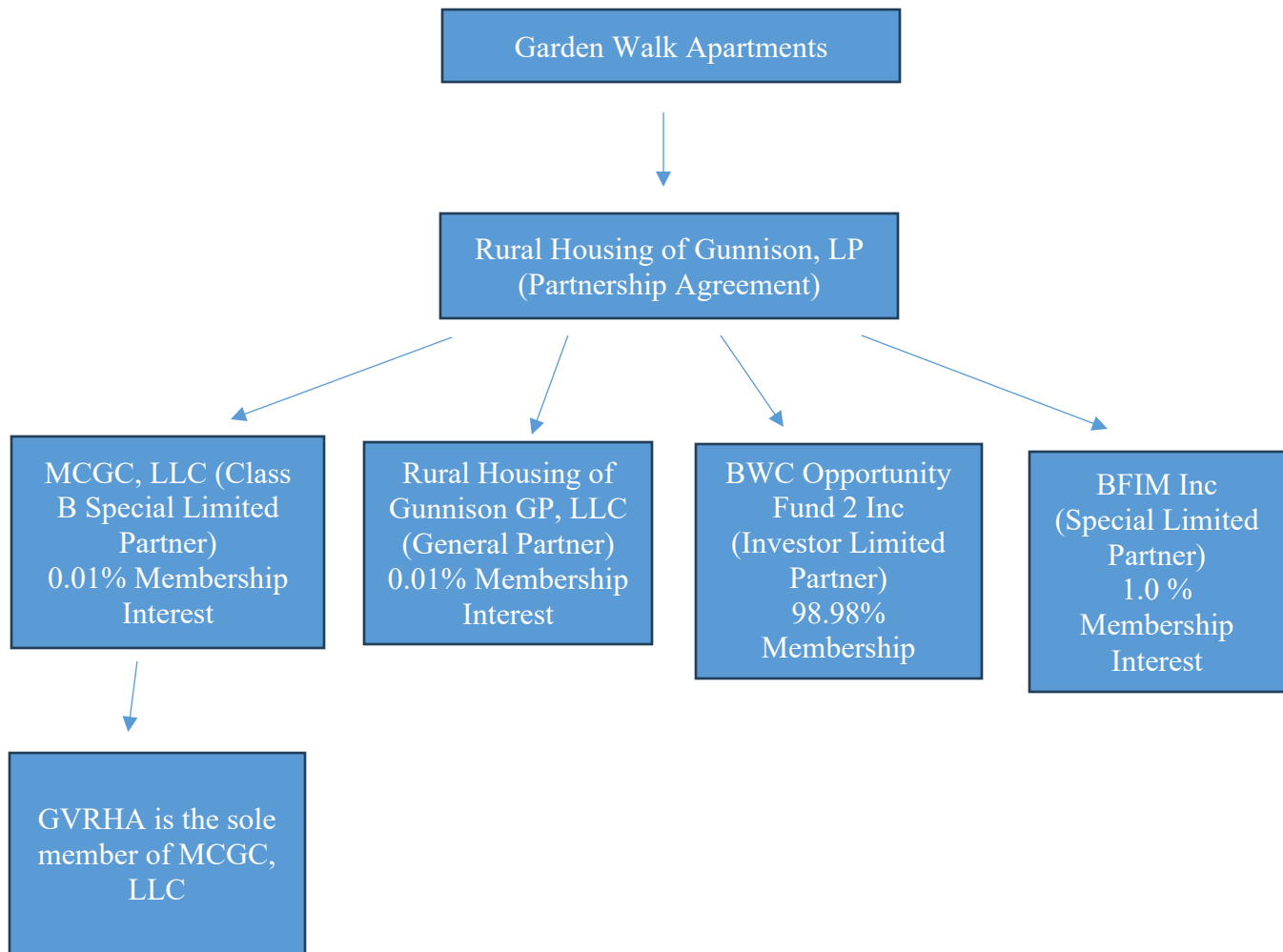
Process of transferring GVRHA's interest in Anthracite Place Apartments

- **Assignment of Anthracite Place (Manager), LLC**
 - GVRHA's ability to assign:
 - GVRHA interest as a Member in APA is freely transferable. *See* 2014.12.10 Operating Agreement of Anthracite Place (Manager), LLC, Art. 12.1.
 - Document required:
 - Assignment of Membership Interest in AP Manager (GVRHA to GCHA)
 - Drafted, approved by the County, and sent to the Investor Member.
- **Anthracite Place Apartments, LLC (APA) Operating Agreement restrictions**
 - APA's Operating Agreement provides that a substitute sole member of the Managing Member, shall be a qualifying housing authority. The Investor Member must consent to such an assignment. 2015.07.01 APA Amended and Restated Operating Agreement, Sec. 8.01(d)(3).
 - APA's Operating Agreement makes GVRHA a "Guarantor" pursuant to an Unconditional Guaranty Agreement. *See* 2015.07.01 Unconditional Guaranty

Agreement. The Unconditional Guaranty Agreement requires that GVRHA get the Investor Members consent to assign the Unconditional Guaranty Agreement.

- Documents required: The Transition committee has contacted the Investor Member (Richman), which has requested a memorandum explaining the transition and supporting documentation. Additionally, the Investor Member requested an Organization Chart for GVRHA currently, and GCHA after the transition. The Investor Member also requested Gunnison County Financial Audit.
 - Memo explaining the transition and seeking consent to assign.
 - Drafted, approved by the County, and sent to the Investor member.
 - Assignment of Membership Interest in AP Manager (GVRHA to GCHA).
 - Drafted, approved by the County, and sent to the Investor Member.
 - Assignment of Unconditional Guaranty
 - Drafted, approved by the County, and sent to the Investor Member.
- **Development Fee**
 - GVRHA as the Developer is entitled to a Development Fee with a 9% interest per annum. *See* 2015.07.01 APA Amended and Restated Operating Agreement, Sec. 8.10.
 - Document required:
 - Assignment of Membership Interest in AP Manager (GVRHA to GCHA)
 - Drafted, approved by the County, and sent to the Investor Member.
- **Second Mortgage**
 - GVRHA made a loan of \$1,030,600 to Anthracite Place Apartments, LLC with 8.5% interest rate. *See* 2015.07.01 APA Amended and Restated Operating Agreement.
 - Document required:
 - Assignment of Promissory Note and Deed of Trust.
 - Not drafted, waiting to receive some documentation.
- **Property Management Agreement**
 - GVRHA's ability to assign:
 - Property Management agreement places no restriction on GVRHA from assigning its rights and obligations.
 - Document required
 - Assignment of Property Management Agreement
 - Not drafted, will draft soon.

Garden Walk



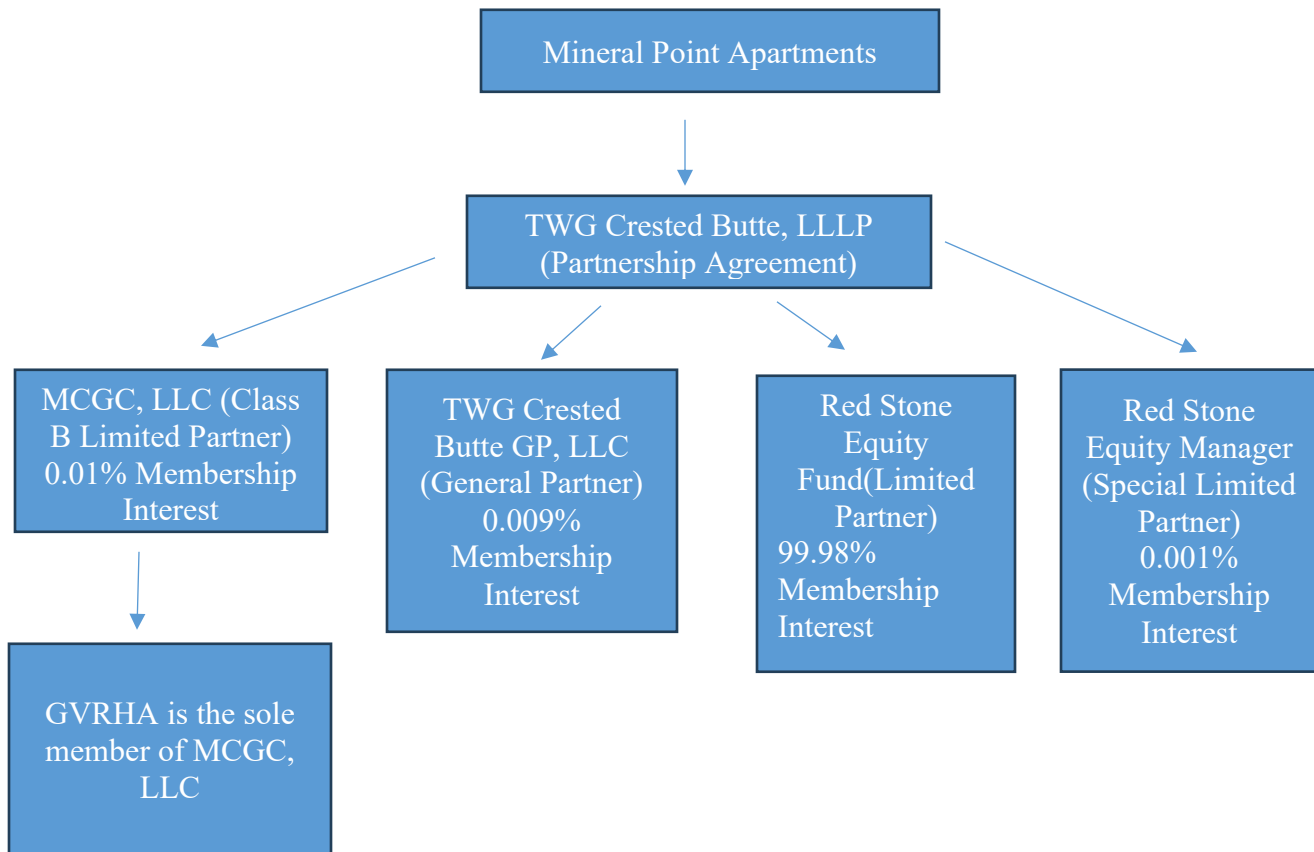
Process of transferring GVRHA's interest in Garden Walk

- **Assignment of MCGC, LLC**
 - GVRHA's ability to assign
 - The MCGC Operating Agreement places no restriction on GVRHA's ability to assign or transfer its interest in MCGC.
 - Document required
 - Assignment of Membership Interest in MCGC, LLC
 - Not drafted yet, see issues below.
- **Rural Housing of Gunnison's Partnership Agreement restrictions**
 - The Class B Special Limited Partner (MCGC) shall at all times (i) be a wholly owned subsidiary of GVRHA. *See 2019.09.17 Addendum to Amended and Restated Agreement of Limited Partnership of Rural Housing of Gunnison.*
 - Documents required: The Transition Committee has been in contact with the General Partner (Belmont) regarding this issue.
 - Memo explaining the transition and request an amendment to the Partnership Agreement.

- Drafted, approved by the County, sent to the General Partner.
 - First Amendment to the Partnership Agreement
 - General Partner provided a draft of the Amendment. The Transition Committee has provided redlines and comments. Awaiting the General Partner's response to the redlines.
- **Promissory Notes & Deed of Trusts between Rural Housing of Gunnison and GVRHA.**
 - On September 17, 2019, GVRHA made two loans to Rural Housing of Gunnison, LP. The first loan was for \$100,000 with a 2.21% compounding annual interest rate, which is due in full on August 31, 2036. The second loan was for \$450,000 with a 2.21% compounding annual interest rate, which is due in full on August 31, 2049.
 - GVRHA's ability to assign:
 - The Promissory Notes requires that GVRHA as the Borrower get Rural Housing of Gunnison's consent to assign.
 - Documents required: GVRHA has contacted the General Partner about the assignment of the notes. The General Partners seemed willing to consent to the assignment, but requested a draft of the Assignment document.
 - Assignment of \$100,000 Promissory Note and Deed of Trust (GVRHA to GCHA) at a 2.21% compounded annually interest rate to be payable in full on August 31, 2036.
 - Drafted, approved by the County, sent to the General Partner.
 - Assignment of \$450,000 Promissory Note and Deed of Trust (GVRHA to GCHA)
 - Drafted, approved by the County, sent to the General Partner.

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Mineral Point



Process of Transferring GVRHA's Interest in Mineral Point

- **Assignment of MCGC, LLC**
 - GVRHA's ability to assign
 - The MCGC Operating Agreement places no restriction on GVRHA's ability to assign or transfer its interest in MCGC.
 - Document required
 - Assignment of Membership Interest in MCGC, LLC
 - Not drafted yet, waiting for response on the memo (see below).
- **TWG Crested Butte, LLLP Partnership Agreement restrictions**
 - The Partnership Agreement places no restrictions on GVRHA as the Class B Limited Partner from transferring or assigning its interest.
 - Document required
 - Memo explaining the transition.
 - Drafted, waiting County approval.
- **Promissory Notes & Deed of Trusts between Rural Housing of Gunnison and GVRHA.**
 - The Promissory Notes requires that GVRHA as the Borrower get TWG's consent to assign.

- Document required
 - Letter seeking TWG's consent to the assignment of the promissory notes to GCHA.
 - Drafted, approved by the County, sent to the Partners.
 - Assignment of \$100,000.00 Promissory Note and Deed of Trust.
 - Not drafted, waiting on TWG's response to the Letter seeking consent.
 - Assignment of \$250,000.00 Promissory Note and Deed of Trust
 - Not drafted, waiting on TWG's response to the Letter seeking consent.

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GVRHA's Other Assets and Obligations

Delta Housing Authority's Loan Portfolio

- On February 1, 2020, the Delta Housing Authority's Single-Family Owner-Occupied Housing Loan Portfolio was transferred to GVRHA.
- GVRHA's ability to assign:
 - GVRHA is not restricted in abilities to assign the Loan Portfolio. However, the Transition Committee has been in contact with DOLA. DOLA has requested some documents from GVRHA.
 - Documents required:
 - A letter explaining the transition.
 - Drafted and approved by the County.
 - Full Loan Portfolio breakdown.
 - Still compiling.
 - Sample letter to borrowers stating the effective date of the change, and where payments will be made.
 - Drafted and approved by the County.
 - Sample assignment document.
 - Drafted and approved by the County.
- Assigning the Loan Portfolio:
 - Transition committee will use the sample assignment document for each DOT and record the assignment in the County where the borrower's property is located, which is Delta, Montrose, and Ouray.
 - DOTs not drafted, waiting on DOLA's approval.

Gunnison Watershed School District (GWSD) Property Management Agreement

- On August 15, 2019, GVRHA entered into a Property Management Agreement with GWSD.
- GVRHA's ability to assign:
 - GVRHA needs to get GWSD consent to assign the Property Management Agreement.
- Document required: The transition committee has contacted GWSD and it has verbally consent to the proposed assignment to GCHA.
 - Consent Form
 - Not drafted, will draft soon.

Valley Housing Fund (VHF) Property Management Agreement

- VHF Homes Special Member to VHF Homes, LLC .001%
 - Assignment of interest necessary to Gunnison County Housing Authority to retain property tax exemption on property.
 - Not drafted, will draft soon
- On September 9, 2021, GVRHA entered into a Property Management Agreement with VHF.

- GVRHA's ability to assign:
 - GVRHA needs to get VHF consent to assign the Property Management Agreement.
- Document required: The transition committee has contacted VHF and it has verbally consent to the proposed assignment to GCHA.
 - Consent Form
 - Not drafted, will draft soon.

GVRHA Leases

- GVRHA has several leases where it is the Landlord.
 - GVRHA's General Lease
 - GVRHA's ability to assign
 - The general lease places no restrictions on GVRHA's ability as the Landlord to assign the lease.
 - Document required:
 - Assignment of Lease
 - Not drafted, will draft soon.
 - GVRHA's Anthracite Place Apartment Residential Lease.
 - GVRHA's ability to assign
 - The lease places no restrictions on GVRHA's ability as the Landlord to assign the lease.
 - Document required:
 - Assignment of Lease
 - Not drafted, will draft soon.

RESOLUTION # 2025-002

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

WHEREAS, the Gunnison Valley Regional Housing Authority (the “Authority”) has partnership interests in Anthracite Place Apartments, LLC; Anthracite Place (Manager), LLC; MCGC, LLC, MCGC, LLC; Rural Housing of Gunnison, LP; TWG Crested Butte, LLLP; and Redden Properties (collectively known as “Partnerships”).

WHEREAS, the Board of Directors has determined that it is in the best interest of the Authority to assign its membership interest in the Partnerships to Gunnison County Housing Authority.

WHEREAS, it is necessary to authorize the proper officers of the Authority to execute and deliver such documents as may be required to effectuate the assignment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Gunnison Valley Regional Housing Authority as follows:

1. Authorization of Assignment. The Board hereby approves and authorizes the assignment of membership interest in the Partnerships upon such terms and conditions as may be deemed reasonable and in the best interest of the Authority as determined by the Transition Committee.
2. Execution of Documents. Michael H. Higuera, Executive Board Member of the Authority, is hereby authorized and directed to execute and deliver the assignment of the Partnerships and such other documents as may be required to complete the assignment and transfer of the Partnerships.
3. Further Action. The officers and staff of the Authority are authorized and directed to take such further action as may be necessary or desirable to carry out the intent of this Resolution.

ADOPTED this ___ day of November 2025, by the Board of Directors of the Gunnison Valley Regional Housing Authority.

BOARD OF DIRERCTORS

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

Secretary

RESOLUTION #2025-003

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

WHEREAS, the Gunnison Valley Regional Authority (the “Authority”) has an interest in the Delta Housing Authority’s Single-Family Owner-Occupied Housing Rehabilitation Program loan portfolio (the “Loan Portfolio”); and

WHEREAS, the Board of Directors has determined that it is in the best interests of the Authority to assign its interest the Loan Portfolio to the Gunnison County Housing Authority (“GCHA”); and

WHEREAS, it is necessary to authorize the proper officers of the Authority to execute and deliver such documents as may be required to effectuate the assignment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Gunnison Valley Regional Housing Authority as follows:

1. Authorization of the Assignment. The Board hereby approves and authorizes the assignment of the Loan Portfolio upon such terms and conditions as may be deemed reasonable and in the best interests of the Authority as determined by the Transition Committee.
2. Execution of Documents. Michael H. Higuera, Executive Board Member of the Authority, is hereby authorized and directed to execute and deliver the assignment of title and such other documents as may be required to complete the assignment and transfer of the Loan Portfolio.
3. Further Action. The officers and staff of the Authority are authorized and directed to take such further action as may be necessary or desirable to carry out the intent of this Resolution.

ADOPTED this __ day of November 2025, by the Board of Directors of the Gunnison Valley Regional Housing Authority.

BOARD OF DIRECTORS

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

Secretary

RESOLUTION # 2025-004

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

WHEREAS, the Gunnison Valley Regional Housing Authority (the “Authority”) developed and manages the Gunnison Valley – Home Energy Advancement Team (“GV-Heat”).

WHEREAS, GV-Heat has a recognizable name and reputation within the Gunnison Valley.

WHEREAS, GV-Heat has developed intellectual property associated with its name, including but not limited to logos, handouts, webpages, and informational flyers.

WHEREAS, GV-Heat is the recipient of grants from public and private entities.

WHEREAS, GV-Heat has entered contracts and memorandums of understanding, which rights and obligations may continue into 2026.

WHEREAS, GV-Heat has assets including but not limited to general cash reserves and program reserves.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Authority to assign GV-Heat’s name, intellectual property, grants, contracts, and assets to Gunnison County Housing Authority.

WHEREAS, it is necessary to authorize the proper officers of the Authority to execute and deliver such documents as may be required to effectuate the assignment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Gunnison Valley Regional Housing Authority as follows:

1. Authorization of Assignment. The Board hereby approves and authorizes the assignment of GV-Heat’s name, intellectual property, grants, contracts, and assets to Gunnison County Housing Authority upon such terms and conditions as may be deemed reasonable and in the best interest of the Authority as determined by the Transition Committee.
2. Execution of Documents. Michael H. Higuera, Executive Board Member of the Authority, is hereby authorized and directed to execute and deliver the assignment of GV-Heat’s name, intellectual property, grants, contracts, and assets to Gunnison County Housing Authority.
3. Further Action. The officers and staff of the Authority are authorized and directed to take such further action as may be necessary or desirable to carry out the intent of this Resolution.

ADOPTED this __ day of November 2025, by the Board of Directors of the Gunnison Valley Regional Housing Authority.

BOARD OF DIRERCTORS
GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

Secretary

RESOLUTION # 2025-005

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

WHEREAS, the Gunnison Valley Regional Housing Authority (the “Authority”) owns furniture, fixtures, supplies, and equipment.

WHEREAS, the Board of Directors has determined that it is in the best interest of the Authority to donate the furniture, fixtures, supplies, and equipment to the Gunnison County Housing Authority.

WHEREAS, it is necessary to authorize the officers of the Authority to effectuate this donation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Gunnison Valley Regional Housing Authority as follows:

1. Authorization of Donation. The Board hereby approves and authorizes the donation of the Authority’s furniture, fixtures, supplies, and equipment to the Gunnison County Housing Authority.
2. Further Action. The officers and staff of the Authority are authorized and directed to take such further action as may be necessary or desirable to carry out the intent of this Resolution.

ADOPTED this ____ day of November, 2025, by the Board of Directors of the Gunnison Valley Regional Housing Authority.

BOARD OF DIRECTORS

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

Secretary



Valley Housing Fund
PO Box 1742
Gunnison, CO 81230

November 9, 2025

Gunnison Valley Regional Housing Authority
307 N Wisconsin St.
Gunnison, CO 81230

Subject: Loan to TWG Developers

Dear GVRHA Board of Directors,

In December 2023, the Valley Housing Fund Board of Directors granted \$100,000 to the Mineral Point development project in Crested Butte, CO. At the time, GVRHA already existed as a partner in the development, so the Valley Housing Fund's award was disbursed via GVRHA.

Due to the financial structure of LIHTC developments and guidance from the GVRHA Executive Director at the time, the preference was for GVRHA to loan the funds rather than grant them. The Valley Housing Fund gave permission for this purpose, and the funds were provided to the project via Land Title. As a result, GVRHA currently holds a promissory note for \$100,000 to TWG Crested Butte LLLP, with principle that originated entirely with the Valley Housing Fund.

With the current transition of GVRHA assets to the Gunnison County Housing Authority, the Valley Housing Fund is requesting that the promissory note for \$100,000 between GVRHA and TWG Crested Butte LLLP be reassigned to the Valley Housing Fund rather than transferred to the Gunnison County Housing Authority. Since the loan will need to be transferred regardless, we feel it is appropriate for the loan to ultimately be held by the Valley Housing Fund, given that our organization provided the funding.

GVRHA never provided the Valley Housing Fund with a copy of the promissory note, but I have attached the other documents that we received during this process from the development team.

Sincerely,

Lauren Koelliker
Executive Director
Valley Housing Fund

THE
Gunnison

BANK

222 W. Tomichi Ave. • Gunnison, CO 81230 116 6th S. (Hwy 135) • Crested Butte, CO 81224
970-641-0320 • www.gunnisonbank.com 970-349-0170 • www.crestedbuttebank.com

THE
Crested Butte

BANK

126554

December 15, 2023

\$100,000.00

Pay to the Order of ***LAND TITLE GUARANTEE COMPANY***

***** One Hundred Thousand and 00/100

CASHIER'S CHECK

REMITTER: VALLEY HOUSING FUND
PO BOX 1742
GUNNISON CO 81230-1742

MEMO: MINERAL POINT



[Signature]
Hanni May
TWO SIGNATURES REQUIRED

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

Security Features Included Details on back

⑈ 126554 ⑈ ⑈ 102101276⑈ ⑈ 115185 ⑈

12/15/2023 @ 10:01 AM

Received by
Land Title
K4HoxH
Kara Heath



LAND TITLE GUARANTEE COMPANY
3033 EAST FIRST AVENUE, SUITE 600
DENVER, CO 80206
Phone: (303) 331-6216
Fax: (303) 393-3870

**"PURCHASERS"
STATEMENT OF
SETTLEMENT**

PROPERTY ADDRESS: MINERAL POINT - VACANT LAND, CRESTED BUTTE, CO 81224

SELLER(S): TOWN OF CRESTED BUTTE, COLORADO, A COLORADO HOME RULE MUNICIPALITY

BUYER(S): TWG CRESTED BUTTE, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP

SETTLEMENT DATE: December 15, 2023

DATE OF PRORATION: December 15, 2023

DESCRIPTION	DEBIT	CREDIT
Sales Price & Earnest Money		
Sales Price	407,430.00	
Title Fees - Land Title Guarantee Company		
Title Insurance ALTA Owner's Policy	23,512.00	
Title Insurance ALTA Loan Policy	300.00	
Endorsement DELETION "ALTA" Owner's Policy 07-30-21 1	100.00	
Endorsement 103.7 "ALTA" Owner's Policy 07-30-21 1	100.00	
Endorsement ALTA8.2 "ALTA" Owner's Policy 07-30-21 1	100.00	
Endorsement ALTA19 "ALTA" Owner's Policy 07-30-21 1	1,500.00	
Endorsement ALTA9.8 "ALTA" Owner's Policy 07-30-21 1	2,000.00	
Endorsement 901 "ALTA" Owner's Policy 07-30-21 1	100.00	
Endorsement ALTA28.3 "ALTA" Owner's Policy 07-30-21 1	2,000.00	
Endorsement 908 "ALTA" Owner's Policy 07-30-21 1	1,000.00	
Endorsement 110.2 "ALTA" Owner's Policy 07-30-21 1	1,000.00	
Endorsement ALTA35.3 "ALTA" Owner's Policy 07-30-21 1	1,000.00	
Endorsement ALTA15.1 "ALTA" Owner's Policy 07-30-21 1	2,500.00	
Endorsement ALTA40 "ALTA" Owner's Policy 07-30-21 1	100.00	
Endorsement ALTA25 "ALTA" Owner's Policy 07-30-21 1	1,500.00	
Endorsement ALTA18.1 "ALTA" Owner's Policy 07-30-21 1	100.00	
Endorsement ALTA26 "ALTA" Owner's Policy 07-30-21 1	1,500.00	
Endorsement ALTA17.2 "ALTA" Owner's Policy 07-30-21 1	500.00	
Endorsement ALTA3.2 "ALTA" Owner's Policy 07-30-21 1	5,000.00	
Endorsement ALTA41.3 "ALTA" Owner's Policy 07-30-21 1	2,500.00	
Endorsement DELETION "ALTA" Loan Policy 07-30-21 1	100.00	
Endorsement 122A "ALTA" Loan Policy 07-30-21 1	2,700.00	
Endorsement ALTA22 "ALTA" Owner's Policy 07-30-21 1	100.00	
Closing Fees - Land Title Guarantee Company		
Loan Closing Fee to Land Title Guarantee Company	600.00	
Closing Fee to Land Title Guarantee Company	300.00	
Recording Fees - Land Title Guarantee Company		
Recording Escrow	1,500.00	
New Loan - Horizon Bank		
New Loan Amount from Horizon Bank		11,400,000.00
Construction Loan Origination Fee	114,000.00	
Appraisal	5,500.00	
Flood Determination	14.00	
Filing Fees - Releases	13.00	
Legal Fees	7,500.00	
Funds Withheld for Future Draws	11,254,649.03	
Miscellaneous Charges		
Invoice - LM Consultants Inc.	5,000.00	
Invoice - Epic Insurance Midwest	57,215.00	
Invoice - Epic Insurance Midwest	750.00	
Reimbursement to TWG Development for Previously Paid Invoices	618,840.01	
Invoice - LM Consultants Inc.	700.00	
Invoice - Due Diligence Fee - Redstone Equity Partners	20,000.00	
LIHTC Equity from Redstone		1,076,634.00
Funds from Valley Housing Fund		100,000.00
Legal Fees - Winthrop & Weinstine	72,500.00	
Legal Invoice (GVHR Counsel) - Faegre Drinker Biddle & Reath LLP	15,000.00	



Gap Financing from Town of Crested Butte		500,000.00
Reimbursement to Town of Crested Butte for Previously Paid Invoices	362,410.96	
Legal Invoice - Ice Miller LLP	2,000.00	
GP Equity Contribution		100.00
Invoice - RCH Jones Consulting	48,000.00	
Invoice - CHFA (HOF Extension Fee, CMF Origination Fee, HOG Rate Lock Fee)	33,500.00	

SubTotals	13,076,734.00	13,076,734.00
Totals	13,076,734.00	13,076,734.00

The above figures do not include sales or use taxes on property

APPROVED AND ACCEPTED

(SEE ATTACHED "SIGNATURE PAGE")

"Purchasers" Statement of Settlement

SIGNATURE PAGE

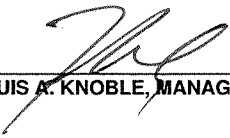
PURCHASER(S)

**TWG CRESTED BUTTE, LLLP, A COLORADO LIMITED
LIABILITY LIMITED PARTNERSHIP**

**By: TWG CRESTED BUTTE GP, LLC, A COLORADO
LIMITED LIABILITY COMPANY, ITS GENERAL
PARTNER**

**By: TWG GP V, LLC, AN INDIANA LIMITED LIABILITY
COMPANY, ITS SOLE MEMBER**

By:


LOUIS A. KNOBLE, MANAGER

LAND TITLE CLOSING AGENT:

Charles Ottinger

Charles Ottinger



LAND TITLE GUARANTEE COMPANY
3033 EAST FIRST AVENUE, SUITE 600
DENVER, CO 80206
Phone: (303) 331-6216
Fax: (303) 393-3870

**"SELLERS"
STATEMENT OF
SETTLEMENT**

PROPERTY ADDRESS: MINERAL POINT - VACANT LAND, CRESTED BUTTE, CO 81224

SELLER(S): TOWN OF CRESTED BUTTE, COLORADO, A COLORADO HOME RULE MUNICIPALITY

BUYER(S): TWG CRESTED BUTTE, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP

SETTLEMENT DATE: December 15, 2023

DATE OF PRORATION: December 15, 2023

DESCRIPTION	DEBIT	CREDIT
Sales Price & Earnest Money		
Sales Price		407,430.00
Title Fees - Land Title Guarantee Company		
TBD - TBD Income		324.00
Closing Fees - Land Title Guarantee Company		
Closing Fee to Land Title Guarantee Company	300.00	
Miscellaneous Charges		
Gap Financing from Town of Crested Butte	500,000.00	
Reimbursement to Town of Crested Butte for Previously Paid Invoices		362,410.96
SubTotals	500,300.00	770,164.96
Due to Seller/Owner	269,864.96	
Totals	770,164.96	770,164.96

The above figures do not include sales or use taxes on property

APPROVED AND ACCEPTED

(SEE ATTACHED "SIGNATURE PAGE")





December 4, 2023

Ryan Kelly
VP of Tax Credit Development
TWG Development
1301 E Washington Street, Ste 100
Indianapolis, IN 46202

Dear Ryan,

The Board of the Valley Housing Fund is pleased to approve a Partner Support Grant to TWG Development (or another entity designated by TWG Development) in the amount of \$100,000 toward the Mineral Point affordable housing development, pursuant to your grant proposal. If you will execute and return a signed copy of the enclosed grant agreement, we will be in a position to schedule payment.

Your grant will be transferred via ACH payment, which requires the following information:

- Bank name
- Bank routing number
- Bank account number
- Bank account type (ie checking/savings)
- Contact name and email address for the grantee

Contact our Executive Director, Lauren Koelliker at lauren@vhfund.org or 970.901.9032 if you have any questions regarding your grant. We will announce your grant publicly once all parties have reviewed and signed the grant agreement.

We are honored to support this project and your company's work to improve the Crested Butte community and Gunnison Valley as a whole, and we hope this grant will play a role in helping this project succeed.

Sincerely,

DocuSigned by:
Scott Desmarais
DA34419D6DE9470...

Scott Desmarais
Valley Housing Fund Board of Directors
Board President



December 4, 2023

Gunnison Valley Regional Housing Authority
200 E. Virginia Avenue
Gunnison, CO 81230
Attention: Andy Kadlec

On behalf of the Valley Housing Fund, I am pleased to announce that a Partner Support Grant in the amount of \$100,000 has been awarded to Gunnison Valley Regional Housing Authority toward the Mineral Point affordable housing development in Crested Butte, Colorado to help fill the cost inflation gap and help cover development expenses post-closing on the construction loans and tax credits. By your acceptance of this letter, you agree to the following terms and conditions of the grant.

1. The grant is to be used exclusively for the project or purposes described in the above paragraph, including as a loan to TWG Crested Butte, LLLP to be used for such purposes. Any part of the grant funds not so used, or otherwise used in violation of this agreement, must be returned promptly to the Valley Housing Fund.
2. Upon our receipt of a duly signed copy of this letter agreement and the required ACH information, the grant payment will be remitted to you (or a person or entity you designate) electronically on a date and time mutually agreed to by you and the Valley Housing Fund.
3. No part of the grant may be used (a) to carry on propaganda or otherwise attempt to influence legislation (within the meaning of section 4945(d)(1) of the Internal Revenue Code), or (b) to attempt to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive (within the meaning of section 4945(d)(2) of the Internal Revenue Code).
4. Within one year of payment of the grant funds or completion of the project, whichever comes first, we will contact you to obtain a report from TWG Crested Butte, LLLP covering the manner in which all grant funds were spent and the progress made in accomplishing the purposes of the grant. You will also cause TWG Crested Butte, LLLP to furnish us with any other information we reasonably request.
5. We require that the Valley Housing Fund is listed as a partner, contributor, and/or supporter of this project in press releases, public outreach, or other appropriate channels. The VHF logo has been shared with TWG Crested Butte, LLLP for this purpose.



6. By accepting the grant, you affirm that, within your defined area of operation, your operating policies are inclusionary and non-discriminatory.

7. The grant is being made in reliance upon your business classification as in good standing in your state of registration and with the IRS. You will immediately inform us and cease expenditure of any grant funds upon any change or challenge to such status or classifications, or if you have any reason to believe you are no longer able to expend the grant funds as contemplated by this letter agreement and the Partner Support Request or otherwise achieve the purposes of the grant. In addition, you must immediately repay the full amount of the grant if it is later determined that any certification relating to your business was fraudulent.

8. This letter agreement will be governed by the laws of the State of Colorado. Your acceptance of the terms and conditions of the grant should be indicated below by signature of the officers who are, under your bylaws and the law governing you, authorized to execute on your behalf. By signing this letter agreement, you are promising that you will notify future officer(s) of the terms and conditions of this grant. All signers of this letter agreement will receive an executed copy via DocuSign. We recommend downloading and retaining a copy of the executed letter for your files.


If you have any questions or concerns regarding the terms and conditions of the grant, either now or in the future, please contact us at 970.901.9032 or info@vhfund.org.

Thank you to you, TWG and the Town of Crested Butte for the dedication and hard work that you have put forth planning the Mineral Point project. We are honored to contribute to your work that supports our local community.

Sincerely,

Valley Housing Fund


12/12/2023

By: 
President, VHF Board of Directors



Accepted on behalf of Gunnison Valley Regional Housing Authority:

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY,
a Colorado public body corporate and politic

By:  12/15/2023

Andrew Kadlec, Executive Director

27799417v3

After recording, return to:
Faegre Drinker Biddle & Reath LLP
1144 15th Street, Suite 3400
Denver, Colorado 80202
Attention: Treasa J. Burke

**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT,
FINANCING STATEMENT,
ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING**

THE DEED OF TRUST WILL CONSTITUTE A FIXTURE FILING UNDER C.R.S. § 4-9-502 OF THE COLORADO UNIFORM COMMERCIAL CODE

**THE DEED OF TRUST WILL CONSTITUTE A “CONSTRUCTION MORTGAGE”
UNDER C.R.S. §§ 4-9-334 AND 4-2.5-309 OF THE COLORADO UNIFORM
COMMERCIAL CODE**

THIS DEED OF TRUST CONTAINS FUTURE ADVANCE PROVISIONS

THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT, AND ASSIGNMENT OF RENTS AND LEASES (this “Deed of Trust”) is given as of December 15, 2023, by **TWG CRESTED BUTTE, LLLP**, a Colorado limited liability limited partnership (“Borrower”), to the **PUBLIC TRUSTEE FOR THE COUNTY OF GUNNISON COUNTY, COLORADO** (the “Public Trustee”), for the use and benefit of **GUNNISON VALLEY REGIONAL HOUSING AUTHORITY**, a Colorado public body corporate and politic (“Lender”).

RECITALS

A. Borrower has requested that Lender provide subordinate financing to assist in the development and operation of the Real Property (as defined hereunder) in the City of Crested Butte, Colorado and construction of the improvements thereon (the “Improvements”), to provide a multifamily residential facility for low-income residents.

B. Lender has determined to assist in the financing of the lease and development of the Real Property, construction of Improvements and operation of the same (together, the “Project”) by loaning to Borrower the original principal amount of ONE HUNDRED THOUSAND and 00/100 DOLLARS (\$100,000.00) (the “Loan”), upon the terms and conditions of that certain Loan Agreement dated even herewith by and between Borrower and Lender (the “Loan Agreement”).

and that certain Promissory Note dated even herewith by Borrower payable to the order of Lender, together with all renewals, extensions, and modifications of the same (the "Note"). The principal balance, together with accrued interest and all other amounts due on the Loan, shall be due and payable in full on or before December 15, 2063 (the "Maturity Date").

ARTICLE 1.
PARTIES, PROPERTY, AND DEFINITIONS

The following terms and references shall have the meanings indicated:

1.1 **Real Property:** Borrower's leasehold interest in the real property described in Exhibit A, attached hereto and by this reference incorporated herein, pursuant to that certain Ground Lease (the "Ground Lease") dated December 15, 2023, between Borrower and the Town of Crested Butte, a Colorado public body, corporate and politic ("Landlord"), together with all right, title and interest of Borrower in the following with respect to the real property, whether now owned or hereafter acquired by Borrower in conjunction with Borrower's leasehold interest pursuant to the Ground Lease:

(a) all improvements now or hereafter located on such real property and all easements and appurtenances thereto;

(b) the land lying within any street or roadway adjoining the real property; any vacated or hereafter vacated street or alley adjoining the real property; and any strips and gores adjoining the real property;

(c) all and singular the passages, waters, water rights (whether tributary or non-tributary or not non-tributary), water courses, wells, well permits, water stock, other rights, liberties and privileges thereof or in any way now or hereafter appertaining to the real property, including homestead and any other claim at law or in equity, as well as any after-acquired title, franchise or license, and the reversion and reversions and remainder and remainders thereof; and

(d) all machinery, apparatus, equipment, fittings, fixtures (whether actually or constructively attached or incorporated, and including all trade, domestic, and ornamental fixtures) now or hereafter located in, upon, or under such real property or improvements and used or usable in connection with any present or future operation thereof, including but not limited to all lighting, utility, and power equipment; engines; pipes; pumps; tanks; motors; conduits; utility systems, plumbing, lifting, cleaning, fire prevention, fire extinguishing, signage, heating, air-conditioning; communication apparatus; water heaters; ranges; furnaces; appliances, refrigerators, stoves; shades, awnings, screens, storm doors and windows; attached cabinets; rugs, carpets and draperies and all additions thereto and replacements therefor.

1.2 **Chattels:** All goods, trade fixtures, fixtures, inventory, furnishings, fittings, machinery, apparatus, equipment, building and other construction materials, supplies, and other

tangible personal property of every nature now owned or hereafter acquired by Borrower and used, intended for use, or reasonably required in the development, construction, reconstruction, alteration, repair, or operation of the Property and any improvements or infrastructure located thereon, together with all accessions thereto, replacements and substitutions therefor, and proceeds thereof, including, without limitation, to the extent not deemed to be real property under this Deed of Trust, all apparatus, machinery, motors, elevators, fittings, equipment, and other furnishings and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures, all clubhouse and swimming pool equipment, lockers, lifeguard equipment, lawn or deck chairs, towels, swimming pool cleaning and maintenance equipment, recreational and fitness equipment, including but not limited to rowing machines, stationery bikes, nautilus equipment, and appurtenances thereto.

1.3 Intangible Personalty: All right, title and interest of the Borrower in and to the following, with respect to the Real Property:

(a) all of the rents, royalties, income (including, without limitation, operating income), receipts, revenues, issues, and profits of and from the use, operation, or enjoyment of such real property and improvements (collectively, the "Income"), whether such Income is attributable to the period, or is collected, prior to or subsequent to any default by Borrower;

(b) all plans and specifications for the improvements on the real property; soil, environmental, engineering, land planning maps, surveys and other studies and reports concerning the real property or prepared for the orderly planning and development of the real property, including all plans, drawings and studies concerning the platting or replatting of the real property; all contracts and subcontracts relating to the improvements on the real property, or any thereof;

(c) all awards and payments, including interest thereon, resulting from the exercise of any right of eminent domain or any other public or private taking of, casualty or injury to, or decrease in the value of, any of such real property, including without limitation all property insurance payments, proceeds and policies related to such real property;

(d) all of the licenses, permits, franchises, and other entitlements to use and all rights thereto which have been issued by or which are pending before any governmental or quasi-governmental agency which are necessary or appropriate for the Property;

(e) all funds, accounts, operating accounts, accounts receivable, deposit accounts, escrow accounts, monies, claims, causes of action, rights to payment, prepaid insurance and other prepaid items, contracts, contract rights, refunds and rebates, maintenance contracts, maintenance warranties, continuing agreements, security deposits, general intangibles and payment intangibles associated with the property, letter of credit rights and insurance proceeds;

(f) all water taps, sewer taps, building permits, curb cut permits, storm water discharge permits, refunds, rebates or deposits due or to become due from any utility companies or governmental entity;

(g) the absolute right to Borrower's interest in any trade name used by Borrower in connection with the Property and all of Borrower's rights in and to contract rights, leases, concessions, trade names, trademarks, service marks, logos, operating systems, trade secrets, technology and technical information, copyrights, warranties, licenses, plans, drawings and other items of intangible personal property relating to the ownership or operation of the Property; and

(h) all other and greater rights and interests of every nature in such property and in the possession or use thereof and income therefrom, whether now owned or subsequently acquired by Borrower.

1.4 Property: The Real Property, the Chattels and the Intangible Personalty are sometimes collectively called the "Property." It is specifically understood that the enumeration of any specific articles of the Property, including Chattels and Intangible Personalty shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the Real Property, Chattels and Intangible Personalty, whether affixed or annexed or not, and all rights hereby conveyed and mortgaged are intended to be as a unit and are hereby understood and agreed and declared to be appropriated to the use of the real estate, and shall for the purposes of this Deed of Trust be deemed to be real estate and conveyed and mortgaged hereby.

1.5 Secured Obligations: The Property is granted and shall be held for the purpose of securing (the "Secured Obligations");

(a) The payment of the indebtedness as evidenced in the Loan Agreement and Note;

(i) The performance and observance of all terms, covenants, conditions, and provisions to be performed or observed by the Borrower pursuant to the terms of this Deed of Trust, and UCC-1 financing statements required to perfect Lender's security interest in the personal property as granted by this Deed of Trust (the "Financing Statement").

The Loan Agreement, Note, this Deed of Trust, the Financing Statement, and any and all other documents or instruments executed in connection with the foregoing to evidence or secure the Note shall be hereinafter collectively called the "Loan Documents".

ARTICLE 2.
GRANTING CLAUSE

2.1 Grant to Public Trustee. As security for the Secured Obligations, Borrower hereby grants, bargains, sells, and conveys the Property to Public Trustee, in trust forever, with power of sale, for the use and benefit of Lender, and subject to all provisions hereof.

2.2 Security Interest to Lender. As additional security for the Secured Obligations, Borrower hereby grants to Lender a security interest in the Chattels and in the Intangible Personalty and in such of the Real Property as may be deemed personalty (collectively, the "Collateral"). To the extent any of the Collateral may be or has been acquired with funds advanced by Lender under the Loan Documents, this security interest is a purchase money security interest. This Deed of Trust constitutes a Security Agreement under the Uniform Commercial Code of Colorado (the "Code") with respect to any part of the Property and Collateral that may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate; all of the terms, provisions, conditions and agreements contained in this Deed of Trust pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Property, and the following provisions of this section shall not limit the generality or applicability of any other provision of this Deed of Trust but shall be in addition thereto:

(a) The Collateral shall be used by Borrower solely for business purposes, being installed upon or owned in connection with the real estate comprising part of the Property for Borrower's own use or as the equipment and furnishings furnished by Borrower, as owner, to tenants of the Property;

(b) The Chattels shall be kept at the real estate comprising a part of the Property, and, except for worn out or obsolete Chattels, shall not be removed therefrom without the consent of Lender and the Chattels may be affixed to such real estate but shall not be affixed to any other real estate;

(c) Except for any financing statement evidencing a Permitted Exception (as defined in Paragraph 3.1 hereunder), no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office; and Borrower will, at its cost and expense, upon demand, furnish to Lender such further information and will execute and deliver to Lender such financing statements and other documents in form satisfactory to Lender and will do all such acts and things as Lender may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject to no adverse liens or encumbrances; and Borrower will pay the cost of filing the same or filing or recording such financing statements or other documents and this instrument in all public offices wherever filing or recording is deemed by Lender to be necessary or desirable;

(d) The terms and provisions contained in this section and in Section 7.6 (Enforcement of Security Interests) of this Deed of Trust shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code; and

(e) This Deed of Trust constitutes a security agreement and financing statement under the Code with respect to the Collateral. As such, this Deed of Trust covers all items of the Collateral that are personal property including all items which are to become fixtures. Borrower is the "Debtor" and Lender is the "Secured Party" (as those terms are defined and used in the Code) insofar as this Deed of Trust constitutes a financing statement.

(f) The Borrower agrees that Lender may, to the extent permitted by applicable law, prepare and file financing statements, amendments thereto, and continuation statements without the signature of the Borrower and file any financing statement, amendment thereto or continuation statement electronically.

2.3 Future Advances. This Deed of Trust secures future Advances up to a total maximum amount of \$100,000.00.

ARTICLE 3. BORROWER'S TITLE AND AUTHORITY

3.1 Borrower's Interest. Borrower, for itself, its successors and assigns, represents and warrants to Lender, its successors and assigns, that it is lawfully seized of the Property, including a leasehold interest in the real property described in Exhibit A, and has good right to sell and convey the same, that the Property is free from all encumbrances except only the lien of general taxes, a lien not yet due and payable, and those additional matters of record listed on the attached Exhibit B ("Permitted Exceptions"), and that the Lender, its successors and assigns, shall quietly enjoy and possess the Property. Borrower, for itself, its successors and assigns, represents and warrants to Lender, and its successors and assigns, that Borrower is the absolute owner of the Collateral, free of any liens, encumbrances, security interests, and other claims whatsoever, other than the Permitted Exceptions. Borrower, for itself and its successors and assigns, hereby agrees to warrant and forever defend, all and singular, all of the Property, Collateral and property interest granted and conveyed in trust pursuant to this Deed of Trust, against every person whomsoever lawfully claiming, or to claim, the same or any part thereof, subject to the Permitted Exceptions. The warranties contained in this section shall survive foreclosure of this Deed of Trust, and shall inure to the benefit of and be enforceable by any person who may acquire Borrower's interest to the Property or the Collateral pursuant to any such foreclosure.

3.2 Waiver of Homestead and Other Exemptions. To the extent permitted by law, Borrower hereby waives all rights to any homestead or other exemption to which Borrower would otherwise be entitled under any present or future constitutional, statutory, or other provision of applicable state or federal law.

3.3 Due Authorization. Borrower represents and warrants to Lender that that the execution of this Deed of Trust has been duly authorized by all necessary Borrower action on the part of Borrower.

ARTICLE 4.
BORROWER'S AFFIRMATIVE COVENANTS

4.1 Payment of Note. Borrower will pay all principal, interest, and other sums payable under the Note, this Deed of Trust, or the Loan Documents, on the date when such payments are due, subject to any applicable notice and cure period set forth therein.

4.2 Performance of Other Obligations. Borrower will promptly and strictly perform and comply with all other covenants, conditions, and prohibitions required of Borrower by the terms of the Loan Documents.

4.3 Other Encumbrances. Borrower will promptly and strictly perform and comply with all covenants, conditions, and prohibitions required of Borrower in connection with any other encumbrance affecting the Property or the Collateral, or any part thereof, or any interest therein, regardless of whether such other encumbrance is superior or subordinate to the lien hereof. This paragraph does not authorize any lien or encumbrance against the Property or the Collateral except as permitted by Section 3.1 or with the prior written consent of Lender as provided in this Deed of Trust.

4.4 Payment of Taxes.

(a) Property Taxes. Pursuant to Colorado Revised Statute ("CRS") §29-4-227, this Project including all Improvements and land, is exempt from all property tax assessments. If, at any time, the Project ceases to qualify for a property tax exemption under CRS §29-4-227, the Borrower shall pay all property taxes and assessments on or before the date due.

(b) Intangible Taxes. If by reason of any statutory or constitutional amendment or judicial decision adopted or rendered after the date hereof, any tax, assessment, or similar charge is imposed against the Note, against Lender arising directly from Lender's interests in the Loan Documents (other than a tax based on Lender's income), or against any security interest of Lender in the Property, Borrower will pay such tax, assessment, or other charge before delinquency and will indemnify Lender against all loss, expense, or diminution of income in connection therewith. In the event Borrower is unable to do so, either for economic reasons or because the legal provisions or decisions creating such tax, assessment or charge forbid Borrower from doing so, then the Note will, at Lender's option, become due and payable in full upon thirty (30) days' notice to Borrower.

(c) Right to Contest. Notwithstanding any other provision of this section, Borrower will not be deemed to be in default solely by reason of Borrower's failure to pay any

impositions so long as, in Lender's reasonable judgment, each of the following conditions is satisfied:

(i) Borrower is engaged in and diligently pursuing in good faith administrative or judicial proceedings appropriate to contest the validity or amount of such impositions; and

(ii) Nonpayment of such impositions will not result in the loss or forfeiture of any Property encumbered hereby or any interest of Lender therein.

If Lender determines that any one or more of such conditions is not satisfied or is no longer satisfied, Borrower will pay the impositions in question, together with any interest and penalties thereon, within ten (10) days after Lender gives notice of such determination.

4.5 Maintenance of Insurance.

(a) Policies. Borrower shall obtain and maintain the following insurance and pay all related premiums as they become due:

(i) Casualty. Insurance of the Project against damage or loss by fire, lightning, and other perils, on an all-risks basis, such coverage to be in an amount satisfactory to Lender.

(ii) Liability. Combined commercial general liability insurance protecting Borrower and Lender against loss or losses from liability imposed by law or assumed in any agreement, document, or instrument and arising from bodily injury, death, or property damage with a limit of liability satisfactory to Lender per occurrence and general aggregate. Also, "umbrella" excess liability insurance in an amount satisfactory to Lender.

(iii) Additional Insurance. Borrower shall obtain and maintain such other policies of insurance as Lender may reasonably request in writing and which is commercially customary for similar projects.

(b) Application of Insurance Proceeds. Subject to the rights of any lender with a superior interest under a recorded Deed of Trust or similar document or instrument, all sums paid under any insurance policy required in subsection (a) shall be paid to the Lender (after application of such proceeds to prior lienholders, to the extent of the indebtedness secured by their liens). Lender shall apply such amounts (after first deducting therefrom its expenses incurred in collecting the same including but not limited to reasonable attorneys' fees) to the restoration of the Property pursuant to such conditions as the Lender shall in its reasonable discretion require, unless the senior lien holder has applied such proceeds solely to the payment of its lien, in which case Lender may do likewise. No application of insurance proceeds shall extend or postpone the due dates of the installments payable under the Note or change the amount of such installments.

4.6 Maintenance and Repair of Property and Collateral. Borrower will at all times maintain the Property and the Collateral in good condition and repair, and will diligently prosecute the completion of any infrastructure, building or other improvement which is at any time in the process of construction on the Property in full compliance with all building codes and other governmental requirements. Subject to the rights of any lender under a superior deed of trust, Borrower will promptly repair, restore, replace, or rebuild any part of the Property or the Collateral which may be affected by any casualty or any public or private taking or injury to the Property or the Collateral. Any repair, restoration, replacement, or rebuilding shall be consistent with all applicable laws and regulations. All costs and expenses arising out of the foregoing shall be paid by Borrower whether or not the proceeds of any insurance or eminent domain shall be sufficient therefor. Borrower will comply with all statutes, ordinances, and other governmental or quasi-governmental requirements and private covenants relating to the ownership, construction, use, or operation of the Property and the Collateral, including but not limited to any environmental or ecological requirements, legislation or regulations with respect to the Americans with Disabilities Act; provided, that so long as Borrower is not otherwise in default hereunder, Borrower may, upon providing Lender with security reasonably satisfactory to Lender, proceed diligently and in good faith to contest the validity or applicability of any such statute, ordinance, or requirement. Lender and any person authorized by Lender may enter and inspect the Property at all reasonable times, and may inspect the Collateral, wherever located, at all reasonable times.

4.7 Management. The Borrower will provide and maintain good and efficient management of the Property reasonably satisfactory to Lender. Borrower shall obtain Lender's advance written approval of any management provided, and of any contract therefor or assignment thereof, which written approval shall not be unreasonably withheld.

4.8 Condemnation. Subject to the rights of any lender under a superior deed of trust, Borrower hereby assigns, transfers and sets over unto Lender the entire proceeds of any award or any claim for damages for any of the Property taken or damaged under the power of eminent domain or by condemnation subject to the rights of any lender under a superior deed of trust.

4.9 Mechanics' Liens. Subject to Borrower's right to contest in good faith pursuant to the terms of any superior deed of trust, Borrower will keep the Property free and clear of all liens and claims of liens by contractors, subcontractors, mechanics, laborers, material men, and other such persons.

4.10 Defense of Actions. Borrower will defend, at Borrower's expense, any action, proceeding or claim which affects any Property encumbered hereby or any interest of Lender in such Property or in the Secured Obligations, and will indemnify and hold Lender harmless from all loss, damage, cost, or expense, including reasonable attorneys' fees, which Lender may incur in connection therewith except to the extent such loss is caused by Lender's gross negligence or willful misconduct.

4.11 Inventories; Assembly of Chattels. Borrower will, from time to time at the request of Lender, supply Lender with a current inventory of the Chattels, in such detail as Lender may reasonably require. Upon the occurrence of any Event of Default hereunder, Borrower will, at Lender's request assemble the Chattels and make the Chattels available to Lender at any place designated by Lender which is reasonably convenient to both parties.

4.12 Further Assurances; Estoppel Certificates. Borrower will execute and deliver to Lender upon demand, and pay the costs of preparation and recording thereof, any further documents which Lender may request to confirm or perfect the liens and security interests created or intended to be created hereby, or to confirm or perfect any evidence of the Secured Obligations. Borrower will also, within ten (10) days after any request by Lender, deliver to Lender a signed and acknowledged statement certifying to Lender, or to any proposed transferee of the Secured Obligations, (a) the balance of principal, interest, and other sums then outstanding under the Note, and (b) whether Borrower claims to have any offsets or defenses with respect to the Secured Obligations and, if so, the nature of such offsets or defenses.

4.13 Parking Requirements. Borrower shall comply with the parking requirements of all leases, zoning and other regulations affecting the Property.

4.14 Financial Statements and Inspection of Records. Borrower will furnish or cause to be furnished to Lender copies of such certified reports, financial statements, supporting schedules and other financial data as Lender may reasonably require covering the financial condition of Borrower, in form and content reasonably satisfactory to Lender.

4.15 Insurance Proceeds. Subject to the rights of any lender under a superior deed of trust, insurance proceeds from casualty and condemnation shall be used to restore and rebuild the Property so long as Borrower is not in default.

ARTICLE 5.

BORROWER'S NEGATIVE COVENANTS

5.1 Reserved.

5.2 Reserved.

5.3 Further Encumbrance of Property. Except for the Permitted Exceptions, Borrower will not create, place or permit to be created or placed or allow to remain against the Property any lien, mortgage or deed of trust, regardless of whether the same is expressly subordinate to the liens and security interests imposed hereby or by any other instruments securing the Secured Obligations and Borrower shall not encumber the Property without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed.

5.4 Transfer or Removal of Chattels. Borrower will not sell, transfer or remove from the Property all or any material part of the Chattels, unless the items sold, transferred, or removed are replaced with similar items of substantially equal or greater value.

5.5 Further Encumbrance of Collateral. Borrower will not create or permit any junior lien, security interest or other encumbrance against the Collateral without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed.

5.6 Change in Name, Location of Collateral, Etc. Without giving at least thirty (30) days' prior written notice to Lender, the Borrower shall not: (a) change its name, identity structure, or jurisdiction of organization; (b) change the location of its place of business (or chief executive office if more than one place of business); or (c) add to or change any location at which any of the Collateral is stored, held or located, without first notifying Lender of Borrower's intention to do so and shall execute and deliver to Lender modifications or supplements of this Deed of Trust (and to any financing statement which may be filed in connection herewith) as Lender may require.

5.7 Improper Use of Property or Collateral. Borrower will not use the Property or the Collateral for any purpose or in any manner, or take any action with respect to the Property which violates any applicable law, ordinance, or other governmental requirement, the requirements or conditions of any insurance policy, or any private covenant.

ARTICLE 6. EVENTS OF DEFAULT

Each of the following events will constitute a default (an "Event of Default") under this Deed of Trust and under each of the other Loan Documents:

6.1 Failure to Pay. Default shall be made in the payment of any regularly scheduled installment of principal or interest on the Note (after giving consideration to any grace period which may be applicable under the Note or the Loan Agreement); provided, however, that so long as the continued operation and safety of the Property, and the priority, validity and enforceability of the liens created by the Deed of Trust or any of the other Loan Documents and the value of the Property are not materially impaired, then Borrower shall have a period of ten (10) days after Borrower receives written notice from Lender of such default to cure the same and an Event of Default shall not be deemed to exist during such ten-day (10-day) period.

6.2 Breach of Material Terms. The Borrower shall fail to pay any sum (other than principal or interest) when due pursuant to any of the Loan Documents or shall fail to duly perform or observe any of the covenants, agreements, or material terms contained in the Loan Agreement or in this Deed of Trust (after giving consideration to any grace period which may be applicable under such document); provided, however, that if such failure by its nature can be cured, then so long as the continued operation and safety of the Property, and the priority, validity and enforceability of the liens created by the Deed of Trust or any of the other Loan Documents and

the value of the Property are not materially impaired, then Borrower shall have a period ("Cure Period") of thirty (30) days after Borrower obtains actual knowledge of such failure or receives written notice of such failure to cure the same and an Event of Default shall not be deemed to exist during the Cure Period, provided further that if Borrower commences to cure such failure during the Cure Period and is diligently and in good faith attempting to effect such cure, the Cure Period shall be extended for sixty (60) additional days, but in no event shall the Cure Period be longer than ninety (90) days in the aggregate.

6.3 Conveyance. Except as may be permitted under the Loan Documents and/or the Permitted Exceptions, the Borrower shall sell or convey the Property or any interest therein. Notwithstanding the foregoing, a transfer by the Investor Partner of its interest in the Borrower in accordance with the terms of the Partnership Agreement, or a removal and replacement of the General Partner of the Borrower in accordance with the terms of the Partnership Agreement shall not constitute an Event of Default.

6.4 Bankruptcy / Insolvency. The Borrower shall be generally unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such a receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower, and such appointment shall continue undischarged for a period of ninety (90) days; or the Borrower shall institute (by petition, application, answer or otherwise) any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution, liquidation or similar proceedings under the laws of any jurisdiction; or any such proceeding shall be instituted against the Borrower; or the Borrower shall terminate or dissolve.

6.5 Representations. Any representation of the Borrower made herein or made by the Borrower in any submission or document delivered by or on behalf of the Borrower in connection with the Indebtedness shall prove to be materially untrue at the time when made, or (ii) a default or an "Event of Default," however defined, shall occur and continue beyond any applicable notice and cure period under any other document or instrument now or hereafter securing repayment of the Note or issued in connection therewith, or evidencing or securing a loan made by any other lender with regard to the Property.

6.6 Superior Lien Against the Property. Other than with respect to the loans listed as Permitted Exceptions, the assertion of any claim of priority over this Deed of Trust, by title, lien, or otherwise in any legal, administrative, or equitable proceeding, unless such assertion be withdrawn, or effective action satisfactory to Lender commenced (and thereafter diligently prosecuted) and Lender is secured against any loss or damage therefrom, within thirty (30) days of the assertion of such claim.

6.7 Abandonment. The actual or constructive abandonment of all or a substantial portion of the Property or the Collateral (such abandonment constituting an assignment to Lender,

at Lender's option, of Borrower's interest in any lease or contract now or hereafter affecting the abandoned property).

6.8 Judgment. A writ of execution or attachment or any similar process shall be issued or levied against all or any part of Borrower's interest in the Property or a material part of the Collateral, or any judgment involving monetary damages shall be entered against Borrower or Borrower's general partner, which shall become a lien on the Property or any portion thereof or interest therein and such execution, attachment, or similar process or judgment is not released, bonded, satisfied, vacated, or stayed within sixty (60) days after its entry or levy.

6.9 Cure Rights. Notwithstanding anything to the contrary contained in the Loan Documents, if an Event of Default occurs hereunder and Lender gives Borrower written notice of such default, Lender shall also send a copy of such notice at the same time and in the same manner to and its successors and assigns Red Stone Equity-Fund 103 Limited Partnership, its successors and assigns ("Investor Partner"). Upon such default, Investor Partner shall have the right, but not the obligation to cure such default for a period of thirty (30) days after the date of such notice of default; provided, however, if it is not capable of being cured within such 30 day period, so long as Investor Partner diligently pursues such cure, then Investor Partner shall have such reasonable amount of time to effectuate a cure.

ARTICLE 7. LENDER'S REMEDIES

Immediately upon or any time after the occurrence of any Event of Default hereunder, Lender may exercise any remedy available at law or in equity, including but not limited to those listed below and those listed in the other Loan Documents, in such sequence or combination as Lender may determine in Lender's sole discretion:

7.1 Performance of Defaulted Obligations. Lender may make any payment or perform any other obligation under the Loan Documents which Borrower has failed to make or perform, and Borrower hereby irrevocably appoints Lender as the true and lawful attorney-in-fact for Borrower to make any such payment and perform any such obligation in the name of Borrower, which appointment is coupled with Lender's interest in the Property and the Collateral. All payments made and expenses (including reasonable attorneys' fees) incurred by Lender in this connection, together with interest thereon at rate set forth in the Note, from the date paid or incurred until repaid, will be part of the Secured Obligations and will be immediately due and payable by Borrower to Lender.

7.2 Specific Performance and Injunctive Relief. Notwithstanding the availability of legal remedies, Lender will be entitled to obtain specific performance, mandatory or prohibitory injunctive relief, or other equitable relief requiring Borrower to cure or refrain from repeating any default.

7.3 Acceleration of Secured Obligations. Upon an Event of Default, Lender may, without notice or demand, declare all of the Secured Obligations immediately due and payable in full.

7.4 Possession of Property. Lender may enter and take possession of the Property without seeking or obtaining the appointment of a receiver, may employ a managing agent for the Property, and may complete the development and construction of the Project with respect to all or any part of the Property, either in Lender's name or in the name of Borrower.

7.5 Non-Recourse. The Loan is nonrecourse except as follows. Notwithstanding any provisions of this Loan Agreement, the Note, the Deed of Trust or any other Loan Document to the contrary, neither Borrower nor its partners shall be personally liable for payment of the indebtedness evidenced by the Note, and Lender's sole recourse for payment of such indebtedness in the event of default shall be to pursue the security provided by the Deed of Trust and other instruments securing payment of the Note. Nothing in this section shall affect, limit or impair (i) the security provided by the Deed of Trust or any other document; (ii) the right, subject to the terms of the Note, to seek monetary judgment against Borrower to the extent necessary to permit foreclosure of the Deed of Trust by action (except that Borrower shall not be personally liable for payment of any such judgment to the extent that the judgment is for payment of the indebtedness evidenced by the Note and no deficiency judgment will be sought or obtained against Borrower for payment of the indebtedness evidenced by the Note); (iii) subject to the terms of the Note, the enforcement by Lender of any other legal or equitable rights or remedies or any other provision of any instrument by which the Note is secured; (iv) the right to assert Borrower's personal liability for payment of the indebtedness which the Note evidences as a counterclaim in any action which Borrower commences against Lender, to the extent Borrower is awarded damages against Lender; (v) the right to hold any successors or assigns of Borrower personally liable for payment of the indebtedness evidenced by the Note in the event Borrower assigns its rights and obligations under the Loan Documents in violation of the provisions in the Loan Documents; or (vi) the right to assert Borrower's personal liability in the event of any fraud, gross negligence, willful misconduct or violation of law by Borrower.

7.6 Enforcement of Security Interests. Lender may exercise all rights of a secured party under the Code with respect to the Collateral, including but not limited to taking possession of, holding, and selling the Collateral and enforcing or otherwise realizing upon any accounts and general intangibles. Any requirement for reasonable notice of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made, will be satisfied by Lender's giving of such notice to Borrower at least fifteen (15) days prior to the time of any public sale or the time after which any private sale or other intended disposition is to be made. If permitted by statute or court decision, the Collateral may be sold by the Public Trustee as part of the foreclosure sale of the Property.

7.7 Foreclosure Against Property. Subject to Section 7.11 herein, Lender may foreclose this Deed of Trust, insofar as it encumbers the Property, either by judicial action or

through a public trustee foreclosure sale through the Public Trustee in the manner provided by statute.

(a) If this Deed of Trust encumbers more than one parcel of real estate, foreclosure may be by separate parcel or lot or en masse, as Lender may elect in its sole discretion, subject to statutory restrictions. Foreclosure through Public Trustee will be initiated by Lender's filing of its notice of election and demand for sale with Public Trustee. Upon the filing of such notice of election and demand for sale, Public Trustee shall promptly comply with all notice and other requirements of the laws of Colorado then in force with respect to such sales, and shall give four weeks' public notice of the time and place of such sale by advertisement weekly five times in some newspaper of general circulation then published in the County in which the Property is located.

(b) All fees, costs and expenses of any kind incurred by the Public Trustee or Lender in connection with, or preparation for, foreclosure of this Deed of Trust, including, without limitation, the costs of any appraisals, engineering or environmental testing and evaluations of the Property obtained by Lender, all costs of any receivership for the Property advanced by Lender, and all reasonable attorneys', and consultants' fees, expert's evidence, stenographer's charges, publication costs, (which may be estimated as to items to be expended after foreclosure sale or entry of the decree) costs of procuring all such title searches, title insurance policies, and similar data with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale the true condition of title to or value of the Property, incurred by Lender, shall constitute a part of the Secured Obligations and may be included as part of the amount owing from Borrower to Lender at any foreclosure sale. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the Property and the maintenance of the lien of this Deed of Trust, including the reasonable fees of any attorney employed by Lender in any litigation or proceeding affecting this Deed of Trust, the Loan Agreement, the Note or the Property, including probate, bankruptcy proceedings, proceedings to obtain a receiver, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the rate set forth in the Note and shall be secured by this Deed of Trust.

(c) The proceeds of any sale under this paragraph shall be applied first to the fees and expenses of the officer conducting the sale, and then to the reduction or discharge of the Secured Obligations; any surplus remaining shall be paid over to Borrower or to such other person or persons as may be lawfully entitled to such surplus.

(d) At the conclusion of any foreclosure sale, the officer conducting the sale shall execute and deliver to the purchaser at the sale a certificate of purchase which shall describe the property sold to such purchaser and shall state that upon the expiration of the applicable periods for redemption, the holder of such certificate will be entitled to a deed to the property described in the certificate. After the expiration of all applicable periods of redemption, unless the property

sold has been redeemed by Borrower, the officer who conducted such sale shall, upon request, execute and deliver an appropriate deed to the holder of the certificate of purchase or the last certificate of redemption, as the case may be.

(e) Nothing in this section dealing with foreclosure procedures or specifying particular actions to be taken by Lender or by Public Trustee or any officer conducting the foreclosure sale shall be deemed to contradict or add to the requirements and procedures now or hereafter specified by the laws of the State of Colorado, and any such inconsistency shall be resolved in favor of Colorado law applicable at the time of foreclosure.

7.8 Appointment of Receiver. Lender shall be entitled, as a matter of absolute right and without regard to the value of any security for the Secured Obligations or the solvency of any person liable therefor, to the appointment of a receiver for the Property, the leases between Borrower and tenants of the Project (collectively, "Leases"), and the rents and revenues of the Project (the "Rents and Revenues") upon ex parte application to any court of competent jurisdiction. Borrower waives any right to any hearing or notice of hearing prior to the appointment of a receiver.

7.9 Right to Make Repairs, Improvements. Should any part of the Property come into the possession of Lender or a receiver, whether before or after an Event of Default, Lender or the receiver and receiver's agents shall be empowered subject to the rights of any lender under a superior deed of trust:

(a) To take possession of the Property, Leases, Rents and Revenues and any business conducted by Borrower or any other person thereon and any business assets used in connection therewith and any Property in which Lender has a security interest granted by Borrower and, if the receiver deems it appropriate, to operate the same;

(b) To exclude Borrower and Borrower's agents, servants, and employees from the Property;

(c) With or without taking possession of the Property, to collect the Rents and Revenues, including those past due and unpaid and security deposits;

(d) To rent, lease or let all or any portion of the Property to any party or parties at such rental and upon such terms as Lender shall, and to pay any leasing or rental commissions associated therewith in its discretion, determine;

(e) To continue the development, marketing and sale of the Property or any portion thereof;

(f) To complete any construction or development which may be in progress;

(g) To do such maintenance and make such repairs and alterations as the receiver deems necessary;

(h) To use all stores of materials, supplies and maintenance equipment on the Property and to replace and replenish such items at the expense of the receivership estate;

(i) To pay the operating expenses of the Property, including costs of management and leasing or marketing thereof (which shall include lease commissions, sale commissions), payments under contracts and agreements for development and construction;

(j) To pay all taxes and assessments against the Property and any property which is collateral for the Secured Obligations, all premiums for insurance thereon, all utility and other operating expenses, and all sums due under any prior or subsequent encumbrance;

(k) Reserved; and

(l) Generally do anything which Borrower could legally do if Borrower were in possession of the Property.

(m) All expenses incurred by the receiver or the receiver's agent shall constitute part of the Secured Obligations. Any revenues collected by the receiver shall be applied first to the expenses of the receivership (including reasonable attorneys' fees incurred by the receiver and by Lender), to expenses of the Property, and to preserve, protect, maintain and operate the Property and any other collateral which is security for the Secured Obligations, and the balance shall be applied toward the Secured Obligations or any deficiency which may result from any foreclosure sale, and then in such other manner as the court may direct. Unless sooner terminated with the express consent of Lender, any such receivership will continue until all amounts remaining due under the Note have been discharged in full, or until Borrower's interest in the Property has passed after foreclosure sale and all applicable periods of redemption have expired, and in either case, the court has discharged the receiver. Borrower covenants to promptly reimburse and pay to Lender or such receiver, at the place where the Note is payable, or at such other place as may be designated in writing, the amount of all reasonable expenses (including the cost of any insurance, taxes, or other charges) incurred by Lender or such receiver in connection with its custody, preservation, use or operation of the Property, together with interest thereon from the date incurred by Lender or such receiver at the interest rate set forth in the Note, and all such expenses, costs, taxes, interest, and other charges shall be part of the Secured Obligations. It is agreed, however, that the risk of accidental loss or damage to the Property is undertaken by Borrower and, except for Lender's or such receiver's willful misconduct or gross negligence, Lender or such receiver shall have no liability whatsoever for decline in value of the Property, for failure to obtain or maintain insurance, or for failure to determine whether any insurance ever in force is adequate as to amount or as to the risks insured, or to complete development.

7.10 Further Assurances. Upon issuance of a deed or deeds pursuant to foreclosure of this Deed of Trust, all right, title, and interest of the Borrower in and to the Leases shall, by virtue of this instrument, thereupon vest in and become the absolute property of the grantee or grantees in such deed or deeds without any further act or assignment by the Borrower. Borrower hereby agrees to execute all instruments of assignment or further assurance in favor of such grantee or grantees in such deed or deeds, as may be necessary or desirable for such purpose. But nothing contained herein shall prevent Lender from terminating any subordinated Lease not approved by Lender through such foreclosure.

7.11 Standstill. Notwithstanding anything contained in the Loan Documents to the contrary, no right or remedy, including the right to foreclose, granted to Lender may be exercised under or in connection with the Loan Documents, except with the prior written consent of the Investor Partner, which consent may be withheld in Investor Partner's sole and absolute discretion, (i) so long as Lender or an affiliate of Lender is a partner of Borrower under the Borrower's Amended and Restated Agreement of Limited Liability Limited Partnership, dated as of December 1, 2023 (the "Partnership Agreement"), (iii) so long as the Investor Partner or its affiliates is a partner of the Borrower, (iii) before the end of the Compliance Period (as defined in the Partnership Agreement), and (iv) even if Lender or its affiliate is no longer a partner of Borrower, with respect to any default occurring while Lender or an affiliate was partner of Borrower. The standstill restrictions shall not apply in the event Lender is required to repay any funds that are the subject of the Grant Agreement to VHF due to a default under the Grant Agreement that is not a result of any action or inaction of the Lender.

7.12 Notwithstanding anything to the contrary contained in this Deed of Trust or the Loan Documents, the Development Fee (as defined in the Partnership Agreement) shall be paid before any amounts due to Lender from the proceeds of a foreclosure against the property or upon liquidation of the Borrower.

ARTICLE 8.

ASSIGNMENT OF RENTS AND LEASES

8.1 Assignment of Rents and Leases. Subject to the rights of any lender with a superior interest under a recorded Deed of Trust or similar document or instrument to further secure the Secured Obligations, Borrower does hereby sell, assign and transfer unto Lender all rents, issues, profits, revenue, and income now due and which may hereafter become due under or by virtue of any Leases, tenancies or agreements for occupancy "Leases" (collectively "Rents and Revenues"), whether written or verbal, or any letting of, or of any agreement for the sale, use or occupancy of the Property or any part thereof, and all proceeds from, evidence of, and benefits and advantages to be derived therefrom, now or hereafter existing, whether or not with Lender's approval. The Borrower does hereby appoint irrevocably Lender its true and lawful attorney in its name and stead (with or without taking possession of the Property) to rent, lease or let any improvements located on the Property, and to collect all of said Rents and Revenues arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and every of the Leases,

or other agreements, written or verbal, or which may hereafter exist on the Property, on the condition that Lender hereby grants to Borrower a license to collect and retain such Rents and Revenues (but expressly not including the right to collect any rents more than one (1) month in advance or any amount to prepay, terminate, or "buy out" any Leases) prior to the occurrence of any Event of Default under the Loan Documents. Borrower expressly covenants to apply the Rents and Revenue received, after application for operating expenses permitted hereunder, to payment of the Secured Obligations as and when the same become due and in compliance with the Loan Documents. Such license shall be revocable by Lender without notice to Borrower at any time upon or after an Event of Default under the Loan Documents, and immediately upon any such revocation, Lender shall be entitled to receive, and Borrower shall deliver to Lender, any and all Rents and Revenues theretofore collected by Borrower which remain in the possession or control of Borrower and all Leases, and other such agreements. It is the intention of the Borrower to create and grant, and it is the intention of Lender to create and receive, a present, absolute and unconditional assignment of all of the Leases, similar agreements, Rents and Revenue now due or which may hereafter become due, but it is agreed that Lender's right to collect the Rents and Revenues is conditioned upon the existence of an Event of Default under the Loan Documents. Failure of Lender at any time or from time to time to enforce its rights under this ARTICLE 8 shall not in any manner prevent its subsequent enforcement, and Lender is not obligated to collect anything hereunder, but is accountable only for sums collected. Nothing contained herein shall be construed as constituting Lender a mortgagee in possession in the absence of the taking of actual possession of the Property by Lender pursuant to Section 8.7 (Lender's Right of Possession In Case of Default) hereof. In the exercise of the powers herein granted to Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrower.

8.2 Covenants Regarding Leases. Borrower agrees:

- (a) Not to execute any Leases (except for leases of space in the improvements on the Property made by Borrower in the ordinary course of Borrower's business) affecting the Property or any part thereof without the prior written consent of Lender;
- (b) Not to collect any of the Rents for more than one (1) month in advance of the time when the same become due under the terms thereof;
- (c) Not to discount any future accruing Rents (except in the ordinary course of Borrower's business);
- (d) Other than to secure Loans listed on Exhibit B as Permitted Exceptions, not to execute any other assignments of said Leases or any interest therein or any of the Rents and Revenues thereunder;
- (e) That notwithstanding any variation of the terms of this Deed of Trust or any extension of time for payment thereunder or any release of part or parts of the Property, the Leases,

Rents and Revenues hereby assigned, insofar as they relate to the unreleased Property, shall continue as additional security in accordance with the terms hereof; and

(f) To perform all of the Borrower's covenants and agreements under the Leases and not to suffer or permit to occur any release of liability of the lessees or purchasers.

8.3 Representations Regarding Leases. Borrower represents and warrants that, except for the Permitted Exceptions and/or as otherwise disclosed in the rent rolls for the Property delivered to Lender from time to time, (a) the Leases, if any, are in full force and effect; (b) the Leases and the Rents and Revenues thereunder have not been heretofore sold, assigned, transferred, or set over by Borrower or by any person or persons whatsoever; (c) no material default exists on the part the Borrower as lessor; (d) no Rents have been paid by any of the lessees for more than one (1) month in advance; (e) the payment of none of the rents have been or, will be waived, released, reduced, discounted or otherwise discharged or compromised by the Borrower directly or indirectly by assuming any lessee's obligations with respect to other premises; and (f) Borrower has good right to sell, assign, transfer, and set over the same and to grant to and confer upon Lender the rights, interests, powers, and authorities herein granted and conferred.

8.4 Further Assignments. Borrower shall give Lender at any time upon demand any further or additional forms of assignment of transfer of such Rents and Revenues, leases and security as may be reasonably requested by Lender, and shall deliver to Lender executed copies of all such leases and security.

8.5 Authority of Lender. Any tenants or occupants of any part of the Property are hereby authorized to recognize the claims of Lender hereunder without investigating the reason for any action taken by Lender, or the validity or the amount of indebtedness owing to Lender, or the existence of an Event of Default under any Loan Document, or the application to be made by Lender of any amounts to be paid to Lender. The sole signature of Lender or a receiver shall be sufficient for the exercise of any rights under this ARTICLE 8 and the sole receipt of Lender or a receiver for any sums received shall be a full discharge and release therefor to any such tenant or occupant of the Property; and Borrower hereby releases each such tenant and occupant which makes payments to Lender under this ARTICLE 8 from any liability under the applicable Lease or occupancy agreement. Checks for all or any part of the rentals collected under this ARTICLE 8 shall be drawn to the exclusive order of Lender or such receiver.

8.6 Defense and Indemnification.

(a) The Borrower hereby agrees to defend, indemnify, and hold harmless Lender, its appointed and elected officials, agents and employees against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to this Deed of Trust ("Claims"), unless such Claims are due to the gross negligence or willful misconduct of Lender.

(b) The Borrower's duty to defend and indemnify Lender shall arise at the time written notice of the Claim is first provided to Lender regardless of whether claimant has filed suit on the Claim. The Borrower's duty to defend and indemnify Lender shall arise even if lender is the only party sued by claimant and/or claimant alleges that Lender's gross negligence or willful misconduct was the sole cause of claimant's damages.

(c) The Borrower will defend any and all Claims which may be brought or threatened against Lender and will pay on behalf of Lender any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of lender shall be in addition to any other legal remedies available to Lender and shall not be considered Lender's exclusive remedy.

8.7 Lender's Right of Possession in Case of Default. Following an Event of Default, in any case in which under the provision of this Deed of Trust, Lender has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, promptly upon demand of Lender, Borrower shall surrender to Lender and Lender shall be entitled to take actual possession of the Property or any part thereof personally, or by its agents or attorneys, as for condition broken, and Lender in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers and accounts of the Borrower or then owners of the Property relating thereto, and may exclude the Borrower, its agents or servants, wholly therefrom and may, as attorney-in-fact or agent of the Borrower, or in its own name as Lender and under the powers herein granted, hold, operate, manage and control the Property and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the rents, issues, revenues and profits of the Property.

8.8 Severability and Survival. The provisions of this ARTICLE 8 shall survive the foreclosure of the lien of this Deed of Trust and the exercise of the power of sale granted under this Deed of Trust until the expiration of all periods of redemption following any such foreclosure or sale and thereafter with respect to all Rents and Revenues arising prior to or attributable to the period prior to the expiration of all such redemption periods.

ARTICLE 9.

GROUND LEASE

9.1 Compliance with Ground Lease. Borrower will at all times fully and timely perform and comply with all of its material obligations under the Ground Lease and if Borrower shall fail to do so within 10 days after notice from Lender (or such longer period for cure as provided in the

Ground Lease), Lender may, but shall not be obligated to, take any such action, as Lender deems reasonably necessary to prevent or to cure any event of default by Borrower thereunder; Borrower hereby expressly grants to Lender, and agrees that Lender shall have the absolute and immediate right (but no obligation) to enter in and upon the Property or any part to such extent and as often as Lender, in its reasonable discretion, deems necessary in order to prevent or to cure any such default by Borrower. Borrower agrees not to suffer or incur, or permit to be suffered or incurred, any event of default under the Ground Lease.

9.2 Modification of Ground Lease. Borrower agrees not to amend or modify, or terminate or surrender, the Ground Lease without the prior written consent of Lender being first had and obtained, which consent may be given or withheld in Lender's reasonable discretion.

9.3 Notices of Default Under Ground Lease. Borrower agrees to furnish to Lender copies of any and all notices of default served on Borrower by the Landlord under the Ground Lease and such other material notices as the Landlord may serve on Borrower relating to the Ground Lease or the terms and provisions or operations by Borrower thereunder.

9.4 Evidence of Performance. Borrower shall from time to time as may be reasonably requested by Lender furnish to Lender evidence of Borrower's performance of its obligations under the Ground Lease and substantiating that the terms and provisions to be kept and performed by Borrower thereunder have been duly performed. Such evidence may be in the form of a certificate by Borrower.

9.5 Merger. In the event the fee ownership of the real property described in Exhibit A and the leasehold estate created by the Ground Lease, or any interest therein, shall be held by the same person, such interests shall not merge but such fee ownership or interest therein shall immediately become subject to the lien of this Deed of Trust, and Borrower shall execute any instruments Lender may reasonably require to that end. In the event that a merger shall for any reason be deemed or otherwise adjudicated by a court of competent jurisdiction to have occurred by virtue of the acquisition by Borrower of the fee title to the Property and any other Property covered by any Ground Lease, or otherwise, then and in such event the lien or charge of this Deed of Trust shall automatically encompass and attach to the fee title to the Property and such other Property and subject the fee title to the Property and such other Property described in the granting clauses hereof to this Deed of Trust. Borrower will not further divide or segregate into separate parcels the Property or any part without the prior written consent of Lender being first had and obtained, which consent may be given or withheld in Lender's reasonable discretion.

9.6 Bankruptcy.

(a) The Borrower shall not, without Lender's prior written consent, reject the Ground Lease or elect to treat the Ground Lease as terminated under any applicable section of the Bankruptcy Code. Any such election made without Lender's prior written consent shall be void.

(b) If pursuant to § 365(h)(2) of the Bankruptcy Code, Borrower seeks to offset against the rent reserved in the Ground Lease the amount of any damages caused by the non-performance by the Landlord of any of the Landlord's obligations under the Ground Lease after the rejection by the Landlord of the Ground Lease under the Bankruptcy Code, Borrower shall, prior to effecting such offset, notify the Lender of its intention to do so, setting forth the amounts proposed to be so offset and the basis therefor. Lender shall have the right to object to all or any part of such offset, and, in the event of such objection, Borrower shall not effect any offset of the amounts so objected to by Lender. If Lender has failed to object as aforesaid within thirty (30) business days after notice from Borrower in accordance with the first sentence of this Section 9.6(b), Borrower may proceed to effect such offset in the amounts set forth in Borrower's notice. Neither the failure of Lender to object as aforesaid nor any objection or other communication between the Lender, on one hand, and Borrower, on the other, relating to such offset shall constitute an approval of any such offset by Lender. Borrower shall, to the extent permitted by Colorado law, indemnify and save Lender harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, reasonable out-of-pocket costs and expenses of every nature whatsoever (including, without limitation, reasonable out-of-pocket attorney's fees and disbursements) arising from or relating to any such offset by Borrower against the rent reserved in the Ground Lease provided that the Borrower shall not indemnify against or have any liability for any of such matters arising as the result of the negligence or willful misconduct of the Lender. The provisions of this subsection shall not be interpreted or construed as a waiver by Borrower of any right or legal protection provided by law.

(c) Borrower shall, promptly after obtaining knowledge, give written notice of any filing by or against the Landlord of a petition under the Bankruptcy Code. Such notice shall set forth any information available to Borrower as to the date of such filing, the court in which such petition was filed, and the relief sought therein. Borrower shall promptly deliver to Lender following receipt copies of any and all material notices, summonses, pleadings, applications and other documents received by Borrower in connection with any such petition and any proceedings relating thereto.

(d) Effective upon the entry of an order for relief in respect of Borrower under the Bankruptcy Code, Borrower hereby assigns and transfers to Lender a non-exclusive right to apply to the Bankruptcy Court under § 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Ground Lease may be rejected or assumed.

(e) As long as any of the Secured Obligations remain unpaid, Borrower covenants and agrees to timely exercise all renewal options, if any, under the Ground Lease (to the extent exercisable by Borrower). If the Ground Lease requires Borrower to deliver a notice to the Landlord extending the term of the Ground Lease, and Borrower fails to timely deliver such notice, or if no such time for delivery is set forth in the Ground Lease, if Borrower fails to deliver such notice at least thirty days before the expiration of the then current term of the Ground Lease, Lender shall have, and is hereby granted, a power of attorney on behalf of Borrower to execute and deliver such extension notice, it being stipulated that such power of attorney is coupled with an interest

and irrevocable. Upon the request of Lender, Borrower shall execute any documents or instruments reasonably required by Lender or Landlord in order to confirm the existence of the power of attorney set forth in this section, including, without limitation, a separate power of attorney in recordable form with respect to the matters covered by this section.

9.7 Except to the extent of Permitted Exceptions and except as noted in Article 5 of this Deed of Trust Borrower shall not assign, transfer, mortgage, pledge or hypothecate the Ground Lease or any interest therein to any party other than Lender without first obtaining Lender's prior written consent.

ARTICLE 10. MISCELLANEOUS PROVISIONS

10.1 Time of the Essence. Time is of the essence with respect to all provisions of this Deed of Trust.

10.2 Rights and Remedies Cumulative. Lender's rights and remedies under each of the Loan Documents are cumulative of the rights and remedies available to Lender under each of the other Loan Documents and those otherwise available to Lender at law or in equity. No act of Lender shall be construed as an election to proceed under any particular provision of any Loan Document to the exclusion of any other provision in the same or any other Loan Document, or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Lender.

10.3 No Implied Waivers. Lender shall not be deemed to have waived any provision of this Deed of Trust unless such waiver is in writing and is signed by Lender. Without limiting the generality of the preceding sentence, neither Lender's acceptance of any payment with knowledge of a default by Borrower, nor any failure by Lender to exercise any remedy following a default by Borrower shall be deemed a waiver of such default, and no waiver by Lender of any particular default on the part of Borrower shall be deemed a waiver of any other default or of any similar default in the future.

10.4 No Third Party Rights. No person shall be a third party beneficiary of any provision of this Deed of Trust, except for Investor Partner with respect to notice and cure rights granted herein.. All provisions of this Deed of Trust favoring Lender are intended solely for the benefit of Lender, and no third party shall be entitled to assume or expect that Lender will or will not waive or consent to modification of any such provision in Lender's sole discretion.

10.5 Preservation of Liability and Priority. Without affecting the liability of Borrower or of any other person (except a person expressly released in writing) for payment and performance of all of the Secured Obligations, and without affecting the rights of Lender with respect to any security not expressly released in writing, and without impairing in any way the priority of this Deed of Trust over the interests of any person acquired or first evidenced by recording subsequent

to the recording hereof, Lender may, either before or after the maturity of the Note, and without notice or consent: (a) release any person liable for payment or performance of all or any part of the Secured Obligations; (b) make any agreement altering the terms of payment or performance of all or any of the Secured Obligations; (c) exercise or refrain from exercising, or waive, any right or remedy which Lender may have under any of the Loan Documents; (d) accept additional security of any kind for any of the Secured Obligations; or (e) release or otherwise deal with any real or personal property securing the Secured Obligations. Any person acquiring or recording evidence of any interest of any nature in the Property or the Collateral shall be deemed, by acquiring such interest or recording any evidence thereof, to have agreed and consented to any or all such actions by Lender.

10.6 Subordination of Lender's Rights. Lender acknowledges that Borrower has entered into and delivered or intends to enter into and deliver concurrently with the execution and delivery of the Loan Documents, (i) a Deed of Trust with Security Agreement and Fixture Filing granted by Borrower for the benefit of Horizon Bank, a Nebraska corporation ("Horizon"), securing a loan from Horizon with an approximate principal amount of \$11,400,000 (the "Horizon Loan"); (ii) a Deed of Trust with Security Agreement and Fixture Filing granted by Borrower for the benefit of the Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado ("CHFA"), securing a loan from CHFA with an approximate principal amount of \$850,000 (the "HOF Loan"); (iii) a Deed of Trust with Security Agreement and Fixture Filing granted by Borrower for the benefit of CHFA securing a loan from CHFA with an approximate principal amount of \$720,000 (the "CMF Loan"); (iv) a Deed of Trust with Security Agreement and Fixture Filing granted by Borrower for the benefit of the Colorado Department of Housing ("CDOH"), securing a loan from CDOH with an approximate principal amount of \$1,800,000 (the "CDOH Loan"); (v) a Leasehold Deed of Trust to Public Trustee, Security Agreement, Financing Statement and Fixture Filing granted by Borrower for the benefit of the Town of Crested Butte, Colorado ("Town"), securing a loan from the Town with an approximate principal amount of \$500,000 (the "Town Loan"); and (vi) a Leasehold Deed of Trust, Security Agreement, Financing Statement, Assignment of Rents and Lease, and Fixture Filing granted by Borrower for the benefit of Lender (and together with Horizon, CHFA, CDOH and Town collectively, the "Senior Lenders" and each a "Senior Lender"), securing a loan from Lender with an approximate principal amount of \$250,000 ("Lender CMF Loan", and together with the Horizon Loan, the HOF Loan, the CMF Loan, and the CDOH Loan, collectively, the "Senior Loans" and each a "Senior Loan"). Lender agrees to subordinate the lien of this Deed of Trust, the Loan, and Lender's rights under the Loan Documents to the Senior Loans and to the rights of any lender that loans funds to the Borrower to refinance the Senior Loans at their maturity. Lender shall enter into a subordination agreement with respect to any of the Senior Loans as reasonably requested. Each holder of a Senior Loan shall be deemed a third-party beneficiary of the subordination provisions provided herein and in any other related Loan Document, with full power and authority to enforce the same against the parties hereto and thereto, even though no such holder is a party hereto.

10.7 Reserved.

10.8 Subrogation of Lender. Lender shall be subrogated to the lien of any previous encumbrance discharged with funds advanced by Lender under the Loan Documents, regardless of whether such previous encumbrance has been released of record.

10.9 Notices. Any notice required or permitted to be given by Borrower or Lender under this Deed of Trust shall be in writing and will be deemed given (a) upon personal delivery or upon confirmed transmission by telecopier or similar facsimile transmission device, (b) on the first business day after receipted delivery to a courier service which guarantees next-business-day delivery, or (c) on the third business day after mailing, by registered or certified United States mail, postage prepaid, in any case to the appropriate party at its address set forth below:

If to Borrower:

TWG Crested Butte, LLLP
c/o TWG
1301 East Washington Street, Suite 100
Indianapolis, IN 46202
Attention: Louis A. Knoble

With copies to:

Winthrop & Weinstine, P.A.
225 S. 6th Stret, Suite 3500
Minneapolis, MN 55402
Attn: Jon L. Peterson, Esq.

If to Lender:

Gunnison Valley Regional Housing Authority
200 E Virginia Avenue
Gunnison, CO 81230
Attention: Andy Kadlec

With a copy to:

Faegre Drinker Biddle & Reath LLP
1144 15th Street, Suite 3400
Denver, Colorado 80202
Attention: Treasa J. Burke

If to the Investor Partner:

Red Stone Equity-Fund 103 Limited Partnership
c/o Red Stone Equity Partners, LLC
90 Park Avenue, 28th Floor
New York, NY 10016
Attention: General Counsel and President

With a copy to:

Nixon Peabody LLP
Exchange Place
53 State Street
Boston, MA 02109
Attention: Roger W. Holmes

Any person may change such person's address for notices or copies of notices by giving notice to the other party in accordance with this section.

10.10 Release and Satisfaction. Upon payment and performance in full of all the Secured Obligations and all costs of releasing this Deed of Trust, Lender will execute and deliver to Borrower such documents as may be required to release this Deed of Trust of record.

10.11 Illegality. If any provision of this Deed of Trust is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Deed of Trust, the legality, validity, and enforceability of the remaining provisions of this Deed of Trust shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Deed of Trust a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. If the rights and liens created by this Deed of Trust shall be invalid or unenforceable as to any part of the Secured Obligations, then the unsecured portion of the Secured Obligations shall be completely paid prior to the payment of the remaining and secured portion of the Secured Obligations, and all payments made on the Secured Obligations shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of the Secured Obligations.

10.12 Obligations Binding Upon Borrower's Successors. This Deed of Trust is binding upon Borrower and Borrower's successors and assigns, including all grantees and remote grantees of any interest of Borrower in the Property, and shall inure to the benefit of Lender, and its successors and assigns, and the provisions hereof shall likewise be covenants running with the land. The duties, covenants, conditions, obligations, and warranties of Borrower in this Deed of Trust shall be joint and several obligations of Borrower and Borrower's successors and assigns.

10.13 Governing Law. The laws of the State of Colorado shall govern the validity, construction, enforcement, and interpretation of this Deed of Trust, without regard to principles of conflicts of laws.

10.14 Survival. This Deed of Trust shall survive foreclosure of the liens created hereby, to the extent necessary to fulfill its purposes.

10.15 Captions. The captions and headings of various paragraphs of this Deed of Trust are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

10.16 Tax Credit Requirements. Notwithstanding any provision in Deed of Trust or other documents evidencing the Loan, the Lender acknowledges that the Loan and this Deed of Trust is subordinate to the requirements of Section 42(h)(6)(E) of the Internal Revenue Code pertaining to limitations on eviction of tenants and increases in rent for the three-year period following foreclosure.

10.17 Organizational Number. The Employer Identification Number of Borrower is 93-3278245.

10.18 Certain Consent Matters. Notwithstanding anything to the contrary contained in this Deed of Trust or the Loan Documents, no consent shall be required from the Lender if the: (i) Investor Partner removes Borrower's general partner (the "General Partner") for cause in accordance with the Partnership Agreement and replaces it with an entity related to or affiliated with the Investor Partner (the "Related Entity"); and (ii) Investor Partner transfers or assigns its interest in the Borrower to a Related Entity; provided, however, if either the replacement General Partner or transferee Investor Partner is an entity other than a Related Entity, then the consent, which shall not be unreasonably withheld or unduly delayed, of the Lender shall be required.

[Remainder of this page intentionally left blank.]

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Gunnison County, CO

IN WITNESS WHEREOF, the undersigned has signed and delivered this Deed of Trust as of the date first mentioned above.

BORROWER:

TWG Crested Butte, LLLP,
a Colorado limited liability limited partnership

By: TWG Crested Butte GP, LLC
Its: General Partner

By: TWG GP V, LLC
Its: Sole Member

By: [Signature]
Louis A. Knoble
Its Manager

STATE OF INDIANA)
) ss.
COUNTY OF MARION)

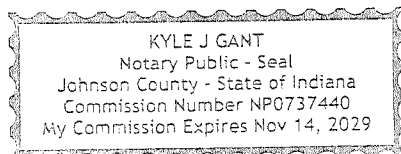
The foregoing instrument was acknowledged before me this 14th day of December, 2023, by Louis A. Knoble as the Manager of TWG GP V, LLC, an Indiana limited liability company, the sole member of TWG Crested Butte GP, LLC, a Colorado limited liability company, the general partner of TWG Crested Butte, LLLP, a Colorado limited liability limited partnership, on behalf of the limited liability limited partnership.

Witness my hand and official seal.

My commission expires: 11/14/2029

[Signature]
Notary Public

(SEAL)



Signature Page to Subordinate Loan Deed of Trust (Crested Butte Apartments)

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Gunnison County, CO

**EXHIBIT A
REAL PROPERTY**

**LOTS TP-3A, TP-5A, TP-5B AND TP-5C, SLATE RIVER SUBDIVISION, FILING NO. 2,
ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 24, 2023 UNDER
RECEPTION NO. 689491, COUNTY OF GUNNISON, STATE OF COLORADO.**

**EXHIBIT B
PERMITTED EXCEPTIONS**

1. RIGHT OF THE PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED, AND A RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES, AS RESERVED IN UNITED STATES PATENTS RECORDED NOVEMBER 30, 1885 IN BOOK 45 AT PAGE 305 AND APRIL 15, 1886 IN BOOK 45 AT PAGE 314.
2. THE EFFECT OF INCLUSION OF SUBJECT PROPERTY IN THE CRESTED BUTTE FIRE PROTECTION DISTRICT, AS EVIDENCED BY INSTRUMENTS RECORDED JANUARY 13, 1995, IN BOOK 758 AT PAGE 689 AND RECORDED JANUARY 13, 1995 IN BOOK 758 AT PAGE 694.
3. RIGHT OF WAY EASEMENT, 20 FEET IN WIDTH, AS GRANTED TO ATMOS ENERGY IN INSTRUMENT RECORDED AUGUST 29, 2005 UNDER RECEPTION NO. 557487.
4. TERMS, CONDITIONS, RESTRICTIONS AND AGREEMENTS AS CONTAINED IN ROAD RESTRICTION AGREEMENT RECORDED JULY 12, 2006 UNDER RECEPTION NO. 566803.
5. RIGHT OF WAY EASEMENT AS GRANTED TO GUNNISON COUNTY ELECTRIC ASSOCIATION, INC. IN INSTRUMENT RECORDED APRIL 26, 2007, UNDER RECEPTION NO. 574656.
6. RIGHT OF WAY EASEMENT AS GRANTED TO BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GUNNISON, COLORADO IN INSTRUMENT RECORDED APRIL 26, 2007, UNDER RECEPTION NO. 574657.
7. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN DEVELOPMENT IMPROVEMENTS AGREEMENT FOR SLATE RIVER DEVELOPMENT RECORDED AUGUST 31, 2017 UNDER RECEPTION NO. 648730.
8. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN ORDINANCE NO. 9, SERIES 2020 RECORDED SEPTEMBER 10, 2020 UNDER RECEPTION NO. 669204.
9. TERMS, CONDITIONS, PROVISIONS, BURDENS, OBLIGATIONS AND EASEMENTS AS SET FORTH AND GRANTED IN ANNEXATION AGREEMENT RECORDED SEPTEMBER 10, 2020 UNDER RECEPTION NO. 669205.
10. 20' UTILITY EASEMENT SET FORTH ON THE PLAT OF SLATE RIVER SUBDIVISION RECORDED SEPTEMBER 10, 2020 UNDER RECEPTION NO. 669207.

11. DEED RESTRICTIONS, COVENANTS, BURDENS, OBLIGATIONS, RESERVATIONS AND EASEMENTS SET FORTH IN QUITCLAIM DEED OF CONVEYANCE RECORDED SEPTEMBER 10, 2020 UNDER RECEPTION NO. 669208.

12. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN SUBDIVISION IMPROVEMENTS AGREEMENT FOR SLATE RIVER SUBDIVISION RECORDED SEPTEMBER 10, 2020 UNDER RECEPTION NO. 669209.

13. EASEMENTS, CONDITIONS, COVENANTS, RESTRICTIONS, RESERVATIONS AND NOTES ON THE PLAT OF SLATE RIVER SUBDIVISION, FILING NO. 2 RECORDED JANUARY 24, 2023 UNDER RECEPTION NO. 689491.

SURVEYOR'S AFFIDAVIT OF CORRECTION RECORDED NOVEMBER 21, 2023 UNDER RECEPTION NO. 694189.

14. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN AMENDED AND RESTATED ENVIRONMENTAL COVENANT RECORDED DECEMBER 06, 2023 UNDER RECEPTION NO. 694340.

15. LEASEHOLD DEED OF TRUST FROM BORROWER TO THE PUBLIC TRUSTEE OF GUNNISON COUNTY FOR THE USE OF HORIZON TO SECURE THE HORIZON LOAN.

16. REGULATORY AGREEMENT FOR THE BENEFIT OF CHFA (HOUSING OPPORTUNITY FUNDS).

17. LEASEHOLD DEED OF TRUST FROM BORROWER TO THE PUBLIC TRUSTEE OF GUNNISON COUNTY FOR THE USE OF CHFA TO SECURE THE HOF LOAN.

18. REGULATORY AGREEMENT FOR THE BENEFIT OF CHFA (CAPITAL MAGNET FUNDS).

19. LEASEHOLD DEED OF TRUST FROM BORROWER TO THE PUBLIC TRUSTEE OF GUNNISON COUNTY FOR THE USE OF CHFA TO SECURE THE CMF LOAN.

20. USE COVENANT AND REGULATORY AGREEMENT FOR THE BENEFIT OF CDOH.

21. LEASEHOLD DEED OF TRUST FROM BORROWER TO THE PUBLIC TRUSTEE OF GUNNISON COUNTY FOR THE USE OF CDOH TO SECURE THE CDOH LOAN.

22. LEASEHOLD DEED OF TRUST FROM BORROWER TO THE PUBLIC TRUSTEE OF GUNNISON COUNTY FOR THE USE OF THE TOWN TO SECURE THE TOWN LOAN.

23. LEASEHOLD DEED OF TRUST FROM BORROWER TO THE PUBLIC TRUSTEE OF GUNNISON COUNTY FOR THE USE OF LENDER TO SECURE THE LENDER CMF LOAN.

24. LANDLORD'S RIGHT OF FIRST OFFER AND REFUSAL AGREEMENT BY AND BETWEEN BORROWER AND TOWN.
25. MEMORANDUM OF TWG CRESTED BUTTE GP, LLC'S PURCHASE OPTION AGREEMENT.
26. SHORT FORM RIGHT OF FIRST OFFER AGREEMENT BY AND BETWEEN BORROWER AND LENDER.
27. SUBDIVISION IMPROVEMENT AGREEMENT BY AND BETWEEN BORROWER AND THE TOWN.
28. LAND USE RESTRICTION AGREEMENT FOR CHFA'S BENEFIT, AS TAX CREDIT ALLOCATION AGENCY.

PROMISSORY NOTE

\$100,000.00

December 15, 2023

FOR VALUE RECEIVED, **TWG Crested Butte, LLLP**, a Colorado limited liability limited partnership, located at c/o TWG, 1301 East Washington Street, Suite 100, Indianapolis, IN 46202 (the "Borrower"), promises to pay to the order of **GUNNISON VALLEY REGIONAL HOUSING AUTHORITY**, a Colorado public body corporate and politic, 200 E Virginia Avenue, Gunnison, CO 81230 (the "Lender"), the aggregate principal sum of ONE HUNDRED THOUSAND and 00/100 DOLLARS (\$100,000.00) (the "Loan") together with interest thereon from the date hereof until paid as follows:

The rate of interest accruing hereunder shall be a rate of zero percent (0%) per annum (the "Interest Rate").

All accrued and unpaid interest and principal shall be payable in full on the Maturity Date (as hereinafter defined). Interest hereunder shall be computed on the basis of actual days elapsed in a year of 365 days. Interest on each advance under the Note shall accrue at the Interest Rate. The aggregate principal balance, together with any unpaid accrued interest until the payment date, shall be due and payable in full on or before December 15, 2063 (the "Maturity Date").

The Borrower shall have the right of prepayment either in full or in partial payments, which right shall be without penalty.

Upon non-payment of any interest or principal as and when due under this Promissory Note, or upon default in the performance of or compliance with any of the other covenants or conditions of this Promissory Note, or subject to any applicable notice and opportunity to cure contained in the Leasehold Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents and Leases of even date herewith (the "Deed of Trust"), or the Loan Agreement of even date herewith (the "Loan Agreement"), upon non-payment of any amount under the Deed of Trust or the Loan Agreement or upon default in the performance of or compliance with any of the other covenants or conditions of the Deed of Trust or the Loan Agreement, then, or at any time thereafter during the continuance of such default, Lender may, at its option, declare the entire principal balance hereunder then unpaid, together with all accrued and unpaid interest thereon, together with any other amounts hereunder or under the Deed of Trust or the Loan Agreement to be immediately due and payable. If a default occurs hereunder and Lender gives Borrower written notice of such default, Lender shall also send a copy of such notice at the same time and in the same manner to Red Stone Equity-Fund 103 Limited Partnership and its successors and assigns ("Investor Partner"), as provided in the Deed of Trust. Upon such default, Investor Partner shall have the right, but not the obligation to cure such default for a period of thirty (30) days after the date of such notice of default; provided, however, if it is not capable of being cured within such 30 day period, so long as Investor Partner diligently pursues such cure, then Investor Partner shall have such reasonable amount of time to effectuate a cure; provided, further, such cure right shall exist until such time as Investor Partner is no longer a partner in the Borrower.

Notwithstanding anything contained in this Note, the Loan Agreement of even date herewith, the Deed of Trust, or any other loan documents related thereto (“Loan Documents”) to the contrary, no right or remedy, including the right to foreclose, granted to Lender may be exercised under or in connection with the Loan Documents except with the prior written consent of the Investor Partner, which consent may be withheld in Investor Partner’s sole and absolute discretion, (i) so long as Lender or an affiliate of Lender is a partner of Borrower under Borrower’s Amended and Restated Agreement of Limited Liability Limited Partnership, dated as of December 1, 2023 (the “Partnership Agreement”), (iii) so long as the Investor Partner or its affiliates is a partner of the Borrower, (iii) before the end of the Compliance Period (as defined in the Partnership Agreement), and (iv) even if Lender or its affiliate is no longer a partner of Borrower, with respect to any default occurring while Lender or an affiliate was partner of Borrower. The standstill restrictions shall not apply in the event Lender is required to repay any funds which are the subject of the Grant Agreement to VHF due to a default under the Grant Agreement that is not a result of any action or inaction of the Lender.

The Loan is nonrecourse except as follows. Notwithstanding any provisions of the Loan Agreement, this Note, the Deed of Trust or any other Loan Document to the contrary, neither the Borrower nor its partners shall be personally liable for payment of the indebtedness evidenced by this Note, and Lender’s sole recourse for payment of such indebtedness in the event of default shall be to pursue the security provided by the Deed of Trust and other instruments securing payment of this Note. Nothing in this section shall affect, limit or impair (i) the security provided by the Deed of Trust or any other document; (ii) the right, subject to the terms of this Note, to seek monetary judgment against the Borrower to the extent necessary to permit foreclosure of the Deed of Trust by action (except that the Borrower shall not be personally liable for payment of any such judgment to the extent that the judgment is for payment of the indebtedness evidenced by this Note and no deficiency judgment will be sought or obtained against Borrower for payment of the indebtedness evidenced by this Note); (iii) subject to the terms of this Note, the enforcement by Lender of any other legal or equitable rights or remedies or any other provision of any instrument by which this Note is secured; (iv) the right to assert the Borrower’s personal liability for payment of the indebtedness which this Note evidences as a counterclaim in any action which Borrower commences against Lender, to the extent the Borrower is awarded damages against Lender; (v) the right to hold any successors or assigns of the Borrower personally liable for payment of the indebtedness evidenced by this Note in the event the Borrower assigns its rights and obligations under the Loan Documents in violation of the provisions in the Loan Documents; or (vi) the right to assert Borrower’s personal liability in the event of any fraud, gross negligence, willful misconduct or violation of law by Borrower.

Lender agrees that it shall not assign this Note or any interest therein to a third party without the prior consent of the Borrower and its Investor Partner.

It is intended that this Note is made with reference to and shall be governed by and construed in accordance with the laws of the State of Colorado. The provisions of this Note shall be binding upon the undersigned, its heirs, executors, administrators and assigns. All of the terms, covenants, conditions, provisions, and agreements of the Loan Agreement and Deed of Trust are


made a part of this Note to the same extent, and with the same force and effect, as if they were set forth fully in this Note.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its authorized representative, all on the date and year first above written.

TWG Crested Butte, LLLP,
a Colorado limited liability limited partnership

By: TWG Crested Butte GP, LLC
Its: General Partner

By: TWG GP V, LLC
Its: Sole Member

By: 
Louis A. Knoble
Its Manager



Financial Summary as of August 31, 2025 for November 13, 2025 Board Meeting

GVRHA's current financial picture is positive, with our YTD Net Income at **1239% of budget**, equating to **\$243,408 better than budget**. This is inflated in the month of September, as all IGA payments have been received for the year and Q4 Operating Expenses and Transition Expenses will be paid from the cash on hand. See 2025 year-end cash projection at end of report.

Budget vs. Actuals_CONSOLIDATED_Budget_FY25_P&L_Report													
January 1-September 30, 2025													
Distribution account	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	Total			
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Over budget by	Percent of budget
Income													
Administrative Fee Income					1,600.00	7,500.00	4,925.00		15,700.00	\$29,725.00	\$66,568.50	-\$36,843.50	44.65%
Total for Administrative Fee Income													
Total for Community IGA Contributions	193,156.25			193,156.25			193,156.25			\$579,468.75	\$579,468.75	\$0.00	100.00%
Total for GV-HEAT Program Income	12,715.24	2,589.20	11,405.36	15,290.67	11,946.00	41,615.77	54,203.18	200.00	72,994.03	\$222,959.45	\$222,712.50	\$246.95	100.11%
Total for Ownership Program Income				1,000.00				500.00		\$1,500.00		\$1,500.00	
Total for Property Management Income	25,269.02	23,248.73	25,835.64	24,561.94	29,576.99	33,076.33	32,060.52	30,568.95	30,228.42	\$254,426.54	\$241,491.08	\$12,935.46	105.36%
Total for Program Income	38,761.55	26,242.45	37,701.75	41,343.88	42,016.21	75,298.99	86,645.92	31,521.60	103,571.17	\$483,103.52	\$464,203.58	\$18,899.94	104.07%
Total for Income	231,917.80	26,242.45	37,701.75	234,500.13	43,616.21	82,798.99	284,727.17	31,521.60	119,271.17	\$1,092,297.27	\$1,110,240.83	-\$17,943.56	98.38%
Expenses													
Total for Employee Expense	52,734.45	56,852.80	61,978.96	59,788.62	61,621.50	64,959.87	78,035.09	56,273.74	56,926.38	\$549,171.41	\$660,257.44	-\$111,086.03	83.18%
Total for Legal + Professional Fees	6,321.92	113.75	4,646.51	300.00	4,116.99	80.00	431.30	509.00	7,819.50	\$24,338.97	\$31,200.00	-\$6,861.03	78.01%
Total for Occupancy Expenses	1,101.41	978.77	581.54	933.74	905.71	2,339.96	3,465.69	3,401.16	2,832.88	\$16,540.86	\$38,470.00	-\$21,929.14	43.00%
Total for Contractors	706.00	199.75	722.70	476.25	1,452.41	311.25	350.28	401.59	346.27	\$4,966.50	\$12,957.88	-\$7,991.38	38.33%
Total for Travel + Meals	220.18	639.00	126.10	824.33	4,147.86	-105.48	151.20	75.60	113.40	\$6,192.19	\$9,525.00	-\$3,332.81	65.01%
Total for Operating Expenses	4,278.35	4,973.25	5,024.30	13,516.05	8,114.32	15,137.37	4,811.66	3,498.46	4,280.22	\$63,633.98	\$105,063.83	-\$41,429.85	60.57%
Total for GV-HEAT Program Expenses	19,004.37	10,906.50	4,607.77	12,204.96	14,194.22	13,107.20	36,179.03	25,388.94	38,328.96	\$173,921.95	\$254,325.00	-\$80,403.05	68.39%
Total for Program Expense	19,012.57	11,028.90	4,660.77	12,204.96	14,202.42	13,107.20	36,268.49	25,637.94	38,328.96	\$174,452.21	\$254,325.00	-\$79,872.79	68.59%
Total for Expenses	83,296.54	74,170.64	77,014.35	86,865.26	89,556.10	96,407.95	121,146.43	89,320.30	110,187.94	\$827,965.51	\$1,089,316.27	-\$261,350.76	76.01%
Net Operating Income	148,621.26	19,063.85	30,687.40	147,634.87	34,059.11	66,390.04	163,580.74	22,191.30	8,693.23	\$264,331.76	\$20,924.56	\$243,407.20	1,263.26%
Total for Other Income	36.45	32.93	40.57	55.85	57.71	55.87	57.74	57.75	55.91	\$450.78	\$450.00	\$0.78	100.17%
Net Income	148,657.71	19,096.78	30,727.97	147,690.72	34,116.82	66,445.91	163,638.48	22,249.05	8,749.14	\$264,782.54	\$21,374.56	\$243,407.98	1,238.77%

Income: YTD Income is **98% of budget** or **\$17,943 under**, largely a function of the Administrative Fee income under budget as a result of not hiring the Admin for GVHeat that was projected to be paid from GVHeat reserve funds and recorded as Administrative Fee Income. This variance is offset by being over budget in tProperty Management income.

Expenses: YTD Expenses are **better than budget by \$243,400** and the greatest contributing factors are as follows:

- Employee payroll and benefit expenses are **under budget by \$111,000** due to vacancy savings; reconsideration of hiring the GVHeat additional staff member, and ED vacancy This variance will continue to grow through end of year.





- Legal and professional fees are **\$6,860 under budget** due to timing of audit invoices, offset by being over budget on legal fees. Legal fees will continue to grow through year end due to unanticipated legal fees as a result of the transition.
- Occupancy expenses are **\$21,800 better than budget** due to the delayed move-in to our new space, and gross lease that includes utility expenses.
- Contractors are **\$8,000 under budget** due to hiring bilingual Office Manager.
- GVHeat Program expense is **\$48,400 under budget**, as result of timing of assessments and upgrades for the CARE and Green Deed program. Assessments and upgrades will be billed in October and November

Projected EOY Cash Position

When calculating the EOY Projected Cash Position, the following **restricted funds** are not included: GVHeat funds, Delta Loan funds, and any funds held by GVRHA (not on the balance sheet) that belong to our property management customers. **Please note this is based on EOY projections and distribution will be based on actual ending cash.**

As of 2025, we have clear records of the fee-for-service cost center of Property Management and are able to identify 1) Property Management Net Income that contributes to the total Net Income for GVRHA, 2) Property Management Fees paid per jurisdiction partner. As Property Management fees were never intended to fund GVRHA Operations, Gunnison County and Town of Crested Butte will be credited back their proportionate share of 2025 Property Management Net Income, as calculated by their Property Management Fees paid.

The following balance sheet accounts are considered **unrestricted, operating funds** and the year-end balance will be projected and calculated for distribution to our funding jurisdiction partners according to the IGA: Operations Checking (8145) and GVRHA Reserves (4223).

Calculation of Proportionate Share of Projected EOY Unrestricted Cash			
Projected EOY Unrestricted Operating Cash	\$ 628,334.55		
Minus County & CB 2025 PM Net Income	(51,798.95)		
Cash to be distributed proportionately	\$ 576,535.60		
Partner Jurisdiction	Proportionate Share minus PM Net Income	Share of 2025 PM Net Income	Total Share of Projected EOY Unrestricted Cash
Gunnison County	223,178.41	50,112.23	273,290.64
City of Gunnison	117,634.24		117,634.24
Town of CB	115,764.56	1,686.71	117,451.28
Town of Mt. CB	119,958.40		119,958.40
	\$ 576,535.60	\$ 51,798.95	\$ 628,334.55

(See supporting calculations on next page)





Projected EOY Unrestricted Operating Cash Calculation	
UNRESTRICTED CASH ACCOUNT BALANCES AS OF 9/30	
GVRHA Reserves (4223)	272,113.74
Operations Checking (8145)	308,785.58
Total 9/30 Operating Cash on Hand	\$ 580,899.32
Plus: Unrestricted Accts Receivable	35,395.39
Minus: Unrestricted Accts Payable	(12,209.61)
Plus: Unrestricted Projected Q4 Net Income	24,249.45
Projected EOY Unrestricted Operating Cash	\$ 628,334.55

Property Management Fee-For-Service			
	Property Management Fees	% of total 2025 Property Mgmt Fees	Share of 2025 PM Net Income
Total 2025 Property Management Fee Income	\$ 281,443.00		
County Property Management Fees Pd in 2025	207,970.00	73.89%	\$ 50,112.23
Town of CB Property Mgmt Fees Pd in 2025	7,000.00	2.49%	\$ 1,686.71
			\$ 51,798.95
2025 Projected Net Income for Property Mgmt	\$ 67,816.21		

IGA Contributions 2012-2025	Total \$ Contributions	% of total Contributions	Proportionate Share of Cash (minus) PM Net Income
Gunnison County	1,510,000.00	38.71%	223,178.41
City of Gunnison	795,900.00	20.40%	117,634.24
Town of CB	783,250.00	20.08%	115,764.56
Town of Mt. CG	811,625.00	20.81%	119,958.40
Total IGA Contributions	\$ 3,900,775.00	100%	\$ 576,535.60

Budget vs. Actuals_CONSOLIDATED_Budget_FY25_P&L_Report

January 1-September 30, 2025

Distribution account	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	Total				Variance Explanation
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Over budget by	Percent of budget	
Income														
Administrative Fee Income														
GV-Heat Admin Fees					1,600.00	7,500.00	4,925.00		15,700.00	29,725.00	66,568.50	-36,843.50	44.65%	GVHeat Admin not hired reimb of salary budgeted here
Total for Administrative Fee Income					1,600.00	7,500.00	4,925.00		15,700.00	\$29,725.00	\$66,568.50	-36,843.50	44.65%	
Community IGA Contributions														
City of Gunnison IGA	56,000.00			56,000.00				56,000.00		168,000.00	168,000.00	0.00	100.00%	
Gunnison County IGA	61,375.00			61,375.00				61,375.00		184,125.00	184,125.00	0.00	100.00%	
Town of Crested Butte IGA	30,500.00			30,500.00				30,500.00		91,500.00	91,500.00	0.00	100.00%	
Town of Mt Crested Butte IGA	45,281.25			45,281.25				45,281.25		135,843.75	135,843.75	0.00	100.00%	
Total for Community IGA Contributions	193,156.25			193,156.25				193,156.25		\$579,468.75	\$579,468.75	\$0.00	100.00%	
Program Income														
CDBG Program Income - Interest	777.29	404.52	460.75	491.27	493.22	606.89	382.22	252.65	348.72	4,217.53		4,217.53		
GV-HEAT Program Income														
CARE Program					10,522.00	20,156.77	14,158.00	200.00	5,327.00	50,363.77	85,447.50	-35,083.73	58.94%	CARE Program reimbursements will take place in Q4
Energy Rebate Income	723.90	2,589.20								3,313.10		3,313.10		
Energy Smart			3,000.00		1,424.00		13,395.18			17,819.18	17,115.00	704.18	104.11%	
EOC Support Grant				14,479.50		21,459.00			6,979.50	42,918.00		42,918.00		Unbudgeted support grant
Green Deed							21,400.00		53,631.00	75,031.00	84,900.00	-9,869.00	88.38%	Final reimbursement invoice will be sent in Dec
GVHeat Unrestricted Funds	1,991.34		8,405.36	811.17						11,207.87		11,207.87		Unbudgeted unrestricted support funding
Support Grants	10,000.00						5,250.00		7,056.53	22,306.53	35,250.00	-12,943.47	63.28%	Combined with EOC Support Grant - overbudget
Total for GV-HEAT Program Income	12,715.24	2,589.20	11,405.36	15,290.67	11,946.00	41,615.77	54,203.18	200.00	72,994.03	\$222,959.45	\$222,712.50	\$246.95	100.11%	
Ownership Program Income														
Qualifying Fees				1,000.00				500.00		1,500.00		1,500.00		Resale qualifying fees per DR
Total for Ownership Program Income				1,000.00				500.00		\$1,500.00		\$1,500.00		
Property Management Income														
Application Fees - PM			640.00	235.00	0.00	345.00			75.00	1,295.00		1,295.00		Unbudgeted application fees
Lease Up Fee	9,500.00									9,500.00	9,500.00	0.00	100.00%	Sawtooth leaseup fee
Maintenance Fees								-180.00		-180.00		-180.00		
Maintenance Reimbursement		4,300.00	5,926.50	5,143.75	5,186.10	5,872.50	5,146.25	4,392.00	4,421.25	40,388.35	72,439.20	-32,050.85	55.75%	Overbudgeted maint billback
Management Fee Income														
Anthracite Place Management Fee	1,512.02	1,616.40	1,936.81	1,775.82	1,525.56	1,507.50	1,562.94	1,825.62	1,560.84	14,823.51	12,745.53	2,077.98	116.30%	
Anthracite Place Salary Reimbursement	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	26,235.00	21,208.32	5,026.68	123.70%	Increased salary reimb in 2025
Elk Valley Management Fee	1,666.67	2,250.00	2,250.00	2,325.04	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	19,741.71	15,000.03	4,741.68	131.61%	Negotiated PM fee for 2025
GWSD Management Fee	360.00	360.00	360.00	360.00	360.00	360.00	360.00	360.00	360.00	3,240.00	3,240.00	0.00	100.00%	
Mountain View Management Fee	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	16,499.97	16,499.97	0.00	100.00%	
Mountain View - Salary Reimb	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	2,915.00	26,235.00	19,500.03	6,734.97	134.54%	Increased salary reimb in 2025
Redden Management Fee	615.00	615.00	615.00	615.00	615.00	615.00	615.00	615.00	615.00	5,535.00	3,150.00	2,385.00	175.71%	Underbudgeted Mgmt Fee
Ruby Management Fee	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00			7,000.00	7,200.00	-200.00	97.22%	
Sawtooth II Management Fee					5,533.00	8,019.00	8,019.00	8,019.00	8,019.00	37,609.00	34,440.00	3,169.00	109.20%	Negotiated PM fee for 2025
Sawtooth I Management Fee	2,952.00	5,444.00	5,444.00	5,444.00	5,444.00	5,444.00	5,444.00	5,444.00	5,444.00	46,504.00	26,568.00	19,936.00	175.04%	Negotiated PM fee for 2025
Total for Management Fee Income	15,769.02	18,948.73	19,269.14	19,183.19	24,390.89	26,858.83	26,914.27	26,176.95	25,912.17	\$203,423.19	\$159,551.88	\$43,871.31	127.50%	Increased salary reimb in 2025 & Renegotiated PM Fee
Total for Property Management Income	25,269.02	23,248.73	25,835.64	24,561.94	29,576.99	33,076.33	32,060.52	30,568.95	30,228.42	\$254,426.54	\$241,491.08	\$12,935.46	105.36%	
Total for Program Income	38,761.55	26,242.45	37,701.75	41,343.88	42,016.21	75,298.99	86,645.92	31,521.60	103,571.17	\$483,103.52	\$464,203.58	\$18,899.94	104.07%	
Total for Income	231,917.80	26,242.45	37,701.75	234,500.13	43,616.21	82,798.99	284,727.17	31,521.60	119,271.17	\$1,092,297.27	\$1,110,240.83	-\$17,943.56	98.38%	Increased fees offset by unrealized maint reimb
Expenses														
Continuing Education + Training	79.47		2,432.56	340.11	80.00	264.00		2,624.23	1,800.00	7,620.37	22,150.00	-14,529.63	34.40%	
Employee Benefit Expense	8,963.76	9,201.80	9,449.01	9,862.65	9,858.85	9,868.21	10,521.13	7,538.37	7,091.17	82,384.95	91,503.34	-9,118.39	90.03%	Vacancy Savings
Salary Payroll Tax Expense	3,119.31	3,249.25	3,406.96	3,393.12	3,524.59	3,695.61	4,749.57	2,794.98	2,826.75	30,760.14	52,066.32	-21,306.18	59.08%	Vacancy Savings
Salary Payroll Wage Expense	39,787.23	43,677.27	46,051.42	45,750.58	47,844.88	50,230.05	61,918.39	38,148.16	38,622.66	412,030.64	489,646.87	-77,616.23	84.15%	Vacancy Savings
Staffing Expenses	784.68	336.48	251.01	93.16	313.18		846.00	5,168.00	5,684.80	13,477.31	750.00	12,727.31	1,736.97%	Pmt to Gunnison County for Interim ED Hours
Workers Comp Insurance		388.00	388.00	319.00		902.00			901.00	2,898.00	4,140.90	-1,242.90	69.98%	Vacancy Savings
Total for Employee Expense	52,734.45	56,852.80	61,978.96	59,788.62	61,621.50	64,959.87	78,035.09	56,273.74	56,926.38	\$549,171.41	\$660,257.44	-\$111,086.03	83.18%	

Budget vs. Actuals_CONSOLIDATED_Budget_FY25_P&L_Report

January 1-September 30, 2025

Distribution account	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	Total				Variance Explanation
Bookkeeping + Accounting	1,099.11	113.75	310.00	300.00	80.00	80.00	175.00	255.00		2,412.86	16,500.00	-14,087.14	14.62%	Audit Fees invoice not received
Legal Fees	4,772.81		4,336.51		4,036.99		254.00	254.00	7,819.50	21,473.81	14,700.00	6,773.81	146.08%	Legal fees for transition
Professional Services + Consultants	450.00						2.30			452.30		452.30		
Total for Legal + Professional Fees	6,321.92	113.75	4,646.51	300.00	4,116.99	80.00	431.30	509.00	7,819.50	\$24,338.97	\$31,200.00	-\$6,861.03	78.01%	
Internet + Telephone	412.66	414.85	242.34	421.12	421.12	242.32	421.07	421.16	212.88	3,209.52	4,950.00	-1,740.48	64.84%	Budgeted for phone in new office but gross lease
Jailhouse Rent	360.00	360.00	360.00	360.00	360.00	360.00	360.00	360.00		2,880.00	3,420.00	-540.00	84.21%	Budgeted increase but did not renew lease
Office Rent						1,833.93	2,620.00	2,620.00	2,620.00	9,693.93	27,000.00	-17,306.07	35.90%	Delayed occupancy
Utility Expense	328.75	203.92	-20.80	152.62	124.59	-96.29	64.62			757.41	3,100.00	-2,342.59	24.43%	Budgeted for utilities in new office but gross lease
Total for Occupancy Expenses	1,101.41	978.77	581.54	933.74	905.71	2,339.96	3,465.69	3,401.16	2,832.88	\$16,540.86	\$38,470.00	-\$21,929.14	43.00%	Delayed occupancy of new office
Copier Lease + Services	199.75	199.75		472.05	349.91	307.05	346.08	397.39	342.07	2,813.80	4,500.00	-1,686.20	62.53%	
Translation Services	416.25		-372.00	4.20	1,102.50	4.20	4.20	4.20	4.20	1,167.75	6,657.88	-5,490.13	17.54%	Hired bilingual office manager
Website Expense	90.00		894.95							984.95	1,800.00	-815.05	54.72%	Did not utilize many website services
Total for Contractors	706.00	199.75	722.70	476.25	1,452.41	311.25	350.28	401.59	346.27	\$4,966.50	\$12,957.88	-\$7,991.38	38.33%	
Total for Travel + Meals	220.18	639.00	126.10	824.33	4,147.86	-105.48	151.20	75.60	113.40	\$6,192.19	\$9,525.00	-\$3,332.81	65.01%	
Total for Operating Expenses	4,278.35	4,973.25	5,024.30	13,516.05	8,114.32	15,137.37	4,811.66	3,498.46	4,280.22	\$63,633.98	\$105,063.83	-\$41,429.85	60.57%	
GV-HEAT Advertising & Marketing	8,000.00		100.00	630.30			1,000.00	250.00	31.50	10,011.80	7,500.00	2,511.80	133.49%	
GV-HEAT Assessments	1,712.00	3,450.00	1,380.00	1,250.00	3,962.00	5,534.70	4,351.55	4,656.00	1,836.00	28,132.25	36,187.50	-8,055.25	77.74%	More assessments in Q4
GV-HEAT Education & Training	750.00	2,430.96	368.20	1,428.35	5,305.10	121.80	773.98	2,449.81	3,084.70	16,712.90	14,887.50	1,825.40	112.26%	
GV-HEAT Energy Retrofits + Upgrades	5,952.37	5,025.54	2,007.00	7,242.08	3,095.99	5,244.30	20,106.00	15,819.58	23,190.81	87,683.67	146,250.00	-58,566.33	59.95%	Larger retrofits in Oct / Nov pd in Nov/Dec
GV-HEAT Food & Beverages			96.00	717.88	534.34		30.62	28.30	954.66	2,361.80	2,250.00	111.80	104.97%	
GV-HEAT Professional Services	2,590.00				517.50		4,919.12		1,080.00	9,106.62	18,750.00	-9,643.38	48.57%	Timing
GV-HEAT Rebate Expense						2,206.40	4,997.76		7,479.36	14,683.52	22,500.00	-7,816.48	65.26%	Timing
GV-HEAT Supplies & Materials			656.57	936.35	779.29			2,185.25	671.93	5,229.39	6,000.00	-770.61	87.16%	
Total for GV-HEAT Program Expenses	19,004.37	10,906.50	4,607.77	12,204.96	14,194.22	13,107.20	36,179.03	25,388.94	38,328.96	\$173,921.95	\$254,325.00	-\$80,403.05	68.39%	Largely timing
Total for Program Expense	19,012.57	11,028.90	4,660.77	12,204.96	14,202.42	13,107.20	36,268.49	25,637.94	38,328.96	\$174,452.21	\$254,325.00	-\$79,872.79	68.59%	
Total for Expenses	83,296.54	74,170.64	77,014.35	86,865.26	89,556.10	96,407.95	121,146.43	89,320.30	110,187.94	\$827,965.51	\$1,089,316.27	-\$261,350.76	76.01%	
Net Operating Income	148,621.26	-47,928.19	-39,312.60	147,634.87	-45,939.89	-13,608.96	163,580.74	-57,798.70	9,083.23	\$264,331.76	\$20,924.56	\$243,407.20	1,263.26%	
Interest Earned	36.45	32.93	40.57	55.85	57.71	55.87	57.74	57.75	55.91	450.78	450.00	0.78	100.17%	
Total for Other Income	36.45	32.93	40.57	55.85	57.71	55.87	57.74	57.75	55.91	\$450.78	\$450.00	\$0.78	100.17%	
Other Expenses														
Net Other Income	36.45	32.93	40.57	55.85	57.71	55.87	57.74	57.75	55.91	\$450.78	\$450.00	\$0.78	100.17%	
Net Income	148,657.71	-47,895.26	-39,272.03	147,690.72	-45,882.18	-13,553.09	163,638.48	-57,740.95	9,139.14	\$264,782.54	\$21,374.56	\$243,407.98	1,238.77%	

Balance Sheet

GVRHA

As of September 30, 2025

Distribution account	Total		
	As of September 30, 2025	As of August 31, 2025 (PP)	Change (PP)
Assets			
Current Assets			
Bank Accounts			
GV Heat Checking (1691)	133,685.52	166,749.45	-33,063.93
GVRHA Reserves (4223)	272,113.74	272,057.83	55.91
Operations Checking (8145)	308,785.58	345,440.08	-36,654.50
Rehab Loan Checking (1681)	654,852.26	645,823.28	9,028.98
Total for Bank Accounts	\$1,369,437.10	\$1,430,070.64	-\$60,633.54
Accounts Receivable			
Accounts Receivable	132,932.14	56,982.19	75,949.95
Total for Accounts Receivable	\$132,932.14	\$56,982.19	\$75,949.95
Other Current Assets			
Cash Held for Others (PM) Asset	105,838.65	105,838.65	0.00
Prepaid Expenses	4,985.92	5,714.52	-728.60
Undeposited Funds	4,271.25	0.00	4,271.25
Total for Other Current Assets	\$115,095.82	\$111,553.17	\$3,542.65
Total for Current Assets	\$1,617,465.06	\$1,598,606.00	\$18,859.06
Fixed Assets			
Accumulated Depreciation	-16,323.00	-16,323.00	0.00
Vehicles GMC Truck	16,323.00	16,323.00	0.00
Total for Fixed Assets	\$0.00	\$0.00	\$0.00
Other Assets			
APA Dev't Fee Agreement Note Receivable (Due June 30, 2030)			
Interest Receivable Developement Fee Agreement (9.00%)	117,497.30	117,497.30	0.00
Principle Balance Development Fee Agreement	163,190.00	163,190.00	0.00
2030)	\$280,687.30	\$280,687.30	\$0.00
APA LLC Investment	100.00	100.00	0.00
APA LLC Note Receivable (Due July 1, 2047)			
Interest Receivable APA LLC (8.50%)	843,610.00	843,610.00	0.00
Principle Balance APA LLC	1,030,600.00	1,030,600.00	0.00
Total for APA LLC Note Receivable (Due July 1, 2047)	\$1,874,210.00	\$1,874,210.00	\$0.00
CDBG Revolving Loan Program (Delta)			
CDBG Allowance for Doubtful Accounts	-123,934.03	-123,934.03	0.00
CDBG Revolving Loan Receivable	766,951.04	768,592.77	-1,641.73
Total for CDBG Revolving Loan Program (Delta)	\$643,017.01	\$644,658.74	-\$1,641.73
Gardenwalk Notes Receivable			
Gardenwalk - Note Receivable (Due August 31, 2049)			
Interest Receivable Gardenwalk (2.21%)	47,359.76	47,359.76	0.00
Principle Balance Gardenwalk	450,000.00	450,000.00	0.00
Total for Gardenwalk - Note Receivable (Due August 31, 2049)	\$497,359.76	\$497,359.76	\$0.00
RHG LP - Note Receivable (Due August 31, 2036)			
Interest Receivable RHG LP (2.21%)	11,981.79	11,981.79	0.00
Principle Balance RHG LP	100,000.00	100,000.00	0.00
Total for RHG LP - Note Receivable (Due August 31, 2036)	\$111,981.79	\$111,981.79	\$0.00
Total for Gardenwalk Notes Receivable	\$609,341.55	\$609,341.55	\$0.00

MCGC LLC Investment	100.00	100.00	0.00
Mineral Point Notes Receivable			
Mineral Point Note Receivable \$100k (Due Dec 15, 2063, 0% Interest)	100,000.00	100,000.00	0.00
Mineral Point Note Receivable \$250k (Due Dec 15, 2063, 0% Interest)	250,000.00	250,000.00	0.00
Mineral Point Notes Receivable (Allowance)	-350,000.00	-350,000.00	0.00
Total for Mineral Point Notes Receivable	\$0.00	\$0.00	\$0.00
Total for Other Assets	\$3,407,455.86	\$3,409,097.59	-\$1,641.73
Total for Assets	\$5,024,920.92	\$5,007,703.59	\$17,217.33
Liabilities and Equity			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	22,756.23	11,494.35	11,261.88
Total for Accounts Payable	\$22,756.23	\$11,494.35	\$11,261.88
Credit Cards			
Total for Credit Cards	\$5,628.06	\$8,811.75	-\$3,183.69
Other Current Liabilities			
Cash Held for Others (PM) Liability	105,508.65	105,508.65	0.00
Deferred Revenue	45,281.25	45,281.25	0.00
Total for Deferred Revenue - GV-HEAT	\$155,884.88	\$155,884.88	\$0.00
Accrued Vacation & Sick Leave	15,765.26	15,765.26	0.00
Total for Payroll Liabilities	\$15,765.26	\$15,765.26	\$0.00
Total for Other Current Liabilities	\$322,440.04	\$322,440.04	\$0.00
Total for Current Liabilities	\$350,824.33	\$342,746.14	\$8,078.19
Long-term Liabilities			
Total for Liabilities	\$350,824.33	\$342,746.14	\$8,078.19
Equity			
Board Designated for Emergencies	15,000.00	15,000.00	0.00
Opening Balance Equity	2,885.30	2,885.30	0.00
Unrestricted Net Assets	4,391,428.75	4,391,428.75	0.00
Net Income	264,782.54	255,643.40	9,139.14
Total for Equity	\$4,674,096.59	\$4,664,957.45	\$9,139.14
Total for Liabilities and Equity	\$5,024,920.92	\$5,007,703.59	\$17,217.33

A/R Aging Summary Report

GVRHA

As of September 30, 2025

Customer	CURREN T	1 - 30	31 - 60	61 - 90	91 AND OVER	Total
Apa, LLC	495.00					495.00
Cari Anderson	129.14					129.14
City of Gunnison (C)			10,000.00			10,000.00
Crested Butte, Town of	61,231.00	1,579.50		30,500.00		93,310.50
Energy Outreach Colorado	20,406.50					20,406.50
Mt. Crested Butte		6,221.50	2,369.50			8,591.00
TOTAL	82,261.64	7,801.00	12,369.50	30,500.00		\$132,932.14

Accrual Basis Tuesday, November 11, 2025 03:11 PM GMTZ

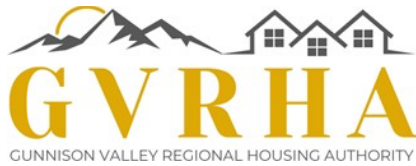
A/P Aging Summary Report

GVRHA

As of September 30, 2025

Vendor	CURREN T	1 - 30	31 - 60	61 - 90	91 AND OVER	Total
Brown Bear Plumbing, LLC	135.00					135.00
Fullmer's ACE Hardware	46.98					46.98
Gesa Michel	294.00					294.00
Gunnison Country Times	174.00					174.00
Gunnison County Finance	10,852.80		646.00			11,498.80
High Elevation	22.50					22.50
High Mountain Water	180.00					180.00
Insuseal Inc	1,400.00					1,400.00
Little Foot Building	7,185.00					7,185.00
Ruiz, Christina	113.40					113.40
Sawatch Home Efficiency LLC	811.00					811.00
Sinnay Cleaning Specialist	880.00					880.00
The Paper Clip	15.55					15.55
TOTAL	22,110.23		646.00			\$22,756.23

Accrual Basis Tuesday, November 11, 2025 03:10 PM GMTZ



*Housing the Gunnison
Valley*



Property Management Report November 2025 – Final Report
Prepared by Barb Carroll

Department overview

First, I want to offer a very hearty THANK YOU to the GVRHA Board for your time and support in improving GVRHA and the programs and information we provide to the public. I am excited to continue the work under the new format and anticipate we will continue to improve the manner in which we provide services to the public and our valued partners.

I am so proud of the work that has been done in the property management department since my start in Spring of 2023. A few key areas we have greatly improved are as follows:

- Knowledgeably answering questions from the public about available housing, applications and qualification criteria, in a timely manner, in English and Spanish as needed, and with a friendly attitude.
- Accurate tracking of Security Deposits, rents due per tenant, and past due delinquencies by utilizing AppFolio.
- Reduced the completion time for work orders from multiple weeks to a few days and created a tracking system for open work orders, creating a measurable metric for performance on maintenance orders.
- Implemented an annual inspection schedule for LIHTC and HUD properties with success. For example, at Anthracite we conducted a full building inspection, identified 42 unreported maintenance issues in 25 of 30 units. All orders were completed within two weeks of the inspection.
- Improved overall customer service by keeping regular open office hours and responding to email inquiries within two business days.
- Added a bi-lingual team member to assist the previously underserved Spanish speaking community members and develop a more genuine relationship with Spanish speaking tenants increasing maintenance reporting and overall enjoyment of their homes.
- Established waitlist procedure for Anthracite and Workforce Housing and communication channels for applicants with annual updates to the wait lists.
- Improved financial reporting to property partners with accurate accounting of receivables and payables, and delivering the reports, and income, to the partners in a timely manner.

Looking ahead there are still areas of improvement including:

- Updating the website to be more user friendly, contain accurate and current housing information, and to be a valuable resource for the public and the Housing Authority team.
- Create additional housing units with public or private partners – the need for additional senior housing is top priority based on metrics collected by GVRHA and the Housing Needs Assessment.

We will continue to do the good housing work and remain a resource for you, now and in the future.

Thank you,

Barb Carroll, Christina Ruiz and Alex Schlegel

GVRHA Property Management Team



Ownership Program Report

November 2025

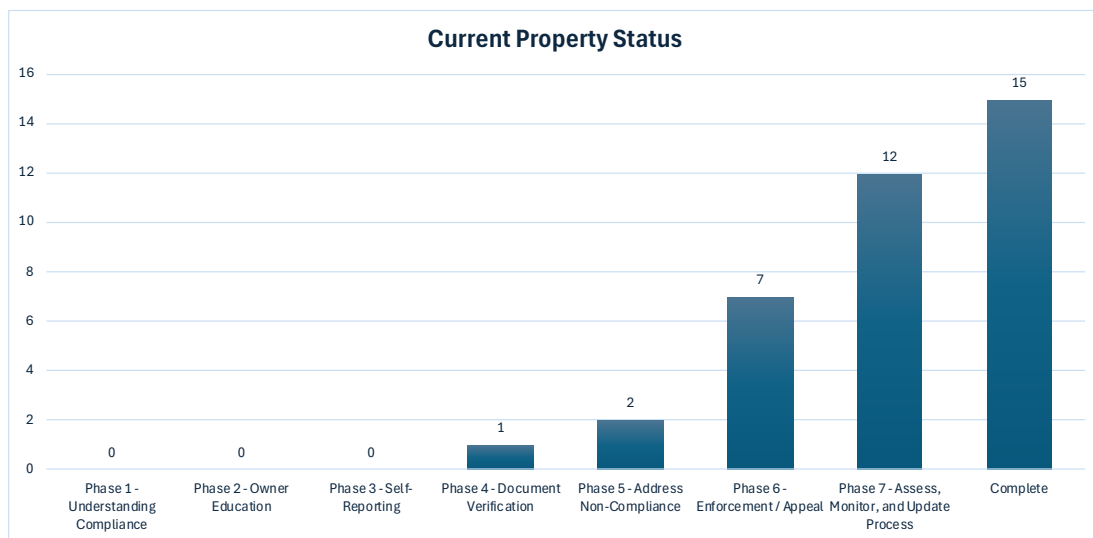
Prepared by Skyler Matthias (11/5/25)

Program Updates

2025 Progress Dashboard		
Non-Compliance Discovered	Compliance Letter's sent	Homeowners Connected With During Compliance Review
20	37	34
# of Properties Under Review	Average Response Rate Time (Days)	Cured Non-Compliance
37	18.38	12
Average Days to Completing Compliance	Current Properties that are Non-Compliant	Forced Resales / Resold during Compliance Process
47.84	8	5

We have 37 properties that we are actively moving through the 7 phases outlined below.

- Phase 1: Understanding Compliance
- Phase 2: Owner Education
- Phase 3: Self-Reporting
- Phase 4: Document Verification
- Phase 5: Address Non-Compliance
- Phase 6: Enforcement/Appeal
- Phase 7: Assess, Monitor, and Update Process





Compliance Updates – 2025 Year-End Summary

As we close out 2025 and prepare for the transition to the County, our focus has been on finalizing compliance efforts and tying up any remaining cases. This year brought both challenges and significant progress in maintaining the integrity of our deed-restricted housing program.

- *5 properties entered resale as a direct result of the compliance process—creating new opportunities for affordable homeownership in the Valley.*
- 65 compliance letters were sent to homeowners across all jurisdictions, along with many phone calls and multiple in-person meetings to reach the deed-restricted homeowners.
- Of the 20 households found non-compliant during the compliance process, 12 have since come into compliance, these include those that decided to sell. 8 are still outstanding with ongoing compliance concerns to be addressed.
- Pitchfork (Mt. Crested Butte): Several homeowners moved to enforcement for failure to provide documentation or respond to compliance efforts. One case identified additional violations during enforcement, resulting in a second Notice of Violation. Another homeowner has retained legal counsel and is actively moving through enforcement. One property continues to be non-responsive to communication from both Town and the GVRHA.
- Crested Butte: One homeowners is actively moving through enforcement with the Town. One case involves a rental lease and we are still determining next steps with our legal counsel. An additional Notice of Violation was sent on November 5th, 2025.
- Paintbrush: Remains out of compliance but we are actively working with management toward resolution.

Communication and Homeowner Behavior Trends

- Throughout this process, I monitored the homeowner's response to the experience. With the preface that this is a subjective determination, the following were the categories for which I placed the responses from the homeowners:
 - Collaborative (56%) – This means they were engaged in the process and were willing to provide documentation necessary to verify compliance, despite the time it took to verify or the outcome of the compliance efforts.



- Questioning (14%) – Had initial questions or worried about the process broadly but ultimately cooperated with our efforts.
- Combative (14%) – Actively engaged with us to share their frustration with the process.
- Unresponsive (17%) – Did not engage with us during the process.
- Collaborative homeowners consistently achieved compliance within 20–35 days. Unresponsive or combative communication correlated with prolonged cases requiring multiple letters and, in some cases, legal escalation. A small subset of cases involved legal representation or appeals, which added complexity but also helped clarify due process and strengthen procedural consistency.

Staff Capacity and Tier Analysis

Similar to the homeowner behavior trends, I categorized each home into a five-tier system, reflecting the level of engagement, follow-up, and coordination required by staff. This framework provides a clearer picture of workload distribution and helps forecast staffing needs for future compliance efforts. (Note: One property recently had an NOV sent and is not represented in this data.)

Tier Overview

- **Tier 1** – Low Impact - 11 properties (28% of total) - Homeowners were collaborative, provided documentation promptly, and required minimal follow-up. Estimated staff time: ~1–2 hours per case – Involved only Compliance Officer.
- **Tier 2** – Moderate Impact - 5 properties (13% of total) - Required additional reminders or in-person assistance reviewing documents, extending total staff time. Estimated staff time: ~2–4 hours per case – Involved only Compliance Officer.
- **Tier 3** – Elevated Impact - 7 properties (18% of total) – Unresponsive, questioning homeowners or had additional layers of complexity to their property; required multiple letters or coordination with jurisdictions. Estimated staff time: ~4-10 hours per case – Involved Compliance Officer, Executive Director, and maybe the GVRHA attorney or Town staff.
- **Tier 4** – High Impact - 5 properties (13% of total) - Advanced to enforcement or required multiple Notices of Violation and legal review. Estimated staff time: ~10-15 hours per case - Involved Compliance Officer, Executive Director, and the GVRHA attorney and/or jurisdiction staff and attorney.



- **Tier 5 – Critical Impact** - 8 properties (21% of total) - Required appeal hearings, attorney coordination, or judicial escalation; extremely time-consuming. Estimated staff time: 20+ hours per case - Involved Compliance Officer, Executive Director, and the GVRHA attorney or jurisdiction staff and attorney, as well as maybe went on to an appeal hearing which involved some or all of the GVRHA board.

Workload Distribution and Impact

- **Tiers 1–2 (Low–Moderate Impact):** Represent 41% of total cases, typically resolved within a few weeks and requiring minimal oversight. These cases form the baseline of efficient compliance management.
- **Tiers 3–5 (High–Critical Impact):** Account for 59% of total cases and consume the majority of staff time and administrative energy due to repeated follow-ups, documentation verification, legal involvement, and jurisdictional coordination.

Capacity Insights

- **Staff Bandwidth:** A single staff member can manage many Tier 1–2 cases per quarter, but significantly fewer Tier 3–5 cases without administrative or legal support.
- **Legal Coordination:** Roughly one in five properties required attorney review or appeal facilitation, underscoring the ongoing need for dedicated legal capacity or budget allocation for external counsel.

Takeaways for the Board

- While the program's compliance process has improved consistency and outcomes, staffing a deed-restricted housing compliance program needs many more considerations around staff capacity. Ensuring adequate administrative and legal capacity will be critical to maintaining timely resolutions, upholding program integrity, and sustaining homeowner confidence.
- **Engagement Is Key:** Empathetic communication yields the best outcomes and reinforces the community values behind these programs. Many homeowners, once they talked with the GVRHA staff on the phone or met with the Compliance Officer in-person, were able to come into compliance and make sense of the actions the GVRHA were taking to verify compliance.



Property Resales

Resale Progress Dashboard		
Resales Completed	Year to Date listed/sold/pending	Average Amount Change from Listing Price to Sale Price
10	18	\$ (5,343.24)
Average Number of Applicants per Property	Average Number of Offers per Property	Average Time from Listing to Closing
4.47	1.36	64.00

Since February 2025:

- 110 Pitchfork Dr., Unit B, Mt. Crested Butte – SOLD
- 100 Ouray Ln, Unit E, Gunnison – SOLD
- 512 Red Lady Ave, Crested Butte – SOLD
- 110 Pitchfork Dr., Unit A, Mt. Crested Butte – SOLD
- 20 Marcellina Ln., Unit 105, Mt. Crested Butte – SOLD
- 25 Elk Valley Rd. #202, Crested Butte, CO – SOLD
- 20 Marcellina Ln., Unit 109, Mt. Crested Butte, CO – SOLD
- 112 Pitchfork Dr., Unit A, Mt. Crested Butte, CO – SOLD
- 100 Ouray Ln., Unit C, Gunnison, CO – SOLD
- 25 Elk Valley Rd., Unit 101, Crested Butte, CO – SOLD
- 100 Ouray Ln., Unit D, Gunnison, CO - SOLD
- UNDER CONTRACT: 105 Ouray Ln., Unit E, Gunnison, CO
- UNDER CONTRACT: 705 Butte Ave., Unit B, Crested Butte, CO
- FOR SALE: 106 Pitchfork Dr., Mt. Crested Butte, CO
- FOR SALE: 103 Horseshoe Dr., Mt. Crested Butte, CO
- Pending: 828 Gothic Ave., Crested Butte, CO
- Pending: 816 Gothic Ave., Crested Butte, CO
- Pending: 16 Ninth St., Crested Butte, CO



September and October 2025 Report

Prepared by Gesa Michel

CARE – Colorado Affordable Residential Energy

A state-run program assisting income-eligible households with free home energy assessments and eligible upgrades to improve a home's comfort, safety, and efficiency. Households are eligible when they are at 80% Area Median Income (AMI) income or less. The goal was to serve 30 valley homes in 2025.

Completed through October

- | | |
|------------------------------|----|
| • CARE Applications Approved | 25 |
| • CARE Assessments Completed | 21 |
| • CARE Homes Retrofitted | 20 |

GreenDeed program

The Town of Crested Butte and the Town of Mt. Crested Butte engage in a GV-HEAT partnership for an energy assessment, report, and upgrades to deed-restricted homes within town limits up to \$5,000/per home. In 2025 we aim to serve up to 18 homes in CB and up to 15 homes in Mt.CB.

Completed through October

Crested Butte

Mt. Crested Butte

- | | | |
|--------------------------------------|----|-----|
| • Assessments Completed | 8 | 13 |
| • Homes Retrofitted | 7 | 5 |
| • Phase II Rebate Requests (CB only) | 11 | n/a |

Energy Smart Colorado (ESC)

Energy Smart Colorado is partnering with GV-HEAT as a resource hub. In 2025 ESC energy assessments for all incomes are valued at \$500/home. Through GCEA/Tri-State/ESC and through Gunnison City Electric/ESC, GV-HEAT offers a \$450 discount with a homeowner co-pay of \$50.

Completed through October

GCEA/Tri-State

Gunnison Electric

Assessments Completed

12

9



Outreach & Education in September and October

- Attended the Energy Smart Colorado Partner Summit in Avon, Colorado, with some amazing networking opportunities (9/3/25).
- Hosted our Third Roundtable Conversation as part of Equitable Access Day during the Welcoming Week to facilitate Spanish conversation with past CARE participants and 20 interested participants. The conversation was lively and engaged, after we served authentic Colombian and Mexican food. (9/17/25).
- Tabled and provided GV-HEAT information at Food Pantry as part of Equitable Access Day. Provided an induction stove top for a raffle (9/17/25).
- Tabled and provided GV-HEAT information during Bill McKibben's literary talk 'Here Comes The Sun' at the Center for the Arts (10/8/25).
- Set up and advertised for a free hand-on Heat Pump Training by Blue Sky Training for HVAC contractors at a private location that had a heat pump installed. 4 HVAC contractors were in attendance. This training was funded and co-organized by Tri-State Generation and Transmission and Gunnison County Electric Association (GCEA) (10/20/25).